

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

Index to Television Digest, 1960: Volume 16

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Directories

Annual AM-FM Directory of Jan. 1; with weekly Addenda reporting current FCC decisions, applications, etc. Listings of all AM-FM stations by states and frequencies, all applications by states and frequencies, call letter lists, etc. (Includes other North American stations.)

Semi-Annual TV Factbooks (Spring-Summer, No. 30, and Fall-Winter, No. 31) with weekly Addenda reporting current FCC grants, applications, new stations on air, etc.

Special Supplements

Hollywood's Candidates for Next Season's Programs. A list of new pilots, ready or in the making, compiled by our Hollywood Bureau. (Vol. 16:5).

Investing in Applied Science. A report based on a St. Louis speech by George Edgar, Research Dept., Carl M. Loeb, Rhoades & Co. A new approach to investments in the electronics industry. (Vol. 16:7).

Television Stations in Operation. A log of U.S. & Canadian stations on the air or due to be operating by Spring of 1960. (Vol. 16:10).

FCC Public Notice on 'Sponsorship Identification of Broadcast Material.' Full text of FCC interpretation of Section 317 of Communications Act. (Vol. 16:14).

Financial Data on Television-Electronic Companies. Statistical summaries of reports of leading public-owned companies. Prepared by Greenebaum & Associates, financial consultants in electronics. (Vol. 16:18).

Television Households by States & Countries. ARB survey-based estimates as of January 1, 1960. (Vol. 16:25).

Report and Statement of Policy on Programming Inquiry. Full text of FCC's Public Notice 60-970. (Vol. 16:31).

Special Reports

Strike Situation at a Glance. Charts. (Vol. 16:6 p13; 16 p12; 14 p15; 22 p11).

Government & Industry Action on Television. A chart. (Vol. 16:7 p5).

FCC Recommendations on Station Sales & Network Regulation. (Vol. 16:21 p6).

FCC TV Station Income and Expenditures for 1959. (Vol. 16:36 p3).

Chronology of 1960's Major Television Events. (Vol. 16:52 p14)

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

SUMMARY-INDEX OF WEEK'S NEWS

FORECAST 1960: Good business and "reform" highlight our annual forecasts for telecasting industry (p. 1). Another record year is predicted for home electronics (p. 17).

FCC

PROGRAM PROBE RESUMES, with finale expected end of month. Some industry witnesses due this week (p. 6).

FCC FUNCTIONS DEBATED at speech & theater teachers' convention, where Sen. Proxmire denounces FCC (p. 6).

Advertising

FTC STRIKES AGAIN in anti-payola drive, issuing 11 more complaints citing 14 record firms for illegal payoffs (p. 7).

Networks

NBC'S STATION-SWAP MOVES continue as network prepares to trade its Philadelphia o&o's (p. 9).

NET TV GAINS IN OCT.: National ad volume rose 13% in Oct. over Oct. 1958, reflecting net TV gains of 12% from a year ago, 11% for year to date, 5% over Sept. (p. 10).

Finance

RCA NEVER SOLD MORE: 29% 1959-over-1958 profit increase and 17% sales jump to record high is reported by Sarnoff (p. 22).

Manufacturing & Distribution

HOME ELECTRONICS IN '60: Gains seen on all fronts—retail sales of 6.1 million TVs, 10% increase in phono sales, 10 million domestic home radios. Imports to rise (p. 17).

WINTER TV MARTS to feature added 23-in. sets by most manufacturers. Admiral introduces 23-in. TV at \$199.95. Revived Capehart and Sonora lines will be shown (p. 19).

Auxiliary Services

SKIATRON ACCUSED by SEC of concealing \$3-million deficit in Matty Fox's pay-TV operations (p. 12).

Film & Tape

THERMOPLASTIC RECORDING, developed by GE, intrigues TV & movie industries as well as Wall Street. TV engineers warn process still seems far off, won't replace tape (pp. 5 & 13).

Other Departments

PROGRAMMING (p. 8). **STATIONS** (p. 11). **FOREIGN** (p. 12). **PERSONALS** (p. 16). **CONGRESS** (p. 16). **ETV** (p. 24).

TV IN 1960—'REFORM' & GOOD BUSINESS: Despite hell (Congress) & high water (competing media), the telecasting industry is headed for another record business year—its 14th in a row. This fact stands out in our staff's forecasts for 1960, gleaned from long personal familiarity with and observation of the broadcast scene, and from discussions with industry leaders.

The fury of official & unofficial criticism will continue, but severe repressive measures are unlikely as the industry gives strong indications that it is achieving its goals of correcting program & commercial excesses through its own internal upgrading program. Here, topic by topic, is what we see in telecasting's crystal ball, 1960 model:

Congress: New records for number of broadcasting bills introduced and old TV-radio regulatory proposals revived probably will be set by 2nd (or post-quiz) session of 86th Congress which convenes this week. There'll be few more popular subjects for law-drafting, floor speech-making and Congressional Record viewing-with-alarm than TV & radio evils uncovered by House Commerce Legislative Oversight subcommittee. Always-vociferous demands for reform of industry by tightening and/or broadening Federal Communications & Trade Commission Acts will be heard louder & clearer on Capitol Hill. Congressional climate will be bad for broadcasters. Whether this session will set record for legislative action is something else again. Anything could happen, from subjecting networks to direct FCC controls to outlawing of program deceptions. But working for broadcasters against enactment of punitive legislation will be steps taken by FCC, FTC and NAB—and 2 big factors on Hill: (1) Elections. Race for adjournment in time for July political conventions will be on from start of session, in which much business will be left undone. (2) Oversight subcommittee itself. It builds headline momentum for legislation, but has won reputation for not finishing what it starts. If payola

hearings explore even part of field surveyed by subcommittee staff, proceedings will run far into session, leaving little time for any actual floor work on any new laws.

Federal Communications Commission: FCC's stepped-up surveillance of industry will first take form of sharper rebukes to stations guilty of clear-cut violations of law & Commission rules—for example, false ownership reports to FCC. In programming, the move will be slower. It will come in shape of brisk questions directed to operators whose performance bears least resemblance to promises they've made on paper to Commission. Death penalty of license revocation won't be imposed for programming malfeasance, but some licensees will sweat before year is over. Commission's close watch over licensees will cover whole range of its jurisdiction, particularly in areas spotlighted by Congress—such as trafficking in licenses, as criticized by Harris subcommittee last year.

Commissioners will spend so much time on Capitol Hill that they'll joke wryly about installing a shuttle bus. They'll be grilled about quiz-rigging, payola, programming, allocations, boosters & CATV—and other issues certain to emerge. They'll spend a lot of time interpreting new political broadcasting law. Republican Comr. Robert E. Lee is almost certain to be renominated, and his chances of confirmation by Senate are excellent.

Federal Trade Commission: FTC's TV-radio advertising monitoring unit (set up with 3 staffers in 1956 with paltry appropriation of \$100,000) still is so tiny that it doesn't rate listing in agency's official table of organization. As direct result of 1959 broadcasting scandals, that condition—along with importance of FTC itself—is due for change—which could be ominous for industry. If anything at FTC is sure for 1960:

(1) It will get more money—and maybe tough new legislation—from Congress.

(2) TV-radio looking-&-listening post, already doubled in staff size, will be expanded further.

(3) FCC, FTC, Justice Dept., Food & Drug Administration, National Bureau of Standards will work together (as they often haven't in past) to help police fraud & fakery.

(4) Under clean-up-or-else threats, FTC will induce trade organizations—especially those related to broadcasting—to carry on real self-regulating crusades.

(5) Chmn. Earl W. Kintner, a staunchly Republican free-enterpriser, will make new history for FTC as guardian of public against advertising & merchandising gyps. For broadcasters, one effect of all this may be that FTC will come to rival FCC as alphabetical symbol of govt.

NAB & Industry Codes: Paradoxically, broadcasting's time of trouble & disrepute probably will bring year of resurgent strength & prestige to NAB. If for no other reason, common adversity in TV & radio will bring broadcasters together in common fronts as never before. In TV, some of NAB membership holdouts (small-market vhs, obscure uhfs, go-it-alone independents) may continue refusals to take out cards in industry's club. But as a business necessity, subscribing to TV Code more & more will become a must for non-members as well as NAB card-carriers. In radio, rush by station loners to sign up with NAB—and thereby become eligible for Code subscription—will set roster record.

And TV & radio Codes (regarded by some subscribers in past as collections of pious platitudes which could be ignored safely) will take on new & real meanings for stations & public alike. As never before, right to display Code seals of good practices will become tangible assets for stations. There will be tougher NAB supervision of subscribers' behavior, too. In fear of offending dues-payers, NAB may have been too timid about crackdowns in past. Before 1960 is out, situation may be reversed. Fast-buck operators will begin to think twice about offending NAB (let alone viewers & listeners) before putting questionable stuff on air.

Stations' Financial Health: Unless economic portents for 1960 are wrong, TV will continue onward & upward this year—in terms of broadcast revenues (see below), at least. And radio, whose profit-&-loss graphs waver uncertainly, should have relatively steady year; 1959 was better than 1958 and further improvement by 3% this year wouldn't be surprising.

Network Business: Billing growth will continue, but at slower rate, since networks are moving toward a plateau in nighttime business. According to one (NBC-TV) management study, overall hike in gross time billings & network-controlled program sales probably won't be more than 5-6% in 1960, as compared with

8% last year. Heavy concentration will be made on daytime sales by ABC-TV, with its participation strips, and NBC-TV, with its planned daytime specials. Some exploration of the magazine concept of TV networking (apart from network-owned participation properties) will be done, particularly by CBS-TV which is discussing such a move with FCC. Networks will also continue their diversification trend with overseas investments, non-TV production, licensing deals.

Advertisers & Agencies: TV's rebuilt image should attract a record amount of ad dollars in 1960. TvB predicts a 10% increase in TV revenues (net time & talent) this year with network billings reaching \$846 million, an increase of 8% over 1959 (more optimistic than NBC's 5-6% guesstimate) and national & regional spot billings hitting \$520 million, a 12% jump. Local spot TV advertising will total \$322 million, up 15% over 1959, says TvB. TV's share of all advertising will rise to 15% (over 14% last year). (Consultant Richard P. Doherty's prognosis total is not very different from TvB's, but he holds TV's share of the total ad dollar in 1960 at the same 14% that was achieved in 1959. He predicts that 1959's final tote from all classes & types of sponsors will be \$1,505 million. He also forecasts that '60 will see a new all-time high for all ad spending—up 10.8% to \$11.9 billion.)

Advertisers will be more concerned with "image programming," such as news specials, and put less emphasis on drive for ratings, ANA officials told us. Agencies forecast higher proportions of their incomes will come from fees, research & marketing consultation, to offset dwindling profit margins from the 15% agency commissions which must cover higher-salaried TV creative staffs.

Allocations: FCC & OCDM will come up with a report stating that no vhf channels can be spared for TV by the military—or that they can be spared only if Congress gives the military hundreds of millions of dollars and a decade to shift to uhf. Congress won't give it the money. Net result will be that FCC will conclude it must make do with present 12 vhf channels and keep trying to utilize uhf. This will produce several vhf drop-ins for major cities via mileage cuts & other technical changes—but no wholesale or drastic moves. At same time, Commission will again look to uhf, perhaps actually proposing a long-range shift of all or part of TV to uhf; but this would be only a proposal.

New 1960 TV Outlets: Our prediction of 20 new stations for 1959 was conservative—24 made the grade. This year we're saying not more than 25 will get on the air—and are fairly confident figure won't go above that mark. At least 5 of 1960 starters will be educational non-commercial outlets. Our prediction for 1958 was "not as many as 40" and 36 got on the air. The 1947 prediction was 40—which turned out to be right on the nose. Our estimates are based on number of CP holders who actually have equipment on hand or who have signed network affiliation. Total CPs outstanding now number 182, but 127 of these are for uhf construction. In Canada, 7 stations began operation in 1959. Slightly more could start in 1960 as there are 7 licenses outstanding for stations which haven't begun operating as yet. However, Canadian picture could change rapidly if BBG authorizes 2nd stations in the large metropolitan areas there (Vol. 15:31, 43).

Network Programming: 1960 will bring the firmer creative control by networks that everyone expects, following the trend that began in the wake of the quiz scandals. But don't expect a major program revolution. Mid-season & summer replacements and even most new shows next fall will still be entertainment packages, and network-purchased film shows will have familiar formats. Scheduled for an increase, however, are prestige information & public-affairs shows on all 3 networks. ABC-TV, although still building its night-time schedules around telefilms, will make serious efforts to step up its roster of live & tape specials—a field in which NBC-TV will continue to lead, followed by CBS-TV.

Internal program regulation will grow, not lessen, at network level. Networks, producers, clients & agencies will face some stress & strain in learning to live with new rules for program & commercial honesty, but most networks expect self-policing to be operating smoothly by mid-summer. Networks won't back away from their new rules, but some changes may be necessary to create situations that are workable for all.

TV Film: Look for the powerful TV-film industry to gain even more production momentum this year, despite its so-so achievements in quality during 1959. Although there will probably be a record number of cancellations in the spring, most, of not all, will be replaced by new filmed entries, as in past. Growing steadily, industry will probably hit \$155 million in film production this year, up \$15 million from 1959. \$15 million.

There will be fewer Westerns, less violence, more family series and a resurgence of comedy—even in dramatic shows. Producers will also look for offbeat (but not uncommercial) series, musicals and musical dramas. Odds are for reduced production of 60-min. series because of undistinguished records of most such new shows last year. Producers, despite their reluctance to invest in pilots, will again find this the best way to sell a show, particularly since most series sold via presentations last year did not make good.

The independents will continue to dominate TV film, with Revue an odds-on favorite to retain its No. 1 rank, and Screen Gems will lead the majors. Networks' TV-film subsidiaries will increase production, but won't approach the volume of the top independents. There will be considerable turnover among executive personnel at the telefilm companies, come the spring show-casualty season.

TV guilds will get part of the higher residuals & minimums they seek. Some major film studios may go out of production but remain in the business by financing & releasing independents' pictures. They will thus be able to sell their post-1948s without fear of guild reprisals. Universal-International probably will be the first to sell.

There will be more concentration on vehicles than stars, as a result of disappointing series premieres by June Allyson, Joel McCrea, Keenan Wynn, Dennis O'Keefe, Betty Hutton. Tape will make little progress toward infiltrating the TV film industry this year. The movie & TV-film industries will finally reach agreement on establishment of a registration bureau to avoid title conflicts.

Syndication: Limited growth of domestic syndication market is seen by most large syndicators for 1960. Network expansion into marginal early-evening & late-night time slots and network logjam in 2-station & 1-station markets will continue to keep sales field tight. There'll be some advance in number of syndicated comedies & documentaries launched (paralleling network trends) but most new syndicated shows will be tailored to familiar action-adventure formulas. Overseas film syndication will grow noticeably in terms of percentage sales gain over 1959, but still won't amount to more than 25% of the domestic market value. Daytime TV market, particularly in stripped reruns of comedy shows, will be expanded by syndicators at station level. Features will again be in short supply with no early end in sight to the wrangling between Hollywood majors & talent guilds on TV residual formulas for release of post-1948 movies.

Educational TV: ETV will continue to grow. At least 5 (possibly more) new educational stations certainly will be on air before 1960 is out, bringing total to 50 or more (vs. 35 at end of 1958). It will be year of ETV's most ambitious ventures, too: \$7-million "Stratovision" experiment in midwest, launching of \$20-million electronic campus project centered at Princeton. Increasing blue-chip financial support for ETV stations will come from corporate foundations in addition to Ford Foundation, whose multi-million dollar outlays will continue. And there's good chance that House Commerce Committee will remove blocks from final Congressional passage of twice-pigeonholed bill by Sen. Magnuson (D-Wash.) for \$51 million in grants to states for ETV facilities. Senate-approved measure may be revised in House to require states to match federal funds, but ETV advocates who have pleaded for years for federal help won't argue about that.

Boosters & Community Antennas: FCC's proposed vhf booster (translator) rules will become final with little change, and booster operators will be given plenty of time to conform. Western station and CATV operators will finally call off their debilitating feud when the latter agree to keep from duplicating programs carried by stations in their communities. Pending CATV-regulation bills will then be shelved or drastically watered down—and most pending litigation will be called off or settled through compromise. CATV systems won't increase greatly in numbers, but customers-per-system will show steady but unspectacular growth. It will be a record year for system sales & swaps because CATV systems are running out of depreciation; if they buy or swap they get a new lease on depreciation—and a fine tax break. TelePrompter will become a name to reckon with as it buys more systems.

Closed-Circuit TV: More diversification in closed-circuitcasting—including regularly scheduled medical seminars, heavy usage in 1960 political campaigns & growing number of permanent TV installations in ad agencies for commercial experimentation—will be seen in 1960. But real backbone of the closed-circuit business will still be business-&sales meetings, with production budgets being steadily increased. Overall billings in industry should hit \$12 million this year, up 30% from 1959. TNT Telesessions & TelePrompter both expect to go over the \$3-million mark in 1960. Most closed-circuit firms plan to increase their creative & service staffs this year to meet demands of non-broadcast TV customers for everything-under-one-roof facilities.

That's how 1960 looks to us—and we think it will balance out to a good year for telecasting industry, both in terms of business & improved product quality. Telecasting's "circulation managers"—the receiver manufacturers—also are gearing up for a good year, and our detailed forecasts for TV, radio & stereo manufacturing & distribution lead off this week's Trade Report, beginning on p. 17.

SIZE-UP OF THERMOPLASTIC RECORDING: Publication of a year-old technical paper on a new method of visual recording last week apparently panicked some Wall Street investors even more than it intrigued TV & movie industry topkicks.

System of thermoplastic recording, based on principle of Swiss Eidophor projection TV, is described in Dec. issue of the Journal of Applied Physics by GE Research Labs scientist W. E. Glenn. Publication of the paper apparently scooped GE's own press dept.—which has scheduled a news conference on the subject Jan. 12, and GE officials have been instructed to make no comment until then.

Story was broken to the public by N.Y. Times, which printed long article based on Glenn's paper Dec. 24. Wall Street reaction was immediate. Ampex stock dropped 11¼ points same day, 7 more Dec. 28, next day of trading, recovering 4 points Dec. 29 to close at 108½, was unchanged Dec. 30. GE rose 3¼ Dec. 24, then lost a point in dull market Dec. 28, climbed 1½ Dec. 29, another 2½ to close at 98½ Dec. 30.

What is thermoplastic recording (or TPR, as GE has labeled it)? What are its advantages & disadvantages? Does it pose a threat to present methods of electronic recording of TV pictures? We asked a number of leading industry engineers (non-GE) who have been familiar with the work, and present here the synthesis of their size-ups:

TPR system uses Eidophor principles to store color or monochrome images on re-usable film. Pickup is done by electronic camera—the paper doesn't specify whether conventional TV camera could be used. Electron beam is sprayed across special 3-layer plastic film. Beam deposits pattern of negative electrical charges on the tape. An RF heating unit "develops" the electron pattern into a series of ridges & valleys, which can be projected into an optical picture using special equipment working on principle of Eidophor projection unit. For TV, it can be picked up by specially equipped camera or flying-spot scanner. Where Eidophor produces a projectable TV picture from electronically-produced ripples on a liquid surface, the TPR system records & reproduces by means of more permanent ripples produced on a film surface—leading one industry engineer to term it "a sort of Eidophor storage battery." (For summary of Glenn paper, see p. 13.)

Like video tape, thermoplastic film can be played back virtually immediately and can be erased & used again. Advantages over video tape: It has almost same flexibility as film for editing, special effects, projection, trick effects. It may be more compact than video-tape equipment. Like film, same thermoplastic recordings may be shown on TV systems using any set of standards (British, U.S., European, etc.).

Biggest disadvantage as compared with video tape: Thermoplastic playback is an optical process—like film—and in transferring the picture from its optical form (by projection or scanning), there is probability of introducing same picture degradation as in the case of film. With magnetic TV-tape recording, however, live-quality image is theoretically possible, and, as is demonstrated every day, practically attainable.

Another disadvantage—at least momentarily: TPR is still a lab device, presumably on a breadboard layout. Clue to how many years off it is may come from GE next week. GE announcement of Jan. 12 news conference mentions only that system will be "described" (not demonstrated).

Industry comment on system was largely cautious. CBS-TV affiliate relations & engineering vp William Lodge pointed out that development of a working TPR will take a long time and that the network is not taking any stand on the idea one way or the other. ABC engineering vp Frank Marx took similar attitude, pointing out also that the recorder is still in the future & yet to be proved.

Two actively concerned companies were heard from: GE vp-research dir. C. G. Suits expressed belief that "this discovery may eventually rank in importance with the original invention of photography, the phonograph and magnetic recording."

Ampex Pres. George I. Long Jr. said the same principle "has been under study by Ampex research labs for the past several years." It was described, he said, in an Ampex technical bulletin last Sept. If this or any other new recording process becomes practical, he added, "we believe their major application will be as an adjunct to existing magnetic recording techniques rather than as a replacement [and] we are confident Ampex will be among the first companies to offer equipment" for any practical new process.

The FCC

PROGRAM PROBE RESUMES: Some industry spokesmen will get their licks in this week as FCC's programming inquiry resumes Jan. 5. But biggest guns—networks & NAB—are due at the windup starting Jan. 25. The hearings will run this week & next, then take a week's breather while FCC counsel Ashbrook Bryant & James Tierney bone up for the big finale. They hope the hearing will end this month or early in Feb.

This week's witnesses: Jan. 5—Prof. Eric Goldman, Princeton U.; producer-playwright Rod Serling; Assn. of National Advertisers, spokesman still unidentified. Jan. 7—Morris Novik, broadcast consultant; Advertising Federation of America, witness not named; Herman D. Kenin, pres., American Federation of Musicians; Burton Lane, pres., American Guild of Authors & Composers; Philip Cortney, pres., Coty Inc. Jan. 8—Marianne B. Campbell, gen. mgr., radio WJEH, Gallipolis, O.; Tom Chauncey, pres., KOOL-TV Phoenix; Howard B. Hayes, vp, radio WPIK Alexandria, Va.; Cecil Woodland, gen. mgr., radio WEJL Scranton.

NAB is going all out, meanwhile, preparing its case. Constitutional lawyer Whitney North Seymour plans to confer with NAB officials in Washington this week, and NAB's special 12-man task force meets Jan. 11. Seymour, a member of the Simpson, Thacher & Bartlett firm, is not only president-elect of American Bar Assn. but also chmn. of ABA's bar-media committee on Canon 35. (The Canon prohibits the use of cameras & microphones at court trials.) Reached in Hanover, N.H., where he was vacationing, he said he had no observations on the constitutional questions involved, that "I've just begun really to work on the thing."

* * *

"Nationwide expression of indignation" over quiz & payola scandals "is such that broadcasting—and TV in particular—must mend certain of its ways if it is to regain some lost respect & confidence," FCC Chmn. Doerfer warned last week. In a year-end statement on FCC's 25th year, he added: "Whether this can be done by moves to strengthen self-regulation without new & compelling legislation remains to be seen." Doerfer also noted that "many voices are demanding a halt to some broadcast 'commercials' which, if not actually illegal, are unethical or in bad taste and are a disservice to the public." After reviewing Commission work in 1959, Doerfer's report concluded: "Never before in its quarter century has so much of the Commission's time been diverted from the normal administrative process by happenings which require priority attention." Among them: Court actions requiring "new & additional time-consuming procedures" and Congressional activity entailing "an unprecedented number" of appearances at hearings, comments on proposed legislation, special studies, etc. He called again for enactment by Congress of FCC-proposed measures to simplify & reduce FCC's housekeeping chores.

"Economic injury" question in Auburn, N.Y. has been slated for hearing by the FCC Comrs. Lee & Cross dissenting. Local radio outlet WMBO had objected to the grant of WAUB on the grounds that the city couldn't support 2 stations. The Commission then told WMBO to file a renewal application so that the body may determine who shall have the only station in town—if WMBO proves that the community can't support 2.

FCC FUNCTIONS DEBATED: Sen. Proxmire (D-Wis.), who has been trying for 2 years to write an FCC "ripper" bill, enlivened an otherwise polite panel discussion at a Washington convention of educators last week by demanding a tough Commission crackdown on TV & radio programming.

What's needed now is a "substantial, drastic revision" of regulations governing the broadcasting industry—perhaps by substituting an administrator-&-court system for FCC, Proxmire said. But at the same time, he added, FCC already has "the power & authority" to force stations to improve programs.

He drew heated retorts from fellow-panelist FCC Chmn. Doerfer at the speech & theater convention of 4 organizations—the Speech Assn. of America, American Educational Theater Assn., National Society for the Study of Communications and National University Extension Assn. And other participants in the session on "The FCC's Role in Broadcasting" gave Proxmire little support.

Once FCC starts regulating programming, Doerfer said, "you go down a road [of censorship] from which there is no turning and no end." And in a ringing mixed metaphor, Doerfer cautioned his audience: "Don't get on the bandwagon that is going to pull the roof down over your heads."

And as for attacks on FCC itself by such critics as Proxmire, who had cited a *N.Y. Times* story quoting unnamed lawyers in protests against FCC procedures, Doerfer said: "Any anonymous charge against the FCC isn't worth the paper it's written on. The whole scandal about FCC is mostly in the minds of those who are afraid to stand up & be counted."

Congressman Backs Doerfer

Rep. Avery (R-Kan.), a House Commerce communications subcommittee member, sided with Doerfer. He said it's up to Congress to provide help to FCC ("guidelines, yes; censorship, no") if tighter program regulation is needed. "The most convenient place to place blame" for faults, Avery said, always is FCC instead of Congress, adding: "If we give the TV industry time to grow up, it will be able to regulate itself."

Dr. David R. Mackey of Boston U. challenged Proxmire's "meat axe" approach to FCC problems. He also asked why the industry "has not stood up a little more for its rights" to have more definite conduct guides in the Communications Act. Now the industry is subjected to Congressional "pressures" instead of clear-cut rules, Mackey said.

Dr. Walter B. Emery of Michigan State U., former legal asst. to ex-FCC Chmn. Paul Walker, suggested it would be a good idea if Congress amended anti-censorship Sec. 326 of the Communications Act to permit FCC rule-making on program standards.

In an earlier session at the speech & theater convention, delegates heard discussions of TV's role in politics. Both Republican campaign dir. Robert Humphreys & Democratic information dir. Samuel Brightman agreed that use of hard-sell advertising gimmicks on the air won't work in this Presidential election year. The public no longer will buy canned political presentations, they said.

"Educational TV & majority taste" was discussed by Prof. William Bluem of Ohio Wesleyan U. in a panel on "persuading the TV producer to give us the kind of programs we want." He said that the big trouble with much educational programming is that it's "boring." ETV needs more entertainment, Bluem argued.

"Televising of Nudes" might not be good public-service programming, acting FCC gen. counsel Edgar H. Holtz and his staff soberly advised the Court of Appeals in N.Y. last week. Filing a friend-of-the-court memorandum in the govt.'s appeal from a District Court ruling (that unexpurgated *Lady Chatterley's Lover* is mailable, not obscene), the FCC attorneys asked the higher court to "avoid any holding that might be construed" as applying to broadcasting as well as book publishing. "The tolerance by the community of sexual frankness on the broadcast media is obviously less than that which is acceptable in books," the brief said. "Radio & TV programs enter the home and are readily available not only to the average normal adult but also to children and to the emotionally immature or disturbed." Citing First Amendment protection given in an earlier court decision to a nudist magazine, the memorandum said "the televising of nudes might well raise a serious question of programming contrary to the public interest under the Communications Act" & criminal law governing indecency on the air. "Similarly," it stated, "regardless of whether the '4 letter words' & sexual descriptions set forth in *Lady Chatterley's Lover* (when considered in the context of the whole book) make the book obscene for mailability purposes, the utterance of such sexual activity over radio or TV would raise similar public interest and [criminal code] questions."

Deletion of Ch. 6 New Bedford (Providence) has been proposed by FCC but the way seems to be clearing for the Commission to keep it there through several developments: (1) Coast Guard, which had told FCC it wouldn't object to a TV site beyond 3 miles from its Loran station on Martha's Vineyard, presumably approves the new site proposed by applicant WNBH 6 months ago—because it hasn't objected. (2) Co-channel WCSH-TV Portland, Me. has filed an application to move to a site which would enable the New Bedford station to meet FCC's mileage rules. Assn. of Maximum Service Telecasters stands ready to withdraw its objection to the New Bedford assignment if WCSH-TV's application is granted. Grant of the WCSH-TV move awaits airspace approval; FCC processing is complete. (3) The 4 New Bedford applicants are ready to merge, and it's expected that WNBH will be the surviving applicant—the other 3 getting a percentage of the grant or being paid for their expenses. (4) ABC has told FCC that it favors the Ch. 6 assignment which would give it a full-time affiliate in the Providence area.

CP for Ch. 10 Helena, Mont. has been granted to Helena TV Inc., operator of CATV system there. Feuding with KXLJ-TV (Ch. 12) Helena, the grantee had told the FCC it would build a station if KXLJ-TV went off the air. KXLJ-TV had previously informed the Commission that it would have to go dark if the CATV were permitted to microwave signals from Spokane stations. The microwave was authorized, KXLJ-TV shut down, Helena TV applied. The microwave authorization was then suspended by FCC following a court order—KXLJ-TV has resumed operation.

Low-power vhf translator rules proposed by FCC (Vol. 15:49 p4) were endorsed quickly by KMSO-TV Missoula, Mont., even though comments aren't due until Jan. 11. The station asserted that "many small settlements located in the canyons of Western Montana . . . can only be served by the use of vhf translator stations. In fact, there are 2 populated canyons located within the city limits of Missoula that cannot be adequately served by KMSO-TV."

Increase from 110 to 316 kw. was sought by WABC-TV N.Y. in a petition for a waiver of FCC rules.

Advertising

FTC STRIKES AGAIN: In the second phase of its swift drive against payola on TV & radio, FTC last week issued 11 more complaints charging 14 record manufacturers & distributors with making under-table payments to disc jockeys in violation of fair-competition rules of the Federal Trade Commission Act.

The new FTC clean-up campaign—launched last month with filing of payola charges against 9 firms, including RCA, which promptly agreed to stop payola practices it didn't admit (Vol. 15:51 p6)—still has a long way to go, Commission sources indicated.

With a total of 23 companies now cited, FTC staffers were digging through a mass of reports & rumors involving many other outfits in widespread pay-off customs in broadcasting. Nobody at FTC would say just how many more formal complaints might be issued, but at least 30 additional cases were reported in process of preparation.

"There are matters on payola at all stages in the Commission in substantial numbers," said FTC Chmn. Earl W. Kintner.

In the latest actions announced Jan. 2, FTC accused 5 record manufacturing companies & their top officers of complicity in giving unnamed disc jockeys payola:

Fury Records Inc., 271 W. 125th St., N.Y., Pres. Morgan Robinson & secy.-treas. Clarence L. Lewis.

Laurie Records Inc. (with Abel Productions Inc.), 1755 Broadway, N.Y., Pres. Allan Sussel, vp Gene Schwartz, treas. Robert Schwartz and secy. Eliot Greenberg.

Class Record Sales, 3617 W. Pico Blvd., Los Angeles, Pres. Leon Rene.

Roulette Records Inc., 659 10th Ave., N.Y., Pres. Morris Levy, treas. Morris Gurlek, vp Philip Kohl and exec. vp-secy. Joseph L. Kolsky.

Atlantic Recording Corp., 157 W. 57th St., N.Y., Pres. Ahmet M. Ertegun, vp Nesuhi Ertegun, vp Miriam Bienstock, vp Gerald Wexler and secy.-treas. Vahdi Sabit.

5 Distributors Accused

Five individual record-distributing firms and 4 companies which are affiliated were similarly charged by FTC: Duke Record Inc., 2809 Erastus St., Houston, Pres. Don D. Robey.

Marnel Distributing Co. Inc., 1622 Fairmount Ave., Philadelphia, Pres. Nelson Verbit.

Lesco Distributors, 71 S. 21st St., Philadelphia, operated by Edward S. Cohn.

Main Line Distributors Inc., 1510 Fairmount Ave., Philadelphia, Pres. Haskel Golder & Barry Golder.

Action Records Inc., 452 46th St., N.Y., Pres. Louis Klayman, treas. Morris Price and secy. Herbert Cohen.

Cosnat Distributing Corp. & Jay-Gee Record Co. Inc., 315 W. 47th St., N.Y.; Cosnat Distributing Corp. of Cleveland, 1233 W. 9th St., Cleveland; Cosnat Distributing Detroit Corp., 3727 Woodward Ave., Detroit. (The FTC identified Jay-Gee as a manufacturer, the other firms as distributors, and cited these officers: Jerry & Elliot Blaine, connected with all 4 companies; Charles Gray of Cosnat Distributing Detroit, and Bennett Blaine of Jay-Gee.)

Names of disc jockeys allegedly involved in the payoffs were withheld by FTC, since they weren't charged with any violations in the agency's jurisdiction. But lists of the jockeys were made available to FCC for use in connection with its station-questionnaire investigation of payola practices (Vol. 15:49 p1), in which first replies are due Jan. 4. In announcing its 2nd batch of complaints, FTC said:

"The disc jockeys conceal the fact that they are receiving payoffs for broadcasting the songs and misinform listeners that these records are selected strictly on their merits or public popularity.

"This deception . . . tends to mislead purchasers into buying the 'exposed' records which they might not otherwise have purchased. And also to advance these recordings in popularity polls, which in turn tends to increase their sales substantially.

"These payoffs are unfair methods of competition forbidden by the FTC Act because they have the capacity to suppress competition and to divert trade unfairly from the respondents' competitors."

The 'Best' Campaigns: Seven admen were given a chance to pick what they considered to be the best TV campaigns of the year last week by *N.Y. Journal-American* ad news editor Doris Willens. Result—there were as many "bests" as there were selectors:

Al Ward, copy chief, BBDO: "Sanka—strong, consistent, always an attention-getter."

Rollo Hunter, TV-radio vp, EWRR: "Timex—forthright, daring. You're convinced the watch is indestructible."

James J. McCaffrey, sr. vp, Ogilvy, Benson & Mather: "Alpine's commercials . . . because they don't shout, and because they contain a touch of whimsy, succeed in getting across the point."

Herman Davis, vp for art, DCS&S: "Duncan Hines—everytime I see this commercial I want to eat my TV set."

Stuart Ludlum, TV-radio dir., Kudner: "Lestoil—no question about the success of this job, because it was strong enough to make other manufacturers introduce competing products."

J. Clarke Mattimore, dir. sales development div., K&E: "Kraft's color commercials are very exciting. The food is beautifully & temptingly presented—showing Kraft's long experience in commercial TV."

W. S. Chesley, exec. committee chmn., KHCC&A: "Procter & Gamble's Mr. Clean . . . because of the combination of animation & live action . . . thoroughly effective demonstration technique."

TV's ad value will not be undermined by the current probes, believe an "overwhelming majority" of TV-radio ad agencies which were surveyed by (Dec. 28) *Broadcasting*. Prevailing opinion is that the medium's ordeal will produce an immediate improvement in ad copy & programming, a long-range gain in overall effectiveness & value. Other findings: Clients are becoming more selective in program choices; most of the agencies, "for the record," support advertiser interest in programming; agencies are stepping up supervision of commercials, exercising more care in hewing to taste & believability.

Advertising Federation of America will hold its 2nd annual midwinter conference Feb. 25 in Washington's Statler-Hilton Hotel, where the theme of sessions will be "Advertising Freedoms & Advertising's Dynamic Role in the 1960s." Top govt. speakers will include FTC Chmn. Earl W. Kintner.

Ad People: Allen F. Flouton & Jack P. Rees elected Compton exec. vps . . . Roland H. Cramer, ex-BBDO, named Lennen & Newell vp . . . Guy B. Mercer named vp & plans board member, Needham, Louis & Brorby . . . Carl Spielvogel, *N.Y. Times* ad news columnist, named McCann-Erickson corporate PR dir.

Programming

Magazine-Concept Explorations: ABC-TV has no intention of following CBS-TV's lead in exploring with a few major agencies the idea of a weekly night of network time set aside for magazine-concept programming. So we were told by ABC officials when queried concerning reports that ABC might join CBS in a trial run.

"We've discussed several new sales plans for the 1960 season," an ABC vp admitted, "and several are loosely based on magazine-concept TV advertising. In fact, we have a total of 8 hour-long shows in prime time now that are, essentially, sold in participation segments. But we aren't planning to adopt a CBS-type pattern, and we have no intention of following the British system."

ABC-TV's plan, we're told privately, involves a network adaptation of a rotating-sponsorship formula long familiar in the spot TV field ("orbit plan," "checkerboard plan," etc.). A series of several (possibly as many as 5) telefilm shows would become part of a sales plan in which the shows would receive prime-time exposure, between 7:30 & 11 p.m., and participations would be sold on a no-fixed-position basis. Sponsors would rotate around the various shows, buying strictly on an audience-reached basis with no creative control. Since ABC-TV's prime-time slots are now almost entirely committed, the start of such a plan will have to wait until Oct. 1960. Meanwhile, ABC will "explore agency-advertiser interest in the idea."

CBS-TV's plan, which has never officially been announced but is common talk around large N.Y. agencies, is one of several ("as many as 40," we were told recently by one CBS contact) plans for the 1960 season under discussion at that network. It's said to be based on the creation of a 3-hour midweek segment in prime time, to be filled with a mixture of entertainment & public-affairs shows in which advertisers would buy magazine-type "inserts" on a rotating basis—a system that's somewhere between existing full-sponsorship programming & Britain's pattern.

Preliminary reaction of major ad agencies to these plans has been varied. BBDO exec. vp for creative services Robert L. Foreman, speaking at a Dec. 21 American Mktg. Assn. workshop, said agencies & advertisers were "far from sold" on the idea of magazine-style TV.

And while networks discussed the possibility of magazine-concept operation, editor-in-chief John Fischer of *Harper's* poked some sly fun at TV in his magazine's Jan. issue, pondering what would happen if admen had a hand in deciding the editorial content of magazines. Fischer cited the hypothetical case of feather-edge Safety Razors, which "decides to reprint a Western serial which originally appeared in *Collier's* in 1937 [because] audience surveys prove that Westerns are sure-fire and obviously it is safer to use a proven product."

TV's use of foreign-made music is now being protested by American Federation of Musicians' Local 802 in open-letter newspaper ads "To the TV Audience." The ads claim, in part: "The employment opportunities of professional musicians in the U.S. are being curtailed seriously by a growing, but little-known, practice in many filmed network TV shows . . . The music which you hear on these shows is made abroad at cut rates." Listed as using "foreign-made music" are *Bat Masterson*, *Black Saddle*, *DuPont Show*, *Johnny Ringo*, *Lassie*, *The Lockup*, *Men Into Space*, *Richard Diamond*, *The Rifleman*, *The Detectives*, *Sea Hunt*, *Tales of the Plainsmen* (sic), *Tombstone Territory*, *Wanted—Dead or Alive*, *Wichita Town*, *Zane Grey*.

TV & radio deadline for applications to the radio & TV correspondents' galleries for arrangements for floor coverage of the Democratic National Convention opening July 11 in Los Angeles is Jan. 22. "Plans are well under way for audio & video pool coverage of convention floor activities inside the Memorial Sports Arena," convention Chmn. Bill Henry (House Radio-TV gallery, Room G-4 Capitol, Washington) said in a memo to correspondents. But he urged them to advise him quickly on work-space requirements: "Do you want to rent desk, install phone, radio loop or do you want a broadcasting booth (state minimum dimensions) to be constructed at your expense?" Requests for hotel sleeping & studio facilities will be relayed by Henry to the Democratic National Committee.

Announcements designed to tell CBS television viewers about program procedures . . . show that the network is trying. . . CBS has shown leadership in demonstrating its eagerness to do more than go through the motions of reform. But however commendable such steps may be, it should be remembered that the basic evil of television isn't faked laughter, or pre-recorded shows, or artificial beer suds. The basic evil is poor programs. And the overall impression of mediocrity, tastelessness and infantilism is heightened, rather than dispelled, by the contrast of the occasional worth-while show that comes along. So, if it saves a broadcaster's conscience by all means let's have the notices about artificial laughter, pre-filming and the like. But what we're really waiting for is the announcement that says: 'Tonight's program augmented with intelligence, embellished with taste and presented with responsibility.'—Editorial in *N.Y. Herald Tribune*.

Hedda Hopper vs. Ed Sullivan verbal bout got big headlines in Dec. 30 afternoon papers when Miss Hopper called Sullivan "a liar" following his accusations that she had offered favorable column items and token talent fees in return for appearances of top stars on her Jan. 10 NBC-TV tape special produced by Talent Associates. Sullivan, who wired AFTRA & SAG to investigate Miss Hopper's wage scales and methods of payment, contends he has paid & offered the same, or comparable, stars as Miss Hopper's, as much as \$10,000 per appearance. Miss Hopper is paying scale "for much the same reasons Jack Paar pays the minimum," a Talent Associates representative told us in N.Y. Her guests will not perform, he said, but will appear briefly and "simply chat." AFTRA also has no quarrel with Miss Hopper, we were told by a union spokesman. Sullivan's CBS-TV variety bill is a direct rival of the Hopper Show Jan. 10. On Friday, Charlton Heston withdrew from the Hopper show.

KFMB-TV documentary on anti-submarine warfare, produced by the San Diego station for prime-time telecast, proved so effective that the U.S. Navy has requested kinescope prints for use in its own ASW training program, reports vp-gen. mgr. George Whitney. The 60-min. "Target USA" was produced with assistance from the Navy, which furnished service personnel & 5 tons of equipment.

Al Capone's sister, Mrs. Mafalda Maritote of Chicago, is seeking \$1 million damages—\$500,000 from Desilu, \$250,000 each from CBS and Westinghouse—in a suit alleging that fact & fiction were "intermingled" in *The Untouchables* story about her brother. The 2-part show was telecast April 20 & 27, repeated Oct. 15 & 23.

CBS-TV in the wake of its recent housekeeping memos, is now laying out at least \$3,000 weekly to buy prizes for such daytime giveaway shows as *Art Linkletter's House Party*, *For Better or For Worse* and *On the Go*.

Networks

NBC's Station-Swap Moves: The tempo was quickening last week in the station-swap game of musical chairs being played by NBC, although network officials were still denying that the game was being played at all. The network, however, was reportedly close to a working deal for the Boston-for-Philadelphia swap (Vol. 15:51 p7) that's been discussed with RKO Teleradio—a swap in which NBC-TV will shed its WRCV-TV & WRCV Philadelphia, under a Justice Dept. consent decree, for Teleradio's WNAC-TV, WNAC and WNAC-FM Boston.

As part of the same general swapping process, NBC's Washington o&o stations, WRC-TV, WRC and WRC-FM would also go to Teleradio for cash. Since this would reduce NBC-TV's vhf list of o&o's to 4, the move would free the network to acquire something it has wanted for a long time: ownership of a TV outlet in the San Francisco area. The logical target there, by all indications, is Chronicle Publishing Co.-owned KRON-TV, since KGO-TV is an ABC o&o and KPIX is owned by Westinghouse Bestg. Co., and neither of the latter owners is likely to sell or swap.

NBC, however, may face a stiff price in negotiating for KRON-TV San Francisco. The Ch. 4 outlet reportedly grosses \$5.5 million annually for Chronicle Pub. Co. and is said to produce a better profit for the publishing firm than its newspaper. (One possible answer for NBC might be to offer a 50% purchase under an attractive capital gains deal, a station-group executive in N.Y. suggested last week.) In the realm of station grosses, it's also worth noting that the Teleradio Boston outlets are reportedly out-grossed by the NBC Philadelphia outlets which NBC must shed. The Boston TV-radio stations are classed by most N.Y. reps in the \$9.5-million-annually bracket, while the 3 WRCV stations are said to gross more than \$12.5 million.

If the Justice Dept., which must approve the NBC moves, gives a green light, the station shifting will create at least one odd situation: There will be no network o&o in Washington, although the webs would probably wind up with 3-way representation via affiliations.

Show business & farming are strange partners, but ABC is now concerned with both—following FCC's approval of its purchase of the *Prairie Farmer* Publishing Co. (Vol. 15:47 p9). This gives AB-PT full ownership of radio WLS Chicago, of which it had previously held 50%, plus *The Prairie Farmer*, *Wallace's Farmer* & *The Wisconsin Agriculturist*. Price of the whole package was \$6 million plus a percentage of the profits of the publications for 7 years. Price of the station wasn't segregated.

AFTRA will appeal FCC's renewal of NBC's WNBQ & WMAQ Chicago (Vol. 15:52 p16). Raymond A. Jones, exec. secy. of AFTRA's Chicago local, wired the Commission: "We were astonished this morning to find through the newspapers that a petition filed by us over one year ago concerning the renewal . . . has not only been denied but that it was denied without notice to us." AFTRA requested exact copies of the FCC order concerning the petition, asked for "sufficient extension of time after receipt of official order" to plan an appeal to the courts.

Another low-power CBC o&o outlet has begun operation: CBLAT (Ch. 8) Kenora, Ont. started Dec. 5 as an unattended English-language outlet carrying CBC network programs only at no additional charge.

Net TV Gains in Oct.: The national ad volume rose 13% in Oct. over Oct. 1958, with all major media, excepting network radio, reflecting the rising tide of ad business. The Oct. *Printers' Ink* index shows network TV up strongly across the board—ahead 12% from a year ago, 11% for year to date, 5% in Oct. over Sept. Network radio was down 14% both from a year ago and cumulatively, but its Oct.-over-Sept. performance showed a 20% gain. Total magazines were up 13% in Oct. from Sept., newspapers dropped 1% and were the only major category to show a loss for the period. Both gained markedly from a year ago—magazines 20%, newspapers 5%. Best performances: outdoor, 26% ahead Oct.-over-Sept., weekly magazines, 27% ahead of a year ago, monthly magazines, 18% ahead for the first 10 months. The general index gain for year to date was 9%.

Medium	Index		% Change from		% Cumulative change
	Oct. 1959	Oct. 1958	1 month ago	1 year ago	
General Index	242	215	+ 5	+13	+ 9
Total Magazines	195	162	+13	+20	+12
Weekly	232	182	+22	+27	+11
Women's	125	116	+ 6	+ 8	+ 9
General Monthly	233	197	- 1	+18	+18
Farm	105	101	- 2	+ 4	+ 4
Newspapers	213	202	- 1	+ 5	+ 7
Network Television	484	430	+ 5	+12	+11
Network Radio	24	28	+20	-14	-14
Business Papers	242	217	0	+12	+ 6
Outdoor	188	169	+26	+11	- 2

All indexes have been seasonally adjusted. The index shown for each medium is based on estimated total advertising investments in the medium, including talent, production and media costs. For each medium, the base (100) is an average of total investments in the years 1947-49 except for the TV base which covers the years 1950-52. "Cumulative change" in the last column refers to the change from the same period last year of the index average from Jan. through Oct. 1959.

NETWORK SALES ACTIVITY

ABC-TV

Lunch with Soupy Sales Sat. noon-12:30 p.m., renewal through June 25.
Jell-o (Young & Rubicam)

CBS-TV

The Kate Smith Show, Mon., 7:30-8 p.m., starting Jan. 25.
Whitehall & Boyle-Midway Divs. of American Home Products (Ted Bates)

On the Go, Mon.-Fri., 10-10:30 a.m., alt. wk. 15-min. segs. eff. Jan. 8.
Helene Curtis (Edward H. Weiss) & *Lawnys Foods* (Doyle Dane Bernbach)

The Millionaire, Mon.-Fri., 3-3:30 p.m., alt. wk. 15-min. segs. eff. Jan. 12.
General Mills (Dancer-Fitzgerald-Sample)

The Verdict Is Yours, Mon.-Fri., 3:30-4 p.m., alt. wk. 15-min. segs.
Remington Rand (Young & Rubicam)

Professional hockey coverage, Sat., 2 p.m.-conclusion, eff. Jan. 9.
Carling Brewing Co. (F. H. Hayhurst Ltd.)

NBC-TV

Bonanza, Sat., 7:30-8:30 p.m., 4 one-third sponsorships.
DuPont (BBDO) & *Gold Seal* (Campbell-Mithun)

It Could Be You, Mon.-Fri., 12:30-1 p.m. & Queen For A Day, Mon.-Fri., 2-2:30 p.m., six 15-min. segs. starting in Feb.
Block Drug (Grey Adv.)

Circus Boy, Sat. 11:30 a.m.-noon, alt. wks. starting Jan. 16.
Nestle Co. (McCann-Erickson)

Queen For A Day, Mon.-Fri., 2-2:30 p.m. & From These Roots, Mon.-Fri., 3:30-4 p.m., participations, starting Feb. 11.
Nestle (McCann-Erickson)

Network Television Billings

October 1959 and January-October 1959

(For Sept. report, see TELEVISION DIGEST, Vol. 15:47 p10)

Oct. Ahead 12.4%: Network TV's Oct. gross time billings jumped nearly \$11 million ahead of the Sept. volume, TvB reported last week, to \$59,030,752 from \$48,268,555, and gained 12.4% over Oct. 1958's billings of \$52,526,147. The year-to-date business increased to \$510,136,192. This is 10.7% ahead of the \$460,642,737 in billings racked up in Jan.-Oct. 1948. CBS led the networks in Oct. dollar volume, with billings of \$23,610,441, and maintained its cumulative lead with \$218,961,251 in total Jan.-Oct. business. ABC continued to score the biggest percentage gains: 25.9% ahead in Oct.-over-Oct. billings, 20.5% ahead in year-to-date comparisons.

NETWORK TELEVISION

	Oct. 1959	Oct. 1958	% change	Jan.-Oct. 1959	Jan.-Oct. 1958	% change
ABC	\$12,537,020	\$ 9,960,524	+25.9	\$ 99,103,176	\$ 82,212,708	+20.5
CBS	23,610,441	21,901,036	+ 7.8	218,961,251	203,092,867	+ 7.8
NBC	22,883,291	20,664,587	+10.7	192,071,765	175,337,212	+ 9.5
Total	\$59,030,752	\$52,526,147	+12.4	\$510,136,192	\$460,642,787	+10.7

1959 NETWORK TELEVISION TOTALS BY MONTHS

	ABC	CBS	NBC	Total
January	\$10,647,078	\$22,129,248	\$19,299,853	\$52,076,179
February	10,024,460	20,806,220	18,053,828	48,884,508
March	11,565,031	23,265,895	20,728,315	55,558,741
April	10,309,263	22,077,285	19,739,516	52,126,364
May	9,946,570	22,298,271	19,674,494	51,919,335
June	8,930,114	21,171,128	17,984,845	48,086,087
July	8,391,470	21,269,782	17,883,111	47,544,363
August	8,205,520	21,137,261	17,298,527	46,641,308
September	8,546,650	21,196,220	18,525,685	48,268,555
October	12,537,020	23,610,441	22,883,291	59,030,752

Note: Figures revised as of Dec. 24, 1959. These figures do not represent actual revenues inasmuch as the networks do not divulge their actual net-dollar incomes. The figures are compiled by Broadcast Advertisers Reports (BAR) and Leading National Advertisers (LNA) for TV Bureau of Advertising (TvB) on the basis of one-time network rates or before frequency or cash discounts.

Stations

New time-delay monitor to eliminate live TV bloopers, called "the goof trap," has been patented by N.Y. independent electrical engineer Henry M. Hume. The device enables a director to cut off a camera that has picked up an "unfortunate" picture, Hume told us. Signals from each live camera are continuously recorded on separate loops of magnetic tape, with the selected image picked up for telecasting from the tape a few seconds after its appearance on the new studio monitor. Audio signals are similarly delayed to maintain synchronization. The director therefore sees the images and hears the audio a moment before the home viewer, thus giving him a chance to correct or cover an error. Hume has been granted U.S. patent No. 2,918,524 for the device.

Oh (Big) Brother! TV sets that watch & listen back at the viewer were described last week in Washington by Charles L. Allen, research & management consultant now with the Okla. State U. He spoke before the American Marketing Assn. and described an experiment in 2 dozen TV homes, each set equipped with a still camera and an audio tape recorder pre-set to operate periodically. He said that his pictures & tapes showed people viewing—plus fighting, love-making, card-playing, "allegedly studying" and what-have-you. People are developing "ear filters," he said, which allows their attention to wander from the screen until something interesting turns up.

FCC Warns on Controversies: Metropolitan Bestg. Co. has won FCC approval of 3 station sales but it also received a warning for its handling of "controversial issues." And by implication, the Commission served notice to the industry that it is strongly resuscitating its policy covering controversial programs. It isn't enough, the Commission said, for a station to accede to demands for opportunities to dispute positions taken by others in broadcasts; the station must actually seek out & present such opposing views, whether anyone requests time to present them or not. The Commission approved Metropolitan's purchase of KOVR-TV (Ch. 13) Stockton, WTVH (Ch. 19) Peoria and WIP & WIP-FM Philadelphia, Comr. Bartley dissenting. Accompanying the actions was a letter, to which Chmn. Doerfer dissented, chastising Metropolitan for its handling of 2 labor programs. The first was the Kohler strike case (Vol. 14:16 p6 et seq.).

WTTG Washington had made kines of a Senate hearing, and the National Assn. of Manufacturers distributed them gratis to a number of stations. WTTG didn't identify the donor, and many stations telecast the kines without announcing the source. After a complaint by AFL-CIO, the Commission warned the stations that their failure to seek out the source was "a serious matter." Last week, the Commission told Metropolitan its failure to inform the stations was "a serious omission."

The 2nd case involved the Aug. 25, 1959 telecast on WTTG & WNEW-TV N.Y. of *Special Report on Labor Corruption*, an interview by Matthew Warren of 2 senators. The program, FCC said, "lent support to the advisability of the Congress enacting one labor bill as against the other." AFL-CIO complained about it. FCC noted that AFL-CIO representatives were given a private viewing of the program before it was telecast but that no request was made for an opportunity to present opposing views. Nevertheless, the Commission said, the stations had the duty of presenting opposing views anyway. Therefore, it concluded:

"It is expected that in the future operations of all of your stations you will be guided by the views which we have set forth above. The material before the Commission is being associated with the files on said stations for such consideration as their future operations may warrant."

Three applications for new TV stations were filed with the FCC last week: For Ch. 12, Lamar, Colo., by Televents Inc., same group which filed for Gallup, N.M. recently; for Ch. 9 Wausau, Wis., by local group headed by W. A. Baumgardt, which also operates a CATV system there; for Ch. 18, Ogden, Utah, by the Weber County school district. Total now on file is 113 (19 uhf).

WTMA-TV (Ch. 4) Charleston, S.C., which had fall target, has been delayed by lack of steel for construction, according to Pres. Charles Smith. It will be an ABC-TV affiliate. New board member & stockholder is Douglas L. Manship, pres.-gen. mgr. of WBRZ Baton Rouge (WJBO).

Facility changes: WSPD-TV (Ch. 13) Toledo, O. began using new 1039-ft. tower in Oregon, O. Nov. 22. WVUE (Ch. 13) New Orleans boosted power Oct. 21 to 250-kw using directional antenna. WKYT (Ch. 27) Lexington, Ky., boosted power Dec. 8 to 215 kw. KALB-TV (Ch. 5) Alexandria, La. went to 100 kw. Dec. 9.

Address of George P. Adair Engineering Co., Washington consulting engineers, should be corrected on page 362 of the TV Factbook No. 29 to read: 1610 Eye St. N.W.

Public Plea for Uhf: The case for uhf was recently presented in an unusual series of folksy nighttime telecasts by Springfield (Mass.) TV Bestg. Corp. Pres. William L. Putnam (WWLP Springfield, WRLP Greenfield, WWOR Worcester). His 4-part plea traced the development, trials and tribulations of uhf, blasted vhf operators who oppose it, scolded FCC for dragging its uhf feet, and told listeners they were TV-starved with vhf.

"There are today a total of 430 commercial stations operating on the 12 old channels [vhf] throughout the U.S.," Putnam declared. "There are 70 of the new channels [uhf], yet there are only 74 stations operating on these channels because of the economic problems [described previously]. These 70 new channels if fully utilized would allow a local TV service in countless communities."

Putnam explained to his viewers that he is able to operate 2 well-equipped, well-programmed uhf stations profitably on a rate card of \$700. "Now if we can run 2 stations with all the high quality & expensive local & live programming that we do on a rate card of \$700, then it shouldn't be too difficult for anyone else to do the same kind of thing on one station . . . It is possible to operate a TV station happily & successfully at a \$700 figure . . . In Boston there are 3 commercial TV stations with a combined time charge of \$8,400," he noted. "If you divide this figure by \$700 you come up with income for 12 stations. This means that within the area which those 3 Boston stations are able to cover with their present high power & consequent strong earnings there are 9 unbuilt TV stations & 9 communities that have no support for their United Funds, hospital drives and other local charities, and 9 communities which have no local [TV] service."

Putnam closed his serialized uhf plea with a recommendation: "There lies waiting such a simple solution that it is almost childlike. Why cannot the federal govt. require all TV broadcasters now using one of the old channels [vhf] to switch over to one of the new channels [uhf] of which there are 6 times as many available? Then all these problems would gradually disappear and you the public would get all . . . local . . . service you deserve."

Site-move of KSWO-TV (Ch. 7) Lawton, Okla. was approved by FCC as it made effective immediately the initial decision recommending dismissal of the "economic injury" protest filed by KFDX-TV (Ch. 3) Wichita Falls (Vol. 15:48 p7). KSWO-TV is moving from 4 miles east of Lawton to a point 32 miles from Lawton & 24 miles from Wichita Falls. It is also increasing its power from 9.12 kw to 316 kw, height from 540 ft. to 1,050 ft.

Radio KJBS San Francisco has been sold in a lease-option deal aggregating \$1,125,000 over an 8-year period, by Dolph-Petty interests to a group headed by West Coast consultant W. R. Twining and including: L. Ray Rhodes, vp & San Francisco mgr. of Paul Raymer Co.; Gil Palttridge, ex-mgr. of KROW Oakland & KGO San Francisco; A. J. Krisik, owner of KNGS Hanford & KFIV Modesto; Ted Wolf, KFIV vp; Washington management consultant William T. Stubblefield.

Control of WLOF-TV (Ch. 9) Orlando is now in the hands of Joseph L. Brechner, FCC approving his \$350,000 purchase of John W. Kluge's 24.67% to add to his 17% (Vol. 15:42 p10).

KCPX-TV Salt Lake City, recently acquired by Columbia Pictures (Vol. 15:50 p6) has installed & placed into operation 2 Ampex recorders.

Auxiliary Services

MORE SKIATRON CHARGES: SEC has accused Skiatron Electronics & TV Corp. of failing to reveal that Matthew M. (Matty) Fox's Skiatron of America—holder of the exclusive franchise to develop the Skiatron pay-TV system—has a deficit of \$3,297,459. Expanding on its charges against Skiatron Electronics (Vol. 15:51 p20, 52 p20), the Commission issued a "statement of matters" to be considered at a hearing scheduled for Jan. 13—at which Fox is slated to be a major witness. At the same time, SEC extended the suspension of trading in Skiatron Electronics shares for another 10 days, until Jan. 7.

SEC's statement indicated that it is particularly interested in Fox's dealings in Skiatron Electronics stock—and its investigators indicated they wanted to determine whether Fox had hocked his Skiatron pay-TV development franchise. Some of SEC's specific charges were denied last week by Skiatron Electronics Pres. Arthur Levey. Fox's Skiatron of America is a separate corporation, not publicly held.

The charges grew out of Skiatron Electronics' attempts to register 172,242 shares of its common stock, of which 125,000 "had been issued or were issuable to Matthew M. Fox pursuant to warrants received by him in 1956 and exercisable at \$3 per share." After an investigation of the registration statement, SEC indicated it suspected hanky-panky & concealment. The Commission's new charges:

Premature Stock Sale Alleged

(1) That nearly 75,000 shares included in the registration statement have already been placed on the market as a result of Fox's default on a loan. SEC said Fox obtained the 75,000 shares & warrants to obtain 125,000 more from Skiatron Electronics, and that he gave the shares as collateral on 3%-per-month notes. He defaulted and the lender—Judson Commercial Corp.—sold at least some of the securities.

(2) That Skiatron Electronics failed to disclose that Fox pledged his Skiatron license agreement as security on a loan from Skiatron Electronics Pres. Arthur Levey and others of 206,000 shares of Skiatron stock.

(3) That Skiatron Electronics has failed to disclose the financial position of Fox and Skiatron of America "and to disclose the lack of resources available to Fox to pursue exploitation & development of the [pay-TV] system." Skiatron of America's April 30 balance sheet showed current assets of \$16,728, total assets of \$2,427,459, total liabilities of \$5,724,418, deficit of \$3,297,459.

(4) That the company failed to disclose vital facts about its pay-TV operations—the extent of efforts to begin operation, the amount it has spent to exploit & develop the system; the purposes for which funds have been expended to date, "including the expenditure of approximately \$1.5 million as interest on borrowed funds"; the sources of its funds; details of costs & construction-time of establishing pay-TV systems and the status of any pay-TV arrangements or contracts.

Skiatron Electronics Pres. Levey, in a statement Dec. 28, took issue with some of the charges. He said his & Fox's companies are cooperating with SEC "to resolve misunderstandings." Specifically, he stated, the 206,000 shares loaned to Fox's Skiatron of America "were my own stock—not shares owned by Skiatron Electronics . . . I told some of my actions along this line in a letter to every Skiatron Electronics stockholder on Nov. 12, 1957."

In addition, Levey flatly stated that his company "has financed its developments in the subscription-TV field without borrowing money, without paying any interest whatever on loans for the purpose." Skiatron general counsel Kurt Widder informally conjectured that SEC may have confused Fox's company with Skiatron Electronics in making this charge.

The upcoming SEC hearing originally had been scheduled for Dec. 30, but was postponed until Jan. 13 at the request of Skiatron Electronics.

Vhf translators should be permitted more than that one watt proposed by FCC, in the opinion of Ben Salmon, chmn. of the Edgemont, S.D. Chamber of Commerce. In comments filed with the FCC, he said satisfactory sites for translators are frequently distant from the town to be served, so that one watt is too little to provide service.

Translator starts: K74AZ Gallup, N.M. began Dec. 1 repeating educational KNME-TV Albuquerque. K79AK Milton-Freewater, Ore. began Dec. 8 repeating KREM-TV Spokane.

Translator for Leadville, Colo. Ch. 72 has been granted to People's TV Inc.

Foreign

United Arab Republic loan of \$12 million from U.S. will enable it to build its first TV station, in Cairo. The funds will come from sale of U.S. surplus agricultural products to U.A.R., repayable at 4% interest over a 30-year period. The Cairo TV station is slated for July completion. Meanwhile, U.A.R. has established in that city the first institute for TV studies in the Middle East with an inaugural class of 40 students. Abdel Kader Hatem, U.A.R. Deputy Minister of State for Presidential Affairs, reports President Nasser has ordered the introduction of TV into every Arab village and the installation of receivers in national union clubs throughout the republic.

New director general of the BBC is Hugh Carleton Greene, veteran broadcaster & newsman who succeeded Sir Ian Jacobs last week (1). Greene has been with BBC for 20 years, was named in 1958 as its first director of news & current affairs for both TV & radio. As director general, Greene is responsible for BBC's nationwide TV service, 4 national radio networks, a worldwide broadcasting service in 40 languages, a staff of more than 16,000.

Thailand will have country-wide TV coverage within the next 2 years, announced Pichai Vansong, Thai TV producer-dir., in N. Y. recently as a guest of ABC-TV. Thailand's govt. will spend \$1.5 million to build 3 relay stations—the 2 existing stations now serve only the Bangkok area. Vansong also attributed the decrease in illiteracy in his country (from 50% to its present 40%) to TV's emphasis on education.

Strike by French TV-radio actors, production and technical personnel seeking wage increases & better working conditions took all live programming off the state-operated TV-radio networks last week. The technicians, reports Reuters, were slated to stay out 24 hours, but the actors "are continuing their strike on a day-to-day basis."

House of Commons TV coverage is under study by the British govt. Prime Minister MacMillan said the possibility of permitting telecasts of the chamber in action would be explored following a Labor Party complaint that British newspapers don't cover it adequately.

Film & Tape

More about

THERMOPLASTIC RECORDING: Technical paper on thermoplastic recording, by W. E. Glenn of GE Research Lab (see p. 5), was received by the *Journal of Applied Physics* Jan. 5, 1959 and published in its Dec. 1959 issue. Among highlights:

TPR is described as "a wide bandwidth recording technique . . . in which an electron beam is used to cause deformations in the surface of a thermoplastic film." Deformations "can be detected optically, and by using a special optical system [developed for Eidophor], full-color images can be projected from the film. The film requires no chemical processing and can be erased and re-used. The resolution is comparable to that of photographic film and the bandwidth capability is well in excess of that required for xideo-recording." Processing takes but a few milliseconds.

The film may be erased by heating it well above its melting point so that its conductivity will increase; surface tension smoothes out the deformities. Developing is usually done in a vacuum, but can also be done in air. Erasure of tiny portions is possible.

The electron beam, modulated from an electronic camera, sweeps across the film, providing the horizontal sweep. Vertical sweep along the film is provided by the film motion. A pair of RF electrodes provides the heating to "develop" the film.

A special electron gun is used to lay the charge pattern on the film. For color recording, the electron beam is split into several beams.

In projection of b&w images, the light intensity of the picture element depends on the depth of the deformation in the transparent film. At least 2 different light sources are required for projection of color images. A flying-spot scanner or TV camera may be used to convert TPR images to video information for TV transmission. Using a high-definition electron camera, resolution of the TPR is limited only by the optical system.

The *Journal of Applied Physics* is published by the American Institute of Physics, 335 E. 45 St., N.Y. 17.

Filmed situation comedies are likely to gain in favor with agencies as replacement shows for mid-season film casualties & new starters next fall, predicted BBDO exec. vp Robert L. Foreman to a meeting of the marketing workshop group of the American Mktg. Assn. Emphasis is shifting, he said, to shows with "warmth & believability." For example, Foreman cited *I Remember Mama*, and added that "the atmosphere in which a commercial is presented is important to the commercial's success." Foreman also stated that agencies & advertisers are "far from sold" on the magazine-concept type of network operation.

Purchase by United Artists of Ziv TV controlling interest (Vol. 15:51 p10) is "still under way," UA-TV Pres. Herbert Golden told us Dec. 30. The discussions are being held between UA and 2 N.Y. banking firms, F. Eberstadt & Co. & Lazard Freres, who hold 80% interest. The principals reportedly have squared all problems but the key one—price. UA's bid is said to be around \$16 million (some \$2 million more than was paid for the Ziv stock by the banking firms earlier this year). Asking price is \$20 million.

Academy of TV Arts & Sciences, N.Y. chapter, has presented its first grant to a university professor of applied TV courses. He is Sydney W. Head, U. of Miami.

CBS-TV's Anti-Plug Drive: CBS-TV's campaign against free plugs is evoking annoyance, bewilderment and confusion among some film producers. When asked about a so-called "Plug List" of banned items, the network's William Tankersley, dir. of editing on the West Coast, denied its existence. His department, he told us, does have copies of PR plug lists containing some 250-300 items—which probably explains how producers got the impression it was a CBS-TV list.

Gordon Oliver, exec. producer of *Mr. Lucky*, confirming that Treasury Dept. had been deleted from one of that show's scripts, said, "CBS told us the Treasury Dept. is on a plug list and they had to delete everything mentioned on those lists." And Hollywood "giveaway king" Adolph Wenland insists that there is a CBS-TV list of taboos, and that the U.S. Treasury Dept. was placed on this list about a year ago. Wenland told us he has been a volunteer, unpaid, worker for the Treasury Dept. for years, aiding its bond drives with special types of public relations, such as incentive contests. But, he declared, he has never planted plugs for the Treasury. Wenland said, "I have a lot of medallions & medals from the department for my work but you can't take them to the grocery store."

In Washington, Edmund J. Linehan, ad & promotion dir. of the U.S. Treasury Dept.'s Savings Bond div., told our Washington bureau: "If CBS has put the U.S. Treasury Dept. on its list of things which aren't to be plugged, it's news to the Treasury Dept., which has heard nothing of any such curious development." He also pointed out that: (1) All broadcast public service notices for bonds are in copy prepared & handled by the Advertising Council as a public service. (2) "The only time I ever heard of Adolph Wenland was in newspaper stories recently. Neither he nor any other middleman has had anything to do with our bond campaign on TV or radio. I have been in this division for 11 years, and nobody in it has ever had any contact with him." (3) Treasury Dept. has paid no retainers to him, ever.

Raisin Pie, Bourbon & Blue Cross

No producer we checked objected to the general policy of plug deletion, but here's the sort of thing they have found annoying:

Reference to raisin pie was cut from *Dobie Gillis*, the contention being this was a plug for the Raisin Institute.

A character in a *Dick Powell's Zane Grey Theater* episode, when offered a shot of bourbon, remarked: "Part of my country is ruled by a Bourbon—Louis Philippe." CBS-TV wanted the line erased on grounds it constituted a plug for the liquor, which is on the plug list. When producer Hal Hudson objected, a compromise was reached by which the line remained in, but the character refused the bourbon, taking rye instead. Rye is not on the plug list.

Among names not allowed in any shows is that of Blue Cross. It's considered a plug.

Producer Sheldon Leonard of *The Danny Thomas Show* said he thought the policy "utterly ridiculous," because, in a sense, everything is a plug. Leonard is bothered about another area—the enforced announcement about laughtracks (Vol. 15:51 p8). "This gives the impression we manipulate our laughs—which we don't."

Defending & clarifying CBS-TV's campaign against plugs, Tankersley told us that a 3-months survey showed a total of 150 plug deletions for the period. He said the drive is not a new policy, but an intensification of an old one. "We use our judgment in weeding out plugs. We may allow some in a show like *The Lineup*, where they would be needed for authenticity & accuracy."

HOLLYWOOD ROUNDUP

Desilu Productions has assigned Cy Howard as producer of a new pilot of *Guestward Ho!*, starring Vivian Vance . . . Steve Cochran will star in *Renegade*, a new series being prepared for NBC-TV by John Lee Mahin and Martin Rackin, and to be co-produced by that team and Robert Alexander Productions, owned by Cochran. NBC-TV will also finance *Playboy*, a half-hour action series to be produced by Cochran's company . . . Guy Madison will star in a series tentatively called *The Man from Oklahoma*, to be produced by his own company. The pilot will go into production Jan. 5. Helen Ainsworth is executive producer.

Warner Bros. and Alan Ladd's Jaguar Productions have negotiated a deal for the producer-star to turn out 4 series. Ladd plans *Saddle Tramp*, a 60-min. Western series in which he and 3 others would be alternate stars, with Ladd playing host. Also planned is an anthology series. The other properties haven't been selected.

Homer Productions, owned by Lou Breslow, Ben Stoloff and Jack Harvey, has arranged with Ziv TV to produce 26 half-hour segments of a baseball series, *Home Run Derby*, which goes into production early this month in Chicago. Breslow is producer.

Producer Lindsay Parsons will make a pilot, *C. Q. Calling*, for ITC in Jan. . . . Kay Lenard has been named pres. of the TV-radio branch of Writers Guild of America West, succeeding Leonard Freeman, who resigned to become a movie producer at Warner Bros.

Producers George Justin and Art Wallace will make a pilot of *36 Maiden Lane* in N.Y. for CBS Films. The property, created by Wallace and originally called *Million Dollar Claim* is about an insurance investigator . . . Jan Clayton will star in *The Brown Horse*, a situation comedy being produced by Jack Chertok. The pilot goes into production in Jan.

Cal. Studios Pres. Philip N. Krasne and producer-writer Phil Rapp's Senior Enterprises are planning several joint ventures, the first of which will be a pilot of a comedy starring Teddy Rooney & his mother, Martha Vickers. It goes into production Jan. 11 at California.

Honeycomb Productions, owned by Jimmie Rodgers & his personal managers, Gabbe, Lutz, Heller & Loeb, plans to finance a pilot of *Varsity Show*, starring Rodgers. Bob Angus will produce the pilot and negotiations are under way for Mobile Video Tapes Inc. to tape it.

Twentieth Century-Fox TV has signed Henry Slate as a regular for its *Adventures in Paradise* series . . . William Fineshriber Jr., consultant to the Television Program Export Assn., will speak at a dinner meeting of the Alliance of Television Film Producers Jan. 5.

Screen Actors Guild has named *Maverick* star James Garner to its board, succeeding William Lundigan, resigned . . . Producer Everett Freeman and star John Forsythe of *Bachelor Father* have bought *G. B.*, novel by Walter F. Morris, as a movie vehicle in which Forsythe will star, with Freeman producing.

Robert E. Kearney has been named vp of Filmaster's new govt. film div., and will also be gen. mgr. of the firm's Orlando, Fla. studio.

NEW YORK ROUNDUP

Screen Gems has scored its 2nd sale of a network film series to ABC-TV within a month. As with the forthcoming SG-ABC documentary series based on Churchill's writings (Vol. 15:51 p8), the new sale involves an offbeat property: *The Flagstones*, a 30-min. situation comedy that's unique in being the only fully animated cartoon show currently scheduled for nighttime viewing. Production of *The Flagstones*, which deals in contemporary language with family-life problems in prehistoric times, will be by Hanna-Barbera productions, currently producing *Huckleberry Hound*, *Ruff & Reddy* and *Quick Draw McGraw* for SG.

ABC Films offered further evidence that the station-level market for reruns was still holding up last week. WPST-TV Miami, WBRZ Baton Rouge, KIEM-TV Eureka, Cal., KVOS-TV Bellingham, Wash., KOOK-TV Billings, Mont. bought the 42-episode *Meet McGraw* series, putting it in 38 markets. *People's Choice* has been picked up by WDBJ-TV Roanoke, KCEN-TV Temple-Waco Tex., WGAL-TV Lancaster, Pa., WIMA-TV Lima, Ohio, WBTV Charlotte, N.C., KRON-TV San Francisco & KLZ-TV Denver, bringing the station lineup to 116.

Ziv TV plans to increase its 117-man sales staff by 20% in 1960 "to keep pace with the sharply heightened demand" for syndicated telefilms, the film firm reported last week. Ziv's release rate in syndication is customarily about 6 series a year, but in recent months Ziv has launched them at the rate of one-a-month. Syndicated sales for Ziv during 1959 ran 22% ahead of the 1958 level, stated sales mgr. Len Firestone.

MGM-TV is running virtually neck-&-neck with MCA for top grossing honors in the distribution of feature films to TV. Currently, the 700-picture MGM backlog has accounted for \$60 million in station sales since it was launched in mid-1956. MCA's gross to date on the Paramount backlog (although scored in a little more than a year of selling) is about the same.

Robert Saudek Associates, ex-*Omnibus* producer, has been appointed by the Lincoln Center for the Performing Arts, to create & produce one or more TV specials for possible network sale next spring. Reginald Allen, exec. dir. for operations of the Center, conceived the TV project which will feature attractions eventually to be made through the center.

John Aaron & Jesse Zousmer, creators and ex-producers of CBS-TV's *Person to Person* who quit in a huff earlier this fall, may provide their old show with a rival. Discussions are being held between NBC-TV and the A&Z team concerning a new property, *Place to Place*, which would be based on location-taped interviews.

Screen Gems will begin production shortly on *The Raven*, a detective-adventure series created by Jonas Seinfeld & Donald L. Gold. Seinfeld & Gold also created *Two Faces West*, which enters syndication for SG this year.

Jerry Franken has been appointed exec. dir. for advertising, promotion & publicity of NTA, headquartered in Beverly Hills. Martin Roberts will continue as promotion dir., Alfred E. F. Stern as publicity dir., West Coast & Harry Algu, publicity dir., East Coast.

Film Export Assn. Goes West: West Coast independent TV film producers will meet with TV Program Export Assn. consultant William H. Fineshriber this week (Jan. 5) in the latest membership move by the recently incorporated group. A total of 70 film production companies, including Blue Jay, Toreto, Pegasus, Hutton, Hal Roach, Don Sharpe, Wyatt Earp Enterprises, Louis Edelman & Danny Thomas, have expressed interest, Fineshriber told us.

Ten East Coast film companies voted affirmatively to incorporate the Assn. at a Dec. 14 meeting in N.Y. Represented in person or by telegram or message were 17 companies which together account for 90% of American TV program distribution abroad. Those voting included ABC Films, CBS Films, Loew's Inc., MCA-TV Ltd., Wm. Morris Agency (for Four Star Films), NBC, NTA, Bernard L. Schubert, Screen Gems & UA. There were no negative votes. Companies abstaining were "either unable to make final commitments or could not be counted in the vote because their messages of commitment had not covered the specific motion," Fineshriber reported. These included Desilu, Flamingo Telefilm Sales, Ziv International, Official Films, United Artists, Fremantle International.

Also at the mid-Dec. meeting an interim committee was appointed to serve until completion of the legal steps and election of directors & officers takes place. Members are Merle Jones, CBS-TV Stations, temporary chmn.; Harold J. Klein, ABC Films; Morris M. Schrier, MCA-TV Ltd.; Alfred R. Stern, NBC; Lloyd Burns, SG; Herbert L. Golden, UA. Fineshriber and George Muchnic, counsel, were commissioned to continue in their respective capacities for an additional 10-wk. period.

Writers Guild of America West may next vote strike authorization against TV producers. (Vol. 15:50 p12, 48 p13). It is already striking against independent movie producers and its major-studios negotiations have collapsed. A special membership meeting of its TV-radio & screen writers branches has been called for Jan. 7, at which proposed contract demands on TV-film negotiations (with the networks, the Alliance of TV Film Producers and TV film operations of the major studios) will be discussed. Also to be discussed will be proposed demands for radio freelancers, live TV writers and staff continuity-&-news writers at CBS. The Guild may seek strike authorization against any or all of the employers involved, it told members in a communique. Strike authorization doesn't necessarily mean a strike; it arms the Guild's negotiators with a weapon. Such authorization was voted them for their talks with the major studios, but it hasn't been exercised to date.

First U.S.-Czech TV deal is claimed by Consolidated Marketing Agency's Lester Wolff, producer of the NTA-distributed panel show *Between the Lines*. Returning from a business trip to Prague last month, he brought a tentative agreement with Czechoslovakian TV officials for a 6-film swap in music, dance, travel and children's categories. Arrangements for Wolff's negotiations with asst. Czech TV dir. Dr. Walter Feldstein were started by Rep. Anfuso (D.-N.Y.), approved by U.S. Embassy in Prague.

CBS-TV will spotlight N.Y. in six 60-min. programs titled *Manhattan* on various Fri. evenings, 9-10 p.m., beginning Feb. 26. The series will feature stories about life on the famous island, concentrating "more on the glamor, less on the grime." Producer will be Albert McCleery, dir., Ethel Frank. Major portions of the productions will be live, but tape & film will also be used.

10 Years of Gunsmoke? Despite the preponderance of Westerns and the general trade sentiment that many current sagebrushers will be cancelled this season, CBS-TV is quietly proceeding with plans for 5 more years of its highly successful show, *Gunsmoke*. The network has already made a deal with star James Arness for the duration of the series; has re-signed Amanda Blake; needs not negotiate with Dennis Weaver for another year when his contract comes up for renewal. It is, however, encountering trouble trying to re-sign Milburn Stone ("Old Doc") to a new 5-year deal. The actor has rejected 2 offers. Explained Stone's agent, Meyer Mishkin: "We aren't asking for a piece of the series. I don't think there are many pieces left. We are asking for a change in Milburn's residual situation, and for certain fringe benefits."

Arness, who once complained that he wanted to get out of the series, has been happy since last summer when CBS-TV handed him a new deal. He has a substantial piece of the show ("CBS asked me not to say how big it is"); he has formed his own company to produce the series; and CBS-TV has agreed to finance pilots to be made by Arness Productions.

Republic's Post-'48 Solution: Republic Pictures Pres. Victor Carter last week confirmed that his company will finance independent TV film producers, a plan first reported here (Vol. 15:33 p12). When Herbert J. Yates was Republic's pres., he sold the studio's post-1948 movies to TV without paying Hollywood talent guilds. They placed Republic on their "unfair" lists, but, with the studio out of production, this was meaningless. When Carter bought the studio last July, he thoughtfully considered a means of getting into TV film—and around the displeasure of the guilds which provide the talent. His solution: to finance independents which have no involvements with the guilds.

What worries the Hollywood guilds is that other studios may follow the same pattern—sell their post-1948s without payment of residuals, yet escape guild retaliation by the simple method of abandoning production and entering financing & distributing for independents.

'Pilot Month' at MGM-TV: MGM-TV, with nary a series in production, heads into a big pilot splurge this month, with at least 7 to be done. Another, *The Islanders*, has already been produced, and is now being readied for presentation on Madison Ave. On the agenda are pilots of *Dr. Kildare*, starring Lew Ayres; *National Velvet*, *The Paradise Kid*, *Diamond Jim Brady*, *Steven V*, another version of *Father of the Bride* (a pilot of this was filmed last year, but didn't sell) and (60-min.) *Asphalt Jungle*. MGM-TV executives said there is renewed interest in the pilot of *You're Only Young Once*, shot last year.

20th Century-Fox passed a major crisis last week. ABC-TV notified the movie firm it was renewing *Adventures in Paradise*, the Mon. 9:30-10:30 p.m. adventure series that's been written off several times this season as a failure, for another 26-wk. stretch, beginning in March. This will put the show on a 52-wk. firm basis, and insure TCF-TV of a recoupment of its over-budget "Paradise" spending. In the final analysis, it was ratings, not critical comment, that swung ABC's decision. The Dec. 28 Trendex reports gave the show a 19.3 rating against 17.5 for CBS-TV (*Ann Sothorn*, *Hennessey*) and 16.3 for NBC-TV (*Alcoa Theatre*, first 30-min. of *Steve Allen*).

Television Digest

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Personals: Ernest Lee Jahnce Jr., onetime ABC vp & asst. to AB-PT Pres. Leonard H. Goldenson, more recently with Petrie reps, named NBC standards dir. . . . Louis Dorfsman promoted from CBS radio vp for advertising, promotion & press information (Vol. 15:40 p10) to creative dir., sales promotion & advertising, CBS-TV . . . Robert Pusey promoted from WBC West Coast operations asst. auditor to business mgr., KPIX San Francisco . . . William W. Huffman appointed mgr. of new video recording sales dept., WNBQ Chicago . . . Hugh Kibbey named sales mgr., WFBM-TV Indianapolis; Don Menke appointed station mgr. . . . Clive B. McKee promoted from industrial relations mgr., CBC, to dir. of industrial & talent relations.

Courtney McLeod named West Coast regional mgr., ABC-TV station relations dept.; Robert Curran named Eastern & Midwest mgr., same dept. . . . Jack Emanuel, ex-Warner Bros., named NBC exec. story editor, Pacific div., with responsibility for creative control over scripts for NBC-owned shows . . . Jerome R. Reeves, gen. mgr., KDKA-TV Pittsburgh, named PR chmn., Pittsburgh chapter of the American Red Cross . . . George Sanders named program mgr., KPTV Portland, Ore.

William Whitley, public affairs dir., KNXT Los Angeles and CBS-TV's Pacific network, has resigned to "travel, study and write." . . . Frederick A. Kugel, editor & publisher of *Television* magazine, is expected back at his desk this week after recovering from a heart attack.

David Melamed has been named dir. of administration of NT&T . . . Mort Granas appointed mgr. of budget & administrative services at CBS-TV's Hollywood TV City.

Dr. Herman L. Shibley, Indianapolis general superintendent of schools, and Wayne P. Watson, Terre Haute schools superintendent & pres. of Indiana Assn. of Public School Superintendents, have been named consultants for educational programs by Midwest Council on Airborne TV Instruction; John H. Worthington, U. of Ill. public information mgr., becomes public information dir. of the MCATI project Feb. 1.

Obituary

William Godey Ellis, 64, RCA liaison officer and co-inventor of the first radio compass used by the Navy in World War I, died Dec. 23. Ellis served as a Navy commander during World War I and helped organize the Army-Navy Electronics Agency. He is survived by his wife, a daughter, a son and 7 grandchildren.

Steady viewing decline among school children since 1955 is evidenced in studies released last week by Dr. Paul A. Witty, prof. of education, Northwestern U. Among Witty's findings: Elementary school pupils watch TV 21 hrs.-per-wk. against 24 hrs. in 1955. High school pupils watch TV 12.3 hrs.-per-wk. now as against 17 hrs. in 1953. Viewing does not have an adverse effect on the health of children. TV hasn't restricted outdoor or creative activities. There is little evidence that TV has a harmful effect on school work. The real problems, says Dr. Witty, are the excessive doses of crime and TV's tendency to "generate cultural triviality."

Entries for 1959 Peabody TV-radio awards must be submitted by Jan. 10 to Dean John E. Drewry, Henry W. Grady School of Journalism, U. of Ga., Athens. Submissions may be made by individual stations, networks, TV-radio editors of any individual or organization, to invite consideration by the Peabody board of outstanding programs in the basic categories of news, entertainment, education, youth or children's programs, promotion of international understanding, public service.

Careers in FCC for attorneys & engineers were recommended by Comr. Fred Ford in a short address Dec. 29 before the First Annual Broadcast Career Seminar in Providence, sponsored by radio WICE. After describing the nature of FCC jobs and their potentialities for careers (and stepping stones), the former staff member stated: "The staff of the Commission is one of the most efficient, industrious, considerate and enthusiastic groups of employers in govt. or in private industry that you can imagine."

Meeting next week: RTES timebuying-selling seminar (Jan. 12). H. P. Lasker, Crosley Bestg. Corp. sales vp, and William E. (Pete) Matthews Y&R vp-dir., media relations-planning, will speak on "How Many Commercials Make Too Many?" Hotel Lexington, N.Y.

Congress

Payola probe plans: House Commerce Committee Chmn. Harris (D-Ark.) will caucus with his legislative overseers soon after Congress reconvenes this week to decide where—and how far—they should go in public hearings on broadcasting's payola practices. Ready for the investigative subcommittee's first meeting in the new session will be a staff report supplementing a 22-page memo filed in Dec. by Chief Counsel Robert W. Lishman (Vol. 15:51 p6). It's likely the new series of hearings—picking up where the subcommittee's TV quiz probe left off (Vol. 15:45 p1)—will get under way this month. But their scope & duration will depend on how many staff-developed leads the subcommittee wants to explore. In addition to payola & plugola, the leads run into rating systems, for one thing, the subcommittee's principal attorney Beverly M. Coleman told us. "Ratings might come into the hearings," he said. "We've had a lot of complaints about ratings." The subcommittee staff also was drafting an interim report on the quiz probe, due early this month.

TV & radio reform "must be approached most carefully" by Congress, Sen. McCarthy (D-Minn.) warned in a speech to the Okla. Outdoor Advertising Assn. in Tulsa. He said action by Congress, the Administration and the broadcasting industry is needed to bring "substantial improvement" in the industry—but that "the problem is a complex one." McCarthy added: "The recent exposures of dishonesty, misrepresentation and fixing of TV & radio programs raises the fundamental question of the limits of freedom of the press & communication in the U.S."

Trade Report

JANUARY 4, 1960

1960's PROSPECTS—GAINS ON ALL FRONTS: The industry's leaders expect a continuation this year of the gradual across-the-board increase which made 1959 the record year for consumer electronics. This they indicated almost unanimously in our annual survey printed 2 weeks ago (Vol. 15:51 p14). Emboldened by these generally bullish forecasts—and with the knowledge that we're in the best of company—this week we again venture our own (and more particularized) forecasts of what the new year holds in store for consumer electronics.

Our prediction track record for 1959 was good. Just one year ago we forecast 1959's retail TV sales & production at 5.8 million sets (Vol. 14:52 p11). We were right on the button as far as sales were concerned, but low in our production estimate—not having foreseen the late-1959 inventory buildup. We correctly foresaw "a shade better business" during first-half 1959, "followed by substantial improvement in the last 6 months." Keying the 1959 TV gain, we said, would be such gadgets as improved remote-control devices and the 23-in. square-cornered picture tube.

We were a little bit off in some respects. We said TV inventories would be kept at lower level, and that more than 50% of radio production would be transistorized (actual figure was closer to 40%). But we were probably about right in our prediction that stereo sales would soar from 750,000 in 1958 to approximately 3 million in 1959 (out of a total of nearly 4 million phonos sold).

In forecasting for 1960, we're tempted to qualify our predictions by saying that in case of prolonged major strikes, earthquakes, floods, tidal waves or a Presidential election victory by the Greenback Party, all bets are off. With these qualifications as an escape hatch, here's how 1960 looks to us:

TV Retail Sales: With all of home electronics sharing in anticipated boom in consumer durables, we're still inclined to go along with more conservative industry leaders in predicting an increase of about 5% or a little more in TV unit sales to consumers—bringing 1960 retail sales to between 6.1 & 6.2 million. Increase will be sparked by rising number of sets-in-use now ready for scrap heap, quality of new sets, unprecedented ad campaigns, gimmicks & gadgets—plus excitement of Presidential election campaigns, always a good TV salesman.

TV Set Prices: There will be no across-the-board price increases. Rather, 1960 trend will be continuance of last year's successful practice of upgrading through stress on higher-end units. Trend of prices in low-end promotional sets, in fact, will be downward, with \$189.95 a common starting-point for 21-in. table models. Nevertheless, average factory price of TV sets sold will rise from the \$140 of 1959 to around \$145.

TV Innovations: Don't look for tunnel-diode, parametric-amplifier or genuine picture-on-wall sets in 1960. The 2 innovations will be: the 19-in. tube, which will come out in quantity around mid-year to become an immediate best-seller, taking over much of the 17-in. tube's present territory; 2 or possibly 3 more battery-operated transistor TVs at around \$250, which will be good traffic-builders but far from mass items. By year's end the 23-in. tube will replace the 21-in. in all but low-end lines. Fine-furniture trend will get even more emphasis than in 1959. The "home entertainment center" concept—TV-radio-stereo in one cabinet—will put combinations back in the picture.

Industry Competition: Record ad budgets and increasingly improving product will mark the most intensive TV industry competition in history—with each of the industry's "Big 6" battling for honor of No. 1 spot in unit sales. Product improvement drive by all major makers will be aimed primarily at cutting down frequency of service.

Color TV: No major breakthrough here—either in lab or marketplace—but a steady improvement in sales & public reaction, with 1960 color sales 30%-50% higher than 1959 (our guess is that around 120,000 color sets were sold last year). End of 1960 may see some more major manufacturers considering re-entry into color field. There's one 1960-1961 long-shot: possibility of experimental imports of Japanese color sets selling at somewhat lower prices than U.S. models.

Stereo, Hi Fi, Phono: No magic formula here—confusion will be hard to erase—but public will buy about 10% more units than last year, bringing total phono sales well over 4-million mark. Because purchases of stereo will increase, average factory price per phono sold will jump to nearly \$100 (from last year's \$86). Two-channel vs. 3-channel vs. multi-channel claims will be soft-pedaled. By year's end, stereo hi fi will be on verge of tremendous boom to be keyed by introduction of stereo radio.

Radio: Another really good year coming up—nearly 10 million domestic home & portable sets plus at least 6 million auto sets. Sales of both domestic & imported transistor sets will increase, while prices are held down close to no-profit level on competitive U.S. sets. Expect some rather startling styling & technical innovations in small radios by year's end.

Imports: Japanese radio exports to U.S. will increase—but at lesser rate than in past few years. Best guess: from more than 5 million in 1959 to peak of 7.5 million this year, with FM sets flowing in bigger quantities. Japanese won't make any appreciable dent in U.S. market with phonos, tape recorders or hi-fi equipment—although flow of transistors from Japan will be at least triple the 1959 figure, and may be up as much as tenfold. Although there may be tentative Japanese excursions into the portable TV & color TV set market here, units brought in will be numbered only in the hundreds this year. No federal import restrictions are likely in 1960.

FM Radio: Spurred by public's increasing awareness of good music & high-fidelity reproduction, FM could match its record year of 1948—unless consumer confusion sets in. Manufacturers & dealers could kill FM's golden goose by regaling public with such technical gibberish as "ready for multiplex stereo" or "adaptable to multiplex." Best guess: FM sales of considerably more than 1.5 million units. Motorola & Granco will be followed by other manufacturers into FM auto-radio field.

Stereo Radio: If broadcast standards are established in 1960, they will come near end of year—probably too late for mass production of sets this year. FM standards will probably be established first, 1961 seeing regular operation of both FM & AM stereo radio stations. Little progress will be made toward setting up TV stereo standards in 1960.

New Products: The warhorses will continue to dominate consumer electronics—TV, phonos, radios, in order of dollar sales. Home electronic heating-cooling devices & air conditioners and home closed-circuit TV won't be mass-market items this year. Such items as garage-door openers and electronic cook stoves will continue to make progress on consumer market.

Summing up: All branches of consumer electronics should have better business this year—phono category showing biggest percentage gain and increasing its dollar-volume lead over home radios. The year will be one of transition—from the "TV decade" of the 1950s, when 66 million TV sets were produced, to the "electronics decade" of the 1960s, promising radical new electronic devices for the home as well as for business, industry and defense. First of the electronics decade's consumer items probably will be available in 1961—most likely a combination food refrigerator-heater—further expanding the horizons of what once was called the "radio industry."

TV-RADIO PRODUCTION: EIA statistics for week ended Dec. 18 (50th week of 1959):

	Dec. 11-18	Preceding week	1958 week	'59 cumulative	'58 cumulative
TV	142,056	147,985	110,021	6,166,782	4,754,486
Total radio	397,375	367,234	319,479	15,119,769	11,185,609
auto radio	154,940	138,659	124,976	5,329,222	3,491,856

GE and Westinghouse have signed separate agreements with Japanese firms to provide technical assistance in the production of silicon semiconductors. GE's agreements were with Hitachi and Tokyo Shibaura (Toshiba), Westinghouse's with Mitsubishi.

Bogen-Presto Co., hi fi & sound equipment div. of the Siegler Co., has named Jack Gilbert Associates, N.Y. as its ad agency.

Cross-licensing agreement on semiconductors signed by Philco & CBS Electronics last week gives each a non-exclusive license to make, use and sell the transistors & diodes manufactured by the other under its inventions, patents and applications for patents. The agreement also provides reciprocal rights to technical & engineering data necessary for production. CSB Electronics has ordered automatic machinery to make Philco-type transistors.

WINTER TV MARTS: The traditional Jan. showings of new & revamped TV-phono-radio lines, beginning this week at Chicago's Merchandise Mart and in satellite displays in Chicago hotels, will be almost completely dominated by the 23-in. square-cornered tube, according to advance indications. Another highlight: first showings of TV sets under old-line brand names recently taken over by new owners—Capehart & Sonora.

Admiral will go almost all-out for the 23-in. tube, revamping its line on the basis of excellent reaction to its 23-in. models of last summer. Hottest news about the Admiral line is a low-end 23-in. table model with suggested list of \$199.95—cheapest 23-in. set yet announced. In last-minute price-tag jockeying, it's possible that at least one other manufacturer will throw in a similarly priced promotional 23. Admiral has dropped 5 more 23-in. and two 21-in. sets into its line, for a total of 29 of the former and 12 of the latter.

Electronics vp Ross D. Siragusa Jr. said Admiral currently is selling as many 23- as 21-in. sets and first-quarter production schedules call for more 23s than 21s. All Admiral's 23-in. sets use the Corning bonded-on safety glass. Admiral plans to back its 23-in. models with a \$500,000 newspaper & magazine ad campaign in the first quarter featuring "23-in. TV at the price of 21."—in what it says is "probably the biggest campaign ever conducted by a TV manufacturer during a 9-week period." In other promotional plans, Admiral announced its dealer showings of 1961 TV-stereo-radio lines will be held next June in Miami Beach & Las Vegas—providing "some 4,000 Admiral dealers with business-vacation trips."

Capehart, Sonora Showings

The 2 revived brand-names—Capehart and Sonora—will have their own line showings in Chicago simultaneously with the International Home Furnishings Market, the former at the Congress, the latter at the Hilton Hotel.

The Capehart name, purchased last summer from Benjamin & Robert Gross by Dynamic Electronics-N.Y.—which then changed its name to Capehart Corp. (Vol. 15:33 p16)—will show a line which includes TV sets for the first time since Capehart was an ITT property in 1956. The TVs will all be 23-in. units, and all will be incorporated into super-duper TV-radio-phono home entertainment centers, as we reported last Aug.

Capehart's line, including 4 models with TV, will feature fine-furniture cabinets by Tomlinson of High Point Inc., with instruments priced from \$150 to \$3,000. The TV combinations will list at \$1,600 to \$3,000. Production is due to start next month.

The Sonora name was recently taken over by Trav-Ler Radio Corp. after it had been buffeted about for more than 2 years in an Internal Revenue auction followed by a bankruptcy in 1958 under Earl Muntz-Frank Atlas ownership (Vol. 15:47 p20). Trav-Ler's new Sonora div. will show 7 TV models ranging from 17-in. at \$139.95 to 21-in. console at \$249.95 (with 2 "open list" sets), a table-model AM radio-phono at \$99.95 and a portable stereo phono at \$99.95 and a monaural tape recorder at \$149.95.

Muntz TV will introduce 3 new 24-in. TVs at Chicago's Conrad Hilton Hotel—at \$169.95, \$239.95 & \$279.95.

Among TV-phono-radio exhibitors at the International Market in the Merchandise Mart, Chicago, Jan. 4-15: Admiral, GE, Philco, RCA, Motorola, Sylvania, Westinghouse, Zenith. Most of them have already shown their lines to distributors. Elsewhere in Chicago, Olympic & Capehart will show at the Congress Hotel, Muntz, Sonora

& Granco at the Hilton.

TELEVISION DIGEST has assigned 2 editorial staffers to cover the Chicago markets this week.

* * *

Private-label manufacturer Wells Gardner & Co. (Montgomery Ward, Western Auto, Gamble-Skogmo) will add 23-in. sets to its line this spring. They will be among the first 23-in. models to use the Pittsburgh Plate Glass bonded-on safety glass (Vol. 15:52 p18). The firm expects to have 19-in. tubes without laminated glass in portables by June. Pres. Robert S. Alexander predicted that 1960 would be a "much better" sales year for WG than 1959.

Du Mont will show 4 new TV sets to franchised distributors Jan. 5-6 at New York's Savoy Hilton Hotel. No 23-in. models will be introduced. Also to be shown will be an AM-FM table radio, 2 stereo consoles and a 9-transistor pocket radio.

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No ban on transistor imports is urged by the British-American Chamber of Commerce, N.Y., in a brief filed in OCDM's inquiry. The group argues that imports of semiconductor devices represent no threat to U.S. security, as claimed by EIA. Meanwhile, Japan says it's modifying its "dangerous game" (Vol. 15:46 p21) of exporting much and banning many imports. The Ministry of International Trade & Industry has announced that 60%-70% of Japan's imports will be free of trade restrictions by April, 1961. Indications are that 24 items will go on the approval list this month. Although it's not yet known whether barriers to imports of TV sets & appliances will be lifted, it's understood the U.S. will be a chief beneficiary, and the items could increase Japan's U.S. purchases by \$5 million in the next 3 months.

"RCA Bldg." is name given to new 13-story office building in Washington, at 1725 K St. N.W., in honor of its major tenant. Most RCA Washington divisions, including about 275 employes, will move in about March 1, taking over half the street floor, plus the entire 2nd, 3rd & 4th floors. A \$2.5 million 10-year lease was signed last week by Pinckney B. Reed, RCA vp-Washington. The structure will house all RCA people in Washington except those with NBC, RCA Service Co., RCA Communications & RCA Frequency Bureau.

New plants & expansions: Philco, multi-million-dollar 2-story research center on 25-acre site at Blue Bell, Pa., near Philadelphia, for completion early 1961 . . . Sylvania, 100,000-sq.-ft. electron tube manufacturing center at Brockville, Pa., replacing 3 production facilities there totaling 60,000 sq. ft.; construction begins early this year . . . Dynamics Corp., addition to Carlisle (Pa.) quartz crystal plant, due for completion early this year, to double production of the facility operated by the Reeves-Hoffman div. . . Standard Electronics, transmitter manufacturing div. of Radio Engineering Labs, has moved to new 36,000-sq.-ft. plant at Farmingdale, N.J.; parent REL remains at Long Island City . . . Hewlett-Packard to begin construction by mid-1960 of \$500,000-\$750,000 electronics research, development & production plant near Loveland, Cal.

International Radio & Electronics Corp., Elkhart, Ind., recently announced reorganization into 2 new subsidiaries—Crown International (tape recorders) and International Radio (radio broadcast transmitters & accessories). The firm's new 24,000-sq. ft. plant at S. 17th St. & Mishawaka Rd., will make it possible to triple output this year.

EIA Reports on Land Color: Color discoveries by Dr. Edwin H. Land (Vol. 15:27, 32, 34, 40) should be encouraged but shouldn't affect FCC's color TV standards at this time, a special EIA subcommittee concluded last week. RCA's Charles J. Hirsch, chmn. of the Broadcast TV committee, signed the report, which stated:

"It is artistically & commercially important that a color TV system be capable of producing the best color rendition permitted by the state of the art. Advertised products which depend on color for identification must be faithfully reproduced. In addition, reception of color programs on black-&-white receivers should be reproduced so that each color makes its proper relative contribution to brightness.

"The 'binary' color system studies by Dr. Edwin Land can produce pelasing pictures. However, these are not colorimetrically as faithful as pictures produced with a 3-color process.

"The FCC color TV signal when carrying a 3-color picture contains all the information for reproduction of color pictures by 3-color receivers, by 2-color receivers using earlier methods as well as the methods outlined by Dr. Land, and by monochrome receivers. This leaves to the manufacturer of color receivers the option of designing any type of receiver for the FCC signal.

"Excluding the picture display and associated power equipment, the added complexity, over a monochrome receiver, of a color receiver designed for the present FCC color TV signal, is represented by the increase from approximately 17 tubes in a monochrome receiver to not more than 24 in a color receiver. The receiver for any other color system will undoubtedly be composed of monochrome circuits to which tubes are added for color processing. The increase in tube complement of present FCC color TV receivers does not add unduly to their cost. The bulk of the price increase of these receivers over their monochrome counterparts is due to the color picture tube & associated components.

"The methods outlined by Dr. Land might result in a receiver based on the present FCC color TV signal but using a simpler display based on Dr. Land's techniques. It is possible that a transmitter designed exclusively for the transmission of color pictures by the methods outlined by Dr. Land would be simpler than one built for the present FCC signal. However, such a transmitter would be unable to transmit pictures having as faithful a color rendition as is possible by the present state of the art.

"Since the FCC color TV signal carries simultaneously the information for 3-color reproduction and for the methods outlined by Dr. Land, and since it does not result in a large increase in the cost of receivers, it permits continued investigation of Dr. Land's method without deterioration of pictures reproduced by receivers making full use of the information present in the signal. Therefore, the FCC color TV signal should be left unchanged at this time. It is important that Dr. Land and others be encouraged to continue their studies of the basic phenomena of color perception."

All-transistor battery portable will go into production this month at Sony Corp., Tokyo, according to *Home Furnishings Daily*, which says the 8-in. set has 19 germanium transistors, 4 silicon transistors and 14 diodes. Initial domestic retail price is given as \$194. There are no present plans to export the set. Other Japanese manufacturers have shown prototypes of transistor TV sets, but this is the first announcement of production plans.

Tube-Semiconductor Forecast: Semiconductor sales will increase 37% over 1959 this year, TV picture tube & power tube sales will rise and receiving tube sales will remain at 1959's high level. Those are the trends for 1960 as seen by GE electronic components div.'s knowledgeable gen. mgr. L. Berkley Davis. Highlights of his preview:

Semiconductors—Sales will rise to \$550 million from 1959's \$400 million. Included are sales of 130 million transistors, a 53% increase over 1959, for a total of \$315 million. Transistor sales will break down into a \$45-million consumer market, \$120-million industrial market and \$150 million for military uses. Semiconductor rectifier sales will increase by 18% to \$92 million from \$78 million in 1960, with controlled rectifier sales doubling.

TV picture tubes—Nearly 13 million will be sold for \$260 million, a 5% increase over 1959. A large majority of the replacement tubes will still use reclaimed glass.

Receiving tubes—Sales will be about the same as 1959, or some 435 million, of which about 20 million will be imported. The 415 domestically produced tubes will sell for about \$345 million. Nearly 100 million tubes will be used by TV manufacturing industry, biggest single group of tube customers.

Power tubes—Industry sales will reach a new high of \$300 million, a growth of 10%—the greatest increase being in military tubes.

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Sample quantities of new tunnel diode, operating in the 1,000-mc range, are now being produced by GE for industry experimentation. It's the 2nd type of tunnel diode sampled by the company and is priced at \$60. In his 1960 forecast, Davis predicted that during 1960 tunnel diode samples "will be limited to small quantities pending the development of circuits."

Report on Lawrence color tube: "Conversations with certain interests in the TV business looking forward to commercial production of the Lawrence color tube in sets, are being carried on," said Paramount Pictures Pres. Barney Balaban in his year-end memo to stockholders. "There are some indications that the public is more receptive to the present color sets on the market than they have been in the past. Progress is being made toward our goal of manufacturing a color set at a lower price than those on the market now." Paramount owns the Lawrence tube; recent development of the tube has been carried on by Du Mont Labs under contract.

Canadian TV improved in Oct. as distributor sales to dealers increased to 56,410 TV sets from 48,670 in Sept.—but sales were down from Oct. 1958's 59,177. For 1959's first 10 months, sales totaled 327,632 compared with 338,985 in the year-ago period. The 10-month breakdown (corresponding 1958 figures in parentheses): portables, 56,385 (52,112); table models, 85,537 (106,817); consoles, 175,077 (169,809); TV-radio-phono combinations, 10,633 (10,157). For Oct. 1959 (vs. Oct. 1958) the breakdown was: portables, 9,548 (8,162); table models, 15,907 (18,786); consoles, 29,151 (30,341); combinations, 1,804 (1,888).

Auto-radio switch kits, sold separately by manufacturers for installation of rear-seat speakers, are subject to the excise tax on auto parts or accessories, according to the Internal Revenue Service (Rev. Rule 59-381). But when the rear-deck assemblies are sold as parts of the speakers themselves they are subject to the excise on TV & radio components.

Zenith's Million-a-Year: Burgeoning Zenith picked up another laurel last week and strengthened its argument that it was No. 1 in TV sales in 1959. It announced that it had already produced more than a million sets this year—thus probably becoming the only company besides RCA ever to have reached the million-a-year mark.

Zenith's million means that it has made one-sixth of all TV sets turned out by the industry this year. Just last Aug., Zenith's output was estimated by financial consultant Edgar A. Greenebaum at 975,000 for this year in his annual guesstimate of TV manufacturer rankings. In 1958, Greenebaum ranked RCA first with an output of 900,000 sets, in 1957 first with a million, in 1956 first with 1.15 million. Actual TV production figures by companies probably never will be known—they're usually closely guarded trade secrets.

Canadian electronics industry is beset by increasing foreign invasion, leaders note in year-end comments. Said RCA Victor Co. Ltd. vp-gen. mgr. J. D. Houlding: "While Canadians are buying radios in increasing volume, most of the increase has been accounted for by an alarming increase in importation of foreign-made sets, which in 1959 amount to about 40% of such sales. A similar situation exists in sale of replacement tubes, and to a lesser extent in original equipment tubes. If this trend continues into 1960 & subsequent years, it will seriously threaten Canadian tube production." Said Canadian Marconi Pres. S. M. Finlayson: "The outlook for 1960 seems to indicate a continuation of the competitive conditions with the probability that a greater proportion of the domestic market for electronic equipment will be filled by imports from Europe & Japan." (For comments by Dominion Electrohome Industries Pres. C. A. Pollock, see Vol. 15:52 p20).

Record Westinghouse sales in 1960 have been forecast by Pres. Mark W. Cresap Jr. in a year-end statement that predicted a gain by all product lines "to produce billings at least 10% over 1959. At the same time, incoming orders should increase about 15% over the 1959 total." Cresap said Westinghouse will invest some \$190 million in 1960 R&D activities, cover such fields as thermoelectricity, molecular electronics. Referring to the latter, he said that "this new means of creating electrical devices 1,000 times smaller & lighter than their conventional counterparts will make possible the compactness & the great reliability of performance which is vital for the equipment which will be used to explore outer space. Westinghouse scientists within the last year have used molecular electronic principles to control the 'growth' of germanium crystals so that the material for semiconductor devices such as transistors can be produced in exactly the form in which it is used."

Britain's expanding Harper Group, engineering & business management team serving electronics, nucleonics, automation and other industries, will open offices shortly at 420 Lexington Ave., N.Y. 17. Harper's embraces various British corporations, is traded on the London Stock Exchange. Pending opening of the N.Y. office, details of the nature & services of the Harper Group may be obtained from Harper Engineering & Electronics Ltd., 19 Hanover Square, London, W.1, England.

Seven-tube FM table model is being offered in the Indianapolis-Bloomington market area for \$19.95 by Sarkes Tarzian Inc., Bloomington TV station operator and electronic-equipment manufacturer.

Trade Personals: Richard G. Evans named Sylvania Home Electronics mgr. of special accounts, with responsibility for sales to national accounts, hotels, motels, and educational & institutional accounts . . . Max F. Balcom, retired Sylvania chairman and 2-time pres. of EIA, installed as Grand Master of the Masons of Pa. . . . Don Hughes promoted from ad & sales promotion mgr., Sylvania electronic tubes, to head a new dept. which is a consolidation of ad, sales promotion & merchandising activities.

Francis J. Dunleavy, ex-Yale & Towne Mfg. Co., named RCA industrial & automation div. gen. mgr.; Loren F. Jones appointed to new post of product planning mgr. . . . William T. Buschmann promoted from renewal & equipment sales merchandising mgr., Sylvania Electric Products, to Eastern regional distributor sales mgr., succeeding Samuel J. McDonald, named asst. distributor sales mgr. . . . Samuel Schwartzstein named Admiral Corp. div. vp for Eastern distributing branches . . . Harold F. Cook named sales planning mgr., Tung-Sol; Robert E. Bilby appointed ad & sales promotion mgr.; Donald A. Bewkes named production planning & customer service mgr.

Stanley J. Sadlowski named to new post of mfg. dir., Thomas Electronics; I. J. Posner appointed to new post of sales mgr., branded renewal tube sales, components, & export . . . John F. Bishop named Textron Electronics exec. vp; Mark K. Howlett appointed mktg. vp. Both men were formerly with Beckman Instruments . . . Dr. Leland G. Cole, ex-Consolidated Electrodynamics Corp., elected research vp, Beckman Instruments . . . O. L. Dewey to head Raytheon's new electronic services div., a consolidation of govt. & industrial electronic equipment service & support functions . . . Leonard G. Taggart, ex-Sylvania, named to new post of Stromberg-Carlson's special products div. materials mgr.; Frank P. Norton Jr. promoted from telecommunication div. controller to controller of electronics div., succeeded by Robert L. O'Connor.

Dr. M. John Rice Jr. appointed semiconductor material engineering mgr., CBS Electronics . . . Walter H. Canfield named promotion mgr., International Resistance Co. mktg. div. . . . Rod Kershenstein, ex-Ampex, named gen. sales mgr., Glaser-Steers Corp. (phonos).

Engineering enrollments of undergraduates at universities & colleges dropped 5.4% to 243,000 in the fall of 1959 from 257,000 a year earlier, reports U.S. Education Comr. Lawrence G. Derthick. And for 2nd straight year freshman registrations for engineering studies declined in 1959 by 3%. Graduate engineering enrollments totaled 35,000 in 1959 vs. 33,000 in 1958. But, said Derthick, the figure reflected increased undergraduate enrollments in earlier years.

Electronic brains are smarter than the men who create them and may one day enslave mankind, MIT math prof. Dr. Norbert Wiener suggested last week in an address before the American Assn. for the Advancement of Science. He said that thinking machines had been developed to a point where they possess sufficient originality to consider, test and then accept or reject suggestions fed into them. The electronic brains, he added, produce answers long before their operators can determine the nature or long-range wisdom of the machines' thinking & decision-making.

Sylvania semiconductor sales office, to serve New England equipment makers & components distributors, has been established in Wilmington, Mass., at 281 Main St. The new office will be HQ for the New England sales force and ad & distributor sales depts. of semiconductor div.

Suggestions for 1960 demands on GE & Westinghouse are being solicited by 5 AFL-CIO unions in a novel joint ballot to their reported 150,000 GE & 70,000 Westinghouse members. The unions assert the common ballot does not constitute unified bargaining, say that each will bargain separately. The ballot, with a Jan. 11 return deadline, asks unionists to mark their order of preference for 19 listed demands, ranging from a wage increase & guaranteed annual wage to shorter hours & more vacations. The 5 unions: IUE, IBEW, IAM, UAW, AFTE.

Automatic check-out computer for supermarkets, which will reduce by two-thirds the time now required manually to total customers' purchases, will be introduced early this year by General Telephone & Electronics. B. K. Wickstrum, marketing senior vp for GT&E subsidiary Sylvania Electric Products, reports that discussions have been held with a number of supermarket chains on the "Score" equipment, that a prototype model will be built this year, that "Score" probably will have a \$25,000 price tag when placed on the market. The check-out machine is designed to "read" price data on groceries as they travel a conveyer belt, relay figures to a computer for totaling.

CBS's Columbia ad account is moving out of McCann-Erickson, N.Y., which earlier this season lost the CBS-TV network account. The phono-record div. billings, reportedly in excess of \$2 million annually, will be shifted to Benton & Bowles, which had the account prior to its acquisition by M-E in 1946. No official reason was given for the move, although unofficial reaction in N.Y. was that it was triggered by the acquisition of Magnavox ad billings a year ago by M-E subsidiary Marschalk & Pratt.

New-type hi-fi record, reportedly one-eighth the weight & thickness of conventional discs, will be introduced in the U.S. by a British-French-American combine. The records will be produced by Rank Audio Plastics, owned by motion-picture power J. Arthur Rank & giant publisher Librairie Hachette. Exclusive U.S. manufacturer of the records is N.Y.-based Consolidated Litho Corp.

TV ticker-tape service is now being offered by Trans-Lux Electronics Corp., the same firm which operates conventional ticker-tape projection system in brokerage houses. Available on rental basis, closed-circuit system will show as many as 3 tapes at a time on a single monitor.

Westinghouse engineer Dr. Edgar A. Sack Jr. has been named "Outstanding Young Electrical Engineer" for 1959 by Eta Kappa Nu Assn. Mgr. of the dielectric devices section of Westinghouse Research Labs, Dr. Sack has been working on special applications of electroluminescence.

One of best hi-fi books we've read is Norman Crowhurst's new *Hi Fi Made Easy* (Gernsback Library, 224 pp., paperback \$2.90, hard cover \$5), written without circuit diagrams or engineeringese and covering technical material in an easy-to-understand & non-technical way.

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Finance

RCA NEVER SOLD MORE: Reflecting the rising tide of electronics business, RCA in 1959 will rack up record sales and a 29% profit increase over 1958, Chmn. David Sarnoff reported in his annual year-end statement last week. Sales will peak at \$1.375 billion, 17% ahead of last year's \$1.176 billion and well ahead of the previous high of \$1,176,277,000, set in 1955. Profits, he calculated, will reach \$40 million, equal to \$2.65 a common share, compared with 1958's net of \$30.9 million (\$2.01). The healthy profits, however, still lag far behind 1955's record earnings of \$47,525,000 (\$3.16).

Gen. Sarnoff attributed the strong sales & profits showing to "increases in virtually all of the company's major operating units;" predicted a continuing increase in RCA sales & profits in the "dynamic decade" ahead, a doubling of RCA volume by 1965. He foresees electronics manufacturing as "the nation's fastest growing industry," expects that total electronic sales in 1960 will rise to \$16 billion (including distribution revenues) from \$14 billion this year, soar to \$25 billion in 1965. (EIA predicts factory sales of electronics at \$10.35 billion in 1960, Vol. 15:51 p13.)

RCA color TV was in the black for the first time in 1959, Gen. Sarnoff reported. Although he disclosed no profit figures, he said that 1959 sales of color sets would close out at about 30% ahead of 1958. "As sales volume continues to increase, so will the profits," he said. Sales of b&w TV sets also were well ahead of the 1958 volume. Gen. Sarnoff said that RCA more than doubled its sales of portable TV sets in a year when nearly 40% of all TV sets sold by the industry were portable types.

He noted that radio "enjoyed a buoyant resurgence of popularity." With possible thought to his famous 1915 proposal outlining the "radio music box," Gen. Sarnoff reported that RCA in 1959 sold more radios than in any other year of its history. Pace-setter was the transistor-Portable.

Looking ahead to the next decade, Gen. Sarnoff forecast 10 major developments. Among them: global TV in full color, home electronic heat & cool systems, electronic sight & sound systems built in as standard equipment in new homes & apartments, ETV classes of 100,000 & more students taught by one gifted instructor.

* * *

Motorola anticipates that 1960's rising markets will produce sales topping \$300 million, up from the more than \$275 million foreseen for 1959. Pres. Robert W. Galvin says that earnings prospects are "equally favorable and the company should improve over the record 1959 year." Despite labor troubles in the steel & transport industries, he said, "all indications point to a continuation of prosperity for the economy in general, and the electronics industry particularly. Motorola expects to continue a sound growth pattern in consumer, industrial and military electronics with an overall increase of about 10% in 1960 . . . Motorola markedly increased its share of the TV business last year and continues to lead in sales of stereo hi-fi instruments."

Westinghouse employes invested \$6,668,000 in the corp.'s common stock during a stock-purchase period—the 16th since 1948—just ended. Finance vp George G. Main reports that 21,115 employes bought a total of 74,089 shares through payroll-deductions.

Magnavox expects record sales & profits for the 2nd fiscal quarter which closed last week (31). Pres. Frank Freimann anticipates a sales jump of some 33% to \$35.5 million, with net income increasing to \$2.2 million (about 95¢ a share) from \$1.5 million (60¢) in the year-ago quarter. For the half-year ended Dec. 31, the outlook is for a 40% sales increase to about \$61 million, a 53% gain in earnings to \$3.4 million (\$1.45) from \$2,222,000 (89¢) in fiscal-1959's first half. Freimann noted that TV accounted for the major gains in Magnavox's consumer-products operation, which produces some 70% of total business. "Our bigger-than-industry growth in TV is attributable in part to the company's stereo-theater, a \$595 combination stereophonic radio-phonograph & TV," he said. "Half our dollar volume in TV sales is stemming from these high-priced models." He reported that Magnavox is in final stages of negotiations for acquisition of a British electronics firm "that will give us among other things entry into the British market and springboard to the Continent."

Fast amortization for tax purposes has been granted by the Office of Civil & Defense Mobilization on 53 new defense-related facilities totaling approximately \$45 million. The largest affected is Texas Instruments' planned \$8,750,000 military electronics research & production center. TI has been allowed fast depreciation of the facility's capital cost. The OCDM grant permits a company to depreciate a specified amount of a new facility's costs in 5 years, instead of a normal span of some 20 years. This has the effect of lowering income taxes in the early years of a building's existence. Among other grantees: General Dynamics, 60% of a \$1,217,600 missile & space vehicle research facility; GE, 65% of a \$1,204,000 development & production center for rocket cases; Motorola, 40% of a \$1,005,331 electronics R&D facility.

Thompson Ramo Wooldridge anticipates that 1959's net income will slightly top 1958's earnings of \$8,979,200 (\$2.86 a share) on a sales gain to \$400 million from \$340,622,000. Pres. Dr. Dean E. Wooldridge said the steel strike & defense cutbacks have affected sales & earnings, but he forecast 1960 gains in both areas. TRW business is currently about 60% military, 40% commercial. Wooldridge said subsidiary Pacific Semiconductors Inc. is registering sharp improvement. He estimated 1959 sales of \$10 million (double the 1958 volume) and said sales of the West Coast subsidiary also will likely double in 1960. TRW, Wooldridge said, spent \$15 million in 1959 for research & development of new products, will probably invest a like amount in 1960.

Control Electronics Co. Inc., Huntington Station, N.Y. maker of specialty electronic equipment, proposes public sale of 165,000 common stock shares at \$3 per share in an SEC registration statement (File 2-15959). Underwriters are Milton D. Blauner & Co. Inc., David Finkle & Co., and Gartman, Rose & Feuer.

Reports & comments available: Philco, GT&E and Beckman Instruments, discussions, Goodbody & Co., 115 Broadway, N.Y. 6 . . . Philco, discussion, A. M. Kidder & Co., 1 Wall St., N.Y. 5 . . . Dynamics Corp. of America, analysis, Gude, Winmill & Co., 1 Wall St., N.Y. 5 . . . Cleveite Corp., booklet, Cleveite Corp., Cleveland 10 . . . Radio City Products Co. Inc., circular, Amos Treat & Co. Inc., 79 Wall St., N.Y. 5 . . . Electronic Associates Inc. analysis, W. C. Langley & Co., 220 S. 16th St., Philadelphia 2 . . . Electronics Capital Corp., review, Alkow & Co., 50 Broadway, N.Y. 4.

Television Shares Management Corp., investment manager & principal underwriter for Television-Electronics Fund Inc., scored a 142% increase in net income on "record sales of shares and an increase of \$103.4 million in the assets of Television-Electronics Fund" for the fiscal year ended Oct. 31. Pres. William H. Cooley, in the firm's first annual report since becoming a public company, said he anticipated continued progress in 1960. "The outlook for electronics & nucleonics is relatively bright," he said, "and the growing acceptance of the Fund by investors & securities dealers is expected to continue." (For the Fund's fiscal-1959 report, see Vol. 15:49 p22.) For the fiscal year ended Oct. 31:

	1959	1958
Total revenues	\$2,714,566	\$1,653,431
Net income	702,297	299,074
Per common share	66¢	28¢
Common shares (1959) ..	1,060,000	1,060,000

RCA has changed the conversion price of its 3½% convertible debentures to \$49.04 a share from \$50. The adjustment, effective Dec. 18, results from the declaration on Dec. 4 of a 2% stock dividend, payable Feb. 1 to holders of common stock on Dec. 18.

Sunair Electronics Inc., Fort Lauderdale, Fla. manufacturer of radio transceivers for light aircraft, has asked SEC (File 2-15975) to register 200,000 common shares for public sale at \$3 per share. Northeastern Investors Corp., N.Y., is the underwriter.

Herts-Lion International Corp., to finance TV series, is floating (through Samuel B. Franklin Co.) a \$300,000 public issue comprising 300,000 shares at \$1 par value.

Educational Television

Russian language is being TV-taught to some 4,000 students in 100 schools via educational KUED Salt Lake City. The instructor is Russian-born Andrei K. Anastasion who turned to language teaching in 1958 with 22 elementary school students, expanded the popular course via ETV. Most of the 4,000 TV students are of elementary school age; the classes are voluntary. Results: "They speak a better brand of Russian than some of our children," appraised one of a group of Russian educators visiting an Anastasion language class.

ETV series on *Art & the Western World* will be produced by the U. of Texas under a \$20,000 contract awarded by the National ETV & Radio Center. The series will embrace 13 half-hour programs, video-taped for presentation on the nation's 45 ETV stations. Faculty member Dr. Donald L. Weismann, widely known art historian, painter and lecturer, will write the lecture-demonstration series and appear as featured performer.

ETV programming will comprise 10%-15% of the air time of upcoming WJPB-TV Weston, W. Va. (Vol. 15:52 p8), which expects to go on air Mar. 31. The Ch. 5 station has established an educational advisory committee, under the chairmanship of Bethany College Pres. Dr. Perry Gresham, to formulate its ETV programming. WJPB-TV Inc. Chmn. Thomas P. Johnson explained: "We realize our obligations to ETV and we plan to meet them."

Mutual assistance pact has been signed by National Assn. of Educational Bcstrs. and program-evaluating National Audience Board. The affiliation is a joint effort to aid TV programming.

ETV passed with honors in a survey of 1,210 teachers made by educational KQED San Francisco to evaluate its first year (1958-59, Vol. 15:47 p24) of in-school TV instruction. The "most significant overall evaluation: 95% of the teachers were agreeable to continued ETV participation," reports KQED, despite "widespread administrative apathy among the [participating] school districts." Other findings: "More than 60% of the teachers considered that above-average students benefitted most from instructional TV"; about a third thought average students were the prime beneficiaries. Instructional TV's major contributions to regular school programs: "Furnishing otherwise unavailable illustrative materials, introducing new concepts and permitting the use of outstanding teachers before many classes at one time."

"Educational-Instructional TV & Closed-Circuit TV; A Manual, Directory and Bibliography" by Rudy Bretz, U. of Cal. ETV visual communication dept. head, and Russell H. Ewing, Packard-Bell training coordinator (National Institute of Leadership, 70 pp., \$2) is intended "as a ready reference guide to manufacturers of open & closed-circuit TV equipment and to service agencies in these fields; as a handbook for university instructors, school administrators, educators and teachers, and as a manual of general information for political, civic, community, industrial, labor and military leaders."

Closed-Circuit ETV Network: A new avenue for ETV expansion is now being actively explored—a closed-circuit network that would link by microwave 11 Texas colleges & universities. The U. of Texas is working on a pilot project for the microwave network, under a contract with the U.S. Office of Education. The plan "is contingent on FCC approval which we believe will be forthcoming," reports U. of Texas TV-radio dir. R. F. Schenkkan. "This is a new approach to use of TV for educational purposes, so FCC has not ruled on microwave for such purposes."

FCC's policy on microwaves for educators has been to allow them the use of frequencies above 10,000 mc. However, equipment for these bands isn't available, and educators are seeking the use of conventional lower bands. The Texas group plans to file applications for the lower bands, hoping to persuade the Commission to change its policy. Texas isn't alone with the problem. There are extensive plans in the works for Cal., Pa. and other states. Alabama has connected its ETV stations with studio-transmitter links, but these are regarded as a stopgap, inadequate for long hauls.

The Texas network would carry credit courses & other ETV programming to the colleges & universities from U. of Texas's TV studio and/or San Antonio TV stations. Officers of production support—studios, equipment, personnel—have come from KENS-TV, WOAI-TV and KONO-TV; and KTBC-TV Austin has made equipment available, including a tower for signal distribution. Programming is being planned by a committee representing the participating colleges, with support from the Fund for the Advancement of Education.

Project participants, in addition to Austin-based U. of Texas: St. Edward's U. and Huston-Tillotson College, Austin; Trinity U., St. Mary's U., Incarnate Word College, Our Lady of the Lake College and San Antonio Junior College, San Antonio; Southwestern U., Georgetown; Southwest Texas State College, San Marcos; Texas Lutheran College, Seguin. Serving on the project's advisory committee: U.S. Office of Education representative Richard Hull of Ohio State U., CBS radio network program services dir. Allen Ludden, NET Pres. Dr. John F. White; NAEB Pres. Dr. Harry Skornia, others.

"Most extensive" ETV workshop in Conn. has been established by the Stamford Board of Education with the aid of a complete studio installation by CBS Labs. The first ETV training course for Stamford teachers & administrative staffs will begin in mid-Jan., under the direction of Southern Conn. State College TV education prof. Michael Hannon. The CBS Labs' gift includes 2 complete closed-circuit TV camera chains, accessory studio equipment, the loan of a 3rd camera chain, and supervision of the installation of studio & control rooms. "The Stamford ETV workshop has been established for the purpose of providing a springboard for the improvement of the education of our children in this city," noted Board of Education Pres. L. Reed Clark. "In the face of the steadily worsening teacher shortage and the population increase, we . . . want to take advantage of the latest technological advances for the betterment of our educational system."

Housewives compose the largest group audience for an *Elementary Spanish* ETV program presented by the U. of Md. twice weekly, 6:30-7 a.m., via WMAR-TV Baltimore & WTOP-TV Washington, D.C. The program has attracted more than 1,700 registrants—only 75 of whom have enrolled for college credit.

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SUMMARY-INDEX OF WEEK'S NEWS

FCC

FCC'S VHF DROP-INS proposed on basis of broad criteria, with no list of markets suggested. Change of engineering standards also proposed (pp. 1 & 4).

HOT & COLD REACTIONS TO ROGERS report, Harris seeks stronger deception curb. FCC split on "censorship" issue. FTC's Kintner applauds report (pp. 2 & 5).

PAYOLA & SNEAK-COMMERCIAL REPORTS filed with FCC by most of 5,236 stations queried. "Internal controls" listed include employe affidavits, monitoring, instructions & warnings (p. 3).

FCC PONDERES ITS POWERS as programming-hearing witnesses continue to sharpen issues. Advertisers insist on programming role, say they have stake in improvement (p. 5).

Stations

NAB RELEASES CODE LIST to FCC (and public). It's at all-time record (71.8% of stations) of 372 subscribers (pp. 3 & 8).

FTC MAY CITE STATIONS—along with sponsors & agencies—for fraudulent commercials. Five more record firms accused (p. 7).

THEY SEEK CANADIAN STATIONS. Two dozen applicants are vying for 5 new channels (p. 9).

TWO NEW STARTERS open up 1960 as KNBS (Ch. 22) Walla Walla, Wash. and KDSJ-TV (Ch. 5) Deadwood, S.D. begin operation. Reports on upcoming stations (p. 10).

Congress

LULL BEFORE STORM in Congress marks opening of new session for broadcasters. No punitive TV & radio bill introduced—yet (p. 4).

Manufacturing & Distribution

1959 TV PRODUCTION totaled 6,349,008, according to EIA figures. Radio output of 15,619,809 was best since 1947 (p. 17). Eleven-month retail sales figures (p. 22).

OPTIMISM & ENTHUSIASM keynote Chicago marts. Manufacturers agree steel settlement presages banner year. Firm prices, stress on quality are outstanding trends (p. 17).

IMPORTS UP, EXPORTS DOWN in U.S. electronics tally by Commerce Dept., which shows Jan.-Sept. 1959 electronics exports down nearly 5%, imports up 2½ times (pp. 18 & 22).

23-IN. TUBES shown widely at Chicago marts. First 19-in. sets due in 2 months; new size seen as a natural (p. 19).

AUTO INDUSTRY cited by Philco's Skinner as merchandising model for TV-appliance trade; urges selling on quality basis, de-emphasis of price (p. 20).

FULL TV LINE planned by Capehart by June; shows stereos & combinations. Hybrid U.S.-German TV-phono-radio combinations shown by 3 manufacturers (p. 20).

OPTIMISM ABOUT JAPAN THREAT prevails at the winter marts in Chicago; apparent in our conversations with leaders about color & b&w TV, transistor radios (p. 21).

GOVT. ELECTRONICS FORECAST, by BDSA, sees consumer output rising from \$1.95 billion to \$2.2 billion, with total electronics topping \$10 billion for first time; GE, Hoffman see good year (p. 23).

Other Departments

NETWORKS (p. 11). **FILM & TAPE** (p. 12). **PROGRAMMING** (p. 12). **ADVERTISING** (p. 15). **PERSONALS** (p. 16). **FINANCE** (p. 24).

FCC'S 'INTERIM, LIMITED' VHF DROP-INS: Congress is back in town and FCC knows it. Hence the Commission's proposal last week to relieve shortage of vhf assignments in critical major markets—via mileage cuts & changed engineering standards, as predicted (Vol. 16:1 p3).

Sen. Magnuson (D-Wash.) & Commerce Committee colleagues have been getting impatient with FCC ever since Commission on April 23, 1959 stated that "immediate steps must be taken to remedy the critical shortages of facilities in a number of important population centers" (Vol. 15:17 p1).

Commission didn't list the markets it proposed to relieve, for 2 reasons: (1) The 3-man majority (Doerfer, Ford & Cross)—Bartley & Lee dissenting—didn't feel strong enough to do so, undoubtedly are waiting for Craven to join them. (2) It gave industry opportunity to make its own suggestions. Obvious candidates for list are previously mentioned Providence, Grand Rapids, Louisville, Syracuse & Rochester.

FCC asked industry for comments by Feb. 19 (replies March 7), on its proposal to allow short-mileage drop-ins that meet 4 criteria—and your interpretation of the criteria is as good as anyone else's:

"(a) The assignment would make possible a 2nd or a 3rd vhf TV station in an important TV market.

"(b) The need for the additional service outweighs the need for any service lost as a result of additional interference to existing stations.

"(c) The new vhf service would not have substantial adverse effect on established uhf TV services.

"(d) A new assignment would not require an excessive number of channel changes of existing stations."

Coupled with the foregoing policy suggestions was a series of proposed engineering changes, designed primarily to enable those proposing drop-ins to calculate protection to existing stations. FCC said drop-ins must not create any more interference to existing stations than would new stations located at the minimum spacing now specified in the standards. Drop-ins would have to reduce power or height, or both, or use directional antennas—which could employ 20 db suppression.

One of most controversial criteria is "(c)" above. Many uhf operators were just biding time until they might apply for a short-spaced vhf drop-in. The criteria would prohibit that—but comments to come could change FCC's mind.

Engineering standards proposed by FCC are designed to intensify signal in urban areas. FCC & many others have long believed it a mistake to allocate channels way out of town. Another proposal was to reduce adjacent-channel spacing from 60 to 40 miles because interference is believed to be less than anticipated. No changes in uhf standards are proposed.

Comrs. Bartley & Lee dissented on grounds that proposal is premature & prejudicial. They said: "Addition of vhf assignments at reduced mileage separations will [in our judgment], substantially prejudice any long-range program other than an all-vhf system.

"This step is being taken at a time when the majority believes that within the next few weeks we will know whether or not an expanded vhf system is feasible eventually.

"If an expanded vhf system is feasible eventually, the first areas which should be provided for are those areas without vhf service, then those with a single vhf service, and so on.

"If an expanded vhf system is not feasible eventually, the interim plan should mesh with the long-range plan and it may well be that a more vigorous program of deintermixture toward uhf markets is the only such solution."

They were referring to the FCC-OCDM discussions about possibility of releasing military vhf spectrum for TV use. Ford is Commission's representative and he's expected to report within 3 to 4 weeks. (For technical details of FCC's proposal, see p. 4.)

HOT & COLD REACTIONS TO ROGERS REPORT: Attorney General William Rogers' report on broadcasting to President Eisenhower elicited responses from the govt. bodies most concerned—Congress, FCC & FTC—much as was foreshadowed by previous statements from spokesmen for these bodies.

Rogers said FCC & FTC have adequate powers to handle most problems but they haven't exercised them. He did recommend 2 new laws for now: (1) Make it a criminal offense for a station employe, as well as the station, to accept payments for programs without identifying the payer. (2) Give FCC power to impose punishment lighter than license revocation—such as "suspension or conditional renewal." Then, he said, if firmer govt. regulation & greater industry self-discipline prove inadequate, FCC should be given regulatory power over networks, and FTC should be given authority to obtain injunctions to stop immediately false advertising or deceptive trade practices, pending outcome of litigation. As law stands now, FTC can get injunctions covering only "food, drugs, devices, or cosmetics."

In sharp language, Rogers told FTC & FCC how they might better use their existing powers. Particularly, he said, FCC can do a lot more about programming without worrying about censorship. (For his recommendations, see p. 5.)

Rep. Harris (D-Ark.) doesn't believe Rogers goes far enough in trying to curb payola, quiz-rigging and the like. He said his subcommittee will soon recommend law covering not only station employes but everyone concerned—"whether it be sponsors, advertising agencies, producers or anyone." He also agreed with Rogers that FCC & FTC haven't used all their existing authority.

FCC Chmn. Doerfer said he has no quarrel with legislation suggested by Rogers, but he differs vigorously with his assertion that Commission can exert greater control over programming without engaging in censorship. "We'll have the opinions of other lawyers," he said. Doerfer has support, apparently getting stronger, from Comr. Cross, will get more when Comr. Craven returns. For example, Cross became incensed

while questioning Coty Pres. Philip Cortney in the programming hearing last week (see p. 5), asking him how many Westerns are "enough" and then stating:

"The same power that could say 'you can't broadcast that' could go to the pulpit or anywhere else and say 'you can't say that.'" Comr. Bartley, on other hand, spoke for another FCC faction when he said of Rogers report: "Why, most of it sounds like I could have written it myself."

FTC Chmn. Kintner was quick to applaud Rogers' report, stating that FTC had already done some of the things recommended—and there are indications he may adopt the suggestion that FTC go after broadcasters who carry fake or deceptive commercials (see p. 7).

NAB RELEASES LIST OF CODE SUBSCRIBERS: As promised with some misgivings at FCC programming hearing last month (Vol. 15:51 p1), NAB last week submitted its roster of TV Code subscribers (see p. 8) to Commission, thereby revealing (by omission) the identities of non-subscribers.

NAB was able to boast all-time high in Code pledges. Not counting 3 subscribing networks, its list of 372 good-practice seal stations represented 71.8% of 518 operating commercial TV outlets. That was big jump of more than 100 subscribers from low of 270 to which Code Review Board sank just 6 months earlier after it got tough with offending hemorrhoid commercials (Vol. 15:25 p3)—and when nearly nobody had much reason to be worried about such things as quiz & payola hanky-panky.

Unprecedented rally around Code flag was caused by scandals in industry, of course—self-preservation from punitive Washington moves being No. 1 rule for well-being of broadcasters. It was "further evidence of the TV industry's determination to regulate itself," as NAB Pres. Harold E. Fellows put it in spreading subscriber list on official public govt. record for first time. List of Code subscribers will continue to grow, Fellows said confidently.

Radio was stirring with evangelistic Code fervor, too. In Dec. alone, NAB noted, there was 42% jump in number of stations subscribing to NAB's rules for good radio practice, bringing that roster to nearly 900. And NAB's Radio Board voted in mail ballot last week to adopt broadened & tightened TV Code language for Radio Code, as recommended by NAB's Standard of Good Practice Committee (Vol. 15:51 p7). Radio Board will act later on recommendations that "teeth" be put in enforcement of rules and that subscription list be opened to non-NAB members.

PAYOLA & SNEAK-COMMERCIAL REPORTS FILED: Station responses to FCC's payola-plugola questionnaire (Vol. 15:49 p1), filed last week, are about what you'd expect—though with wide variations. Commission isn't making them public, but we've spot-checked station attorneys and have a pretty good idea how they run.

Jan. 5 was deadline only for question 2, asking what "internal controls" stations have established to minimize payola-plugola. Answers to question 1—which sought instances of the practices—aren't due until Feb. 5, but most stations answered both last week.

Answer to question 1 was simple for most. They reported they'd uncovered no under-the-table payments. Some went on to note, however, that they do receive free records & tapes, traditional in the industry.

Answers to question 2 varied greatly, usually simple for small stations, detailed for big multiple owners. A frequent "control" mentioned was requirement that all employes sign affidavits stating no under-cover pay had been received. Another was use of monitoring by non-programming personnel, often transmitter engineers who monitor signal anyway. Some stations reported their systems of selecting, approving & rejecting programs & commercials. Some described the instructions & warnings given to staff.

What worries stations is future actions of Harris subcommittee, FTC & Justice Dept. "Suppose," asks one attorney, "that a station tells FCC it found no payola. Then, Harris or somebody comes out with a list including people on the station staff. Won't the Commission jump on the station and accuse it of being lax?"

Another serious problem: What do you do when an employe confesses and says he won't do it any more? Says a lawyer: "Fire him? I think that's unfair. When a big record company can get away with a mild consent decree, why should some poor DJ lose his job?" It's our impression that Commissioners aren't inclined to be harsh about this.

Many of the statements were signed by station managers. Although FCC hasn't decided yet, there's good chance they'll be returned to be signed by licensee officer.

Commission sent out 5,236 questionnaires—one to each TV, AM & FM station. By week's end, it had received 4,500-5,000, and staff of 4 was simply sorting, not reading them. Joseph Nelson, renewal & transfer branch chief, says it will probably take couple months to study the reports.

LULL BEFORE STORM IN CONGRESS: Broadcasting got through opening days of 2nd session of 86th congress last week without suffering any blows threatened by quiz-&payola scandals (Vol. 16:1).

No anti-TV & radio floor speeches were made on Washington's "topic A." In Senate & House, 135 bills & 48 resolutions were introduced, but in whole batch only one—HR-9448 by Rep. Avery (D-Kan.)—had anything to do with broadcasting. And it wasn't punitive. It just called for statutory confirmation of FCC's policy of reserving TV channels for educational use.

No denunciations of state of broadcasting were made in State of Union message by President Eisenhower. He had been aroused enough by quiz scandals to call them "terrible thing" for country (Vol. 15:43 p2) and to order report on them by Justice Dept. (see p. 2). But TV & radio escaped any mention in his survey of U.S. troubles. In fact, industry issues came alive at session's start only in Congressional Record appendix. Sen. Javits (R-N.Y.) inserted sermon by N.Y. Rabbi deploring quiz frauds. Sen. Proxmire (D-Wis.) inserted Walter Lippmann column commenting on Justice recommendations.

Congressional calm won't last, however. Storm clouds hung over broadcasters on Capitol Hill—and at least one was beginning to break. House Commerce Committee Chmn. Harris (D-Ark.) and his Legislative Oversighters held unscheduled, unpublicized caucus on upcoming payola hearings (Vol. 16:1 p16). They delayed setting date for start of new headline-promising foray, giving staff more time to get ready for it. But it will come soon. Meanwhile, staffers began sending out flock of subpoenas for financial records of undisclosed number of "corporations & individuals"—meaning record firms & disc jockeys. Staffers counted on subpoenaed material alone to keep probe in sensations many weeks.

INDEX TO 1959 TV NEWS & PROGRESS: The only handy reference of its kind in the broadcast & electronics industry, our 14-page Index of 1959 news events, technical advances and network, station and manufacturers' activities, accompanies this issue. The Index is our 11th annual edition and a proved invaluable time saver for those moments when you have to know fast what happened, when & where & why.

The Index relates to 1959 Newsletters, Special Reports & Factbooks, and we assume you've maintained your copies in a complete file. However, we are preparing bound volumes of our 1959 output, prefaced by the new Index, and if you prefer this all-in-one convenience, we are still taking orders, at \$25 per copy.

The FCC

DROP-IN TECHNICALITIES: FCC came up with 2 new definitions of service areas in its new vhf drop-in proposal (see p. 1): "Principal City Service" and "Normal Service Area."

Using a new set of 6 propagation curves, the Principal City Service would be 80 dbu for Ch. 2-6, 85 dbu for Ch. 7-13. This, FCC said, would insure an excellent picture to at least 90% of locations at least 90% of the time. Normal service area signal levels are 40 dbu for Ch. 2-6, 50 dbu for Ch. 7-13.

To protect existing stations from interference produced by new drop-ins, the Commission said: "Protection equivalent to that insured existing stations under the rules governing minimum separations & maximum antenna heights and powers will be afforded by requiring stations operating at substandard co-channel spacings to suppress radiation toward the existing station to the extent necessary to insure that the ratio of desired-to-undesired signal will not be less than 28 db (offset operation) at any point where such ratio would occur if the new and the existing station were operating with maximum facilities at the minimum spacing permitted in Sec. 3:610 of the rules."

Adjacent-channel separations would be reduced from 60 to 40 miles, and directional antennas with 20 db sup-

pression would be permitted.

FCC engineers made substantial use of TASO's findings in the new proposal.

The report (Docket 13340, Public Notice 60-1) is due to be published in this week's *Federal Register*. A limited number of copies are available upon request to the Commission. Copies are also available from the Goetz Co., 1030 20th St. N. W., Washington.

Revocation of license of radio KIMN Denver, proposed by FCC because of "vulgar, obscene" broadcasts (Vol. 15:49 p2), was contested by the station last week. It asked the Commission to call off the proposed hearings, asserting the FCC action is barred by the Administrative Procedures Act and the Communications Act and that the "death penalty" of revocation is inappropriate. The station said the proceeding was started by a disgruntled competitor, that the offending employe had been dismissed and that it took "drastic & effective remedial measures to insure that there would be no recurrence of the unfortunate instances of departures from standards of good taste."

Single TV application filed with the FCC last week was for Ch. 13, Hilo, Hawaii, to be operated as a satellite of Henry Kaiser's KHVH-TV Honolulu. Total pending is now 114 (19 uhf).

More about

WHAT ROGERS WANTS: The most important portion of Attorney General William Rogers' 54-page report to President Eisenhower (p. 2) deals with FCC's powers over programming. Among other things, he said:

"A review of existing authority indicates that the Commission may, without running afoul of Constitutional or statutory safeguards of freedom of speech, give considerable weight to advertising practices & programming in the context of licensing, rulemaking or investigative proceedings. It is true that the statutory provision relating to censorship and the First Amendment delineates the outer limits of the Commission's powers. Yet, within those limits considerable scope is left for effective regulatory action. This would certainly be so with respect to deceptive practices as opposed to problems of taste.

"Although the issue has never been squarely passed upon by the Supreme Court, in every case in which the question has been presented, the courts have upheld the Commission's authority to concern itself with a licensee's program policies & practices. No action by the Commission has ever been held by the courts to constitute censorship or to violate Constitutional protections of freedom of speech or of the press."

Accordingly, said Rogers, the Commission should "adopt a program of more intensive scrutiny of licensees' past performances in connection with renewals." He suggested that FCC might emulate the Internal Revenue Service, picking random stations for "a spot check in depth"; that it might require "narrative & detailed accounts of past operations, and, in addition to acting on specific complaints, choose a certain number of renewal applications or all the licensees in a particular community for close examination . . . The licensees would thus be put on notice that from time to time they might have to give a detailed accounting as to their operation in the public interest." Rogers also recommended that FCC, using existing powers:

(1) Require stations to take steps to assure themselves that their programs are honest. FCC's "cease & desist" powers could be employed here—in preference to the drastic sanction of license revocation.

(2) Require stations to take steps to make sure employes don't accept payola—something FCC has already started in its payola questionnaire (see p. 3).

(3) Require full disclosure of licensee or employe ownership in companies whose products benefit from broadcast exposure.

For FTC, Rogers suggested that it move against broadcasters, as well as advertisers, in cases of false or deceptive commercials; that it call a conference to draft a broadcasting-advertising guide; that it start an "industry-wide investigation of TV & radio advertising to determine the extent to which false, unfair or deceptive practices are used . . ."

President Eisenhower acknowledged the report with a short statement asking Rogers to keep following the matter & make more recommendations whenever he sees fit.

Unused broadcasting towers would have to be kept painted & lighted under legislation proposed by FCC in a letter from Chmn. Doerfer to House Speaker Rayburn (D-Tex.). FCC recommended that the Communications Act be amended so that regulations covering towers in use would apply to abandoned structures as well. Rayburn turned Doerfer's letter over to the Commerce Committee.

FCC PONDERS ITS POWERS: As the programming hearing lengthens and the transcript mounts into thousands of pages, FCC members continue to express satisfaction with their intense exploration of industry problems & panaceas and their own legal powers. Their questions become more pertinent as even the least experienced members become surer of the knowns & unknowns in the industry they regulate.

Whatever FCC finally does as a result of the whole furore, one thing is certain: The action will be taken by a well-informed group. Summary of last week's testimony:

Rod Serling, brilliant TV writer-producer, cited instances of "ludicrous & timorous" sponsor interference with his writing—but he coupled this with a plea that the industry be permitted to set its own house in order. He admitted frankly he didn't know what FCC could do to halt sponsor interference, and he expressed genuine fear of govt. censorship. Examples of sponsor blue-pencilling given by Serling include:

Cutting the expression, "Have you got a match?" from a play—by a cigaret-lighter sponsor.

Turndown of a script on Nazi atrocities in Warsaw ghettos because it was "downbeat, violent, dated."

Refusal of Army & Navy cooperation because certain characters weren't representative of "all soldiers & sailors."

Food advertisers' objections to themes which might disturb the digestion.

But Serling was TV's defender, too, noting that critics don't mention "the responsibility of the daily press." The press, he said, is just as preoccupied as TV "with making a buck, as opposed to striking a balance between the newsworthy & the tasteful." "TV should not stand alone," he said. "There should be a legion of co-defendants."

Keep Sponsor in Programming

Peter W. Allport, vp-secy. of the Assn. of National Advertisers, asserted that sponsors must continue to have a voice in programming, that their investment entitles them to be "reasonably certain of commensurate value." If sponsors are denied a voice in programming, he warned, they will turn to "other channels of communication." "It is illogical," he asserted, "to think the process of improvement will be stepped up by excluding from programming the one who has so much to gain from improvement—namely the advertiser." He told the Commission that ANA has scheduled a special TV meeting of its members Feb. 2.

James M. Ward, U. of Colo. radio-TV dept. dir., submitted a statement urging that the Commission have field investigators inform community groups "of ways in which they can become active in achieving desirable radio & TV."

Mrs. Edith Nolan Riley, of the San Francisco Motion Picture & TV Council, said steps should be taken to prevent the belittling of govt., religion & family life on TV—and that movies' self-regulation "has fallen on its face."

Herman D. Kenin, American Federation of Musicians pres., attacked the TV-radio industry's "insensitive, dollar-dominated attitude toward live music," which he said had brought a "progressive diminution" of jobs for his members. Pursuing another long-standing AFM complaint, he also protested use of canned foreign music in TV films—"dull, mechanical, paste-&-scissors music, for which no composer, arranger, copyist or instrumentalist—foreign or American—received one penny." As remedies, he proposed that FCC "require broadcasters to program at least a given amount of live music" and "require all stations properly to label their music, and to explain its origin." Reporting on a poll of AFM locals, Kenin said returns

covering 537 local TV & radio stations in 31 states & D.C. (excluding N.Y., Chicago, Los Angeles network centers) showed "502 stations do not employ a single live musician."

Morton J. Simon, associate gen. counsel of Advertising Federation of America, deplored "guilt-by-association psychology" which sees "an entire industry condemned for the deceits or moral derelictions of a tiny fraction of people in the industry." Listing specific AFA recommendations, he called for: (1) No new legislation. (2) No censorship. (3) Legal controls of advertising limited to claims which are "false, misleading, deceptive or unfair." (4) Retention by FTC of "primary govt. responsibility" for policing ads. (5) Preparation of an FTC guide on "legally improper" TV commercials. (6) FCC-FTC liaison. (7) "Poor taste" self-policing by TV & ad industries. (8) FCC disciplinary procedures "as in the past" if the "FTC-industry program proves insufficient." (9) Consumer education.

Cecil Woodland, gen. mgr. of radio WEJL Scranton, Pa., who also is pres. of the Pa. Assn. of Bcstrs. and a member of NAB's Radio Good Practice Committee, suggested that one station criterion at license-renewal time should be "whether or not a station subscribes and adheres to NAB's voluntary rules." He said that subscribing to the Code meant that "a pledge of creditable operation has been made & sworn to." He also suggested that: (1) Announcers might be licensed by FCC to "provide restraints on the small number of irresponsible air personalities who float from station to station." (2) FCC require license-renewal statements by stations of steps taken to keep personnel in line. (3) FCC institute a "probation" renewal period for stations whose "operation has been of doubtful calibre." (4) The license period be extended from 3 to 5 years to give FCC's staff more time to study performance.

'A Jukebox with a Bulletin Board'

Morris S. Novik, N.Y. radio consultant, said that since the advent of TV, much music-&-news radio has become little more than "a jukebox with a bulletin board [which] is inimical to the public interest." He said it was time for FCC to spell out "in some systematized fashion all of the factors that constitute good programming"—and then "let the broadcaster know when he is living up to his obligations and when he is not." He also said the radio music-&-news format "prohibits talk program of any kind," so that in 1960 the country faces "a virtual blackout of political broadcasts on radio." He recommended that FCC: (1) "Require that all broadcasting stations make time available, at regular commercial rates, to qualified candidates for a month prior to election day and for a week prior to local or state primaries." (2) "Conduct a public inquiry" on political broadcast practices.

Burton Lane, pres. of the American Guild of Authors & Composers (largely ASCAP members), used the FCC hearing to mount another attack on broadcaster-supported BMI, ASCAP's competitor. "The BMI operation is The Big Payola," Lane assured the Commission. He said the "aggregate take of disc jockeys is infinitesimal compared to the \$10-million yearly slush fund which the broadcasters have used to promote the music they control." His remedy for this situation: "No license should be renewed nor . . . granted to any station which has an interest in BMI in the form of stock ownership or otherwise." He followed up by filing a formal FCC petition (also signed by composer James McHugh & writer Ogden Nash) asking that licenses of 557 radio stations not be renewed unless they withdrew from BMI.

(Outside the hearing room, BMI promptly issued a retort that "Mr. Lane knowingly distorts the facts." His

testimony, said BMI, was "a repetition of misstatements which have already been made [and] part of a campaign to restore monopoly in the field of performing rights to AGAC's own members." Lane picked up his anti-BMI cudgels again at a hotel press conference, however. His theme: "The true story of music payola involves the owners & operators of networks & stations [and] broadcasters' improper use of their licenses to manipulate & degrade the taste of our public." AGAC supporters who joined Lane at the press conference included composer Arthur Schwartz, actress Helen Hayes, playwright Howard Lindsay, composer Virgil Thompson, songwriter Otto Harbach.)

'Advertiser, Go Home'

Philip Cortney, Coty Inc. pres., expanded a theme he has developed in speeches since the quiz scandals broke: "Advertisers should take their hands off TV programs." He "urgently" recommended that FCC give thought to a Communications Act amendment "which would specifically make it illegal & punishable by law for any advertiser to exercise control over programs." He suggested other "means of defending the public interest," too: (1) "The creation of a national advisory board on radio & TV." (2) "Pay-TV network. It is worth trying." (3) A "subsidized & endowed" TV network operated for "public service," not profit.

Tom Chauncey, pres. of KOOL-TV & KOOL Phoenix and KOLD-TV & KOLD Tucson and of the Ariz. Bcstg. Assn., warned: "The day this Commission begins to destroy free programming on TV networks or stations will be the day that America's free enterprise system begins to die." He maintained that the public retains "complete faith" in TV, that broadcasters are "conscious of their responsibility," that a "false picture" of broadcasting had been created by quiz disclosures. "It's not as bad as all that," he said, "although nobody in broadcasting condones the rigging of quiz shows or anything else."

Marianne B. Campbell, gen. mgr. of radio WJEH Gallopis, O., presented a 12-page statement reviewing her station's history and its programming & ad policies, in which she said "we take great pride." In view of WJEH's operations, she said "additional laws & restricting controls are not necessary." Concluded she: "It would seem an impossible task to try to regulate from Washington, D.C. the needs & requirements of our area. We feel we operate completely in the community interest . . ."

This week's witnesses, as scheduled by FCC at last week's end, when the list for Jan. 15 hadn't been set yet: Jan. 11—Peoples Bcstg. Corp.; ASCAP, Pres. Stanley Adams; Good Music Bcstrs., Pres. Theodore Jones; NABET Pres. George W. Smith; AFTRA, exec. secy. Donald Conway. Jan. 12—Springfield TV Bcstg. Corp., Pres. William L. Putnam; Storer Bcstg. Co., vp-secy. John E. McCoy; Fund for the Republic, Frank Kelly.

FCC's 25th annual report is a really excellent reference volume, useful for both novice & veteran broadcasters and those in associated industries. Compiled under the supervision of information chief George Gillingham, the 191-page book features digests of Commission actions in all fields, including a special chapter on litigation & legislation. In addition, there are histories of communications and of govt. regulation, a chronology of major events since 1934, a description of the Commission's World War II activities, much statistical information. The document has a silver-colored cover, permitted by special dispensation of Congress's Joint Committee on Printing. It's available for 65¢ from the Govt. Printing Office, Washington 25, D.C.

Doerfer's Anti-Censorship Case: In the best summary of his views so far, FCC Chmn. Doerfer, in a speech prepared for delivery at the Federal Communications Bar annual banquet Jan. 8, presented key passages from what he considers to be contradictory U.S. Supreme Court decisions governing freedom of speech. Then he appealed to the attorneys to come forth with their own analyses, to help the Commission judge its powers over programming.

"The future of the American system of broadcasting hangs in the balance," he said. "By the American system of broadcasting I mean the original Congressional intent, as yet unamended, that it shall be developed within the framework of the competitive system, and that the Commission shall have no power of censorship or impose any regulation or condition which shall interfere with freedom of expression."

Doerfer concluded by quoting from Justice Black's concurring opinion in the Dec. 14, 1959 Supreme Court decision in *Smith v. State of California*: "If, as it seems, we are on the way to national censorship, I think it timely to suggest again that there are grave doubts in my mind as to the desirability or Constitutionality of this court's becoming a Supreme Board of Censors—reading books & viewing television performances to determine whether, if permitted, they might adversely affect the morals of the people throughout the many diversified local communications in this vast country."

Doerfer then asked: "Will the FCC become a Supreme Board of Censors? How far can it go to achieve balance in program? How can it aid the industry to do more public service programming and still observe the fundamental law of the land?"

Portland, Ore. Ch. 2 should go to Fisher Bestg. Co., over the Tribune Publishing Co., FCC examiner Herbert Sharfman recommended in his initial decision. A 3rd applicant, radio KPOJ Portland, had withdrawn. Fisher is 60% owned by Fisher's Blend Station Inc., the owner of KOMO-TV Seattle. Tribune owns KTNT-TV Tacoma & *The Tacoma News Tribune*. Sharfman based his conclusions on: Fisher's 40% ownership by Portland residents vs. Tribune's none; civic activities of Fisher's Portland stockholders; greater diversification of business interests among Fisher principals; Fisher's superior broadcast record. Sharfman had his usual fun with words, starting his conclusion with: "As the significance of the various 'criteria' has been discussed in many Commission decisions, this Initial Decision will not undertake to pass anew on the bases or materiality of these guides to decision as if the present document were a work of seminal originality."

Federal Communications Bar Assn. elects: Frank U. Fletcher, pres.; Robert M. Booth, 1st vp; Harold E. Mott, 2nd vp; Benedict P. Cottone, secy.; James E. Greeley, asst. secy.; John P. Southmayd, treas.; Edward F. Kenehan & John H. Midlen, 3-year terms on the exec. committee.

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Stations

More about

FTC MAY CITE STATIONS: Broadcasters, who so far have escaped legal responsibility for deceptive commercials carried by their stations, may find themselves called to account by FTC, along with sponsors & ad agencies, we learned last week. Current project No. 1 for a task force of FTC lawyers is to draft a plan (to be buttressed by legislative & court citations of the ad-policing agency's broad powers) for including broadcasters themselves as respondents in future ad complaints.

Attorney Gen. William P. Rogers suggested in his TV quiz-scandal report to President Eisenhower (see p. 2) that FTC proceed against broadcasters "in appropriate cases" involving "false advertising of foods, drugs, devices or cosmetics." FTC is not only taking up that recommendation; it contemplates naming networks & stations as co-respondents in cases involving offending commercials. FTC already has begun citing ad agencies (Vol. 15:50 p10).

"A staff is working on this for consideration by the Commission," Chmn. Earl W. Kintner told us guardedly. "Certainly the study looks forward to a position by the Commission on the report. And certainly there is a possibility that we will start proceeding against broadcasters."

Kintner wouldn't say just when FTC might make its decision on the proposed new strategy in its hard-driving campaign to clean up TV & radio practices. But other FTC sources said the move was shaping up rapidly.

Meanwhile, FTC cited 5 more record firms in the payola phase of its TV-radio drive (Vol. 16:1 p7). That brought to 28 the total of record manufacturers & distributors accused of violating the Federal Trade Commission Act by paying disc jockeys to play their products.

Still another batch of complaints against record firms was ready for mailing Jan. 8 to an undisclosed number of additional music firms. But the complaints were called back for more paper work by FTC staffers. They probably will be issued this week—and more will come after that.

"There is more payola coming up," one FTC source told us. "You can be sure. There'll be a steady flow."

Named in last week's complaints, all accused of giving unidentified jockeys payola to "expose" records in which the respondents have financial interest, were:

Jamie Record Co., a distributor, 1330 Girard Ave., Philadelphia; Alpha Distributing Co., a distributor partnership of John Holonka & Harry Apostoleris, 437 W. 45 St., N.Y.; Chess Record Corp., Argo Record Corp. and Checker Record Co., 2121 S. Michigan Ave., Chicago, and their Pres. Leonard Chess & secy-treas. Phil Chess.

FTC's broadcasting week also was marked by a reply by Chmn. Kintner to questions from Senate Commerce Committee Chmn. Magnuson (D-Wash.) about what the agency is doing to prevent deceptive broadcasts (Vol. 15:47 p5). In a 4-page letter, Kintner told Magnuson FTC has "adequate" authority to act against misleading TV & radio commercials—and is acting. But Kintner said it was "not clear whether the Commission has jurisdiction" over programs in which "the name of the sponsor or its product appears visually on the screen throughout the entire program or almost the entire program." He added that in view of FCC's programming hearings (see p. 5) it would be "premature" for FTC to comment now on any need for any legislation in that specific area.

Through his office, Magnuson commented in reply that he hoped FTC wouldn't stall while FCC ponders its powers & responsibilities: "If the FTC delays its action against those who impose upon the American public, we may have to demand legislation that will force it to act."

More about

TV CODE SUBSCRIBER ROLL: Following is a list of 372 TV station subscribers to NAB's TV Code, as supplied to FCC by NAB last week (see p. 3). This comprises the bulk of the 399 subscribers, which total includes the 3 networks and the 24 TV film production firms identified for us by NAB as affiliate subscribers to the Code (and also presented below):

WABC-TV New York, N.Y.
 WABI-TV Bangor, Maine
 WAFB-TV Baton Rouge, Louisiana
 WAGA-TV Atlanta, Georgia
 WAGM-TV Presque Isle, Maine
 WAKR-TV Akron, Ohio
 WALA-TV Mobile, Alabama
 WALB-TV Albany, Georgia
 WANE-TV Fort Wayne, Indiana
 WAPI-TV Birmingham, Alabama
 WAST Albany, New York
 WATE-TV Knoxville, Tennessee
 WAVE-TV Louisville, Kentucky
 WAVY-TV Portsmouth, Virginia
 WBAL-TV Baltimore, Maryland
 WBAP-TV Fort Worth, Texas
 WBAY-TV Green Bay, Wisconsin
 WBBM-TV Chicago, Illinois
 WBEN-TV Buffalo, New York
 WBIR-TV Knoxville, Tennessee
 WBKB Chicago, Illinois
 WBNS-TV Columbus, Ohio
 WBRB-TV Birmingham, Alabama
 WBRZ Baton Rouge, Louisiana
 WBTW Charlotte, North Carolina
 WBTW Florence, South Carolina
 WBZ-TV Boston, Massachusetts
 WCAU-TV Philadelphia, Pa.
 WCAX-TV Burlington, Vermont
 WCBS-TV New York, N.Y.
 WCCO-TV Minneapolis, Minn.
 WCDC Adams, Massachusetts
 WCIA Champaign, Illinois
 WCKT Miami, Florida
 WCNY-TV Watertown, New York
 WCPO-TV Cincinnati, Ohio
 WCSC-TV Charleston, S.C.
 WCSH-TV Portland, Maine
 WCYB-TV Bristol, Virginia
 WDAF-TV Kansas City, Mo.
 WDAU-TV Danville, Illinois
 WDAY-TV Fargo, North Dakota
 WDBJ-TV Roanoke, Virginia
 WDBO-TV Orlando, Florida
 WDEF-TV Chattanooga, Tenn.
 WDSM-TV Duluth, Minnesota
 WDSU-TV New Orleans, Louisiana
 WEAU-TV Eau Claire, Wisconsin
 WEEK-TV Peoria, Illinois
 WEHT Henderson, Kentucky
 WESH-TV Daytona Beach, Fla.
 WEWS Cleveland, Ohio
 WFAA-TV Dallas, Texas
 WFBG-TV Altoona, Pennsylvania
 WFBM-TV Indianapolis, Indiana
 WFGA-TV Jacksonville, Florida
 WFIE-TV Evansville, Indiana
 WFIL-TV Philadelphia, Pa.
 WFLA-TV Tampa, Florida
 WFMJ-TV Youngstown, Ohio
 WPMY-TV Greensboro, N.C.
 WFRV-TV Green Bay, Wisconsin
 WGAL-TV Lancaster, Pa.
 WGAN-TV Portland, Maine
 WGEN-TV Quincy, Illinois
 WGN-TV Chicago, Illinois
 WGR-TV Buffalo, New York
 WHAS-TV Louisville, Kentucky
 WHBF-TV Rock Island, Illinois
 WHDH-TV Boston, Massachusetts
 WHEC-TV Rochester, New York
 WHEN-TV Syracuse, New York
 WHIO-TV Dayton, Ohio
 WHIS-TV Bluefield, West Virginia
 WHIZ-TV Zanesville, Ohio
 WHO-TV Des Moines, Iowa
 WHTN-TV Huntington, W. Va.
 WIBW-TV Topeka, Kansas
 WIIC Pittsburgh, Pennsylvania
 WIMA-TV Lima, Ohio
 WINK-TV Ft. Myers, Florida
 WINR-TV Binghamton, N.Y.
 WIS-TV Columbia, South Carolina
 WISC-TV Madison, Wisconsin
 WISH-TV Indianapolis, Indiana
 WISN-TV Milwaukee, Wisconsin
 WITI-TV Milwaukee, Wisconsin
 WJAC-TV Johnstown, Pa.
 WJAR-TV Providence, R.I.
 WJBK-TV Detroit, Michigan
 WJIM-TV Lansing, Michigan
 WJRT Flint, Michigan
 WJTV Jackson, Mississippi
 WJW-TV Cleveland, Ohio

WJXT Jacksonville, Florida
 WJZ-TV Baltimore, Maryland
 WKBN-TV Youngstown, Ohio
 WKBT La Crosse, Wisconsin
 WKBW-TV Buffalo, New York
 WKJG-TV Fort Wayne, Indiana
 WKNX-TV Saginaw, Michigan
 WKRC-TV Cincinnati, Ohio
 WKRG-TV Mobile, Alabama
 WKST-TV New Castle, Pa.
 WKTV Utica, New York
 WKY-TV Oklahoma City, Okla.
 WKYT Lexington, Kentucky
 WKZO-TV Kalamazoo, Michigan
 WLAC-TV Nashville, Tennessee
 WLBT Jackson, Mississippi
 WLBY-TV Bangor, Maine
 WLOF-TV Orlando, Florida
 WLOS-TV Asheville, N.C.
 WLUC-TV Marquette, Michigan
 WLUK-TV Marinette, Wisconsin
 WLVA-TV Lynchburg, Virginia
 WLW-A Atlanta, Georgia
 WLW-C Columbus, Ohio
 WLW-D Dayton, Ohio
 WLW-I Indianapolis, Indiana
 WLW-T Cincinnati, Ohio
 WLHY-TV Lehanon, Pa.
 WMAL-TV Washington, D.C.
 WMAR-TV Baltimore, Maryland
 WMAZ-TV Macon, Georgia
 WMBD-TV Peoria, Illinois
 WMCT Memphis, Tennessee
 WMT-TV Cedar Rapids, Iowa
 WMTV Madison, Wisconsin
 WMTW-TV Poland Spring, Maine
 WNBC New Britain, Connecticut
 WNBFT-TV Binghamton, N.Y.
 WNBQ Chicago, Illinois
 WNCT Greenville, N.C.
 WNDU-TV South Bend, Indiana
 WNEM-TV Bay City, Michigan
 WNEP-TV Scranton, Pa.
 WNHC-TV New Haven, Conn.
 WOAI-TV San Antonio, Texas
 WOAX-TV Oakhill, W. Va.
 WOC-TV Davenport, Iowa
 WOOD-TV Grand Rapids, Mich.
 WOW-TV Omaha, Nebraska
 WPBN-TV Traverse City, Mich.
 WPIX New York, N.Y.
 WPRO-TV Providence, R.I.
 WPSD-TV Paducah, Kentucky
 WPST-TV Miami, Florida
 WRAL-TV Raleigh, N.C.
 WRBL-TV Columbus, Georgia
 WRC-TV Washington, D.C.
 WRCR-TV New York, N.Y.
 WRCV-TV Philadelphia, Pa.
 WREC-TV Memphis, Tennessee
 WREX-TV Rockford, Illinois
 WRGB Schenectady, N.Y.
 WROC-TV Rochester, New York
 WRVA-TV Richmond, Virginia
 WSAU-TV Wausau, Wisconsin
 WSAZ-TV Huntington, W. Va.
 WSB-TV Atlanta, Georgia
 WSBT-TV South Bend, Indiana
 WSFA-TV Montgomery, Alabama
 WSJS-TV Winston-Salem, N.C.
 WSJV Elkhart, Indiana
 WSLS-TV Roanoke, Virginia
 WSM-TV Nashville, Tennessee
 WSOC-TV Charlotte, N.C.
 WSPA-TV Spartanburg, S.C.
 WSPD-TV Toledo, Ohio
 WSUN-TV St. Petersburg, Fla.
 WSVR-TV Harrisonburg, Va.
 WSYR-TV Syracuse, New York
 WTAE Pittsburgh, Pa.
 WTAP Parkersburg, W. Va.
 WTAR-TV Norfolk, Virginia
 WTCN-TV Minneapolis, Minn.
 W-TEN Albany, New York
 WTHI-TV Terre Haute, Ind.
 WTIH-TV Hartford, Conn.
 WTMJ-TV Milwaukee, Wisconsin
 WTOC-TV Savannah, Georgia
 WTOK-TV Meridian, Mississippi
 WTOL-TV Toledo, Ohio
 WTOM-TV Cheboygan, Michigan
 WTOP-TV Washington, D.C.
 WTPA-TV Harrisburg, Pa.
 WTRF-TV Wheeling, W. Va.
 WTVC Chattanooga, Tennessee

WTVD Durham, N.C.
 WTVJ Miami, Florida
 WTVM Columbus, Georgia
 WLVN Columbus, Ohio
 WTVP Decatur, Illinois
 WTVT Tampa, Florida
 WTVW Evansville, Indiana
 WUSN-TV Charleston, S.C.
 WVBC-TV Norfolk, Virginia
 WVET-TV Rochester, New York
 WVUE New Orleans, Louisiana
 WVVJ-TV Detroit, Michigan
 WWL New Orleans, Louisiana
 WWTW Cadillac, Michigan
 WXEX-TV Petersburg, Virginia
 WXYZ-TV Detroit, Michigan
 KABC-TV Los Angeles, California
 KAKE-TV Wichita, Kansas
 KALB-TV Alexandria, Louisiana
 KARD-TV Wichita, Kansas
 KARK-TV Little Rock, Arkansas
 KAYS-TV Hays, Kansas
 KBAB-TV Bakersfield, Cal.
 KBAS-TV Ephrata, Washington
 KBES-TV Medford, Oregon
 KBMB-TV Bismarck, N.D.
 KBOL-TV Boise, Idaho
 KBTV Denver, Colorado
 KCBQ-TV Lufkin, Texas
 KCBK Salt Lake City, Utah
 KCEN-TV Temple, Texas
 KCIX-TV Boise, Idaho
 KCMO-TV Kansas City, Missouri
 KCMT Alexandria, Minnesota
 KCOF Los Angeles, California
 KCRS-TV Sacramento, Cal.
 KCRG-TV Cedar Rapids, Iowa
 KCSJ-TV Pueblo, Colorado
 KCTV San Angelo, Texas
 KDAL-TV Duluth, Minnesota
 KDIX-TV Dickinson, N.D.
 KDKA-TV Pittsburgh, Pa.
 KDUB-TV Lufkin, Texas
 KDUH-TV Hay Springs, Nebraska
 KEDY-TV Big Spring, Texas
 KELO-TV Sioux Falls, S.D.

(with satellites KLDO-TV & KPLD-TV)

KELP El Paso, Texas
 KENS-TV San Antonio, Texas
 KEPR-TV Pasco, Washington
 KERO-TV Bakersfield, California
 KETV Omaha, Nebraska
 KEYT Santa Barbara, Calif.
 KFBC-TV Cheyenne, Wyoming
 KFDA-TV Amarillo, Texas
 KFDM-TV Beaumont, Texas
 KFDS-TV Wichita Falls, Texas
 KFEQ-TV St. Joseph, Missouri
 KFJZ-TV Fort Worth, Texas
 KFMB-TV San Diego, California
 KFRE-TV Fresno, California
 KFSD-TV San Diego, California
 KFVS-TV Cape Girardeau, Mo.
 KFYR-TV Bismarck, N.D.
 KGBT-TV Harlingen, Texas
 KGGM-TV Albuquerque, N.M.
 KGHL-TV Billings, Montana
 KGLD-TV Mason City, Iowa
 KGMB-TV Honolulu, Hawaii
 KGNL-TV Amarillo, Texas
 KGO-TV San Francisco, Cal.
 KGW-TV Portland, Oregon
 KHBC Hilo, Hawaii
 KHOL-TV Kearney, Nebraska
 KHOU-TV Houston, Texas
 KHPL-TV Hayes Center, Neb.
 KHQ-TV Spokane, Washington
 KHQA-TV Hannibal, Missouri
 KHSL-TV Chico, California
 KHVH-TV Honolulu, Hawaii
 KID-TV Idaho Falls, Idaho
 KIEM-TV Eureka, California
 KIMA-TV Yakima, Washington
 KING-TV Seattle, Washington
 KIRO-TV Seattle, Washington
 KIVA Yuma, Arizona
 KJEO-TV Fresno, California
 KKTV Colorado Springs, Colo.
 KLEW-TV Lewiston, Idaho
 KLFY-TV Lafayette, Louisiana

KLIX-TV Twin Falls, Idaho
 KLTV Tyler, Texas
 KLVZ-TV Denver, Colorado
 KMAU-TV Wailuku, Hawaii
 KMBC-TV Kansas City, Missouri
 KMID-TV Midland, Texas
 KMJ-TV Fresno, California
 KMMT Austin, Minnesota
 KMOT Minot, North Dakota
 KMOX-TV St. Louis, Missouri
 KMSO-TV Missoula, Montana
 KMTV Omaha, Nebraska
 KNOE-TV Monroe, Louisiana
 KNOP North Platte, Nebraska
 KNOX-TV Grand Forks, N.D.
 KNTV San Jose, California
 KNXT Los Angeles, California
 KOA-TV Denver, Colorado
 KOB-TV Albuquerque, N.M.
 KOIN-TV Portland, Oregon
 KOLD-TV Tucson, Arizona
 KOLN-TV Lincoln, Nebraska
 KOMO-TV Seattle, Washington
 KONO-TV San Antonio, Texas
 KOOL-TV Phoenix, Arizona
 KOSA-TV Odessa, Texas
 KOTA-TV Rapid City, S.D.
 KOTI Klamath Falls, Oregon
 KOTV Tulsa, Oklahoma
 KPAP-TV Sweetwater, Texas
 KPHO-TV Phoenix, Arizona
 KPIC Roseburg, Oregon
 KPX San Francisco, California
 KPLC-TV Lake Charles, La.
 KPRC-TV Houston, Texas
 KPRTV Portland, Oregon
 KRBC-TV Ahilene, Texas
 KRCA Los Angeles, California
 KRDO-TV Colorado Springs, Colo.
 KREM-TV Spokane, Washington
 KREX-TV Grand Junction, Colo.
 KREY-TV Montrose, Colorado
 KRIS-TV Corpus Christi, Texas
 KRLD-TV Dallas, Texas
 KRNT-TV Des Moines, Iowa
 KROC-TV Rochester, Minnesota
 KROD-TV El Paso, Texas
 KRON-TV San Francisco, Cal.
 KSBW-TV Salinas, California
 KSBY-TV San Luis Obispo, Cal.
 KSD-TV St. Louis, Missouri
 KSL-TV Salt Lake City, Utah
 KSLA-TV Shreveport, Louisiana
 KSTP-TV Minneapolis, Minn.
 KSWO-TV Lawton, Oklahoma
 KSWV-TV Roswell, New Mexico
 KSYD-TV Wichita Falls, Texas
 KTBS-TV Shreveport, Louisiana
 KTHV Little Rock, Arkansas
 KTVI Sioux City, Iowa
 KTNZ-TV Tacoma, Washington
 KTRF-TV Lufkin, Texas
 KTRK-TV Houston, Texas
 KTSM-TV El Paso, Texas
 KTTT-TV Springfield, Missouri
 KTTV Los Angeles, California
 KTVB-TV Anchorage, Alaska
 KTVB Boise, Idaho
 KTVF El Dorado, Arkansas
 KTVH Wichita, Kansas
 KTVI St. Louis, Missouri
 KTVK Phoenix, Arizona
 KTVU Oakland, California
 KUMV-TV Williston, N.D.
 KUTV Salt Lake City, Utah
 KVAL-TV Eugene, Oregon
 KVAR Phoenix, Arizona
 KVER Clovis, New Mexico
 KVKM-TV Monahan, Texas
 KVOO-TV Tucson, Arizona
 KVOG-TV Tulsa, Oklahoma
 KVOS-TV Bellingham, Wash.
 KVTU Sioux City, Iowa
 KWTV Oklahoma City, Oklahoma
 KWVL-TV Waterloo, Iowa
 KXGO Fargo, North Dakota
 KXJB-TV Valley City, N.D.
 KXLY-TV Spokane, Washington
 KXTV Sacramento, California
 KYW-TV Cleveland, Ohio
 KZTV Corpus Christi, Texas

Film producers who subscribe to the TV Code as affiliates were listed by NAB as:

Brennan-Westgate Prod. Inc.
 California National Prod. Inc.
 CBS Films Inc.
 Chertok TV
 Desilu Productions Inc.
 Wyatt Earp Enterprises Inc.
 Filmaster Productions Inc.
 Flying A Pictures Inc.
 Four Star Films Inc.
 Gallu Productions Inc.
 Gross-Krasne Inc.
 Key Productions Inc.

Mark VII Ltd.
 Marterto Productions Inc.
 Robert Maxwell Associates Inc.
 McCadden Productions
 Overland Productions Inc.
 Lindsley Parsons Productions Inc.
 Revue Productions
 Hal Roach Enterprises
 Screen Gems Inc.
 Superman Inc.
 The Jack Wrather Organization
 Ziv TV Programs Inc.

THEY SEEK CANADIAN STATIONS: Canada's Board of Broadcast Governors has started its round of public hearings on competitive TV licenses, with the biggest battle in Toronto. In the 4 sittings now scheduled, 24 applicants will seek 5 channels: 3 applicants seek one channel in Winnipeg; there are 5 for one channel in Vancouver; 7 for 2 channels in Montreal and 9 for the single Toronto outlet. The Montreal situation brings 3 applicants for an English-language TV station and 4 for a French language station.

Until now, the BBG and its predecessor as regulator, the Canadian Broadcasting Corporation's Board of Governors, have permitted only one TV station in a single market. Total English-language TV stations is 37 (excluding satellites), with 8 of them owned & operated by CBC and 7 French, with 2 owned & operated by CBC. CBC operates the only 2 networks—one English, stretching coast to coast, and the other French, largely Quebec province.

Now the door is being opened to competitive TV stations, on the basis of one competitive license in each city where BBG believes population & wealth can support another station. The new stations will operate independently of CBC but there is talk of a tape & film network to give wider programming of Canadian events.

Full details of ownership of companies seeking the new licenses have not been disclosed, but in most cases the newspaper or radio station affiliation of the applicants has been established.

Applicants and Their Backgrounds

Applicants at the Winnipeg hearings, starting Jan. 13, will be J. O. Blick, Joseph Harris and R. S. Misener, each acting separately on behalf of companies still to be incorporated. Blick owns CJOB Winnipeg. The Harris application includes Clifford Sifton, with interests in the *Regina Leader-Post*, the *Saskatoon Star-Phoenix* and CKCK-TV & CKCK Regina. Also included is brother Victor Sifton, publisher of *Winnipeg Free Press*, and other Winnipeg businessmen. The Misener application is a Winnipeg business group.

Vancouver sittings start Jan. 18. Metropolitan TV Ltd. includes the *Vancouver Sun*, the *Vancouver Province*, radio CKWX Vancouver, radio CKNW New Westminster, and Vancouver businessmen. The A. M. McGavin application is built around radio CFUN Vancouver. B.C. Television Co. Ltd. and Pacific Television Co. Ltd. include B.C. businessmen in all phases of industry, and the Vantel Television Co. application is headed by Art Jones, a swift-rising young film executive.

Montreal hearings are scheduled for March 7. Canadian Marconi Co. seeks the English TV license to add to its CFCF, the oldest radio station in Canada. The other 2 English applicants are Mount Royal Independent Television Ltd. and Sovereign Film Distributors Ltd., both strong Montreal business groups.

The 4 French-language applicants are La Compagnie de Publications de "La Presse" Limitee, which publishes the influential daily newspaper *La Presse*, and operates French-language radio CKAC; radio CKVL of nearby Verdun; Film producer Pail L'Aanglais on behalf of a company to be incorporated, and Raymond Crepault, also on behalf of a company to be incorporated.

Less is known about ownership of the 9 Toronto applicants. To be heard March 14, they include Baton Aldred Rogers Bestg. Ltd. (*Toronto Telegram* and radio CKFH); Maclean-Hunter Publishing Company and Brit-

ish TV interests; Spencer W. Caldwell on behalf of a company to be incorporated; Rogers Radio Bestg. Co., which operates the 50-kw CFRB; Consolidated Frybrook Industries Ltd., headed by Jack Kent Cook of CKEY; Henry Borden, on behalf of a company to be incorporated which will include Southam Publishing Co. with newspapers in Vancouver, Calgary, Edmonton, Winnipeg, Hamilton, Ottawa & Medicine Hat; Upper Canada Bestg. Ltd., including British TV interests; Beland H. Honderich, on behalf of a company to be incorporated and expected to include the *Toronto Star*, Canada's biggest-circulation newspaper; and J. S. D. Tory, Q.C., on behalf of a company to be incorporated and to include Toronto's morning newspaper, the *Globe & Mail*, and British TV interests.

Full details of ownership will be revealed when the applications are heard.

Four other sittings will take place to hear additional applications. The BBG will meet in Edmonton May 9 and then move south to Calgary for its 2nd Alberta hearing; the next will be in Halifax, N.S., on the East coast, June 20, and immediately afterward BBG moves to Ottawa for the cleanup sitting.

One-watt ceiling for vhf boosters, as proposed by FCC in its new set of standards for translators (Vol. 15:49 p4), won't do. That's the gist of early criticisms filed in advance of Commission's Jan. 11 deadline for comments on 8 major proposals to resolve booster issues. Those who agreed that the one-watt power limitation is too low were: Better Community TV Assn., Omak, Wash.; Edgemont (S. D.) Chamber of Commerce; Upper Methow Valley TV Corp., Winthrop, Wash.; Pateros (Wash.) Brewster TV Assn.; Wash. State TV Reflector Assn. Most said they can't provide adequate service with anything less than 3 watts. On the other hand, Video Utility Co., Spokane, concurred generally with FCC's proposals. It also suggested that an operators' association should be formed to name regional coordinators to advise what channels should be used.

A new vhf channel in Syracuse, if dropped in by FCC, will be applied for by a group headed by Dr. W. R. G. Baker, Syracuse U. Research Corp. pres. and ex-GE vp. His associates in the new W. R. G. Baker Radio & TV Corp., of which he is chmn., are: Pres. T. Frank Dolan, pres.-treas. of the Edward Joy Co.; vps Daniel W. Casey, Flack Advertising Agency, and Robert J. Conan, pres. of the Pomeroy Organization; secy., Richard N. Groves, pres. of the R. N. Groves Co., treas., Leonard P. Markert, vp of the Will & Baumer Candle Co. The board comprises the officers and William V. Stone, exec. vp of the Lincoln National Bank & Trust Co.

Reduction in radio station fees to ASCAP, "estimated at \$800,000 a year," was provided for in an order signed by N.Y. Federal Court Judge Sylvester J. Ryan Jan. 5. The settlement was between ASCAP & All-Industry Radio Music License Committee, thus ending litigation between ASCAP and radio stations, which had petitioned for the fixing of a reasonable fee for the right to perform ASCAP music. Negotiations had been in progress for over a year. ASCAP estimates the cut in its income will probably amount to \$350,000 a year in sustaining fees paid by stations for non-sponsored programs, and about \$400,000 on commercial fees paid by stations.

Facility change: KTWQ-TV (Ch. 2) Casper, Wyo. boosted power Jan. 5 to 70.8 kw, using a 5-kw driver. It simultaneously began color telecasting.

TWO NEW STARTERS OPEN UP 1960: The year's first new stations are KNBS (Ch. 22) Walla Walla, Wash. and KDSJ-TV (Ch. 5) Deadwood, S.D., satellite of KRSD-TV (Ch. 7) Rapid City, S.D. KNBS began Jan. 3 with ABC-TV. It's near the SE corner of the state, about 35 mi. from KEPR-TV (Ch. 19) Pasco-Kennewick, Wash. The other nearest outlet is KLEW-TV (Ch. 3) Lewiston, Ida., over 60 mi. distant. KDSJ-TV got program test authorization Jan. 6 to begin picking up NBC-TV programs of parent KRSD-TV. It's near the Wyo. border, only about 30 mi. from KRSD-TV, but the Black Hills block reception between the 2 towns. The new starters change on-air totals to 561 (86 uhf).

KNBS has 12-kw GE transmitter and a 100-ft. guyed Utility tower with helical antenna at its site on Pike's Peak. Studios are at 123 E. Adler St., Walla Walla. Warren L. Gray, ex-KHJ-TV Los Angeles, is pres.-gen. mgr. & 32% owner; William Barclay, ex-KNXT Los Angeles, vp-chief engineer & 20% owner; Lyle Bond, ex-KHJ-TV, PR dir.; William Wallace, ex-KHJ-TV technical dir., operations mgr. & 8% owner. Base hour is \$200. Rep is Weed.

KDSJ-TV has 5-kw Gates transmitter on Crusher Hill near Lead, S.D. Owners are Eli, John & Harry Daniels, who also operate KRSD-TV and radio stations KRSD & KDSJ. KDSJ-TV is sold as a bonus with KRSD-TV, which has a \$150 base hour. Rep is Meeker.

* * *

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

KORN-TV (Ch. 5) Mitchell, S.D. hopes to begin operation early this year, reports owner R. V. Eppel, who is also pres. & gen. mgr. Construction of studio-transmitter house has almost been completed and 5-kw Gates transmitter has been ordered. Utility 500-ft. tower, now ready, will have RCA antenna. M. A. Johnson will be commercial mgr., J. Doherty from radio KORN, chief engineer. Network affiliation hasn't been signed, nor has base hourly rate been set. Rep not chosen.

KRET-TV (Ch. 23) Richardson, Tex. plans to ask FCC for program test authorization by Jan. 15 to operate as a non-commercial outlet. Owner is Richardson Independent School Dist. It will use 1-kw RCA transmitter, with Ling Electron studio equipment. Alford antenna was installed on Rohn 100-ft. tower last week. Electron Corp., which is building the station, has asked for authorization for experimental operation of its own 50-watt transmitter at KRET-TV.

WFSU-TV (Ch. 11, educational) Tallahassee, Fla. hopes to begin March 1, writes dir. Roy Flynn for grantee Fla. Educational TV Commission. It has ordered GE transmitter, and will use a 700-ft. Klein tower.

KERA-TV (Ch. 13, educational) Dallas plans to begin programming next Sept. 10, now that it has contracted to take over equipment & property of WFAA-TV (Ch. 8) for \$400,000. WFAA-TV plans to move into its new building in 1961 and meanwhile KERA-TV will operate from temporary studios at WFAA-TV site on Harry Hines Blvd. E. O. Cartwright, pres. of KERA-TV, states that over \$100,000 is on hand, another \$100,000 has been offered by Fund for Adult Education and remaining \$200,000 is being collected.

CJCN-TV (Ch. 4) call letters have been requested for Grand Falls, Newfoundland, by owner CJON-TV (Ch. 6) St. John's Nfld., reports vp Don Jamieson. It hopes to begin programming this month from studios on High St. in Grand Falls, but also will pick up some CJON-TV programs

via microwave. A prefabricated transmitter house is ready for the RCA transmitter at Norris Arm site, about half-way between Grand Falls & Gander. The base hourly rate is not set, but it will be available in combination with CJON-TV. Reps will be Weed and Stovin-Byles Ltd.

CKSA-TV (Ch. 2) Lloydminster, Alta. has ordered a Canadian GE transmitter and plans to program next June. It has a third of its construction completed, will use 605-ft. Micro tower. The base hour is not set, rep not chosen.

* * *

New \$2 million-plus plant of WFAA-TV & WFAA Dallas is scheduled for completion by Feb. 1961. It will be at Young & Houston Sts., adjacent to the building of owner *Dallas Morning News*, and will bring together WFAA, now in the penthouse of the Santa Fe Bldg., and WFAA-TV, which is selling its property on Harry Hines Blvd. to upcoming educational KERA-TV (Ch. 13).

Recent Ampex Videotape recorder shipments bring total VTRs in use to 561. The latest deliveries, as reported by Ampex: KXTV Sacramento, WPTV Palm Beach, KHVH-TV Honolulu, WHET Evanston, Ind., WANE-TV Ft. Wayne, KVTV Sioux City, Ia., KGGM-TV Albuquerque, KXJB-TV Valley City-Fargo, N.D., WKBM-TV Youngstown, KCPX-TV Salt Lake City (2 recorders), WRVA-TV Richmond, KREM-TV Spokane, WHTN-TV Huntington-Charleston, WNCT, Greenville, N.C., U. of Ala., GE (Philadelphia), U.S. govt.

KCOP Los Angeles was probably first in telecasting history to carry a stock-selling message for a Hollywood movie company. Commercials urged viewers to purchase 22,000 shares of Cary Productions—at \$10 a throw. The company seeks financing for its upcoming "Buffalo Soldiers" production.

Assn. of Maximum Service Telecasters adds the following members: KSTP-TV St. Paul-Minneapolis, KHQ-TV & KXLY-TV Spokane, KERO-TV Bakersfield, KXTV Sacramento, KTVU Oakland-San Francisco, WWTV Cadillac, Mich., WTOM-TV Cheboygan, Mich., KVAR Phoenix.

NAB help wanted: Members of NAB have been asked by station relations mgr. William Carlisle to recommend "a qualified prospect" for employment as a field representative. The job, to be filled early this year, entails travel, service calls, recruitment of new members.

NAB's engineering conference committee, headed by Warren Braun (WSVA-TV & WSVA Harrisonburg, Va.), holds its final meeting Jan. 13 at Washington headquarters to prepare for 14th annual engineering sessions at the 38th NAB convention, April 3-7 in Chicago.

New NAB edition of "Engineering Handbook" is scheduled for free distribution to members late in April or early May. It later will be put on public sale by publisher McGraw-Hill at \$25 per copy.

TV Code operations were scheduled to be discussed Jan. 11 by asst. NAB Code affairs dir. Harry H. Ward at a meeting of the Motion Picture & TV Council, a local group, in Washington's Cleveland Park public library.

Canadian GE will distribute & service broadcast equipment made by EMI Electronics Ltd., London, including the EMI 4½-in. image orthicon and vidicon cameras which will be distributed in U.S. by Telechrome (Vol. 15:51 p3).

RCA shipped 2 color-TV tape recorders last week to WFBM-TV Indianapolis, Ind.

Networks

CBS LOOKS AT '59: CBS issued its annual summary last week. Stressed throughout the 25-page report were the network's post-quiz-scandal clean-up measures and its emphasis on prime-time public-affairs & news programming. Although sales & ratings were played down in the report, CBS had its most successful year to date.

In industry relations, the first major "image building" project last year was CBS's advocacy of the equal-time amendment (Vol. 15:19 p4) in the spring. Later, in the wake of the quiz investigations, a program practices dept. headed by Joseph Ream was created (Vol. 15:47 p3) "to assure that broadcasts were what they purported to be." Big-money quiz shows were dropped, merchandise plugs were banned and CBS Inc. pres. Dr. Frank Stanton "laid down the law" on payola (Vol. 15:49 p9).

While striving for an industry image, CBS managed, however, to maintain a strong position in the programming & sales areas. Of the 15 nighttime shows introduced last fall, only one, *The Lineup*, died in mid-season (Vol. 15:48 p13). For the first 10 months of 1959 the network showed a 7.8% increase in gross time sales over the corresponding period in 1958 and scored 14% higher sales than "the second network," said the report. A total of 139 sponsors advertised on the network during the year, including 32 new to CBS and 11 new to network TV. Among those new to CBS were Coca-Cola, Bell & Howell and Firestone.

The network increased its affiliates to 205 from 197 the previous year, but delivered only 8.6 million homes per average nighttime minute, as compared to 8.9 million in 1958, CBS told us. This is, however, 13% more homes per minute than NBC and 20% more than ABC, said CBS.

No more dramatic program change was seen in 1959 than CBS' news & public-affairs upsurge. *CBS Reports*, which was announced last May by Dr. Stanton (Vol. 15:19 p3), was implemented in the fall and joined by almost 11 hours of *Eyewitness to History* programs, which covered the Khrushchev & Eisenhower goodwill tours. Both series were sponsored—*Reports* by Bell & Howell and B. F. Goodrich, and *Eyewitness* by Firestone Tire & Rubber Co. In a move to give greater autonomy to its public-affairs programming, the network appointed Sig Mickelson pres. of CBS News in mid-year. John Karol was named vp & dir. of special projects, network sales dept., at year's end.

Among executive realignments, one overshadowed the rest—the appointment of James T. Aubrey Jr. as pres. of CBS-TV, following the resignation of Louis G. Cowan (Vol. 15:50 p9). Last spring programming exec. vp Hubbell Robinson Jr. resigned to become an independent producer and was replaced by Oscar Katz. Later in the year William Dozier resigned as vp, programs, Hollywood, to join Screen Gems, and was replaced by Guy della Cioppa.

"Major significance" of the RCA-NBC consent decree requiring the network to get rid of its WRCV-TV & WRCV Philadelphia (Vol. 16:1 p9) is cited by Acting Asst. Atty. Gen. Robert A. Bicks in his year-end report on Justice Dept. anti-trust cases. The report lists the RCA-NBC judgment as a highlight of anti-trust div. successes in 1959, which brought "real progress toward efforts to keep calendars current and handle litigation promptly & effectively." During the year, 63 cases were closed, more anti-trust cases were filed than in any year since 1943 and 50% more merger cases were started than in any year since the 1914 Clayton Act became law, according to Bicks.

ARB's Station Coverage Study: American Research Bureau's 1960 coverage study, measuring all TV reception in the 50 states, has been signed for by ABC-TV & CBS-TV. Negotiations with NBC-TV are currently in progress. ABC & CBS now subscribe to all ARB services, NBC to all but this latest report. The new study is based on 2 "nationwide sweeps" of over 125,000 homes each. The first survey was concluded in Nov. 1959, the second will take place in March, coinciding with the U.S. census.

The new report will be broken down by individual city, state or county, as requested by the individual subscriber. In addition to station coverage, the study will measure total audience, viewer preference, audience composition and the percentage of overlapping coverage. ARB indicated that "most major agencies have expressed interest" in the study and "are expected to sign for national coverage following formal presentations this week."

Outgoing NCAA TV committee recommended that the Association's new contracts with TV networks for telecasting of college football games be extended to 2 years. The new committee, selected Jan. 8 at NCAA's N.Y. convention, is to formulate a plan for the extension and meet with the networks by early spring. Participating colleges in nationally televised grid games last season received as much as \$125,000 (to be divided between the school & its conference), it was also learned. At the same time the NCAA indefinitely suspended national TV coverage of U. of Oklahoma football games because of infractions of athlete-recruiting rules.

NBC-TV is lowering its 10-11 a.m. rate from 50% to 40% of the Class A rate, putting the network "in line competitively with CBS," which lowered the rate for this hour last Dec. from 50% to 33½% of its Class A rate. ABC's rate for this time will remain at 33½% of its Class A rate. NBC's change is effective Feb. 1.

Walt Disney was denied a motion for summary judgment in its suit against AB-PT by N.Y. Supreme Court Justice Edward Weinfeld Jan. 6. No date has yet been set for the trial.

NETWORK SALES ACTIVITY

ABC-TV

Sugarfoot-Bronco, Tues., 7:30-8:30 p.m., participations.
Haggard Co. (Tracey-Locke)

CBS-TV

Rawhide, Fri., 7:30-8:30 p.m., alt. wk. one-third sponsorship.
Colgate-Palmolive (Ted Bates); Binney & Smith (J. T. Chirurg Co.)

Captain Kangaroo, Mon.-Sat., 8:15-9 a.m., alt. wk. 15-min. segs.
Wylar & Co. (R. J. Scott)

Douglas Edwards with the News, alt. wk. 15-min. seg.
American Home Products (Ted Bates)

NBC-TV

Racing from Hialeah, Sat., 4:30-5 p.m. eff. Jan. 15. Half-sponsorship.
Phillies Cigars (Werman & Schorr)

Programming

Public say in programming and a definition of the term "public interest" were urged by Gilbert Seldes at the Jan. 5 Radio & TV Exec. Society seminar. Louis Hausman, dir. of TIO, cautioned against 2 extreme points of view about programming—the huckster's and the ivory-tower egg-head's—"the one that says 'if the public likes it, it's good,' and the other one that says 'if the public *doesn't* like it, it's good.'" The average run of programming, he said, has "risen some in the past 10 years." However, if the medium is to "upgrade the taste of its audience and still maintain that audience," it must "move the people literally inch by inch without cheating them of what they came to TV for—entertainment." Seldes, who is dir. of the Annenberg School of Communications, at U. of Pa., suggested the public might be heard from in "open hearings prior to renewal of a station's FCC license," or by "regularly scheduled on-the-air discussions of programming content." In defense of the industry he said "TV has had the job of defining its own principles while going about the day to day task of securing business."

Higher viewing ratings & more news scoops from fringe areas are being obtained by KREM-TV Spokane with a novel *Community Profile* program. The show, which operates with the cooperation of some 100 community newspapers, is a 5-7 min. spotlight (history, govt., economy, etc.) on a particular community in the Ch. 2 station's broadcast area. Script data is furnished by the local community newspaper which also gives the program editorial space. Station mgr. Robert Temple says that "KREM-TV isn't just a TV station anymore; it's becoming a personal friend to each community in our market. We are amazed at the far-reaching effects of this 'grass roots' program." *Community Profile* is presented twice weekly during the 6:30-7 p.m. newscast.

NBC affiliates will preview new program series planned for presentation on the network, it was decided at a meeting last week of NBC management and the TV affiliates board of delegates. The previews will be carried to all interconnected NBC-TV stations by closed circuit on regular network lines. Special screenings of film shows also will be held for affiliate managers visiting N.Y. Heretofore network-station programming liaison has been confined to advance brochures & press releases describing forthcoming shows, and meetings with network personnel.

KTTV Los Angeles has obtained exclusive TV rights to the International Beauty Congress to be held in Long Beach, Cal., in Aug. It plans to video tape, film and microwave it for global distribution. KTTV will feed the 10-day event to as many U.S. & foreign stations as request it, utilizing film for overseas distribution, and live & tape for domestic. KTTV has covered the Miss Universe contest at Long Beach for 5 years. That competition has moved to Florida.

NBC will not negotiate with Gillette for renewal of the Fri. boxing bouts, N.Y. *Journal-American* sports columnist Jimmy Cannon reported last week—as we reported in Nov. (Vol. 15:47 p9). He says the last TV fight likely will be that of the last week in June, when the current contract runs out.

Sports Network Inc. is televising Big Eight basketball this season, Sat. 2:45 p.m. The series, sponsored in part by the American Tobacco Co., debuted Jan. 9, and will be seen throughout the Midwest for 8 more weeks.

Film & Tape

ABC-TV BROADENS FILM BASE: "All our new nighttime 60-min film shows will receive 26-week renewals, including *The Alaskans* and *Adventures in Paradise*," (Vol. 16:1 p15) ABC-TV program vp Tom Moore told us last week. He said he considered the rating performance of the telefilm lineup "an indication of real success," contrary to critical opinion (Vol. 15:52 p9).

There's growing evidence, however, that several 60-min. properties on ABC-TV are by no means out of the woods, renewals & ratings notwithstanding. For one thing, the renewals cover only 13 new film episodes (to complete the usual 39) plus 13 reruns during the summer—they do not extend into the fall-winter season of 1960-61. For another, ABC-TV program executives are making an unusually large number of telefilm production deals designed to: (1) provide the network with a generous selection of replacements for next fall and (2) spread the program risks among many, rather than a handful, of film suppliers, with ABC-TV involved as a co-owner through pilot financing.

The broadening of ABC-TV's film-supply base suggests a tapering-off of the financial romance between Warner Bros. & ABC-TV, despite the 10-program WB telefilm lineup on that network; a swing away from Disney Productions (a pioneer ABC-TV supplier, but currently suing the network and represented on ABC by only one show); and from 20th Century-Fox (one show on ABC-TV, which managed to gain ratings in time for renewal; one show, *Five Fingers*, cancelled on NBC-TV).

ABC-TV's 1960-61 Film Plans

Here is a rundown on ABC-TV telefilm plans as gathered by our N.Y. & L.A. bureaus from network & independent production sources:

Screen Gems: The Columbia Pictures-owned telefilm firm will soon rival Warner Bros. as a prime supplier of ABC-TV shows. Already on the network from the SG stable are *The Donna Reed Show* & *The Man From Blackhawk*. Scheduled for fall start are 2 more 30-min. shows: the public-affairs series based on Sir Winston Churchill's writings and an all-cartoon comedy series produced by SG subsidiary Hanna-Barbera, *The Flagstones*. ABC-TV is currently using daytime reruns of *Rin Tin Tin*. Recently completed, with ABC-TV financing, was a 60-min. SG pilot of a revamped *Naked City* series, and other SG-ABC series are being discussed.

Four Star Productions: Already one of ABC-TV's major suppliers with 3 shows currently scheduled (*The Rifleman*, Robert Taylor in *The Detectives*, *Black Saddle*), this producer is involved with ABC-TV in at least 2, possibly 3 new pilots. The most elaborate is a 60-min., ABC-financed *Stagecoach West* pilot, with deals also in the works for pilots of *J.P.* (Justice of the Peace) and a remake of an earlier pilot starring James Whitmore, to be titled *The Law & Mr. Jones*.

MGM-TV: Two major 60-min. film properties have already been optioned by ABC-TV from MGM: *The Islanders* (pilot completed) and *Asphalt Jungle* (pilot being made). ABC-TV is directly involved in the financing of these series, and will participate in all residual & rerun deals as a co-owner, we're told by MGM.

Desilu Productions: One of ABC-TV's strongest successes this season has been the Desilu-produced *The Untouchables*, whose rotating sponsorship policy could be a head start for ABC-TV in magazine-concept selling. Desilu & ABC are planning to co-produce a new pilot of *Guest-*

ward *Ho!*, originally conceived as a CBS-TV project based on the John Patrick book. They are discussing other shows.

CBS Films: Currently preparing "at least 4 and as many as 6" pilots for network sale, program vp Robert Lewine told us he has "discussions scheduled in the near future with ABC." Since current ABC policy is to seek co-production deals through financing, a unique situation could easily develop here in which ABC-TV would be, in effect, co-producing a TV series with an offshoot of rival network CBS-TV. It would not, however, be the first CBS Films series on ABC-TV; that distinction rests with Sam Gallu's *Navy Log* series.

William Goetz: Known in the film industry primarily as a feature-film producer (*Sayonara*, etc.), Goetz & ABC currently have a production deal which calls for him to produce two 60-min. dramatic films on location in Israel, dealing with Biblical events in the life of King David. These are expected to be aired as semi-cultural specials on ABC-TV, and may possibly be shown in other countries, combined into one film, as a theatrical attraction.

Other Organizations: A checkup among other producers shows that ABC-TV is ranging widely through the telefilm industry in its search for new liaisons. Deals are known to be in the discussion stage between ABC and Goodson-Todman (currently represented on ABC-TV with *The Rebel & Philip Marlowe*), Irving Pincus (co-producer of *The Real McCoys* on ABC with Walter Brennan), Jack Webb's Mark VII Productions (whose long-term exclusive deal with NBC-TV is expiring) and Marterto Enterprises (producers of *The Danny Thomas Show* on CBS-TV).

Few of these deals are mere "indications of interest" on the part of ABC-TV. Most bring ABC-TV into direct partnership with leading producers on a number of big-budget projects in which the network will participate as a co-owner in rerun deals. They also provide ABC-TV with a steady & varied source of supply of 60-min. & 30-min. shows for any form of multi-program magazine-concept sales plan (Vol. 16:1 p8) the network may launch next fall.

Canada TV Film Asks Aid: Trans-Video Productions Ltd. officials—Robert Maxwell, exec. vp, & Guy Herbert, vp & managing dir.—have charged that the content requirements of BBG are blocking development of the Canadian TV-film industry. They told Dr. Andrew Stewart, chairman of BBG, and member Carlyle Allison that the Canadian rules make it virtually impossible to produce there a high budget, internationally-salable TV series. Trans-Video cannot produce for Commonwealth consumption alone, and must have quality production values to enable it to compete in the U.S. market with the Hollywood-produced product. To do so, it needs to import key technical personnel and some performers, although Trans-Video saw Canadian performers and technicians taking over almost completely, in time.

Maxwell and Herbert proposed a new formula that would recognize TV films as Canadian, provided (1) they were produced in Canada and (2) more than 55% of the production cost is spent on Canadian talent & materials. "The Canadian TV film industry," they added, "will never get on its feet unless it allows American capital to invest in its future with some hope of gain."

Purchase by United Artists of controlling interest in Ziv TV productions (Vol. 15:51 p10) was "still under way," a UA-TV spokesman told us Jan. 7. Problem: the price. We are reliably informed deal will probably be concluded.

Film Writers Vote Strike: Membership of the Writers Guild of America voted last week to strike the major film studios in both TV and movies Jan. 16. The Guild received authority from its members to extend the strike to the networks and independent telefilm producers if current negotiations fail (Vol. 15:52 p4; 16:1 p4).

Michael Franklin, executive director of WGA West, told us the action against the majors was motivated principally by the studios' refusal to budge on the Guild demands for a cut of any post-1948s sold to TV. He said virtually no progress has been made in 3 months of negotiations with the majors, the Alliance of TV Film Producers and the networks.

While the post-1948 issue is the key in talks with the majors, the chief issues in negotiations with the TV independents and networks involve increase in minimums; increase in residuals so that reruns would be based on the fee a writer receives rather than minimum; payment for foreign reruns; separation of rights, and recognition of adapters' rights.

WGAW's contract with the independents expires Jan. 15 and with the networks Jan. 30, and Franklin said there is every likelihood of strikes in those areas also. WGAW's last strike in TV, against the Alliance, was in 1952-53 and lasted 14 weeks. The Guild's contract with the major studios in movies expired last Nov., but a strike had been delayed in hopes a settlement would be reached.

Meanwhile, presidents of the major film companies agreed to a precedent-setting face-to-face showdown meeting with the Screen Actors Guild to avoid the imminent strike against their studios (Vol. 15:52 p4; 16:1 p4). The conference will take place late this month, before SAG's contract expires on Jan. 31. The crisis, which threatens to close every major studio in Hollywood, was precipitated when the talent guilds demanded a cut of post-1948 movies sold to TV, and the majors flatly refused.

Due in Hollywood from N.Y. for the key talks are Loew's Inc. Pres. Joseph R. Vogel; Columbia Pictures Pres. Abe Schneider; Paramount Pres. Barney Balaban; 20th-Fox Pres. Spyros Skouras and Universal-International Pres. Milton R. Rackmil. Other company presidents, headquartered in Hollywood, are Jack L. Warner of Warner Bros. and Steve Brody of Allied Artists.

Studios, meanwhile, were making preparations for a strike. William Dozier, vp in charge of Coast operations for Screen Gems, the Columbia subsidiary, told us if there is a strike by both actors and writers guilds, "we'll just put on reruns." He wasn't too concerned about the writers' action, commenting "We're way ahead on scripts—we had been anticipating this possibility."

Adolphe Wenland, Hollywood "giveaway king," whose statement that he has been an unpaid, voluntary worker for U.S. Treasury Dept. savings bond div. for years, was met with skepticism by Edmund J. Linehan, bond ad & prom. dir. (Vol. 16:1 p13), has provided us with evidence that he has done such work for 14 years. Wenland has in his possession letters of commendation for his work from Treasury Dept. officials, including Jacob Mogelever, chief of the press section, when he praised Wenland in 1951; Earl O. Shreve, national dir. of the bond div., when he wrote his commendation in 1955; Vernon Clark, also once a savings bond drive dir. Wenland also has press releases from the Treasury Dept. mentioning his work for it. He repeated that he has never received a cent for his work, and said he's sending photostatic copies to Linehan.

HOLLYWOOD ROUNDUP

SAG-AFTRA Merger Gets Cole's OK: Recommendation of a merger of the 2 largest actor unions, the Screen Actors Guild and AFTRA, was made last week by David Cole in the report prepared at the request of the unions (Vol. 15:24 p19). The proposal will probably be submitted to the memberships of both unions for their approval. AFTRA has long sought the merger, but SAG brass have been cool to the idea. SAG has received a proposal from AFTRA that the merger study committees of the unions meet in Hollywood during the week of Jan. 18 to discuss the Cole report. SAG's board will consider it at Jan. 11 meeting.

Production of a pilot, *Here's Hollywood*, is planned by Jess Oppenheimer for NBC-TV. Mobile Video Tape will be used for the pilot of the daily daytime series which will feature interviews . . . Producer Hal Hudson and Four Star are planning 2 new Western pilots, which will be showcased on *Dick Powell's Zane Grey Theatre*. Dean Jones will star in one, the other is uncast.

Producer Bill Burrud plans a new travel-adventure series, *Flight to Adventure*, with the pilot to be filmed in La Paz, Baja California, late in Jan. Jon Lindbergh, son of the famous Charles, will supervise flight sequences . . . Bischoff-Diamond Corp. plans a pilot of *K-9 Corps*, a series to deal with the use of trained dogs in the prevention & solution of crime.

Producer Hal Kanter has been signed to create, produce and direct pilots for 2 new comedy series for 20th-Century Fox Television. One series, *Down Home*, will star Pat Buttram. The other is an untitled comedy to star Luciana Paluzzi, of the studio's *5 Fingers* series which has been cancelled. William Self is exec. producer of "Home." Both pilots go into production in Feb.

Rodney-Young Productions, owned by producer Eugene B. Rodney and Robert Young, plans an expansion of its activities by producing pilots and financing independents "with a good track record." The company previously has confined its schedule to production of the successful *Father Knows Best* series, a co-production deal with Screen Gems.

Producer Ben Brady has signed the Wiere Bros. to star in *Oh! Those Bells*, a situation comedy which his Davana Productions will produce with CBS-TV financing. The pilot's production date hasn't been set. Brady is currently producer of CBS-TV's *Have Gun—Will Travel*.

Paramount has closed a deal for Jerry Stagg, John L. Greene and Phil Shuken to make 2 pilots for its TV operation. The first will be a situation comedy, *Happily Ever After*, with Stagg as exec. producer and his partners writing it. Stagg, producer of *John Gunther's High Road*, has moved from the Hal Roach lot to Paramount Sunset.

Warner Bros. plans to reshoot the pilot of its comedy *Room for One More*. It will also do a pilot for a 60-min. series, *The Roaring Twenties*.

Donald Tait, ex-Ziv TV, has joined Cinema Research as production consultant . . . Four Star Television has signed Joe Hoffman to produce its 60-min. pilot, *Michael Shane*, for NBC . . . Hans Conreid, who starred in 20th-Fox Television's pilot, *Mr. Belvidere*, has obtained his release from the studio . . . Zsa Zsa Gabor has resigned from the board of Herts-International Corp. . . . James Pratt, TV producer for Walt Disney, leaves Feb. 1.

NEW YORK ROUNDUP

Ben Adler Adv. Service has been appointed by Trans-Lux TV to design & distribute station-level promotional aids for T-L's syndicated *Felix the Cat* cartoon series. The Adler firm has hitherto specialized in theatrical movie promotion campaigns, and has promoted such not-for-kiddies fare as "The Lovers," "And God Created Woman," "Love Is My Profession," and "Lady Chatterley's Lover." New exploitation kits include the usual trailers, slides & stills but also have special National Safety Council tie-ins, decals, Day-Glo banner strips, life-size standees for displays, shopping bags, autographed Felix postcards, etc.

WNTA-TV received over 15,000 letters or telegrams last week urging that *Play of the Week* be kept on the air. The public response followed N.Y. *Times* TV critic Jack Gould's Dec. 30 column depicting the show's economic plight. WNTA-TV newscaster Mike Wallace also made an on-the-air plea for public support of the show. The station informed us Jan. 7 that the 2-hour show will be continued, although the weekday starting time will be moved from 8 p.m. to 8:30 p.m. effective Jan. 18.

Fremantle Italiana S.R.L. has been granted a charter under Italian law and will operate in Rome as a full affiliate of Fremantle International. Lionello Torossi, Fremantle's agent in Italy since 1953, will head the new organization. Fremantle now has 4 foreign affiliates, including Fremantle of Canada Ltd., Fremantle de Mexico S.A., & Talbot TV Ltd. The latter handles distribution in the United Kingdom and Continental Europe with the exception of Italy. Fremantle of Australia Ltd. is expected to begin operation early this year.

Ziv's *Tombstone Territory* was sold in 18 markets during the second half of Dec. 1959, putting the off-network first run syndicated series in 151 markets to date . . . ITC's *Four Just Men* has been bought by Studebaker (Lark) Dealer's Advertising Assn. for N.Y., Syracuse, Albany, Binghamton, Watertown & Plattsburg. The series is now in 151 markets, with auto-industry sponsorship accounting for "nearly 40% of total sales."

NBC-TV will strip reruns of *The Loretta Young Show* in the Mon.-Fri. 2-2:30 p.m. time period starting Feb. 8. The network purchased the rerun distribution rights to the 226 film backlog, as well as future episodes, from Miss Young. Reruns of *Yancy Derringer* will be the first series stripped in NBC's anthology *Adventure Theatre* which goes in at 4:30-5 p.m. on the same date. The 34-episode "Derringer" backlog was bought from Don Sharpe Productions. The network will replace *House on High Street* (4 p.m.) with *The Comedy Hour*, comprised of *The Thin Man* repeats and other comedy shows.

Dynamic Films Pres. Nathan Zucker predicted last week an increase in "every type of film production for N.Y. in 1960." The use of film in TV commercials "will regain much of the ground lost through experimentation in the new tape product," Zucker said, adding "tape is a valuable tool but not the panacea it has been claimed to be."

Ken Marthey, ex-McCann-Erickson & Benton & Bowles TV commercial producer, has been appointed a film-commercial staff dir. at Robert Lawrence Productions, N.Y. . . . Louise N. Stone has been appointed dir. of sales of Robert Lawrence Animation, N.Y. . . . Peter F. De Caro has been elected treas. of Bob Klaeger Productions.

Film Export Assn. Adds Members: Several Hollywood telefilm production companies, including Desilu Productions, joined the TV Program Export Assn. last week, after hearing a talk by consultant William H. Fineshriber, outlining the purposes of the group (Vol. 16:1 p15). Fineshriber told us he didn't think the smaller, one-series companies would join because of the stiff annual dues (\$7,500), but all the major TV-film companies are or will be members, he's convinced. He and the interim committee will meet in N.Y. this week (Jan. 14) to discuss further plans and the first meeting of the association's board will be held there late this month.

Addressing the Alliance of Television Film Producers, Fineshriber emphasized the growing importance of the foreign market for syndicators. He said a first-run syndicated series, costing \$30,000-\$35,000 an episode, is a risky gamble on the domestic market today, and that about \$20,000 is a good return for domestic syndication. The figures are lower than they were a year ago, and the returns now obtainable in the foreign market are far lower, but Fineshriber predicted the latter will eventually account for more than 50% of total income—as it does for the movies today. He hit the "inequity" of Japanese TV import regulations, the United Kingdom's 14% quota, increasing difficulties for American exporters throughout Latin America and dollar obstacles in the Philippines, France, Brazil and Thailand.

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Revue Revs Up Pilots: Revue Productions, Hollywood's leading telefilm company, has stepped up pilot-production tempo with 8 definitely scheduled and more than that number planned. The programming is versatile, with comedy a dominant factor in the new properties.

Just completed is *Barnaby Hook*, an adventure series about a newspaperman. Dan Duryea stars, Richard Irving produces. An untitled situation comedy, starring Fred Clark, is also in production.

A joint venture of Revue and producer Jack Chertok is *The Brown Horse*. Revue plans to pilot *Bulldog Drummond*, a private-eye series, the pilot to go into production in Feb. at Lake Louise, Canada. Another location pilot is the tentatively titled *Texas State Trooper*, not yet cast. It is aimed at the syndication market, will be filmed in Texas. Producer Nat Holt, who turns out *Wells Fargo* for Revue, has finished a pilot on *The Tall Man*, starring Barry Sullivan. It's a co-production deal with Revue. Definitely scheduled for production, but not yet cast, are pilots of *Love and Wahr*, a comedy-drama, and *This Gun for Hire*, an action series.

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Producers Resent Payola Quiz: Hollywood telefilm producers are receiving questionnaires from the 3 networks asking them to state whether they have ever received any benefits from anything heard or seen on their shows. Most of the producers we checked on this were resentful, and some said flatly that they wouldn't sign. They believe the networks are going beyond the intent of FCC's survey of TV stations seeking to determine the incidence of payola (Vol. 15:49 p6). Not being employes, producers think they are being unfairly dragged into a mess not of their making.

TV film does imitate a practice of its cinematic older brother—that of using free props. Example: A car is obtained at no cost for use in the story; it thereby gets a hidden plug, so to speak, on screen. Not all, but most producers practice this and they see nothing unethical in it.

Advertising

Special ANA session "to give membership a first-hand account of the important developments affecting all advertisers," since ANA's annual meeting last Nov. has been called for Feb. 2 at the Hotel Plaza, N.Y. FTC Chmn. Earl Kintner will address the session along with representatives of newspapers & magazines as well as the broadcast media. "Definite action is called for on the part of responsible advertisers, agencies & media, in view of public and government reaction to certain advertising practices," ANA Pres. Paul West said. "It is self-evident that there must be a higher degree of self-regulation & standards of practice for advertisers, agencies & media if private industry is to continue to employ advertising to the full extent."

TV camera trickery wasn't used in its automobile commercials featuring Libbey-Owens-Ford safety glass in side windows, GM has asserted in a denial of FTC charges that the advertising was deceptive (Vol. 15:45 p2). Moreover, GM said in its formal reply to FTC's complaint, the challenged commercials were discontinued voluntarily before the charges were filed. Asking dismissal of the case, in which L-O-F also was cited, GM said "everything that could be accomplished by this proceeding has already been accomplished by the voluntary good faith discontinuance." The charges were disputed by L-O-F in a statement issued when the complaint was filed.

TV's a built-in salesmaker for rugs, TvB's Louis Sirota noted for the Associated Merchandising Corp. Video has intensified family use of the livingroom, producing a gratifying & lucrative increase in the wear & tear on floor coverings, he told the meeting of department store rug buyers. "The market is a ready & ripe one for new sales," he advised, and can be tapped by a TV ad campaign.

Branham Co. will open a Minneapolis office Feb. 1 in the Northwestern Bank Bldg., with Robert Brockman in charge of TV-radio operations.

New reps: WNEW-TV New York to Petry Jan. 1 from Weed. WISH-TV Indianapolis to H-R Television Jan. 1 from Bolling.

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Ad People: Henry R. Bankart, Henry A. Haines, Willard J. Heggen named Compton senior vps . . . Guy B. Mercer appointed vp & plans board member, Needham, Louis & Brorby, Chicago . . . Floyd G. Van Etten, Theodore E. Schulte, Mable C. Anderson elected J. Walter Thompson vps, Chicago office.

Richard Mercer, Harold Longman and E. E. Norris elected BBDO vps . . . Brantz M. Braun, William L. Ballard and James R. Kavanagh elected Ted Bates vps . . . John Egan, ex-Compton Advertising, named Doyle Dane Bernbach TV-radio programming dir. . . . Michael Barnett named Doherty, Clifford, Steers & Shenfield vp . . . Henry M. Calder named a Lennen & Newell vp . . . Len Carey, ex-BBDO, appointed exec. vp, C. J. LaRoche.

Obituary

Willson (Bill) Tuttle, 47, vp for TV-radio on the Coast for Fuller, Smith & Ross, died in Hollywood Jan. 6 following intestinal surgery. Surviving is his widow.

Edgar Parker Small, 50, a founder and retired vp of Ted Bates & Co., died Jan. 3 of a heart attack in Easton, Md. Surviving are his wife and 4 sons.

Television Digest

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Personals: Alfred R. Beckman appointed ABC vp in charge of the Washington, D.C., office, succeeded as ABC-TV station relations dir. by Robert Coe, promoted from regional mgr., ABC-TV station relations dept.; Edgar G. Shelton Jr., asst. to the pres. for national affairs in Washington, elected vp . . . Lester Bernstein, NBC corporate affairs dir., elected vp . . . W. Thomas Dawson, ex-CBS-TV, appointed ad & promotion vp, CBS radio.

Howard Berk promoted from publicity dir. to dir. of information services, CBS-TV Stations & Spot Sales, succeeding Charles J. Oppenheim, who resigned to enter family business, Parfums Raphael . . . Charles A. Henderson named to new post of press relations mgr., NBC press & publicity dept., Cornelius K. Sullivan to new post of administration & services mgr., same dept. . . Joseph J. Jacobs named asst. gen. counsel, ABC . . . Richard Kallsen promoted from CBS News correspondent in Beirut, Lebanon, to chief of new Caribbean bureau; Russell L. Jones moves from CBS News, Washington, to succeed Kallsen in Beirut.

Joseph S. (Dody) Sinclair, WJAR-TV Providence, R.I., mgr., elected a vp of parent company, The Outlet Co. (dept. store) . . . Robert E. Draughon promoted to sales promotion mgr. of Griffin group's KTUL-TV Tulsa and KATV Little Rock . . . John J. Gemma named operations & traffic dir for KNXT Los Angeles and CBS-TV Pacific network, replacing Henry J. Schaefer, now WBBM-TV Chicago bus. mgr. . . Thomas B. Fitzpatrick promoted to asst. chief of FCC hearing div., succeeding David I. Kraushaar, recently named a hearing examiner . . . Eugene F. Mullin Jr. & J. Parker Connor establish law firm of Mullin & Connor, Suite 300, Southern Bldg. (Sterling 3-2455), Washington, leaving Rhyne, Mullin, Connor & Rhyne . . . Walter E. Branson named vp of TV Stations Inc., station-owned film buying organization . . . Richard D. Lane named ARB Midwest agency sales mgr.

Louis Wolfson, ex-radio WLOS Asheville, N.C., to vp, WFGA-TV Jacksonville, Fla. (both Wometco stations) . . . Rex King, ex-WSTV-TV Steubenville, Ohio, named gen. sales mgr., KELO-TV Sioux Falls, S.D. . . . Judd A. Choler, ex-WCAU-TV Philadelphia, appointed sales promotion dir., KMOX-TV St. Louis, succeeding Thomas Stanton, now an account exec. . . Norman G. Gray promoted from salesman to local sales mgr., KXTV Sacramento, Cal. . . Dr. John W. Dempsey, U. of Detroit political science professor, named news & public affairs dir., WJBK-TV Detroit. He will continue teaching.

J. Luckett Yawn Jr., Miami News bus. mgr., elected

secy. & a dir. of Biscayne TV Corp. (WCKT Miami), replacing John L. Foy, resigned . . . John R. Heim promoted to dir. of FTC's Bureau of Consultation, in charge of voluntary compliance program . . . Arthur Mermin & Ralph O. Winger advance to partnership in Cahill, Gordon Reindel & Ohl, N.Y., NBC legal counsel . . . Sylvia D. Kessler joins Washington law firm of Krieger & Jorgensen.

Bud Rogers Moves to Taft: One of TV's pioneer telecasters decided to have a look at greener pastures last week. Lawrence H. (Bud) Rogers, who's been synonymous with pre-freeze WSAZ-TV Huntington-Charleston, W.Va., since its inception in 1948, quietly announced he was moving over to Taft Bestg. Co. as vp in charge of operations. He'll make the switch March 1, report direct to Taft Pres. Hulbert Taft Jr., and assume supervisory charge of Taft's 5 TV & 4 AM-FM radio stations (WKRC-TV & WKRC Cincinnati; WTVN-TV & WTVN Columbus, O.; WBRC-TV & WBRC Birmingham, Ala.; WKYT Lexington, Ky.; WBIR-TV & WBIR Knoxville, Tenn.).

Huntington won't seem the same without Rogers, and he told us it was no easy matter to resign as pres.-gen. mgr. of the station and as pres. of the corporation which operates WSAZ-TV & WSAZ. However, he felt that he needed more challenge.

Behind the switch is a conflict of interests. Majority control of WSAZ-TV has passed from Roger's family (his father-in-law, *Huntington Herald-Dispatch* and *Advertiser* Pres. Walker Long, owns 40% of WSAZ-TV), and Rogers has been unable to effect the plans & policies he believes necessary for the station's growth. Rogers will remain on the WSAZ Inc. board until the end of the fiscal year, July 31. He will also continue as pres. of Kanawha Valley Bestg. Co., which owns radio WKAZ Charleston.

Meetings next week: RTES timebuying-selling seminar (Jan. 19). Carl Lindemann Jr., NBC-TV for daytime programs, and Frank Minehan, Sullivan, Stauffer, Colwell & Bayles vp & media dir., discuss "What's the Difference in Daytime Audiences?" Hotel Lexington, N.Y. . . . National Religious Bestrs. 17th annual convention (19-21), Mayflower Hotel, Washington . . . Ninth annual Sylvania awards (21), Hotel Plaza, N.Y.

Bipartisan broadcasts by Sens. Scott (R-Pa.) & Clark (D-Pa.), who started a unique home-state public service program series last year (Vol. 15:40 p4), will be resumed during this session of Congress. They issued a joint announcement that the filmed & taped political discussions will be carried every 2nd Sunday by 7 TV & 14 radio stations in Pa. The first program in the new series was prepared in Senate studios for Jan. 10.

Applications for 8 CBS Foundation fellowships for 1960-61 "to help increase understanding of TV & radio as news & public affairs media" are being accepted by the foundation. Staff members of CBS News, CBS o&o stations and CBS-TV & radio affiliates are eligible for the grants, if they are affiliated with news & public affairs depts.

Obituary

Claire Mann, 48, TV & radio commentator on beauty & health, and for 10 years producer of a daytime series on WABC-TV, died Dec. 24 of cancer at her home in N.Y. She is survived by her husband, Dr. Stephen Nordlicht, and her father.

Trade Report

JANUARY 11, 1960

1959 TV PRODUCTION—6,349,008: EIA officially tallied 1959 TV set production at 6,349,008 units last week, as it supplied its members with output figures for the final statistical week (ended Jan. 1) of last year. Radio figures showed 15,619,809 sets produced—highest yearly output since 1947 and tied with 1946 for 2nd biggest radio production year in history.

TV production for 1959 marked healthy comeback from the 4,920,428 produced in 1958, but set no record (production has exceeded 7 million units 5 different years). Eleven-month retail sales figures (p. 22) also issued this week, indicate that year's TV sales may come out slightly more than 5.8 million, while radio sales (excluding auto) will reach 9 million or a little more.

Here are the TV-radio production figures for the final 2 statistical weeks of 1959 (year's totals subject to slight changes after final EIA audit):

	Dec. 18-25	Dec. 26-Jan. 1	1959 total	1958 total
TV	103,342	76,643	6,349,008	4,920,428
Total radio.....	278,550	218,846	15,619,809	11,747,449
auto radio	130,156	94,868	5,554,855	3,715,362

OPTIMISM & ENTHUSIASM AT CHICAGO MARTS: When steel strike settlement was announced during opening day of Chicago markets, the last barrier to all-out optimism was removed—and TV-radio-appliance manufacturers almost unanimously used same phrase in forecasting 1960: "A banner year." Dealers, too—attending new-line showings & NARDA convention—were enthusiastic about prospects.

Rarely have we attended an industry event where good feeling was so nearly universal. There was even optimism in the 2 product areas which troubled the industry most last year: the Japanese radio import situation and the disappointingly slow movement of stereo. And in many cases, more orders were being written than last year—although the winter marts are not primarily selling events.

From our talks with manufacturers & dealers at the show, and from our own observation of the main-tent show at the Merchandise Mart as well as the sideshows clustered in Loop hotels, here is the Spirit of 1960 in consumer electronics, as it looks to us (further information on the various topics will be found on the pages indicated):

Biggest news of all in every branch of the trade is that product upgrading will continue, with emphasis this year continuing & expanding last year's trend to quality, as opposed to price. Prices as such, on model-for-model basis, probably won't increase, but average price of TVs & stereos sold at retail will. Although increase in steel prices undoubtedly will cause rises in white goods, some manufacturers felt that steel settlement actually has staved off boosts in TV & stereo—because such higher priced steel substitutes as aluminum and wood now won't have to be used.

The market signaled full-fledged industry-wide launching of the 23-in. tube. Virtually every TV manufacturer now has it in its line. Principal exceptions: Magnavox & Emerson, both expected to add 23-in. sets this spring. Admiral's 23-in. set at \$199.95 list (dealer price \$132) had everybody talking—and there's no doubt other manufacturers will add a model at this price by next summer.

The coming of the 19-in. square-cornered tube this spring & summer brought twinkles to the eyes of just about every set maker. Everybody sees it as the big new development of 1960, and there's feeling that it may be a more significant development than the 23-in., being a really "new size." No 19-in. sets were far enough along to be shown—even in mock-up form—but there's no doubt that this size is as uncontroversial as the 23-in. was controversial last year. No 2 ways about it—it's in. (For summary of new tube size developments, see p. 19.)

Fine-furniture trend was never more in evidence. Styling of most higher-priced drop-in TVs & stereo had most pronounced furniture look yet—and there were more fine-furniture or furniture-designer "name" tie-ins in TV-stereo—a la Motorola's Drexel connection and its new tie-in with Heritage, Westinghouse-Perlmutter and Capehart-Tomlinson.

Even the industry's traditional "tin can"—the boxy table model—is getting a fine-furniture upgrading. Much more prevalent at this year's show were furniture "bases" (not tables), which surround & disguise the prosaic table TV in period or modern dress. Almost every major maker showed them.

"Home entertainment centers"—TV-AM-FM-stereo-phono—were added by several manufacturers, and the combination seemed to be showing strong signs of new life, keyed to stereo. For example, Westinghouse dropped in 4 new ones. Magnavox added whole new combination series. In lower priced field, Muntz discontinued all non-TV stereo units in favor of TV combinations.

In stereo, "3-channel" approach definitely is taking hold as are outriggers & tiny satellite speakers. Unhappy about Better Business Bureau's censure of the term "3-channel" as possibly misleading (Vol. 15:51 p14), manufacturers are casting about for another name. Three-channel leader Motorola seems to be soft-pedaling the phrase and highlighting instead "3 separate amplifiers, 3 separate speaker systems." Others are saying "3 sound channels." Optimism about stereo is guarded, but most makers agreed with our forecast last week (Vol. 16:1 p17) that business this year will be about 10% better than 1959.

There was more interest in color TV than at any time in last few years. At meetings with manufacturers, some dealers were asking "when will you have it?" Set makers were eyeing the possibility of going into color on the same scale and by the same approach as Admiral (whose full color line uses RCA-made chassis) because of that manufacturer's success in its limited-quantity flyer into color last year.

Rumors abounded that this manufacturer or that one was going into color with a line of RCA-built sets—but if there was any truth to them, no set maker mentioned was willing to confirm. Denials of plans for 1960 color sets came from Zenith, Motorola, Westinghouse, Sylvania, others. It's known, however, that RCA is negotiating with set makers to supply more color lines this year. Nevertheless, no one saw a major technical or price breakthrough—or any real mass market—in color's near future.

Another sign of the expanding market this year is re-entry of old names and entry of at least one new one into TV field—a unique phenomenon in the light of the attrition of TV brand names in recent years. Capehart showed magnificent line of furniture stereo & TV-stereo combinations, promised full TV line, including portables & table models, next June. Sonora label, revived by Trav-Ler, was present in Chicago with short low-priced TV line. Metz of Germany showed stereo lines which included combinations with RCA Victor 21-in. TV chassis. Metz officials said they had placed initial order for 5,000 RCA TV chassis (see p. 20).

There were more competitive U.S.-made pocket transistor radios shown this year—but also more Japanese ones. Manufacturers were sharply divided on whether imports have reached their peak, and what effect the midjets have had and will have on U.S. radio market. Some even argued that Japanese had done American radio makers a favor by expanding market, opening new channels of distribution, etc. (see p. 21).

Not that everything was milk & honey at the Chicago 1960 kick-off. Some trade experts—but not all—predicted that the extremely tight credit situation would blunt the sales boom both with regard to new housing starts & consumer installment buying. And other industry leaders warned of continuing threats in industry practices—Philco Pres. James M. Skinner Jr. in "price selling," Westinghouse consumer products vp Chris J. Witting in "shoddy practices" by manufacturers, distributors & dealers, Zenith Pres. Joseph Wright in U.S. electronics firms' technical assistance to foreign competitors. (For details, see pages 19 & 20.)

ELECTRONICS IMPORTS UP, EXPORTS DOWN: Growing international electronics competition has resulted in a drop of nearly 5% in U.S. exports of electronic products during the first 9 months of 1959. And U.S. imports of electronic items were more than 2½ times greater than those of same 1958 period.

Nevertheless, U.S. electronics' balance-of-trade is favorable—our country still exports well over 5 times more than it imports. These figures were compiled by the electronics div. of the Commerce Dept.'s Business & Defense Administration on basis of U.S. & foreign govt. statistics. They show that Jan.-Sept. 1959 electronics imports totaled more than \$48.8 million, while exports totaled \$261 million.

Lion's share of electronics exports to the U.S. were Japanese radios. U.S. govt. figures show more than \$30-million worth were imported here during the 9-month period. Japanese figures, using different base, place the total radio exports to U.S. at \$37.5 million.

Other foreign electronics sources for America are West Germany (\$10.2 million in radios, radio-phonos & TVs plus \$3.9 million in sound recording equipment last year), United Kingdom (\$9.2 million in record players last year) and the Netherlands.

In U.S. electronics exports, biggest single decline from 1958 was registered in radio communications equipment—from \$91.4 million to \$69.9 million—while TV-radio broadcast equipment exports increased by 65% to \$7.4 million from \$2.2 million, mainly as a result of the rise in demand for TV studio equipment. TV picture tube exports rose 21%, while receiving tube exports dropped 17%.

Noting trend to greater competition from foreign electronics firms, Commerce Dept. adds that "there is also evidence of greater participation by U.S. firms in international trade through licensing arrangements with or direct investments in foreign firms."

For your convenience, the Commerce Dept. tables on U.S. electronics imports & exports and on shipments of radios from selected countries are reprinted on page 22.

THE 23 AND THE 19: Although they're look-alikes, the new 23-in. and the upcoming 19-in. picture tubes will serve entirely different functions in TV lines, in the opinion of manufacturers with whom we discussed the subject at the Chicago market last week.

While some set makers gave the impression that they were being dragged, kicking & screaming, into the 23-in. set field, every manufacturer we contacted was enthusiastic about the square-cornered 19-in. and there are indications that some unique set designing is now being carried on around the newcomer.

The 23-in. is now in nearly every major line—and will be in all of them by summer—although some manufacturers are giving it more emphasis than others. Admiral and Sylvania still seem to be staunchest proponents, with longest lines & greatest stress on the new size. Admiral sales vp Carl E. Lantz predicted that by year's end the 23-in. would account for 75% of his company's large-screen TV set sales.

Probably 3rd most enthusiastic 23-in. set manufacturer is Zenith, which prominently displayed its new long lines of square-corner tube sets. Zenith has gone to 110-degree deflection for the new tube, abandoning the "dog-house" on back of the set rather than slimming cabinets.

Most other set makers exhibiting in Chicago had 23-in. tubes in new high-end merchandise. The Corning twin-panel approach was used in most—but not all—cases. It's the most widely available 23-in. tube now. Westinghouse showed 2 new 23-in. sets using the Corning bonded safety glass approach as the predecessors of 16 new models, due this week. But Westinghouse officials said they planned to use the Kimble non-bonded 23-in. with standard safety glass when the tube is more plentiful.

GE introduced two basic models of the 23-in. set in Syracuse last week, but did not include them in its Chicago display. GE became the first manufacturer to use Kimble Glass non-bonded 23s, and announced the new sets would retail for about \$30 more than comparable 21-in. models.

Motorola is the only company using 2 different 23-in. tubes. Two 23-in. models in its Drexel furniture series have 110-degree Corning twin-panel tubes, while the 2 in its regular line use 90-degree Kimble bulbs with Pittsburgh Plate Glass bonded-on implosion plate.

Magnavox, which has not yet introduced a 23-in. tube, is stressing 24-in. sets, and the official company line is "a bigger tube at less cost." But it's understood that Magnavox is also readying 23-in. models this spring.

* * *

The 19-in. square-cornered tube will be featured in nearly every TV line by this summer—and in some as early as next March.

Where will the 19-in. fit in the line? We asked several manufacturers and found there's no general agreement

whether the 19-in. will end up as a substitute for the 17-in. portable, the low-end 21-in. table model, or as a completely new size unto itself. A slight majority seems to feel that the latter will probably be the case.

"The 19-in. set," we were told by Sylvania Home Electronics Pres. Robert L. Shaw, "is a table model. It will start a new category, beginning in the 2nd quarter of this year." He indicated it would fall between the 17-in. portable and the 21- or 23-in. table model.

Westinghouse TV-radio mktg. mgr. C. J. Urban told us he saw the new size cutting into the 21-in. table model's market more than the 17-in. portable. He said it also will arouse considerable interest for hotel, motel & institutional use—since it has a bigger picture (19 sq. in. more) than a 17-in., but isn't as bulky as a 21-in.

Motorola plans to have 19-in. portables & table models in its June lines. "We've found that weight is no longer an important consideration in a portable" (the 19-in. is heavier than the 17-in. tube), said a top official. Nevertheless, Motorola plans to design the 19-in. as "a distinct new set," not a replacement for any sets now in the line.

Other major set makers told us they were counting on the 19-in. to replace the 17-in. in portable lines, except at the low end.

Zenith's Wright Looks Ahead: The 1960s will see a wider variety of new electronic products & services than the '50s—along with an increasing consumer interest in quality of goods. So said Zenith Pres. Joseph Wright in a luncheon address to NARDA's Chicago convention last week.

Reiterating Zenith's claim to the No. 1 TV sales rank for 1959, he said the industry had underestimated the public's willingness to pay for quality—but now "the highest-price line is also the biggest selling line." He said Zenith will "very shortly" introduce a new home magnetic-tape music system. This was understood to be the system being developed by Minnesota Mining and others in which cartridge-loaded tapes are stacked for automatic playing. He predicted the perfection of electronic refrigeration for the home during the '60s, and said "developments in the next few years to simplify receivers & transmitters" would make color a mass item.

He injected the traditional Zenith plug for pay TV, predicting that the Phonevision system will be in "full-scale commercial operation in the next 5 years." He blamed the 1958 TV-receiver sales slump at least partly on poor programming. And, with what may even have been a note of sadness in his voice, he pointed out that broadcasters have stopped attacking the pay-TV proponents. "They're in so much hot water," he said, "they're not paying any attention to us."

(For his comments on Japanese imports, see p. 21.)

APPLIANCES VS. AUTOS: "No industry sells price as much as ours and no industry degrades itself more than we do." Philco Pres. James M. Skinner Jr. gave that message to TV-appliance dealers at last week's NARDA convention in Chicago. In a comparison of the automobile & TV-appliance industries, he pointed up these similarities & contrasts:

The TV-appliance industry has done as good a job as the auto industry in product development, "but we have not sold it as well." He cited Commerce Dept. figures showing that, while prices of all commodities have risen 20% in the last 10 years, appliances have gone up only about 4% as against a 43% rise in car prices. TV prices have been reduced 43% in the same period, while the product has been vastly improved.

"In spite of talk about service problems," TVs & appliances are at least as reliable as autos. A TV set has "the same magnitude" of component parts as an automobile. "We normally expect to service our automobile 6 or 8 times a year, and, in addition, to buy new tires, spark plugs, brake lining, replace the coolant, the battery, fan belt, etc., at regular intervals—these are expensive service operations. Do we have nearly as much trouble—really—with our TV sets whose tubes wear out with use just as automobile tires, and whose internal mechanism is far more sophisticated than that of our automobile?"

The challenge for both TV & appliances is to "increase our share of the consumer's dollar," the Philco president told the dealers. Since 1958, the percentage of the consumer's income spent for food, clothing and similar necessities has dropped from 49% to 39% "and is expected to decline further." Major appliance expenditures have remained constant at 4% of total consumer spending for goods. And "it should also be noted that the appliance industry is in competition with such items as swimming pools, power mowers, travel, college educations, etc., for the consumer's discretionary income."

In the past decade the consumer has averaged 8.4% of his total-goods spending on new cars. But the auto industry, said Skinner, "has elected to charge him more per car in succeeding years, rather than to provide the lower costs which our industry has done . . . They have done this, in my opinion, by doing a better selling job as an industry than we have done."

Secret of the auto industry's constant improvement: selling up. Car manufacturers & dealers, said Skinner, have continually emphasized product rather than price—price-cutting being effected only by larger trade-ins.

Conceding that he had no "panacea," he urged dealers to exploit product advances in TV & appliances rather than price—thereby increasing both the prestige & the profitability of the industry.

* * *

"Code of ethics" for TV-appliance dealers was proposed by Westinghouse consumer products vp Chris J. Witting addressing a NARDA convention luncheon Jan. 4. He enumerated these "senseless practices" which have injured the industry and "have sent consumers elsewhere with the dollars that should have been spent with us:"

(1) The switch and the "spiff" to dealers for switching brands. (2) The manufacturer- or distributor-sponsored trip, which uses money which should be applied to advertising or brand-development. (3) Poor TV & appliance service. (4) "Cherry-picking"—the stocking of only top models & specials instead of a full line. (5) Buying of distressed goods.

Full Capehart TV Line: One of TV-radio's oldest names—Capehart—was doing business again last week in a Chicago new-line showing. The former Dynamic Electronics-N.Y., which purchased the Capehart business last year (Vol. 15:33; 16:1), showed a high-priced furniture-styled stereo line which included 4 TV combinations.

This June, Capehart plans to have a complete TV line, including portables, table models & consoles, in addition to its present combinations—encompassing all price ranges except the very lowest. Capehart also plans to have portable phonos, tape recorders, transistor radios (made by Shriro of Japan) and a complete line of hi-fi components (tuners, amplifiers, changers, speaker systems).

The stereo line shown in Chicago consisted of 2 series—the Signature, with cabinets by Tomlinson of High Point, N.C., ranging from \$795 to \$3,000, and the Panamuse series from \$345 to \$815.

Capehart hopes to franchise 500 dealers nationally during its first year, on an exclusive-territory basis. Franchise agreement has already been signed for N.Y.-N.J. with the MARTA 72-dealer group. All Tomlinson furniture dealers also are entitled to carry all Capehart items.

The company has discontinued the Dynamic phono label, but Pres. Jack Winer says his firm's private-label business in 1959 was 40% ahead of 1958. Capehart's plant has undergone expansion and is capable of "doing at least twice our present business." The firm will make its own TV chassis as well as its stereo systems & hi-fi components.

* * *

Novel hybrid combination—German stereo & radio with U.S. TV—was displayed in Chicago by West German cabinet & TV-radio phono maker Metz. Heading group which is importing the Metz units is David Krechman, TV-radio industry veteran who headed the old TV-producing Jackson Industries Inc. and Trans-Vue Corp.

What makes the Metz combinations unique is the fact that they contain U.S.-made RCA TV chassis (Vol. 15:52 p18). Krechman told us he had initially ordered 5,000 RCA 21-in. chassis, which are installed in the imported stereo sets by RCA technicians at Metz International's depot in Carlstadt, N.J.

The Metz AM-FM-SW-stereo-TV combination lists at \$595 (selling price about \$500), is priced to dealers at \$375. Krechman said he plans to use 23-in RCA chassis in the West German sets as soon as they're available. Metz also has a stereo line priced from \$199 to \$699.

* * *

Another line of U.S.-German hybrids was announced by Majestic International Corp., distributor of Grundig radios & hi fi. Majestic showed 3 Grundig TV-stereo combinations containing German-built TV chassis with U.S.-made picture tubes. Two are 23-in. sets; one is 21-in. Majestic has previously marketed German-made TV sets here. Pres. Leonard H. Ashbach predicted 1960 sales of the line would total \$25 million, as opposed to the previous record of \$15 million.

* * *

A German table-model TV was shown in Chicago by Videola-Erie, which merchandises the West German Fonovox and Loewe Opta lines. The Loewe Opta deluxe set, studded with piano-key type pushbutton tone switches & channel selectors, probably won't be imported because of the high price, company officials said. Videola-Erie had one hybrid combination on display—West German stereo-radio unit with U.S. TV chassis built by Tech-Master, an affiliate of Videola-Erie.

More about

OPTIMISM ABOUT JAPAN THREAT: Far-away Japan was far & away the most ubiquitous presence at the Winter Marts in Chicago. It was everywhere, in name & emulation. Studding the displays of virtually all manufacturers were American versions of Japanese-inspired mite-size transistor radios—and some were Yankee-made with Nippon components. Studding our conversations with industry leaders in Chicago were numerous references to Japanese progress in color TV, transistor TV, instrument styling and, of course, in radio-market swallowing.

TV executives we interviewed were unanimous in their conviction that Japan represents no threat to the U.S. TV market, that no color-TV "breakthroughs" are brewing in Nippon, that American engineering is constantly widening the technical gap between the 2 countries. Sylvania Home Electronics Pres. Robert L. Shaw also stressed that Japanese designers so far have shown little understanding of American furniture tastes, that Nippon cabinetry will find no home in U.S. homes.

The same industry leaders parted company on the question of Japan's position in the U.S. radio market. For every U.S. manufacturer who told us Japanese radio imports were at high tide, there was one who warned that the flood is yet to come. For every one who claimed that American know-how is pushing Japanese radios back where they came from, there was one who foresaw smaller, better and cheaper Japanese imports.

Has Japan Broadened U.S. Radio Base?

Most surprising, we found that U.S. leaders are sharply divided on the damage the foreign invasion is doing to the American market. It would appear that while some publicly belt foreign imports, they privately take off their hats to the Japanese for broadening the radio market, finding new retail outlets, spurring product improvement.

One forthright TV-radio marketing executive told us: "How can the American radio market say it's being hurt by Japanese imports? Sure, share-of-market is down, but our smaller share of a much bigger market enabled most U.S. radio makers to sell more sets last year than they have in a long while. The Japanese have stirred things up. They've shown us new ways to retail, new distribution outlets—such as jewelry & hardware stores—and they're making us produce smaller, better product at lower prices. This is good for industry, as last year's sales clearly show."

Admiral sales vp Carl E. Lantz believes the worst is over. "We at Admiral believe that the Japanese transistor radio imports have reached their peak and should begin to taper off during the year ahead, with American manufacturers increasing their share of the market," he said. Admiral electronics vp Ross Siragusa Jr. told us that American manufacturing techniques & increasing know-how are rapidly overtaking the Japanese. He pointed to Admiral's 7-transistor \$29.95 radio as an example of the industry's retaliatory power.

Both can get quick argument on the subject. Motorola consumer products exec. vp Edward Taylor believes we're far from high tide. He points out that Japan makes a good product for a good price, and that Motorola has sold and continues to sell a slew of radios with Japanese parts.

Zenith Pres. Joseph S. Wright, conversely, warned that the home electronics industry in effect is digging its own grave by giving aid & comfort to foreign competition.

He pointed to the sharp imbalance of U.S. & Japanese wage scales and said foreign competition is producing & selling products here at some 60% of the prices of comparable products offered by companies helping them. "Before we're through," he said, "those who helped foreign competition will realize they've made a serious mistake." He suggested: "Let's send Japan Jimmy Hoffa, Reuther and the others—to help even things out."

The made-in-Japan confusion is apparent. Companies like RCA, Admiral & Zenith continue to plow an All-American course. Others, like GE & Motorola, use Japan-made components. Still others, like Columbia, Olympic and revived Capehart, have made-in-Japan radios in their lines. Obviously, the answer to whether the Rising Sun has set depends on where you sit.

* * *

Battery-operated transistor TV sets, due to be announced this spring by at least 3 U.S. manufacturers, are also planned for production soon in Japan by a half-dozen set makers. First to be announced were by Sony (Vol. 16:1 p20) and Victor Co. of Japan. Both are 8-in. sets. The Sony set will sell domestically at slightly under \$200. U.S. TV makers have stated that transistor portable TV sets here must be sold for less than \$250 to be acceptable. This is the price of Philco's reflex transistor portable Safari.

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Gas-operated TV set was demonstrated by Westinghouse at Chicago's Merchandise Mart last week in an experimental adaptation of a thermoelectric generator which converts heat from a butane bottled-gas flame. A standard portable TV chassis was used. Other developmental products displayed by the company's new products dept.: (1) A civil defense 2-band portable radio with built-in radiation detector, which can be operated from battery or by means of a hand-cranked generator. Either house current or the hand crank can be used to recharge the battery. (2) A 3-dimensional TV set on which visitors could view their "frozen" pictures on storage tube polarized glasses.

EIA's "end the stereo & hi-fi confusion" campaign (Vol. 15:49 p17) has been approved by the phonograph section under Pilot vp L. M. Sandwick, after a presentation by the N.Y. ad firm of Muller, Jordan & Herrick. The program now goes to manufacturers, who will be asked to contribute "on a sliding scale related to equipment sales in various price categories." EIA requested their responses by Feb. 1. The major aspect of the campaign will be a series of ads in mass-circulation magazines, EIA said, "emphasizing the faithfulness of today's reproduced music and its values for the American family." Trade ads & the production of an informational booklet are also planned.

Revised TV-radio excise tax rules, bringing them in line with technical changes in the 1958 Excise Tax Act, have been formulated by the Internal Revenue Service. It set Jan. 13 as a deadline for "submission of views" by any interested manufacturers. The new regulations leave the present 10% manufacturer's excise tax on sets unchanged. The principal proposed changes apply the tax to sets generally, but exempt equipment which is "suitable only" for military, marine & navigation purposes. Under the old rules, taxable sets were defined as "entertainment" sets.

New Philco research div. will consolidate all the company's research operations under one roof in a new plant in Whitpain township in suburban Philadelphia. Research dept. chief Donald G. Fink will be director & gen. mgr. of the division.

More about

ELECTRONICS IMPORTS & EXPORTS: Tables of U.S. electronics imports & exports compiled by the Commerce Dept. (see p. 18) are the best available, even if they're incomplete—thanks to the antiquated product classifications still used by the U.S. govt. Such items as radio-phonos, record players & changers, radar equipment and microphones aren't included in the tables because they are not separately tallied in official import statistics—but included in catch-all classifications.

U.S. IMPORTS OF ELECTRONIC PRODUCTS
(add 000)

Commodity	1957	1958	Jan.-Sept.	
			1958	1959
TV cameras & parts.....	\$ 28.2	\$ 44.2	\$ 11.2	\$ 79.3
TV tubes & parts	105.4	324.0	215.1	207.8
Other TV apparatus & parts....	165.6	1,036.7	570.4	469.2
Radio apparatus & parts	15,324.9	28,171.0	16,548.8	43,260.9
Pbocells, tubes & parts.....	486.7	528.8	374.9	955.6
Pbonographs, etc.	187.5	137.6	75.9	771.9
Phonograph needles, etc.	124.7	13.1	12.1	11.6
Other phono parts	354.1	399.9	210.8	475.7
Subtotal	\$16,777.1	\$30,655.3	\$18,019.2	\$46,232.0
Phonograph records	2,476.7	2,974.2	2,177.2	2,568.0
TOTAL	\$19,253.8	\$33,629.5	\$20,196.4	\$48,800.0

U.S. EXPORTS OF ELECTRONIC PRODUCTS*
(add 000)

Commodity	1957	1958	Jan.-Sept.	
			1958	1959
Radio & TV bcst. equipment.....	\$ 11,200	\$ 12,823	\$ 8,826	\$ 14,603
Radio communication equipment..	116,516†	123,404	91,405	69,882
Detection & navigational app.....	45,871	44,175	35,302	35,030
TV receivers	19,584	25,036	15,965	14,989
Radio receivers	7,101	7,848	5,401	4,801
Radio-phonographs	867	1,367	846	694
Coin-operated phonographs	16,594	14,277	10,667	10,387
Other phonographs & parts	8,746	9,724	6,518	7,289
Recorders, parts & accessories....	10,929	12,187	8,842	8,119
Electron tubes & parts except blanks	47,336	52,027	36,641	36,439
Semiconductors	4,230	7,778	5,772	6,461
Other equipment & components....	52,207	56,081	40,250	44,939
Subtotal	\$341,181	\$366,727	\$266,435	\$253,633
Phonograph records & blanks.....	11,001	11,456	8,083	7,495
TOTAL	\$352,182	\$378,183	\$274,518	\$261,128

* Excluding computers & test equipment. † Not strictly comparable with later years; includes certain exports classified under Detection & Navigation.

The following table of U.S. radio imports does not agree with previously released statistics on exports from various countries because of time lag between export from country of origin and import into the U.S., difference in valuations, trans-shipments, etc. Not included in the table are radio-phonos for which separate import statistics are not available.

U.S. IMPORTS OF RADIO APPARATUS & PARTS
From Principal Countries of Origin
(add 000)

Country of origin	1955	1956	1957	1958	Jan.-Sept.	
					1958	1959
Japan	\$ 232	\$ 2,482	\$ 5,590	\$16,040	\$ 7,959	\$30,753
W. Germany	1,632	3,124	4,946	3,504	2,113	4,292
United Kingdom	392	1,014	1,899	2,537	1,814	2,393
Netherlands	585	801	1,281	2,445	1,540	2,645
Other countries	510	1,071	1,609	3,645	3,122	3,177
TOTAL	\$ 3,351	\$ 8,492	\$15,325	\$28,171	\$16,548	\$43,260

Zenith will relocate labs & production facilities of subsidiary Zenith Radio Research Corp. from Redwood City, Cal. to a new 30,000-sq.-ft. plant purchased at Menlo Park, Cal., Chmn. Hugh Robertson reports. In addition to the modern building on a 2.88-acre site, Zenith purchased an adjoining 2.5-acre site for future growth. The new facility will provide expanded research, engineering and production facilities for its microwave tube and X-ray work.

TV-RADIO SALES & OUTPUT: Retail sales & production of TV sets took their usual seasonal dip in Nov. from Oct., but were well ahead of both the year-ago & year-to-date 1958 totals, EIA reported last week. Actually, Nov. was a big TV sales month, with the retail volume running at a seasonally adjusted annual rate of more than 6 million sets. Radio posted higher Nov. than Oct. retail sales, although production was down. Nov. & Jan.-Nov. sales & output also were appreciably ahead of the totals for the comparable 1958 periods.

TV retail sales in Nov. totaled 598,070 sets, down from 637,147 in Oct., but markedly ahead of the 499,038 sold in Nov. 1958. Cumulative 1959 sales totaled 5,046,971 TV sets vs. 4,490,568 sold in Jan.-Nov. 1959. TV production in Nov. was 560,770 vs. 706,583 the preceding month and 437,772 produced in Nov. 1958. The year-to-date production totaled 5,756,210, sharply ahead of the 4,505,578 sets made during 1958's first 11 months. Nov. production included 46,544 uhf receivers—vs. 55,113 in Oct. & 34,822 in Nov. 1958. Jan.-Nov. uhf production reached 387,524 vs. 388,802 for the same 11 months of 1958. EIA's month-by-month 1959 vs. 1958 TV comparisons:

	1959		1958	
	Production	Sales	Production	Sales
January	437,026	501,704	433,983	581,486
February	459,492	448,173	370,413	448,727
March	494,032	425,749	416,903	416,756
April	389,251	263,998	302,559	243,132
May	431,911	279,536	266,982	237,189
June	571,003	344,795	377,090	250,362
July	350,360	370,575	274,999	279,010
August	547,445	492,449	507,526	405,790
September	808,337	684,773	621,734	605,638
October	706,583	637,147	495,617	523,440
November	560,770	598,070	437,772	499,038
Total	5,756,210	5,046,971	4,505,578	4,490,568
	*	*	*	

Radio sales in Nov. (excluding auto) went over the million mark for the first month this year—reaching 1,016,634 vs. sales of 839,912 in Oct. and 931,355 in Nov. 1958. Nov. production totaled 1,346,079 units (including 290,815 auto radios & 50,131 FM) vs. 1,795,718 in Oct. (including 531,116 auto & 62,959 FM). The following table compares Nov. & Jan.-Nov. radio figures with the same 1958 periods:

	1959		1958	
	Nov.	Jan.-Nov.	Nov.	Jan.-Nov.
Total output	1,346,079	14,069,049	1,438,061	10,342,833
auto radio	290,815	4,973,777	476,977	3,156,595
FM sets	50,131	480,894	68,161	303,808
Sales (excl. auto)	1,016,634	7,142,424	931,355	6,172,984

Multiple-TV homes will be counted for the first time by the Census Bureau in a sampling of about 15 million of 55 million households covered by the 1960 population count starting April 1 (Vol. 15:34 p17). Owners of 2 or more radio sets (excluding auto radios) also will be tallied for the first time in the housing census to supplement the general U.S. nose-count. Questionnaires, left by 160,000 enumerators at about every 4th house among the 55 million which receive advance census report forms, will ask: "Do you have any TV sets?" Instructions for checking answers ("1 set," "2 sets or more," "no TV sets") will be: "Count only sets in working order. Count floor, table and portable TV sets as well as combinations." Radios will be similarly covered in the household questionnaires, which also seek first-time data on ownership of automatic washers & dryers and air conditioners.

TV & radio chassis-misbranding would be forbidden under bills (HR-9310 & 9349) introduced by Reps. Bray (D-Ind.) & Moulder (D-Mo.). The measures cover "misbranding & false advertising of decorative hardwood or imitation hardwood products."

GOVT. ELECTRONICS FORECAST: "Excellent" is the outlook for all electronics in 1960, according to the Commerce Dept.'s Business & Defense Services Administration, in a report prepared under the supervision of electronics chief Donald S. Parris.

BDSA envisions all electronics achieving a \$10 billion total for the first time in history—with consumer products rising from 1959's \$1.95 billion to \$2.2 billion.

Black-&-white TV is seen rising, but at a slower rate than last year. The bullish factors are aggressive promotion of sets with advanced styling, new 19-in. & 23-in. tubes, population growth, new households. Bearish: "The recognized near-saturation of the market for 'first' sets."

Home radio sales are also expected to rise at a rate slower than in 1959, but it's anticipated that American producers will counter Japanese penetration "with more automated production, vigorous promotion and competitive pricing." Auto radio is expected to increase, but at a slower rate than the anticipated 20% increase in cars—because fewer small cars have radios. Continued growth is anticipated for stereo, tape, hi-fi components.

Military electronics is expected to rise 15%, commercial & industrial 10%, tubes 5-6% (picture tubes 4%), semiconductor devices 30%, components 12%.

The reasons for electronics' bright 1960 outlook, according to BDSA: "The very favorable prospects for the economy as a whole, the rising trend in consumer spending, the continued need for more sophisticated weaponry, the rapidly expanding space programs, and the increased demand for more efficient time & labor-saving equipment in commerce & industry."

* * *

Two more predictions by industry leaders, received last week, complete our roundup of forecasts of the home electronics outlook (for other opinions, see Vol. 15:51 p15). GE TV receiver dept. gen. mgr. Herbert Riegelman:

The '60s will be outstanding for the TV industry. Retail sales of TV sets may well reach 6.4 million in 1960. Three dynamic factors which were first felt in 1959 will influence TV sales to an even greater degree in the next decade: the growing demand for individualized sets, the yet untapped replacement market and vast new technical improvements in reception & transmission techniques.

Hoffman consumer products vp-gen. mgr. Ray B. Cox:

New developments & innovations in products as well as the general upturn in business should enable TV & stereo hi-fi phonograph sales to show increases in 1960 over 1959. Other factors that brighten the 1960 TV sales outlook are an expected increase in the TV replacement market and the traditionally higher sales in an election year.

An innovation that is expected to have as heavy an impact on industry TV sales in 1960 as did the 23-in. tube in 1959 will be the introduction of the 19-in. tube in 1960.

Factory production of TV receivers in 1960 should reach 6.3 million units. Stereo sales should also increase because the public is becoming better informed.

As for Hoffman, we expect significantly higher sales in both TV and stereo in 1960. We expanded our national distribution substantially during the past year and expect to continue expansion at the distributor and dealer level.

We expect Hoffman TV sales in 1960 to be 30% higher than in 1959. Our TV sales in 1959 were up 39% over 1958 sales. Sales of Hoffman stereo hi-fi equipment during 1959 were up 39% from 1958 and we predict another 25% increase in 1960. We also expect increased popularity for TV-radio-stereo home entertainment units.

Trade Personals: Leonard C. Truesdell, Zenith mktg. exec. vp, named pres. of Zenith Sales Corp., new wholly owned marketing subsidiary for TV-radio-stereo and parts & accessories in U.S. & abroad. Other officers of the new marketing company are Clifford J. Hunt, vp-distribution; Erik Isgrig, vp-advertising; John A. Miguel, vp-export . . . George W. Chane, ex-finance & management engineering vp, appointed to new post of RCA vp for finance & administration.

James R. Oberly promoted from appliances vp, Admiral Corp., to international operations vp and chmn. of Admiral International Corp. & its subsidiary companies, a new post. B. H. Melton promoted from appliance div. national sales mgr. to succeed Oberly as appliances vp . . . Albert G. Nelson named Magnavox asst. treas.

Henri Busignies promoted from ITT Labs pres. to vp & gen. technical dir. of parent ITT; I. Nevin Palley, ex-Temco Aircraft, succeeds Busignies as ITT Labs pres., and becomes also pres. of ITT Federal div.; A. G. Kandoian promoted from vp-communication systems to vp & gen. mgr., ITT Labs; P. C. Sandretto promoted from vp & technical dir., Labs, to deputy group exec.-U.S. defense group; E. J. Whalen named contract admin. dir., defense group.

Chester J. Antognoli named Standard Coil sales vp . . . W. W. Bullock promoted from vp-mgr., RCA Victor commercial records creation dept., to new post of vp-mgr., mkt. service & business affairs, succeeded in his former position by Robert L. Yorke, ex-West Coast operations mgr. . . . Leslie D. Catlin appointed management services dir., Stromberg-Carlson electronics div.; David Y. Keim named engineering dir. . . . Mario A. DeMatteo, ex-Cornell-Dubilier Electric Corp., named gen. sales mgr., Pyramid Electric Co. (capacitors & rectifiers).

Barnard I. Belasco appointed ad & sales promotion mgr., Raytheon semiconductor div. . . . Gail K. Pinkstaff, ex-Master Photo Dealers' & Finishers' Assn., Jackson, Mich., named exec. vp & managing dir., NARDA, succeeding A. W. Bernsohn (Vol. 15:49 p21) . . . Roderic L. O'Connor, pres. of Eidophor, a wholly-owned subsidiary of Ciba States Ltd., elected a dir. of Ciba States Ltd. and Ciba Pharmaceutical Products . . . C. Carver Pope elected to new post of personnel vp, Cle vite Corp. . . . Vincent (Tom) O'Brien named Emerson NE regional mgr., military mktg.

R. Burton Power Jr., former chief scientist in the office of U.S. Chief of Ordnance, elected Tung-Sol engineering vp . . . Kenneth A. Hoagland, ex-DuMont Labs, named to new post of engineering dir., Thomas Electronics . . . D. L. Richter named mgr., recording, RCA Victor Record div. . . . Charles A. Parry named head of telecommunications directorate set up by Northrop's Page Communications engineers to supervise project engineering and research & development . . . James Y. Nishimura, ex-Audio Labs and ex-Jerrold, named CATV systems & components mgr. of Intercontinental Electronics Corp., Mineola, N.Y. . . . William N. Krebs, chief of FCC marine radio div. who started govt. radio service with Navy Dept. in 1926, retires.

Herbert H. Hughes named acting administrator, Business & Defense Services Administration, succeeding Horace B. McCoy, who resigned after 40 years with govt. to become pres. of Trade Relations Council of the U.S., 19 W. 44th St., N.Y. . . . John R. Collins named chief of components & military applications branch, electronics div., Business & Defense Services Admin., U.S. Dept. of Commerce. He was chief, electronics & scientific equipment section, industrial, scientific & technical div., Bureau of Foreign Commerce.

Dr. Lawrence W. Von Tersch, Michigan State U. electrical engineering dept. head, elected National Electronics Conference pres., succeeding Virgil H. Disney, dir., Electronic Research div. of Armour Research Foundation, Chicago; William O. Swinyard, Hazeltine Research vp, named chmn., succeeding the late A. Crossley, Crossley Associates, Chicago; Joseph J. Gershon, De Vry Technical Institute, Chicago, elected exec. vp; James H. Kogen, GPE Controls, Chicago, appointed secy., succeeding G. E. Anner, U. of Illinois; Dr. H. E. Ellithorn, U. of Notre Dame, treas., succeeding G. J. Argall, De Vry Technical Institute; R. J. Parent, U. of Wis., elected asst. treas.

Carroll D. McMullen, of Toledo, was elected 1960 pres. of NARDA, succeeding Joseph Fleischaker. Other new officers: Hardy Rickbeil (Worthington, Minn.), M. B. Magers (Kansas City), Frank Pieratt (Lexington, Ky.), vps; Victor P. Joerndt (Kenosha, Wis.), treas. Reelected were Mort Farr (Upper Darby, Pa.), chmn.; Harry Price (Norfolk, Va.), exec. committee chmn.; Upton Ziesler (Manitowoc, Wis.), secy.

Courtney Pitt, who resigned as Philco finance vp in 1956, has been made a full partner in Baker, Weeks & Co., Philadelphia investment firm.

Obituary

John C. Merman, 56, former Daystrom vp, died Jan. 3 in Philadelphia. He is survived by his widow, a son, 2 daughters, and 2 grandchildren.

Finance

Walt Disney Productions suffered a slight decline in earnings despite a substantially higher gross income in the fiscal year ended Oct. 3. A principal reason for the decline in net, Pres. Roy O. Disney said, was "higher production costs on certain TV products." He also noted "a general softening in theater attendance, not only in the U.S. but also in most foreign markets where the increasing impact of TV is creating the same sort of adjustment period which the motion picture industry has experienced in the U.S." For the fiscal year ended Oct. 3:

	1959	1958
Total gross income	\$58,432,399	\$48,577,262
Net income	3,400,228	3,865,473
Per common share	2.15	2.51
Common shares	1,581,011	1,537,054

Bendix Aviation Corp. reports a 29% jump in net income on a sales increase of more than 10% for the 1959 fiscal year ended Sept. 30. Sales to the automotive industry (radios, brakes, etc.) rose to \$112.4 million from \$81.1 million in the previous fiscal year. For the fiscal year ended Sept. 30:

	1959	1958
Net sales	\$689,692,312	\$623,731,537
Net income	27,404,274	21,171,902
Per common share	5.37	4.18
Common shares	5,104,365	5,063,825

Cornell-Dubilier suffered a sizeable net loss for the fiscal year ended Sept. 30. Included in the component-maker's report, however, are non-recurring charges of \$2,555,867 & tax credits of \$690,000. For the fiscal year ended Sept. 30:

	1959	1958
Net sales	\$24,729,755	\$26,328,735
Net income (loss in '59)	(2,883,537)	188,686
Per common share		28¢
Common shares	507,390	512,390

Nucleonics, Chemistry & Electronics Shares Inc. nearly doubled its net assets in the fiscal year ended Nov. 30:

	1959	1958
Net assets at market	\$6,684,261	\$3,471,883
Net assets per share	13.57	10.62
Capital shares	492,584	327,068

Electronic Communications Inc. doubled its earnings on a strong sales increase in the fiscal year ended Sept. 30:

	1959	1958
Total sales	\$32,771,830	\$23,849,331
Net income	855,139	424,353
Per common share	1.40	67¢
Common shares (1959)	590,076	590,076

American Electronics Inc. expects a 4th-quarter net of some \$200,000 (23¢ a share) and shipments topping \$9.5 million, Chmn. Phillip W. Zonne has reported. The anticipated last-quarter performance would boost total 1959 profit to \$553,000 (63¢), increase shipments to above \$25 million. In 1958, American suffered a \$2.2 million loss after tax credits, on sales of \$17.3 million. Zonne believes 1960 profits will "reach and could possibly exceed" \$1 million (nearly \$1.20 a share). He forecast shipments approximating \$32 million. American's backlog is about \$16 million. During 1959, the electronics concern booked \$30 million in new business, up from \$18-\$19 million in 1958.

Decca Records anticipates a drop in 1959 profits from operations, although gross revenue will "approximate" 1958's. Pres. Milton R. Rackmil attributes the profit drop to rising costs & "intense" competition. Last year, Decca's income from operations was \$1,548,511. Decca also owns 87% of Universal Pictures' common shares, and had 1958 earnings of \$1,227,871 from that source. Rackmil, who also is Universal's pres., did not indicate Decca's share of Universal's 1959 earnings (Vol. 15:52 p20).

Zenith scored record sale & earnings in 1959, with the volume soaring to "more than \$250 million" and profits moving "well ahead" of the \$12,116,165 (\$4.10 a share) earned in 1958 on \$195,041,624 sales, Pres. Joseph S. Wright reported last week. He noted that 1959's 4th-quarter sales set a record for the period. Wright said that Zenith's order backlog is "substantially higher" than it was a year ago, forecast higher earnings in 1960 on sales calculated to be "in the neighborhood of 20% higher" than 1959's volume.

Westinghouse shareholders approved a 2-for-1 split of common stock at a special meeting in Pittsburgh last week. The approval increases the number of authorized shares from 25 million to 50 million. Par value of each was cut in half to \$6.25. Chmn. Gwilym A. Price said that 83.2% of shares were voted, the vote being 99.79% in favor.

Skiatron Electronics trading on the American Stock Exchange has been suspended by SEC for another 10-day period until Jan. 16 to "prevent fraudulent, deceptive or manipulative acts or practices" while SEC proceedings against the company are pending (Vol. 16:1 p12). An administrative SEC hearing for the company is scheduled for Jan. 13 in Washington.

Reports & comments available: GE, report, Thompson & McKinnon, 2 Broadway, N.Y. 4 . . . GT&E, comments, Hornblower & Weeks, 40 Wall St., N.Y. 5 . . . General Instrument, report, Herzig, Farber & McKenna, 39 Broadway, N.Y. 6 . . . Thompson Ramo Wooldridge, report, Eastman Dillon, Union Securities & Co., 15 Broad St., N.Y. 5 . . . Electrical goods mfrs., profile, Jan. 1 *Forbes*.

WEEKLY **Television Digest**

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

SUMMARY-INDEX OF WEEK'S NEWS

Congress

REUSS CLAMP-DOWN BILL is first of many due as open-season on TV-radio starts in Congress. Its chances: dim. Payola hearings start Feb. 8 (pp. 1 & 6).

Film & Tape

GE THERMOPLASTIC RECORDER excites industry at developmental demonstration—possibly heralding compact, fast, low-cost film-recording system, perhaps in 2 to 3 years (pp. 2 & 10).

TV'S POSITION NOT SERIOUS now in Hollywood writer's strike. Good supply of scripts on hand (p. 3).

15 PILOTS AT SCREEN GEMS: Columbia subsidiary planning comedy, action, suspense in new series projects (p. 10).

SYNDICATION'S BIG RISKS continue in a tough, competitive, \$100-million U.S. & overseas market (p. 12).

Networks

CBS GOES EDITORIAL, issues guide to TV & radio o&c's for speaking out on public issues (pp. 3 & 7).

FCC

DOERFER'S PUBLIC-SERVICE PLAN asks 3 networks to rotate responsibility for providing nightly 30-min. cultural shows. Networks considering (pp. 4 & 6).

FCC HEARS INDUSTRY VIEWS in its continuing programming investigation; more to come Jan. 25th (p. 5).

Manufacturing & Distribution

FACTORY TV SALES totaled 6,285,000 in 1959, phono sales reached 4.3 million, radio 15.4 million. Breakdown of TV sales by cabinet type (p. 16).

Finance

SKIATRON "ERRORS" CONCEDED by pay-TV firm's counsel at SEC hearing on stock ban, but he says SEC registration statement was filed in "good faith" (p. 19).

Advertising

TVB STIRS THINGS UP with new study of recent trends in magazine advertising, which show rising costs, falling newsstand circulation and lower efficiency for all but specialized magazines. MAB replies promptly (pp. 4 & 9).

FTC FIRES BIG SALVO against TV commercials for Standard Brands, Colgate-Palmolive, Alcoa, Lever Bros. More payola charges also filed (p. 8).

Auxiliary Services

CROSS-CURRENTS IN TRANSLATOR COMMENTS filed with FCC. CATV proposes 5-year status quo, then shift to uhf. Stations caution against technical & economic interference (p. 5).

Other Departments

PROGRAMMING (p. 14). **PERSONALS** (p. 15). **STATIONS** (p. 15).

REUSS CLAMP-DOWN BILL FIRST OF MANY: After slow early-session start (Vol. 16:2 p4), Congressional open-season on broadcasters got under way with bang last week. House investigators, led by Rep. Harris (D-Ark.), set Feb. 8 as D-Day for attack on TV-&-radio payola (see p. 6) and Rep. Reuss (D-Wis.) launched legislation to end all legislation for govt. controls of medium.

Nobody took Reuss bill seriously as something which has any real chance of getting through Congress. Harris smiled when asked about its prospects. "No comments," he said. Author himself joked about it. But it did reflect anti-broadcasting sentiment stirred up by quiz & payola disclosures—and more measures like it can be expected before this session ends.

"Improving the level of TV & radio broadcasting" is what he had in mind in drafting his multiple-part bill (HR-9549) to amend Communications Act, Reuss assured House. He added blandly, tongue in cheek: "Since that is the intent of my bill, and since that also happens to be what the broadcasting industry & its friends claim to want, I expect to have their support for this legislation."

Reuss formula "to advance education & culture" via TV & radio included these ingredients: (1) Govt. requirement that all stations devote at least 20% of prime time to "public-service" shows. (2) Govt. creation of Advisory Board on Education & Culture, composed of non-broadcasters, to guide policies. (3) Regular monitoring of stations by FCC. (4) Competitive bidding for commercial stations, with licenses going to those

who put up best "public-service" prospectus and most cash, which would be allocated to educational TV. (5) Establishment of "higher standards" for non-political FCC by enforcing rigid ethical rules.

Also heard from in House last week was another critic of broadcasting practices—Judiciary Committee Chmn. Celler (D-N.Y.). Carrying out pre-session promise, he introduced bill (HR-9486) amending Clayton Anti-Trust Act to prevent "concentration of ownership & control of communications media." It would forbid newspaper & magazine publishers to control TV & radio stations if that would give them "substantial" monopoly anywhere. Broadcasters similarly would be restricted in "acquiring interests in news publications."

String of legislative bombs from Harris subcommittee also threatens broadcasters. As prelude to payola hearings, it is expected to come up before end of Jan. with recommendations for measures outlawing TV quiz frauds such as it uncovered last year.

GE RECORDER RESEARCH EXCITES INDUSTRY: TPR . . . Remember those initials— you'll be hearing them again & again in the next few years. They may possibly be in your own future. They stand for "Thermoplastic Recording."

Industry interest in GE's developmental film-recording system—which could best be described as "casual" until last week (Vol. 16:1 p5)—changed to something akin to excitement after GE Research Labs' "progress report" demonstrations of the TPR principle to the networks, FCC, NAB & the press in N.Y.

System's development is further along than many people had suspected, and although demonstrations were extremely crude, they were sufficient to give far more than an inkling of what TPR may be able to do in commercial, military & industrial fields. Though GE refused to give any timetable, telecasting industry engineers who viewed demonstration speculated that commercially acceptable TPR TV recorder might be available any time from 2 to 5-10 years, depending on how much money & effort GE puts into development.

There is no question that a breakthrough was witnessed last week—to use a word which has become inflated through over-use in electronics industry. Looking beyond last week's demonstrations, industry engineers saw these potential developments growing out of GE's new concept in recording: A lightweight TV recorder, suitcase-size, completely portable—possible forerunner of an "instant home-movie" machine . . . low initial cost, low film cost . . . an hour's programming on a reel which is small enough to fit in hip pocket . . . as flexible as movie film for editing & special effects . . . recordings duplicated by a process easier than making conventional duplicate film prints . . . telecast quality at least as good as televised 35-mm film . . . no processing time required . . . monitoring possible while recording . . . film completely re-usable.

Admittedly, this is crystal-gazing. GE spokesmen parried or ducked every question about availability dates, commercial production, prices—stressing continually that "considerable work still must be done before commercially practical equipment can be made available for potential commercial markets." The only hint they did give about future timing was statement that some sample equipment might be delivered to the military before end of this year.

Here's what was shown: Two developmental models of the TPR—each a little smaller than an Army footlocker (not including power supply & other electronic equipment). Thermoplastic recordings made earlier from a TV receiver were projected through a modified 16-mm movie projector onto a screen. Color slides made by using the technique were shown. Slides—but no moving pictures—were made at the demonstration from a closed-circuit TV set-up.

Invention, credited entirely to 34-year-old GE research physicist Dr. William E. Glenn, has implications far beyond TV. In fact its bandwidth potential is so great, according to Glenn, that the system can handle as much as 50 mc of information—about 10 times the amount required to record video signal. This obviously opens up whole new fields of data storage—for computers, satellites, business applications, etc.

For TV recording, TPR film is run 5 inches per second, while the recorded track on the film need be only one-tenth of an inch wide.

It was inevitable that comparisons should be made with magnetic video-tape recordings. From our conversations with industry engineers, this is the consensus: Will it replace magnetic video recording? Perhaps some day, but not for a long, long time. This is still an experimental system—a principle. There are many problems to be licked, including such bugs as susceptibility to dust (which shows up on the screen as a big white snowball), easy damage to the film. While video tape potentially can give a live-quality image, TPR—being an optical recording—probably will be limited to the quality of a good 35-mm film print,

which all broadcasters consider eminently satisfactory. But one top engineer noted, "with this system we're still plagued with a projector & all the problems inherent in a projector."

"The thermoplastic process [has] advantages, as well as disadvantages, and its future applications have been, and will continue to be, under study by Ampex," said Ampex Pres. George I. Long in a statement issued after GE's news conference. He added that magnetic tape offers the most "efficient, economical and practical means of recording sound data and TV pictures." Magnetic recording art "is still in its infancy," said Long, "and in our research programs we foresee significant developments which will increase data-packing density, reduce size of equipment and extend applications, assuring a growing market."

Probably because of the stock-market stir caused when news of TPR leaked 3 weeks ago, all of GE's spokesmen at the press conference played down its TV potential, emphasizing that the demonstration used TV images only because that was easiest way to show how TPR works. For example, GE industrial electronics vp H. A. Strickland Jr. said he expected "new & presently unserved markets for information recording" to be greatest growth area for TPR and that "we would expect both economic & performance considerations to determine its degree of acceptance" in competition with established photographic & magnetic media. Ampex stock gyrated last week, gaining 7 points Tues. (day of GE demonstration), losing 4 Wed., gaining 3 Thurs., losing 1¾ Fri., closing at 104.

No, TPR isn't here yet, may still be long time off. But telecasters were intrigued at their glimpse of another way to record TV pictures—one which may have important applications to TV film distribution, news-reel photography, spot commercials. In words of ABC engineering vp Frank Marx: "It has a tremendous potential . . . bright future . . . No doubt about that." (For more about TPR, see p. 10.)

CBS GOES EDITORIAL: Long-awaited plans for editorials by CBS-TV (and radio) became official this month with Jan. 7 draft of new set of "Rules & Guideposts for Editorials on CBS-Owned Stations." The report serves the double function of giving green light to CBS editorials and establishing ground rules for their handling. New rules (see p. 7) seek to have stations keep clear of political hassles, achieve "fairness & balance" for conflicting views, and present the viewpoints of opponents.

Editorial move represents important breakthrough. CBS is the first network to tackle the hot topic of on-air editorials. Not only the o&o outlets, but affiliates and other broadcasters are now provided with a springboard from which to develop their own rules & regulations for taking a stand on local & national issues. CBS is expected to discuss new policy at length in the forthcoming Washington meeting between top CBS executives and network's affiliates (Vol. 15:52 p16). Note: When we asked station mgrs. whether they editorialized—or planned to—in questionnaire last Sept. (Vol. 15:38 p4), of 169 who replied, 51% said "yes."

STRIKE! BUT TV POSITION NOT SERIOUS NOW: Although Writers Guild of America called a strike against both the major movie studios and the Alliance of TV Film Producers members, effective Jan. 16, TV is least likely to suffer from any all-out strike action (Vol. 15:52 p4; 16:1 p4; 16:2 p13).

That's because strike which will actually shut down Hollywood studios is not the writers' strike, but that of Screen Actors Guild. Most film & TV studios have backlog of scripts, so they aren't concerned about any immediate production halt caused by WGA strike action. However, if powerful SAG strikes when its major-studios contract expires Jan. 31, that would force a shutdown. That's applicable to major film studios but not to their TV operations, where they have separate contracts.

While SAG has showdown meeting with major-studio presidents this week on crucial question of post-1948s, the outcome won't necessarily affect TV. Expiration date of SAG's contract with Alliance of Television Film Producers is March 31, and negotiations will probably begin in Feb.

Because most TV companies have stockpiles of scripts, they'll be able to complete their regular production schedules of current series. The bulk of pilot projects will have been filmed before SAG contract expiration date. More important, our sources among production companies & the Guild do not believe there will be an actors' strike against the TV producers.

Neither side in writers dispute was showing any early signs of retreating from its avowed position late last week. In telefilm, WGA wants foreign payments, residuals pegged to initial (not scale) payments, retention of many rights now demanded by producers. In the feature realm the biggest hassle centers on WGA's demands for participation in the sale to TV of post-1948 pictures;

DOERFER'S PUBLIC-SERVICE PLAN: Unusual (for an FCC official) proposal was made in N.Y. Jan. 14 by FCC Chmn. John C. Doerfer, who urged that TV networks agree to set aside 30-min., Mon.-Fri. strip every 3rd week for public-service programming at 7:30 p.m. and rotate responsibility for producing what Doerfer called "cultural & education programming" to fill that across-the-board slot.

Networks reacted almost immediately, all 3 issuing statements as soon as capacity audience attending RTES monthly "Newsmaker" luncheon returned to their offices. General network reaction: It's an interesting idea, and we'll give it thorough study.

Doerfer's reference to "lack of public service" in prime-time hours nettled program officials of the 3 networks, however. In commenting on his speech, all 3—particularly NBC-TV—pointed out that a sizable upswing in peak-hour public-affairs specials & series is already in motion. (NBC-TV alone has aired 30 news & information specials in first 4 months of the current fall-winter season. CBS-TV also has increased the tempo of non-entertainment programming—and, on pre-Doerfer Dec. 22, announced it would reserve a full hour of prime-evening time each week next season for information, culture and educational programs.)

Wide variety of other topics was covered by Doerfer in his address, ranging from under-the-statute payola for DJs to the FCC's latest plans for spectrum management (see p. 6). Doerfer indicated that FCC is really planning to speed up processing this year and to play more active role in many broadcast areas.

TV HITS BACK AT MAGAZINES: Another TV-vs.-print media battle is currently causing a round of charges & counter-charges—but this time the shoe's on the other foot. It's TvB that's on the offensive, and the Magazine Advertising Bureau—which renewed its sniping at TV last fall—that's on the receiving end.

Argument centers on new 42-page study now in hands of TvB members, but not broadsided by TvB to ad agencies, TV clients, etc. Titled "The Changing Face of Magazines," TvB's analysis (based on 1958 figures) shows magazines' share of national advertising decreasing under the "pinch of a giant vise" (TV).

MAB reacted angrily with prompt reply (see p. 9), but there were reports in N.Y. last week that all MAB members were by no means united in opposition to TvB study. Split is more or less along lines of "general" vs. "specialized" magazines, we're told, since TvB study reports that latter group is making best strides in magazine field.

CROSS-CURRENTS IN TRANSLATOR COMMENTS: When FCC finishes studying the several dozen comments on its proposed low-power vhf translator rules (Vol. 15:49 p4), its collective head ought to be in a whirl—so varied are the recommendations.

Possibly most interesting idea came from community antenna operators, who seem to have quit fighting City Hall, deciding to take the "long view." National Community TV Assn. urged: (1) Let all existing translators continue—but change to uhf within 5 years. (2) Limit them to one watt. (3) Require them to interfere with no one. (4) Grant only uhf to new translators.

These suggestions were backed by Jerrold Electronics (which said it would offer a uhf receiving converter-antenna package for about \$25) and by Adler Electronics (which reported it would build one-watt uhf translators to sell for same price as existing vhf translators).

Translator operators are unhappy about the one-watt ceiling & engineering requirements. Many said these restrictions would prevent them from reaching their viewers—technically & financially

CBS, NBC and AMST urged that care be taken to assure full protection of existing services.

Western broadcasters, by & large, went for the FCC proposal—except that they want safeguards against establishment of translators in their communities, fearing their economic impact as much as, or more than, that of CATV. Uhf stations were also fearful of encroachment, several asking that translators be forbidden within grade B contours of uhf stations. Joint Council on Educational TV requested specific mileage separations from existing stations—100 miles co-channel, 30 miles adjacent—with certain exceptions.

Vhf-translator manufacturer Benco called FCC's proposal "fair compromise," said it will offer type-approved equipment, stand ready to convert existing translators to new standards.

Most important to watch henceforth is reaction of translator operators to CATV proposal. If they buy the 5-year status quo, their Senators will take heat off FCC. Commission in turn probably will be delighted to wrap the whole thing up with knowledge that it will eventually shift the service to more-controllable uhf.

The FCC

FCC HEARS INDUSTRY VIEWS: FCC's inquiry into programming last week heard some of the strongest "hands off" language to date—primarily from attorney W. Theodore Pierson and Storer Bestg. vp-secy John E. McCoy.

Hearings are due to resume Jan. 25 with industry witnesses. It's expected that Westinghouse's Donald McGannon will be first, followed by NAB and the networks. The FCC staff hopes to conclude the entire hearing by the first week of Feb. Highlight digests of last week's testimony:

W. Theodore Pierson, attorney for 10 licensees, offered a tough & shrewd legal & practical analysis. He conceded that some court decisions approve of "program guidance & dictation by the Commission," but said he believes that the Supreme Court wouldn't go so far today. Evils in the industry, he said, can be eliminated by providing plenty of competitive facilities & the careful choice of licensees—not by program surveillance. Much of his statement was devoted to the premise that broadcasting is "but a mirror of public mores & tastes" and that the govt. neither can nor should attempt to determine what the public should have. Any "general standards" outlined by FCC, he said, "will stereotype stations' formats and greatly restrict or entirely eliminate competition for audience."

Scores Programming Criteria for Licensees

Pierson attacked the concept of requiring licensees to match performance with promises, asserting this would rob broadcasters of flexibility. FCC examination of "overall past programming," he said, is "a euphemism for censorship." He also inveighed against the use of program proposals in comparative hearings, stating that in TV contests such proposals "were fabricated by each out of whole cloth and purposely self-serving"—and equally attractive. He referred caustically to talk of "public service" programs, said he had never found anyone who could define them. His own definition: "all programs that serve a public want."

Commercial practices are something else. "We believe that it would be proper," he said, "for the Commission to require the licensee to promise to adhere to certain commercial practices, such as those incorporated in the NAB Code." He also recommended licensing of networks to "remove once & for all the fiction that a licensee can in reality choose & select the programs he [gets] from the network."

On cross-examination, Pierson asserted that the courts would change their opinions about FCC's programming rule in the light of experiences since their last decisions. Therefore, he indicated, FCC has no duty to consider programming at all. He repeated his claim that the Commission can consider licensees' qualifications only in areas other than programming.

John E. McCoy, Storer Bestg. Co. vp-secy. who was once a top FCC attorney, said he doesn't know the extent of FCC's powers over programming, because the Supreme Court has never ruled squarely on the question. In the absence of such a ruling, he urged the Commission not to assume it has powers over program quality.

Much of McCoy's 27-page statement dealt with the 1946 FCC Blue Book which outlined the Commission's concepts of good programming. He said he doesn't know what "balanced" programming is, that the emphasis on the virtues of sustaining & "talk" programs makes little sense to him, that the method of logging programs as "commercial" or "sustaining" is archaic & misleading.

McCoy went through a 2-hour period of questioning, much of it by Comr. Hyde (just back from Geneva), who had a substantial role in the formation of the Blue Book.

McCoy said that networks shouldn't be licensed, that "we feel every step toward greater govt. regulation leads to another step toward govt. regulation." Comr. Cross asked about advertiser influence, indicating he favored the "magazine concept." Said McCoy: "I've seen the phrase and I don't know what it means."

How about cutthroat competition, asked Comr. Ford. The remedy is civil action in the courts, said McCoy. How about asking licensees to tell what they've done to seek out community needs, asked Ford. The answers, by station lawyers, would turn out to be "stock phrases," said McCoy.

And so it went—ping-pong. Chmn. Doerfer wound it up with: "One question—what's the difference between community needs & community wants?" McCoy said that it was a "matter of definition" but that he thought they were the same.

"I thought they were different," said Doerfer. "I can think of a lot of things that I want but that I don't need."

McCoy answered, rather slowly: "I was talking about radio." Everyone, including Doerfer, guffawed with delight.

Herbert E. Evans, pres. of Nationwide Insurance Co.'s Peoples Bestg. Corp. (KVTV Sioux City and radios WRFD Columbus, WGAR Cleveland, WTTM Trenton, WMMN Fairmont, W. Va. & WNAX Yankton, S. D.), said FCC "can & must be more than an electronic traffic cop." At the same time, Evans said, the industry itself "is moving in the right direction" through its voluntary codes.

Donald F. Conaway, AFTRA exec. secy., said there was little wrong with TV & radio that application by FCC of its 1946 Blue Book policies wouldn't fix.

William L. Putnam, head of uhf WWLP Springfield, Mass., said the greatest problem in the industry is the neglect of local needs by wide-area coverage stations. His solution: Move all TV to uhf. He said he doesn't subscribe to NAB's Code because "it is a series of negative prohibitions and doesn't give positive yardsticks" and "I've got better places for the \$400-plus."

Frank E. Kelly, vp of Fund for the Republic, reviewed studies of mass communications which it has undertaken over the past 2 years, concluded there "are no easy answers" to a basic question confronting FCC: "How can a federal agency regulate a communications medium without engaging in censorship?"

Stanley Adams, pres. of ASCAP, again attacked broadcaster-owned BMI, stating: "It engages collectively in payola by entering into contracts to pay subsidies to music-publishing firms, including publishing firms created for this purpose by disc jockeys, performers & recording companies hand-picked by BMI." Counsel Sydney M. Kaye for BMI promptly stood up in the audience to declare that BMI would offer testimony to refute the charges.

Robert Montgomery asserted that NBC had pressured him & sponsor Schick, forcing the latter to buy sports programs as a condition of getting *Robert Montgomery Presents* in prime time. He urged that networks be divorced from production—at least that FCC give consideration to restricting networks to a percentage of production of the programs they carry. "Disassociation of carrier & content," he said, "has always been a healthy thing."

Lowell Thomas said he had never had any interference from sponsors or networks, and that self-regulation can cure abuses. He said he has never paid any attention to ratings, that sponsors are always enormously interested in public-affairs programming and that he doubted that any govt. regulation on programming would be helpful.

More about

DOERFER'S 9 PROBLEMS: A 9-point roster of problems is facing FCC this season, but will be tackled by the Commission as rapidly as possible in 1960, FCC Chmn. John C. Doerfer promised the RTES audience last week. The problems (and FCC's action on them):

1. **Procedures:** Doerfer admitted FCC was "12 months behind in the processing of AM applications," but added that "only Congress can aid us—by adopting the legislation we have proposed or endorsed."

2. **Spectrum management:** In his opinion, a "single body will be eventually created" to maintain a "continuous study & inventory of effective use of the entire spectrum."

3. **CATV & boosters:** Doerfer referred to the pending legislation designed to "significantly facilitate the continued operation of a TV station which is providing the only available locally-operated TV broadcast program service." He declared: "This is a serious innovation into the American concept of broadcasting . . . the inevitable corollary of protection from competition is eventual regulation of service & rates. If such principal were established in the CATV and the booster fields, it would [be] a short step to eventual service regulation of all of broadcasting."

4. **Clear channels, skywaves:** The proceedings surrounding clear-channel & daytime skywave matters "will be terminated in 1960, at least on Commission level."

5. **Political broadcasts:** He saw no major election-year problems ahead for broadcasters in the realm of equal-time claims as a result of the amended Section 315. However, he foresaw "difficulties" with that portion which calls for discussion of conflicting views on public issues.

6. **Allocations:** "Nothing short of a Congressional act" would bring about a complete switch to uhf from vhf, Doerfer said. This is behind FCC's current consideration of short-mileage drop-ins.

7. **Payola:** There is "not as much payola as was first assumed—little of it in the smaller markets," Doerfer revealed, citing as his source the questionnaires recently returned by broadcasters queried by FCC on payola practices. New rules, "or if necessary, legislation" to combat payola are the next step, he indicated.

8. **Network practices:** "Some definite determination of the extent of our powers [in the field of network practices] should be forthcoming shortly, after the staff can summarize the testimony in the present investigation."

9. **Programming:** "There is no express language in the Communications Act which authorizes the Commission to intensively scrutinize programming," he stated firmly, pointing to "the danger of building up a bureaucracy that would ultimately dictate the character of programming." There should, however, be more prime-time public-affairs programming, Doerfer told his audience and offered a network-level formula for a fresh supply (see p. 4).

Congress

More about

HARRIS GETS SET: House hearings on TV & radio payola practices—awaited breathlessly by the press and apprehensively by broadcasters—will finally get under way Feb. 8 for a scheduled one-week run, Commerce Legislative Oversight Subcommittee Chmn. Harris (D-Ark.) announced last week.

He said "all phases" of payola would be explored in the public proceedings, indicated that disc jockeys would be among witnesses summoned, refused to say what other witnesses might be called, and insisted that the subcommittee intends to keep the hearings going only long enough to establish a TV & radio payola "pattern."

"I hope it will not take over a week for such matters. It isn't necessary," Harris told more than 30 reporters who hurriedly converged on Commerce Committee's hearing room in response to a sudden news-conference call.

Some of the reporters expressed incredulity that the oversighters would let headline-promising payola drop so quickly. They reminded Harris of the scope of pre-hearing work by subcommittee staffers who proposed a 20-point agenda for hearings following field explorations across the country (Vol. 15:51 p6). In addition to payola itself, the staff report covered ad plugs, other reported abuses.

"It is such a big problem that the subcommittee cannot afford to make spot investigations of every station in the country," Harris said, adding wryly: "There's a great demand among the stations to let them know if we've got anything on them."

Other Commerce Committee Plans

In announcing his committee's program for 1960 (with all work scheduled to be suspended in time for July political conventions), Harris also said:

(1) Nothing will be done this session on a spectrum study started last year by his communications & power subcommittee (Vol. 15:24 p4). "There are those who feel that there have been enough studies in the last 10 years and something ought to be done," Harris conceded, but he said his subcommittee can't do much until govt. & non-govt. users resolve their "differences of opinion."

(2) There may be hearings—perhaps next month—on an omnibus bill (HR-4800) which Harris introduced at the start of the 1959 session for reform of procedures of FCC and other regulatory agencies.

(3) There'll be "action" by the communications subcommittee on a bill (S-12) by Senate Commerce Committee Chmn. Magnuson (D-Wash.) for \$51 million in state grants to buy educational TV equipment. But subcommittee members may want to do some more ETV field work first—possibly touring Albuquerque, St. Louis, Omaha and Champaign, Ill.

(4) The Oversight Subcommittee's budget for 1960 is \$410,000, of which \$112,000 is available from unexpended 1959 spectrum-study funds and \$23,000 from left-over Oversight money, leaving \$275,000 to be appropriated by the House. When he gets the money, Harris said, he'll add 7 or 8 more employes to the subcommittee's 25-member staff—most of them investigators.

Miami Ch. 10 conspiracy retrial of ex-FCC Comr. Richard A. Mack & Thurman A. Whiteside, now scheduled to start Jan. 25 (Vol. 15:52 p16), will be held in Washington—not Miami, as asked by defense counsel. Attorneys for Mack & Whiteside were turned down at a preliminary hearing in Washington's U.S. District Court when they argued that the case properly belonged in the District Court for Southern Fla. The defense last week also lost another move to have the Supreme Court hear an appeal from the District Court's refusal to order acquittal of Mack & Whiteside in their first trial, which ended in a hung jury. The Supreme Court denied a petition for a rehearing.

First radio daytimer bill of the new Congressional session—extending stations' sunrise-sunset operations from 6 a.m. to 6 p.m. (HR-9627)—has been introduced by Rep. Abernathy (D-Miss.).

Networks

More about

CBS EDITORIAL PLANS: In a move designed "to serve the public interest by stimulating thinking & decision-making about important public issues," CBS has evolved a set of ground rules for handling on-the-air editorials by its o&o stations. Here are highlights of the new CBS policy, as drafted by the network's Editorial Board:

1. CBS o&o's don't require network approval to air editorials, although the network's editorial board is available for consultation. Nor need there be a "uniformity of editorial views" among the stations.

2. TV-radio industry topics and national issues without local angle are not to be treated by station editorials. (That function will be handled by network editorials.)

3. Station management, not individual shows or personalities, will decide when stations will editorialize. All editorials must be "clearly identified as such."

4. Apart from "consensus editorials" (with which no group is likely to disagree), all "partisan editorials" should be handled with "painstaking concern for fairness & balance" although the concept of equal time, CBS stated, "does not apply to editorials."

5. When partisan editorials are being aired, stations may dress up the treatment with production gimmicks, but should "make use only of those production techniques within the framework of the realistic limitations of opposition production." Well-balanced editorial programs, however, are not thus limited.

6. CBS o&o's should not "support candidates" for office, although stands may be taken on issues before the electorate. Editorials should also not be delivered by news personalities "whose impartial presentation of the news may thus be questioned."

7. Suggested length for editorials: "Only rarely" less than "5 mins. long."

Copies of the ground-rules memo—latest in a string of policy memos at CBS—have already been sent to the managers of CBS o&o's and are now in effect covering editorials on both the TV & radio outlets, we were told last week by Richard D. Heffner, CBS consultant on editorials who helped frame the directive. CBS has no plans to circulate the memo to non-o&o affiliates except on a by-request basis.

Network TV daytime billings gained only 4% in Oct. over Oct. 1958, pulling the cumulative increase for Jan.-Oct. down to 23.1% compared with 1958's first 10 months, TvB reports. As a measure of Oct.'s daytime performance (reflecting a catching-up with ABC's Oct.-1958 expanded programming), Aug. billings were 28.2% ahead of the year-ago month, Sept. 20.1% ahead; cumulative gain for 1959's first 9 months was 26.1% (Vol. 15:51 p9). Cumulative gross time charges show daytime billings of \$166,735,280 for Jan.-Oct. 1959 vs. \$135,440,502 for 1958's same 10 months. Oct. 1959 daytime billings totaled \$18,914,305 compared with \$18,183,000 for the year-ago month. Night-time billings rose 16.8% in Oct. to \$40,116,447 vs. \$34,343,147 for Oct. 1958; year-to-date billings of \$343,400,912 were 5.6% ahead of the \$325,202,285 nighttime business recorded in Jan.-Oct. 1958. Leading TV network advertiser in Oct. 1959 was Procter & Gamble, with \$3,908,934 in gross billings. Anacin tablets was the leading net-advertised TV brand, with \$905,809 in billings.

Sneak Preview of ABC's Plans: With ABC-TV's program shopping for 1960-61 under way, programming vp Tom Moore told us last week that there's "a strong desire on the part of advertisers to find warm situation comedies that have the residual value of public-service shows." He cited as examples *Father Knows Best* and *Leave It To Beaver*. One such property already lined up by Moore for the fall is *Harrigan and Son*, Desilu-produced father & son situation comedy starring Pat O'Brien. ABC-TV's fall plans include an expanded version of *The Pat Boone Show*, continuation of *Take A Good Look* and "the possibility of employing additional live shows."

The network's nighttime-specials schedule will be upped "from 14 this year to about 18, certainly no more than 20," informed Moore, but ABC-TV will not follow the other networks' lead in daytime specials—except for the possibility "of at least one Dick Clark daytime special."

Commenting on ABC-TV's expanded film production supply base (Vol. 16:2 p12), Moore confirmed—and added to—our list. Negotiations with Paramount & Revue for production of one pilot with each show are now in the works, he reported. Although ABC-TV has no "contract of exclusivity" with Warner Bros., the program vp indicated "no change" in the network's "satisfactory relationship with the studio" which has 10 film series on ABC-TV.

NETWORK SALES ACTIVITY

ABC-TV

"The Citadel," & "Ninotchka," 90-min. adaptations, Feb. 19, 8:30-10 p.m. & April 20, same time.
General Mills & Westclox (BBDO)

Who Do You Trust, Mon.-Fri., 3:30-4 p.m., 3 weekly participations for 13 wks. starting in March.
Peter Pan Foundations (Ben Sackheim)

CBS-TV

Markham, Thurs., 9:30-10 p.m. eff. end of Jan.
Renault (Kudner)

Tomorrow, six 60-min. public affairs specials for 1960-61 season.
American Machine & Foundry (Cunningham & Walsh)

Tightrope, Tues., 9-9:30 p.m., alt. wk. sponsorship.
American Tobacco Co. (Sullivan, Stauffer, Colwell & Bayles)

Person to Person, Fri., 10:30-11 p.m., full weekly sponsorship eff. Feb. 19.
Pharmaceuticals Inc. (Parkson)

The Verdict Is Yours, Mon.-Fri., 3:30-4 p.m., alt. wk. 15-min. segs.
Lever Bros. (Ogilvy, Benson & Mather)

Captain Kangaroo, Mon.-Sat., 8:15-9 a.m., alt. wk. 15-min. segs.
Arnold, Schwinn & Co. (George Bond)

1960 Masters Golf Tournament, April 9 & 10, full sponsorship.
Travelers Insurance Co. (Young & Rubicam)

NBC-TV

"One Loud Clear Voice," *Sunday Showcase* presentation, Jan. 17.
Procter & Gamble (Benton & Bowles)

NBC Opera, "Cavaleria Rusticana," Jan. 31, 3:15-4:30 p.m. & "Don Giovanni," April 10, 2-4:30 p.m.
Florists Telegraph Delivery Assn. (Keyes, Madden & Jones)

Advertising

FTC FIRES ANOTHER SALVO: Four of TV's heaviest advertisers & their agencies came under a concerted barrage of FTC charges last week in the agency's war against deception on the air (Vol. 16:2 p7). And FTC kept up its fusillade against payola, bringing 4 more record manufacturers & distributors into its gunights.

Accused of "deceptive demonstrations over TV and in other advertising media" were Standard Brands Inc., Colgate-Palmolive Co., Aluminum Co. of America and Lever Bros. Co. Also cited were Ted Bates, agency for Standard Brands & Colgate-Palmolive; Ketchum, Macleod & Grove for Alcoa; and Foote, Cone & Belding for Lever Bros. In addition, Foote, Cone & Belding vp-account exec. William H. Bambric was accused of complicity in the challenged Lever Bros. commercials.

Cited in FTC's anti-payola campaign—marking up a total of 31 complaints since that phase of the broadcasting wars started last Dec. 3—were: United Telefilm Records Inc., 701 7th Ave., N. Y., and Pres. Morton Craft; M. S. Distributing Co., 1700 S. Michigan Ave., Chicago, and Pres. Milton T. Salstone & vp M. G. McDermott; A & I Record Distributing Co., 1000 Broadway, Cincinnati, and Pres. Isadore Klayman; James H. Martin Inc. & Music Distributors Inc., 2419 & 1343 S. Michigan Ave., Chicago, both headed by Pres. James H. Martin.

Meanwhile, FTC Chmn. Earl W. Kintner disclosed he will ask Congress—as expected—for a 10% increase in its \$7-million dollar annual budget to help pay for its stepped-up drives against false advertising & payola. He said about 100 payola cases already are in his agency's active investigative files.

Kintner Asks Business Cooperation

In a speech prepared for the Institute of Distribution in N.Y., Kintner said businessmen must "look beyond their noses" to make sure they don't operate against the public interest. Referring to FTC's anti-deception war, he added: "It must deserve & receive the active cooperation of business in prosecuting the slick operator who has only contempt for the law."

And in an interview in Jan. 15 *Sales Management*, Kintner said: "The Federal Trade Commission will be as tough as is necessary to encourage the advertising industry to clean its own house."

In last week's advertising cases, FTC alleged that "various demonstrations over TV or, in some cases, in newspapers or periodicals, do not prove what they purport to prove," namely:

(1) That Standard Brands' Blue Bonnet Margarine "is superior to competitive margarines." (2) That Colgate-Palmolive's Palmolive Rapid Shave Cream has special "moistening properties" in "actual shaving use." (3) That Alcoa's "new super-strength" aluminum wrap "has certain qualities superior to 'ordinary wrap.'" (4) That Lever Bros.' Pepsodent Toothpaste "is effective in removing tobacco stains from the teeth of all smokers."

Said FTC in announcing the complaints Jan. 14: "These misrepresentations tend to deceive purchasers and have diverted trade unfairly from the manufacturers' competitors in violation of the FTC Act." FTC challenged such TV commercials as these:

Standard Brands: "Blue Bonnet is made by the new exclusive 'flavor gem' process. When Blue Bonnet is spread like this, you see 'flavor gems' just like on the 'high price' spread . . . but no 'flavor gems' appear on this other popular margarine . . ."

Colgate-Palmolive: "Video advertising shows a hand holding a razor & shaving what purports to be a piece of dry sandpaper to which Palmolive Rapid Shave has been applied. The misleading implication here is that the preparation's 'moisturizing' action makes it possible to immediately shave off the sandpaper's rough surface . . . The truth is . . . the supposed sandpaper is actually a 'mock-up,' made of glass or plexiglas [with] sand applied."

Alcoa: "Look! These leftover hams were wrapped & unwrapped the same number of times. The ordinary foil is tattered & torn. Ham is dried out, tasteless . . . but not a rip in new Alcoa wrap. Ham is juicy, tasty!"

Lever Bros.: "This is a cigaret-smoking machine. It deposits yellow smoke-stain on enamel like the hard surface of your teeth. [Sound of rapping on enamel.] With the Pepsodent, we brush across the stain. Then rinse with plain water. [Water effect] . . . See? The smoke stain is gone where we used Pepsodent."

Each of the advertising-case respondents was given 30 days from Jan. 14 to file answers to the complaints. Similar 30-day deadlines for the payola complaints were set.

At the same time London Records Inc., N.Y., one of the first record manufacturers cited by FTC for payola (Vol. 15:49 p12), denied any illegality in such practices. In a formal answer to the FTC complaint, London conceded "it has directly & indirectly given valuable consideration to disc jockeys." But the firm said FTC should dismiss "each & every allegation" because payola isn't unlawful. Another manufacturer named in the initial batch of payola complaints—RCA—chose not to contest the charges, signed consent order last month (Vol. 15:51 p6).

AAAA Moves in Ad Cleanup: The American Assn. of Advertising Agencies is speeding up the process of having member agencies act as watchdogs against "objectionable advertising in TV, radio & print" placed by other 4-A agencies. It is now "the responsibility of the agency which placed the advertising to take corrective action" and to reply to the complainant. Failure to comply with the new system can bring a report by the 4-A Committee on Improvement of Advertising Content to the 4-A board, and possible expulsion of the member agency.

One major indication last week that ad agencies were already going to some lengths to keep in the clear with their own association as well as industry & govt. regulatory groups came in *Advertising Age's* report that "virtually every major advertising agency is in the process of revising commercials or making new ones to replace some current sell." The story added that film industry sources estimate "there will be \$500,000 worth of new commercials"—above the routine crop—made to comply with the FTC's current get-tough policies (Vol. 15:48 p1 et seq.).

"The 6 leading cigaret companies, jointly, are spending at the rate of between \$1.8-1.9 million dollars a week on nighttime network TV . . . Two computers of cigaret sales disagreed on which brand came through 1959 as No. 1 brand. One gave it to Pall Mall and the other to the long-time champ, Camels. They also differed on total turnout: 63.2 billion vs. 65.2 billion."—*Sponsor*.

Information clearing house for advertising executives has been established by the Advertising Federation of America's Bureau of Education & Research. The service offers library, bibliographical and reference sources on all phases of advertising & marketing. George T. Clarke is director. TIO recently announced a similar service for TV.

More about

THAT MAGAZINE-TV WARFARE: Agency media buyers had a chance last week to get 2 entirely different views of how magazines are making out against TV, in the form of a new TvB presentation (see p. 4) and a retort from the Magazine Advertising Bureau. Highlights of the latest inter-media conflict:

TvB: Magazines, states the TvB analysis, are getting a dwindling share of national ad revenues, dropping from 16.6% of the total in 1949 to 12.1% in 1958. Their efficiency as ad media is "drastically reduced," since circulation has risen only 25% while page rates in ANA-studied magazines have gone up 76% for a resultant increase of 41% in cost-per-1,000 circulation. The trend in distribution is away from "more valuable newsstand sales" to a 1958 figure of 72.8% of circulation by subscription. To use regional editions of magazines actually costs the advertiser a "premium" on circulation cpm ranging from 55% to 108%. "Specialization," said TvB, is the "future for magazines."

MAB: Total magazine advertising for 1959 was "a record high of \$787 million" beyond production charges, a gain "of 13%" replied MAB. It plans to have the final version of its anti-TV *The Profitable Difference* presentation ready for showing to agencies & clients by the end of Feb. The percentage of total national advertising in magazines last year will prove to be "consequently larger than in the recession year of 1958." Also, in 1959 "the percentage increase in magazine advertising exceeded the percentage of gain in TV advertising, network & spot" and "magazine circulations are at an all-time high." The MAB also forecasts a record 1960 gross for magazines of \$885 million, a 12% hike over the 1959 level.

TvB officials denied last week that the TV industry group was trying to start a media war. "We were simply filling a request by a number of local-station TvB members for sales ammunition to use in discussing the national magazine picture and the trend toward regional magazine editions," said a TvB spokesman.

New reps: Headley-Reed (which has been rep for Donald W. Reynolds' KOLO-TV Reno) Jan. 1 became rep for Reynolds' other TV properties: KLRJ-TV Las Vegas (from Avery Knodel); KFSA-TV Fort Smith & KGNS-TV Laredo (both from Venard, Rintoul & McConnell). Other changes: KROD-TV El Paso to Bolling Jan. 1 from Branham. WLOF-TV Orlando to Headley-Reed Feb. 1 from Young. *Elkhart Truth* stations WKJG-TV Ft. Wayne & WSJV South-Bend Elkhart to Branham Feb. 1 from H-R Television.

Best-liked TV commercials in major U.S. markets are film spots for Hamm's Beer and Maypo Cereal respectively, stated ARB's latest report (Nov. 1959) on audience taste in TV salesmanship. In 3rd position was Kaiser Foil, edging the well-known Bert-&Harry spots for Piel Bros. Beer from the top 3 for the first time in 1959. Two newcomers: Rival Dog Food (19th) and Alpine Cigaretts (21st).

Ad People: Matthew J. Culligan, ex-NBC radio exec. vp, appointed McCann-Erickson gen. corporate exec. in charge of advanced projects div. . . . William R. Groome and Edward P. Heath elected Ted Bates vps.

Charles Feldman named senior vp & creative dir., Young & Rubicam . . . John Veckly, ad dir. of U.S. Steel, elected ANA treas. . . . Alfred J. Seisel, pres. of Harold J. Seisel Co., elected pres., League of Advertising Agencies.

McCann-Erickson Reorganized: Chmn. Marion Harper Jr. announced a revision of McCann-Erickson Inc.'s basic structure last week. M-E will now function as 4 separate organizations, with a 5th to be added later this year. McCann-Erickson Advertising (U.S.A.) and McCann-Marschalk (formerly Marschalk & Pratt, M-E-owned subsidiary) will function as regular ad agencies, handling client purchasing and billing in TV, radio, print & other media. McCann-Erickson Corp. (International) will handle similar activity overseas. Communications Affiliates Inc., a new creation, will handle special service activity for clients. The major change is in the last-named div., which will handle special client problems of research, publicity, promotion, sales, etc. on a fee basis (thus avoiding the problem of reducing agency earnings by tossing in such services as part of what a client receives for the 15% normal agency commission).

Under McCann-Erickson (U.S.A.) will be McCann-Erickson Productions, headed by the agency's vice-chmn. C. Terence Clyne. This div. will concentrate on network TV-radio and will work directly with packagers & networks in the selection of properties submitted to clients. Commercials for TV shows will be handled by the agency itself.

Commercial Saturation Point: It's high time TV took a long, well-researched look at the number & type of commercials allowed in back-to-back slottings and in network & local programs. This was the area of agreement reached by 2 TV executives, representing the viewpoints of broadcasters & agencies, at the RTES Jan. 12 luncheon seminar.

Crosley Bcstg. Co. sales vp H. P. Lasker said bluntly that there are "too many standards" governing multiple-spotting, ranging from what the NAB Code allows to what agencies & stations sometimes agree on privately. Multiple commercials in shows where "viewers expect such commercials" (such as "shopping-guide" daytimers), he stated, can be quite acceptable, but the same rules don't apply to crowding spots into station breaks.

Lasker's opinions were backstopped by William E. (Pete) Matthews, media vp of Y&R, who thought NAB's Code was generally "liberal" on commercials, but might be revised to provide 1-min. breaks (instead of 30-sec.) between network shows to give spot advertisers more opportunity, with added copy & production, to "spread themselves." In some situations, Lasker stated, TV may be tossing too many commercials at once at the viewer, and, in others, more might be aired without creating adverse reaction.

Subliminal perception advertising conveys its message to radio or TV audiences, but the audiences have the power to resist it, industrial psychologist Dr. Robert E. Corrigan, testified at a meeting of the Cal. Assembly subcommittee probing such advertising.

U.S. Station Rate Increases

Station	Base Hour	Minute	Date
WABC-TV New York.....	\$4250 to \$4675	\$1110 to \$1400	Jan. 3
WNHC-TV New Haven	1500 to 1600	330 to 355	Dec. 1
KMBC-TV Kansas City	660 to 1300	300 to 350	Jan. 1
KWTV Oklahoma City	900 to 950	240 to 250	Jan. 1
WTRF-TV Wheeling	625 to 700	140 to 155	Dec. 1
KGHL-TV Billings, Mont.....	200 to 250	45 to 62.50 ¹	not reported

¹ 20 Sec. only.

Canadian Station Rate Increases

CFCM-TV Quebec City	525 to 600	140 to 165	April 1
CHEX-TV Peterborough	269 to 290	52 to 58	Jan. 1

Film & Tape

More about

THERMOPLASTIC RECORDING: First full-scale demonstrations of GE's Thermoplastic Recording technique in N.Y. Feb. 12 in New York's Hotel Pierre (p. 2) were witnessed in the afternoon by some 200 newsmen, and in the evening by network, FCC & NAB engineers.

Representing FCC was chief engineer Edward Allen; engineering mgr. A. Prose Walker and asst. engineering mgr. George W. Bartlett represented NAB. Among network personnel were CBS-TV engineering & affiliate relations vp William B. Lodge and ABC engineering vp Frank Marx; NBC was not represented. This special showing to TV topkicks indicates that GE considers TPR a potential TV tool, despite its officials' reluctance to say so during the earlier showing for newsmen.

Here's how TPR's operation was described: Actual recordings are made by an electron gun in a vacuum. (Entire front of recorder had transparent plastic cover with rubber gasket for a seal. When reels are put in place and door is closed, a pushbutton starts a vacuum pump which evacuates the air in one minute. To destroy the vacuum and open the door for removal of reels, another button is pushed.)

The developmental system can use a standard TV camera or a regular TV set or monitor for pickup. Input signal voltage is about one volt. The video signal is fed to a special electron gun which deposits a charge on the special transparent thermoplastic film or tape. The film is instantly heated, changing the electrical charge to ripples in the film surface. When cooled, the ripple pattern is frozen into place. The film may be erased by heating.

Recordings May Be Projected or Scanned

The resulting film may be shown with a projector using a modified Schlieren optical system, or it may be picked up for TV with a flying-spot scanner. The picture image on the film may be seen if held up to the light, but it is more difficult to see than the image on conventional movie film. The TPR inventor, Dr. William E. Glenn, has also developed a color optical system & electron gun.

The film recordings shown at the demonstrations were made from regular broadcast signals taken from the IF of a standard black-&-white TV set. The films were crude but eminently recognizable; scratches & dust appeared to be major problems. Thermoplastic film recordings, according to Glenn, are currently about twice as susceptible to damage by mishandling as are standard photographic films.

Thermoplastic film may be edited like movie film; special effects may be used; portions of a frame may be erased. Presumably animation, stop-motion and other photographic tricks can be used.

Glenn predicted that Thermoplastic films could be easily duplicated by a pressing process; pressing tapes, he said, should be a "less critical" process than pressing phono records.

We were impressed with the apparent simplicity & compactness of the equipment, which appears to herald low cost & portability in the ultimate TV equipment.

The tremendous information-handling capacity of the system makes it ideal for data-storage uses far more complex than TV—such as satellite data recording, radar recording, computer use. GE Labs' Lloyd C. Harriott, for example, explained that it is now "realistic to think of storing entire libraries of business reports, drawings or engineering data in equipment the size of an office desk."

GE research vp Dr. Guy Suits dramatized the capacity of the film this way: "In principle, TPR could record the 24 volumes of the Encyclopedia Britannica on a reel the size of a spool of thread, and it would take only a minute to record each volume."

This very fact that there is no built-in bandwidth or information-carrying ceiling was cited as a big potential advantage of the system by several broadcast industry engineers. Its potential in TV, in the opinion of these engineers, boils down to whether the delivered pictures are competitive with tape pictures—in quality, price & convenience. And before this is definitely known, they all agree there will be a considerable wait.

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RCA has shipped 40 TV tape recorders to stations & networks, govt. agencies and overseas users—and 100 more are on order—RCA industrial electronic products exec. vp. T. A. Smith announced last weekend. "Demand is expected to grow at a more accelerated pace," he said. RCA has formed a new recording products, high power & nucleonics dept., one of the prime functions of which "will be development of advanced types of recording devices for the broadcast industry," according to broadcast & TV equipment div. gen. mgr. C. H. Colledge.

15 Pilots at Screen Gems: The Columbia Pictures TV subsidiary is currently planning at least 15 pilots, may top 20. Like most, SG is emphasizing comedy, while seeking a broad balance in its various pilots.

Expected to go into production within the next month are these pilots for which Harry Ackerman is exec. producer: *For the Love of Mike*, a comedy starring Shirley Jones, (Ed Rissien, producer); *My Sister Eileen*, comedy, not cast; *Man Alive*, adventure, not cast; *Show Wagon*, a Western, not cast (Winston O'Keefe, producer); *Miss Peters Speaking*, a comedy by Norman Krasna & Bill Manhoff, not cast (Eddie Buzzell, producer); an untitled comedy starring Walter Slezak; *Togetherness*, a comedy created by Nate Monaster & Norman Tokar (Winston O'Keefe, producer), to be showcased on SG's *Alcoa-Good-year Theater*.

William Sackheim is exec. producer on 4 pilots, *The Insider*; *Girndl and Her Miserable Stories*, a suspense vehicle created by David Swift; *Proud Land*, a Western, starring John Larch, to be showcased on *Alcoa-Goodyear Theatre* (a joint venture with Hilda Productions Inc.); and *Tom Sawyer*.

Screen Gems also plans a pilot of *333 Montgomery*, drama, which is aimed at the syndication market. Among projects which haven't yet been firmed for piloting is an untitled South Seas series which would be produced for SG by Robert L. Jacks.

In addition producer Herbert B. Leonard has two 60-min. pilots being made in association with SG, *Route 66*, an action series, and *Naked City*.

* * *

ABC has given Screen Gems the green light to prepare scripts and plan on production for *The Big Walk*, for next season. Gene Roddenberry is producer. The pilot was made last year, but not sold.

Westinghouse Bcstg. Co. is launching another syndication series. Already scheduled for the 5 WBC stations and booked on stations in nearly 50 other markets, is the 30-min. video-taped *Reading Out Loud* series, featuring prominent personalities reading aloud literary classics. One restriction: Telecasting must be non-commercial.

NEW YORK ROUNDUP

United Artists purchase of Ziv TV was still in its closing stages late last week. What was keeping the 2 firms apart was not, Pres. Herbert Golden of UA-TV told us, a "question of money." On this, UA and the 2 banking houses owning 80% of Ziv (Lazard Freres and F. Eberstadt Co.) seem largely agreed. UA, apparently, must clarify what the acquisition of Ziv will mean in terms of the government anti-trust suit already pending against UA, what realignment of TV executive personnel will be necessary, and whether *Hudson's Bay*, the next UA-TV syndication property due to be fed into sales channels, will be handled through UA's sales force, or through Ziv's.

A wild coincidence of telefilm selling found actor Efram Zimbalist Jr. portraying private eye Stuart Bailey in 2 Fri.-night TV shows scheduled for the 9-10 p.m. period Jan. 15 on arch-rivals WNEW-TV & WABC-TV N.Y. Zimbalist was making his regular every-other-week appearance as star of the Warner Bros.-produced 77 *Sunset Strip* on ABC-TV in an episode titled "Switchburg." At the same time, he was to be seen on independent WNEW-TV in the rerun of a 60-min. WB 1957 telefilm titled "Anything for Money," based on a Roy Huggins story that is part of an NTA-syndicated package of some 90 telefilm episodes aired by WNEW-TV as *Hour of Stars*.

TV film musicians employed by members of the Alliance of TV Film Producers Inc. will vote by Feb. 8 in an NLRB election to determine whether they want the AFM or the rival Musicians Guild of America to represent them in collective bargaining. In ordering the secret balloting, NLRB excluded Ziv, Revue and Mark VII from the Alliance-wide bargaining unit—the first 2 disclaim the producers' organization as agent; Mark VII has AFM contract.

TV Program Export Assn. interim committee met in N.Y. Jan. 14 and set 3 p.m. Jan. 20 as the time for the assn.'s first board meeting. Place is Rockefeller Center Bankers' Trust Co. Details of other business discussed at the Jan. 14 session were not announced.

"This Week in Sports," weekly 15-min. sports review, will be sponsored starting in mid-Feb. in 15 Western markets by the Denver Studebaker-Packard Dealers Assn. Produced by Hearst Metrotone News, the show has been on the air continually since 1948.

Cal. National Productions reported sales of *Pony Express* in 56 markets within 3 wks. after the series was introduced. American Petrofina Co. bought the 39 half-hour adventure series for 20 markets.

MCA-TV's pre-1948 Paramount features were picked up by 5 more stations last week: WCIA Champaign, Ill., KTHV Little Rock, KSHO-TV Las Vegas, WANE-TV Ft. Wayne, KERO-TV Bakersfield, Cal.

CBS-TV Workshop's first presentation will be "The Brick & the Rose," written by Lewis John Carlino, a participant in the workshop's TV-writing seminars. The play will be telecast noon-12:55 p.m. Jan. 24.

Richard Rodgers has been signed to compose the background music for ABC-TV's 1960-61 series based on Churchill's memoirs . . . John E. Pearson has been named gen. mgr. of ITC of Canada Ltd. . . . Lee Francis has resigned as ad & promotion mgr. of ABC films.

HOLLYWOOD ROUNDUP

Screen Actors Guild has notified AFTRA it's studying the merger plan submitted by David L. Cole but has deferred AFTRA's request for a meeting because of its crucial negotiations with the major studios (Vol. 16:2 p14). SAG said, however, that naming special committees in Hollywood, Chicago and N.Y. to study the Cole plan, which is lengthy & complex, will require thorough analysis. SAG promised to meet with AFTRA as soon as negotiations with the majors are concluded.

There are now only 2 *Sunset Strip* films left in which Edd (Kookie) Byrnes appears. Warner Bros. had made one last try to patch things up when Byrnes continued to hold out for a contract readjustment, put him on suspension (Vol. 15:44-46). Byrnes has now been on layoff for 9 weeks, since he refused to report for work after WB refused his demands.

Filmaster Productions will produce 2 pilots in Feb.: *The Beachcomber*, starring Cameron Mitchell (producer Joseph Shaftel), an adventure series created by Walter Brown Newman, and *F.S.O.*, a 60-min. venture (Nat Perlin producer) . . . Screen Gems producer Robert L. Jacks may pilot a South Seas series. The project is untitled.

Mark VII Productions is producing the pilot of a comedy, *Calvin & Clyde*, for ABC-TV, Herman Saunders producing . . . ABC-TV and Warner Bros. are in negotiation for a half-hour *Bugs Bunny* series for next season. The show would be reruns of the post-1948 WB cartoons plus new animation.

CBS-TV production sales unit will have a series of demonstrations of its commercial video-taping services on the West Coast Jan. 19-27, the first to be held Jan. 19 at KIRO-TV Seattle. Others will be Jan. 21, KPIX San Francisco; Jan. 16-17, Television City, Hollywood.

Screen Gems' *Dennis the Menace* has been renewed for 13 weeks, thus is set for this season . . . Gene Roddenberry has been signed as a producer-writer at Screen Gems.

Producer Sam Gallu will film four 90-min. specials for CBS-TV next season: 2 original dramas & 2 adaptations. The specials, budgeted at \$150-250,000 each, will be theater-distributed abroad.

Warner Bros. plans a new series, *Black Gold*, about the oil fields of Texas & Oklahoma . . . Desilu Productions is negotiating for Elena Verdugo to be one of the stars of its new 60-min. comedy series, still untitled.

Screen Gems is preparing the pilot of *Togetherness*, a comedy written by Nate Monaster & Norman Tokar, which will be showcased on its *Alcoa-Goodyear Theatre* series. . . . SG has also changed its *Never Plead Guilty* series to *333 Montgomery*. It will probably go into syndication.

Filmaster Productions has acquired the Shamrock studio in Winter Park, Fla. to produce commercials, industrial films, movies and TV films . . . Filmaster has resumed production in Hollywood of its *Hannibal Cobb* series starring James Craig. Fritz Goodwin produces the 5-min. segments for Video International Productions.

Spartan Productions is finishing the pilot of a 30-min. show, *The Great Leslie*, done with animation, artwork and still photos. Blake Edwards and Don Peters produce.

SYNDICATION'S PROBLEMS: How's the \$100-million syndication business? The 1960 prospects are "great" or "bright" or "never better," most leading syndication concerns have told us in recent weeks. Does this mean that the industry has solved its major problems? Decidedly not, for there are more problems confronting the distributors of non-network telefilms & features than ever before, syndicators privately admit.

The biggest single problem that faces a syndication house when it launches a new telefilm series or feature package is the shortage of time-slot availabilities. In major Eastern markets, virtually all of the 10:30-11 p.m. periods on network affiliates are occupied by network programming. After 11 p.m., viewing drops steadily, and most advertiser demand is for participations in feature films or in NBC-TV's *The Jack Paar Show*.

The emergence of ABC-TV's nighttime lineup as a strong competitor of the other 2 networks also causes a time shortage among that network's affiliates, as well as a full-scale logjam in 2-station markets. And, as a final time problem, syndication must compete with local live shows for afternoon, evening and nighttime positions.

Production costs are another headache to syndicators. "There's no one single item that's causing us a problem," said the sales vp of a syndication firm currently billing over \$20 million annually. "It's a combination of a lot of little increases that create a steady upward spiral." Syndicators must therefore weigh carefully the anticipated costs of a show against the relatively-fixed prices that stations or regional sponsors are willing to pay. A wrong guess means red ink.

Talent costs are a related problem. There's been a trend lately toward over-scale payments to telefilm stars coupled with over-scale residual payments for reruns. A syndicator purposing to launch an off-network rerun film series into syndication must then make another hard-cash guess. If he begins market-by-market sales, he must pay the big residual on his first sale, and operate at a deficit until the sales catch up to his rerun payment (which may be \$5,000 per episode).

Overseas syndication of telefilms, which in ideal situations can produce as high as a third of the series' gross income, is also full of pitfalls, ranging from stiff quotas to currency regulations and language-dubbing problems. An American TV Program Export Assn. has been formed (Vol. 16:1 p15), but improvement of foreign TV sales conditions is only beginning. Feature films are hard to sell overseas, and are often severely limited by foreign theatrical exhibitors & movie unions.

Tape syndication, which became a reality in 1959, is still having growing pains. Duplicate tape prints are costly, shipping is often a problem, and many tape-equipped stations prefer kinescope prints because their video-tape playback facilities are in other use.

The supply of available pre-1948 feature films for TV is steadily dwindling, and an early solution to the demands of talent & creative unions for a share in post-1948 movie sales to TV is by no means in sight. But this is only part of the problem. As the sales director for a leading syndicator of both telefilms & features put it to us: "Either we haven't got enough features to meet the demand of stations in a TV market—or they refuse to pay the price we must ask for what we do have."

In the face of such odds, it's almost a surprise to find that there's a steady flow of product into the syndication market from the veteran distributors. Most of the large

firms try to bring a new telefilm series into syndication at least once every 3 or 4 months. A few (notably Ziv TV) launch shows as often as one every 2 months. Feature film firms space their packages further apart, usually scheduling a new batch at least twice a year (or more often, if they are small groupings).

Here's what leading syndicators reported to us recently about their new market entries in the year past:

ABC Films: With a total of 10 series (new & rerun) on the U.S. market, ABC Films continued syndication sales of 3 off-network properties—*The People's Choice*, *Meet McGraw*, & *Jim Bowie*. No major first-run series were launched, and the network-owned distribution firm considered the period primarily "a reorganization year for us." At least 4 first-run series are due in 1960, however. Last March, Henry Plitt, an executive of a southern theatrical chain, was named pres. of ABC Films, with Harold Klein, Plitt's former business mgr., named vp for business affairs. Noted by Plitt as a trend: "The increased salability of off-network telefilm comedy shows for daytime stripping, with local stations following the network daytime lead."

Cal. National Productions: NBC-owned CNP, after nearly 7 years in the field, scored its first breakthrough in network selling, landing the CNP-Goodson-Todman series *Adventures of Philip Marlowe* on ABC-TV & selling *The Lawless Years* on NBC-TV. CNP's own *Not For Hire* series, starring Ralph Meeker, was launched in first-run sales (at what CNP described as "realistic prices"), and rerun sales by the firm's Victory Program Sales div. "have soared," reported pres. Earl Rettig, confirming a steady demand in syndication for low-priced rerun properties with continuing audience potential, such as CNP's long-run *Victory At Sea* teledocumentaries.

CBS Films: This network-owned syndicator continued to expand on a number of fronts. In the program realm, *U.S. Border Patrol*, produced (as was *Navy Log*) in association with Sam Gallu, was launched in first-run syndication in April and soon scored a sizable regional deal with Amoco (73 markets of a total of 130). Soon thereafter, one of the season's biggest rerun properties, *The Phil Silvers Show*, was launched and scored an equally large near-national sale (to Carling Brewing for 69 markets of a total of 122). The off-network *Trackdown* was also put into rerun syndication. CBS Films' first tape series, the 30-min. taped-in-N.Y. *Robert Herridge Theater* (originally titled *Theater for a Story*) completed 22 episodes during the year, but still lacked a firm network deal or syndication plan. Production was also active on *Whirlybirds* (3rd year, in association with Desilu) to bring the number of episodes to 111 currently playing in 135 markets, including 75 for Conoco. Production was also completed on the 39-episode *Colonel Flack & Rendezvous* series for syndication. One of the few syndicated suppliers of news programs, CBS Films added 38 new stations (13 overseas) to the roster subscribing to CBS Newsfilm. On the foreign front, CBS Films expanded its activity to a total of 41 TV-equipped countries.

Independent TV Corp.: In its first year of operation (after Jack Wrather bought TV Programs of America), ITC launched 4 first-run shows into syndication; the co-production (with Sapphire Films) series *Four Just Men*,

Ding Dong School (on tape), *Sweet Success* and, most recently, *Interpol*. A 2nd year of off-network syndication sales of *Jeff's Collie (Lassie)* was begun, as well as off-network sales of *Brave Stallion*. At the network level, *The Gale Storm Show*, acquired by ITC in 1958, was sold to ABC-TV early in 1959 under an arrangement whereby GSS is telecast on a 5-times-weekly rerun basis with new episodes in a nighttime series. ITC's gross sales, Pres. Walter Kingsley told us, amounted to "a volume of \$14 million at a time largely devoted to the development of a sales force & regional offices." Foreign sales amounted to more than \$4 million (10% of total) on a total of 19 series in 42 countries. ITC had several management-level appointments during the year, notably ex-CBS Films program vp Leslie E. Harris to the new post of managing dir., international production, Charles W. Goit as natl. sales dir., and Alvin E. Unger to the rank of vp for syndication.

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MCA TV: Another active station-level telefilm supplier in 1959 was the syndication arm of Music Corp. of America, which is both a producer (Revue Productions) & distributor (MCA-TV for telefilms, Emka Ltd. for features). Three first-run MCA syndication properties were launched during the summer—*Shotgun Slade*, *Coronado 9* and *Johnny Midnight*—bringing the total domestic syndication properties to 25. MCA's sole feature package is the pre-1948 backlog of 700 Paramount movies, which went on the market originally in 1958. A total of 42 stations signed for Paramount features during 1959, with nearly all (95%) signing for the full package, said station sales vp Louis Friedland. Through its parent talent agency, Revue Productions is represented on all 3 networks with telefilm shows (*Wagon Train*, *Laramie*, *Johnny Staccato*, *Riverboat*, etc.) this season although the sales are not handled through the syndication channel.

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NTA: Early this fall, NTA, now a div. of National Theatres, introduced *Grand Jury*, produced by Desilu, as a first-run syndication entry. NTA had no off-network rerun properties on the market this year, but did launch a series of "conversation" video-taped shows, produced at WNTA-TV N.Y., featuring Mike Wallace, Henry Morgan, David Susskind & Alexander King, among others. A 2nd year of syndication was started for *U.S. Marshal*, *This Is Alice*, *How To Marry A Millionaire* and *Man Without A Gun*. On the feature front, NTA released a series of TV movie packages—"Sunset," "International," "Santa Monica" & "Wiltshire"—picked from a 165-title bloc acquired by NTA from 20th-Fox, as well as 10 Shirley Temple films. At least 3 new telefilm properties will be syndicated (unless network sales are scored meanwhile) early in 1960. One 1959 NTA highlight was the N.Y.-to-Hollywood shift of executive personnel in Sept., accomplished with the aid of an airlift, to consolidate forces with National Theatres. Some executive-level shuffling was also done, with NTA syndication sales vp Michael Sillerman resigning late in 1959 and Arnold Kaufman, ex-RKO, named as vp for the remaining NTA telefilm sales functions in N.Y. In a related field, NTA vp for o&o stations Ted Cott set up a N.Y. pilot operation on non-closed-circuit Storevision this fall, and was making plans for NTA to syndicate the basic elements of the in-store daytime TV service to 25 other TV outlets.

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Screen Gems: With 22 series active in the U.S. & foreign markets, the syndication arm of Columbia Pictures-

owned Screen Gems kept its sales pipelines filled during 1959 with a steady product flow. Two first-run series were launched—Jack Douglas's *Seven League Boots* under a distribution deal; *Manhunt*, an SG-produced show in May & Oct. respectively. In addition, *Rescue 8*, produced in association with Bert Leonard, went into a 2nd year of syndication production, and SG launched off-network syndication sales on *Behind Closed Doors & Award Theatre* (former Alcoa-Goodyear episodes). The upward trend in residuals paid to name talent starring in telefilm series caused SG to choose carefully among off-network series offered in distribution deals, said dir. of syndication Robert Seidelman. Reason: SG—like other syndicators—must pay residuals at the time of the first syndicated sale, and then face the problem of operating in the red with a show until sales catch up with the talent payment. On the feature front, SG moved slowly, abandoning the 1956-57 tactics of large-package release on a national scale. In 1959, SG adopted a policy of feeding no more than 200 features gradually into the market from its reservoir of Columbia Pictures and U-I product, on a market-by-market basis.

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United Artists, UAA: UA-TV took its first plunge in the syndicated telefilm market early in 1959, launching sales of *Tales of the Vikings*, produced by Kirk Douglas's Bryna Productions. By Dec., the first-run series, an outgrowth of Douglas's feature film version of the same property, had reached a level of about 80 stations with several regional deals made. UA-TV also became a network-level telefilm supplier, breaking through with sales on *Troubleshooters & Dennis O'Keefe Show*, neither a major success, but at least paving the way for future UA-TV activity in this field and providing a backlog of future syndication releases. UA-owned United Artists Associated, now distributing both the cleared-for-TV feature films of UA and the Warner Bros. pre-1948 backlog, as well as *Popeye* cartoons, comedies, foreign co-production features, etc., continued to score regular sales (rerun sales in large markets, library deals in new TV areas or in small cities, for the most part). No off-network properties were launched and there was only limited foreign activity.

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Ziv TV: Currently the subject of Wall St. negotiations involving United Artists, Ziv TV maintained a steady pace of syndication releases during the year. These included the first-run *This Man Dawson & Lockup* series, a 3rd year of *Sea Hunt* (regarded by many as the most successful syndication series in TV), and the off-network release in syndication channels of *Tombstone Territory*. Having broken into the network production ranks in 1956 with *West Point*, Ziv continued to maintain its position with network level sales of *Bat Masterson*, *Men Into Space*, *The Man & The Challenge*. A pioneer in the selling of low-priced reruns, Ziv's Economee TV launched sales on the extensive backlog of *Highway Patrol* episodes, as well as continuing sales on such veteran properties as *Science Fiction Theater*, *Boston Blackie*, *Cisco Kid*, *Harbor Command*. One trend noted for us by syndicated sales mgr. Len Firestone was the growing tendency of major national advertisers (like American Tobacco Co.) to supplement network coverage & bolster weak sales areas with alternate-week purchases of new syndication properties, with Ziv and the stations selected by the prime advertiser teaming up to sell off the odd weeks locally or regionally. Ziv continued active during 1959 in the foreign telefilm field, with nearly 90% of the firm's syndication properties now language-dubbed for the overseas market.

Programming

Prestige-Show Sponsors Sought: All 3 networks are hunting sponsors for the growing crop of public-affairs & prestige shows scheduled or blueprinted for 1960. The chase isn't as difficult as it used to be—sponsors are becoming more concerned with their responsibility in TV's public image, and sales are keeping pace nicely with prestige-program plans, network officials told us last week.

The latest coup in this field has been performed by NBC-TV, which has signed Florist Telegraph Delivery Assn. to sponsor 2 NBC English-language operacasts—"Cavalleria Rusticana" on Jan. 31 and "Don Giovanni" on April 10. This marks the first time—apart from the annual "Amahl" shows—that the network has had a sponsor for its prestige-heavy, rating-light televised opera. NBC has also had recent success with Brown & Williamson (*Journey To Understanding*) and Purex (*Project 20*)—both normally associated with purely entertainment shows.

CBS-TV is equally active. In addition to its roster of such public-affairs sponsors as Bell & Howell and Goodrich (co-sponsors of *CBS Reports*) and Firestone, CBS brought back to network TV last week American Machine & Foundry Co. as a sponsor of *Tomorrow*, a new 6-program science series being developed with MIT (see Network Activity, p. 7).

ABC-TV is scouting what an ABC program executive called "preliminary agency reaction" to its blueprinted newsfilm series based on Winston Churchill's books.

In the wake of such moves, a new brand of rivalry is developing among network sales depts. As the sales development mgr. of one network put it to us: "It's easier to land an advertiser already sponsoring a public-affairs show than it is to start selling one on doing so." Thus sponsors who are pre-sold on the idea of public service shows are now enjoying a new height of status and everyone's chasing their business.

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Edge-of-cliff sponsor rescue for WNTA-TV N.Y.'s much-praised, high-prestige *Play of the Week* was staged last week by Standard Oil Co. (N.J.), which will assume full sponsorship of the 120-min. pre-taped dramas on Feb. 8 for a 13-week initial period in a major local public-service gesture. The show's freedom to tackle controversial drama would not be affected by the move, stated M. J. Rathbone, Jersey Standard pres., and advertising in the prestige series will be handled on an institutional level. Commercials will be inserted only at the playwright's regular intermissions. Mr. Rathbone, reported the *N.Y. Times*, "said that he and his associates did not feel competent to control a theatrical venture and that the task should be left to those whose work had enjoyed sustained critical & public approval." David Ogilvy, pres. of Ogilvy, Benson & Mather agency, admitted that the show's heavy fan mail (27,000 cards & letters urging WNTA-TV to keep the show on the air somehow, despite low sponsorship revenue) was a factor in the oil firm's TV decision.

TV program criticism by Coty Inc. Pres. Philip Cortney was picked up by House Small Business Committee Chmn. Patman (D-Tex.) for 2 appendix insertions in one *Congressional Record* issue. With approval, Patman inserted texts of Cortney's statement at FCC's programming hearing (Vol. 16:2 p6) and the perfume manufacturer's San Francisco Commonwealth Club speech last Nov. 6 on "The TV Scandal & How to Defend Honesty & Morality."

Cancellation Activity: A sudden round of nighttime mid-season sponsor pull-outs left NBC-TV sales dept. last week holding the bag on a potential loss in gross billings of "about \$3 million." Because the sponsors were cancelling time periods and not just programs, there was no immediate carry-over of billings. NBC-TV thus faces the tricky problem of deciding whether to continue axed shows at NBC expense while searching for sponsors, or to put replacement shows in the periods to attract new business.

Sponsors notifying NBC-TV of cancellations last week were Singer Sewing Machine & Standard Brands (*Fibber McGee & Molly*, Tues., 8:30-9 p.m.), Procter & Gamble (*Wichita Town*, Wed., 10:30-11 p.m.), Block Drug (*Richard Diamond*, Mon., 7:30-8 p.m.) Renault (*Law of the Plainsman*, Thurs., 7:30-8 p.m.). The network still has the opportunity to sell the time in the usual rush of mid-season reshuffling, as none of the cancellations are effective immediately.

CBS-TV is also facing a round of sponsor shuffles, but they're primarily program changes rather than sponsor losses. *Person to Person* lost co-sponsor Richard Hudnut, but gained full sponsorship from co-sponsor Pharmaceuticals Inc. Revlon cancelled the 90-min. *Big Party* but is buying a 60-min. weekly show in its place. *Masquerade Party* is being replaced by *The Kate Smith Show* but American Home Products is sticking with the time period. ABC-TV's only nighttime show axing this season was *World of Talent* but sponsor P. Lorillard continued in the time period with *21 Beacon St.*

Govt.-paid TV & radio time for Presidential tickets & Congressional candidates is provided in an election-reform bill (S-2823) introduced by Sen. Neuberger (D-Ore.). Complaining that "salesmanship, not statesmanship," has become the prime prerequisite of a candidate seeking office today, "he proposed to equalize big contributions to campaign funds with govt. subsidies. Under the Neuberger plan, half the costs of broadcast time (limited to 30 min. on radio & 15 min. on TV for primaries; times doubled for general elections) in campaigns for federal office could be paid by the govt. "To qualify for a federal contribution, the candidate could not purchase additional broadcast time in excess of the amount to which the federal contribution applies," Neuberger said. Candidates also would be entitled to recover part of the costs of general campaign costs from the govt.

"Lady Chatterley's Lover" suit is none of FCC's business, in opinion of attorneys for Grove Press, which is defending itself against the Postmaster General's appeal from a court ruling which permits the book to use the mails. FCC had asked the Court of Appeals to confine its forthcoming decision to printed media (Vol. 15:52). "If it is the Commission's purpose," said the firm of Rembar, Zolotar & Leavy, "to instruct the court, in a case in which the Commission has had no part, on the proper bounds of judicial opinion, we submit that the effort is unseemly & unnecessary"—pointing out that no one has proposed to broadcast the book.

"Affront to radio & TV journalism" is the way the Radio-TV News Directors Assn. describes separate-but-equal news conferences for newspapermen & newscasters instituted by N.Y. Gov. Nelson A. Rockefeller (Vol. 15:46 p11) & Cal. Gov. Edmund G. (Pat) Brown. In a telegram to Brown, the RTNDA said its members line up with CBS, NBC & ABC in protesting the practice of holding cameras & microphones off for 2nd runs of the conferences.

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Personals: Alfred R. Schneider, ex-CBS-TV asst. to the pres. and onetime ABC-TV asst. business affairs dir., returns to ABC-TV as administration vp . . . John A. Cimperman, former legal attache, U.S. Embassy in London, named NBC director of practices in the new dept. of standards & practices; Edward G. Smith named Pacific div. administrator; James A. Stabile heads the dept.; Ernest Lee Jahnce Jr. is the standards dir. . . . Robert B. Jackson named asst. controller, CBS-TV, Hollywood . . . Johnston F. Northrop appointed administrative vp & treas., Corinthian Bestg. Corp.

William Hohmann named sales promotion & research dir., CBS-TV Spot Sales . . . William T. Corrigan named dir. of news & public affairs, KNXT Los Angeles and CBS-TV Pacific network . . . Norman Felton named dir. of programs & administration, CBS TV City, Hollywood . . . William H. Lynn Jr. named program development & supervision dir., ABC-TV Western div.; Carmine Patti appointed regional mgr., ABC-TV station relations dept. . . . Kurt Weihs promoted from staff artist to associate art dir., CBS-TV sales promotion & ad dept. . . . John Daly, ABC news vp, named to Public Health Service's Water Pollution Control Advisory Board by President Eisenhower.

Dean McCarthy, operations mgr. of Storer's WITI-TV Milwaukee, named to new post of quality control dir., Storer Bestg. Co., headquartering in Miami; Glenn Boundy Jr., national sales service mgr., WJBK-TV Detroit, succeeds McCarthy . . . Robert D. Doubleday, gen. mgr., KATV Little Rock, Ark., promoted to vp . . . Bob Villar promoted from local-regional sales mgr. to commercial mgr., WSFA-TV Montgomery, Ala. . . . Douglas Duperrault, ex-WTAR-TV & WTAR Norfolk, Va., named promotion mgr., WFLA-TV & WFLA Tampa, Fla., succeeding Byron Taggart, named asst. national ad mgr., Tampa *Tribune*.

John E. Person promoted from sales mgr. to gen. mgr., ITC of Canada Ltd. . . . William E. Harder promoted to production vp of Fred Niles Productions, Edward E. Katz to vp-controller, Frederick B. Foster to vp-sales mgr. . . . Robert L. Hutton Jr., TV promotion dir., and Louis A. Smith, midwest TV sales mgr., named vps, Edward Petry & Co. . . . J. Sydney King, onetime program dir. of WBAL-TV Baltimore, returns as WBAL-TV & WBAL mgr. of public service & special events . . . Richard F. Kennedy elected vp for client services, BAR . . . Gustav B. Margraf, Reynolds Metals gen. solicitor, elected a vp. He was an NBC vp 1948-1955.

Stations

Secy. of State Christian A. Herter heads the speakers' list for the 38th annual NAB convention April 3-6 in Chicago at the Conrad Hilton Hotel. He will address the April 4 luncheon session. FCC Chmn. Doerfer is the scheduled speaker at the April 5 luncheon. As usual, the convention will be keynoted by NAB Pres. Harold E. Fellows in his annual address at the April 3 opening session. The 14th annual Broadcasting Engineering Conference will be conducted in the Sheraton-Blackstone Hotel across the street from the Hilton, where broadcast equipment exhibits will be located. An engineering-sessions innovation this year will be a 30-min. preview of the exhibits by Chmn. Warren Braun (WSVA-TV & WSVA Harrisonburg, Va.) following the April 4 opening of the conference.

FCC Comr. Craven will receive NAB's 2nd annual Broadcast Engineering Award. He was picked for the 1960 honor by a Broadcast Engineering Conference subcommittee, headed by NAB engineering mgr. A. Prose Walker, which cited his work as head of the U.S. delegation at the ITU conference in Geneva last year in addition to his long Commission service. Now serving his 2nd FCC term (his first ran from 1937 to 1944), Craven also has been FCC's chief engineer, a pioneer in directional antenna design and a private TV-radio engineering consultant. The award will be presented April 6 at a joint engineering-management luncheon in Chicago's Conrad Hilton Hotel in conjunction with NAB's 38th convention April 3-6. Winner of the first NAB engineering prize was the Hearst stations' John T. Wilner (Vol. 14:51 p9).

WTVP (Ch. 17) Decatur, Ill. is the latest acquisition, for about \$600,000, by Metropolitan Bestg. Co. FCC recently approved Metropolitan's purchase of KOVR-TV Stockton, WTVH Peoria & radio WIP Philadelphia (Vol. 16:1 p11). Its other stations are WNEW-TV & WNEW N.Y., WTTG Washington & radio WHK Cleveland. Blackburn & Co. advised Metropolitan on the Decatur purchase.

KFBB-TV (Ch. 5) Great Falls, Mont. has been sold with radio KFBB for approximately \$1 million by Wilkins Broadcast Inc., with Joseph P. Wilkins remaining as pres. & operating mgr. New owners, operating as KFBB Corp., are David E. Bright, chmn., H & B American Corp. (aircraft parts & steel forgings); Ernest Scanlon, formerly UPA Pictures exec.; and Daniel O'Shea, ex-CBS vp, onetime pres. of RKO Radio Pictures.

Uhf CP (Ch. 62) has been granted for Tacoma, Wash. to the Tacoma School District No. 10, which plans commercial operation. Also authorized were a Ch. 76 translator for Cortez, Colo. and a Ch. 70 translator for Santa Rosa, N.M.

Elimination of beep tone for news stories phoned in & recorded but not for 2-way conversations, is provided in a new tariff filed with the FCC by AT&T. It goes into effect Feb. 6 unless FCC holds it up. So far, no objections in sight.

Single application for new TV station filed with FCC last week was for Ch. 35, Springdale, Ark., by William M. Harlow, owner of radio KBTN Neosho, Mo.

Testimony on TV allocations by FCC, before the Senate Commerce Committee, is likely to come during the last week in Jan. or first week in Feb.

Once-yearly return to air of WRAY-TV (Ch. 52) Princeton, Ind., which went off air in 1954, has been authorized by FCC for Jan. 18-Feb. 1 March of Dimes drive.

Trade Report

JANUARY 18, 1960

1959 FACTORY TV-RADIO-PHONO SALES: Statistical picture of 1959 continues to shape up—this week with figures on factory sales of consumer electronic items. Only surprise is in phonograph category, where factory sales are somewhat higher than originally anticipated, because of pickup in stereo interest during last couple of months of 1959.

TV factory sales last year totaled 6,285,000 units, geared closely to the year's production of 6,349,000 (Vol. 16:2 p17). Phonograph sales at factory level reached 4.3 million (not including somewhat less than 100,000 record-player attachments). Radio factory sales were 15,394,000 (9,950,000 home & portable sets, 5,444,000 auto), highest figure since the late 1940's.

Factory unit sales of principal consumer electronic items from 1955 through 1959, based on EIA data (1959 figures rounded and subject to slight changes) are given in this table:

	TV	Phono	Radio
1955.....	7,738,062	2,267,000	14,050,956
1956.....	7,351,040	3,789,000	13,398,347
1957.....	6,387,762	4,659,000	14,448,315
1958.....	5,051,060	3,972,000	11,942,000
1959.....	6,285,000	4,300,000	15,394,000

Factory sales dollar volume figures aren't available yet, but 11-month figures show 1959 average factory values of \$140.50 per TV set, \$86 per phonograph, \$21.20 per home radio.

Exact full-year retail TV sales figures won't be available for a few weeks, but last year's retail sales trend by type of set has now been established. Portable-&-table-model category made slight advance at expense of console sales—but inroad wasn't as heavy as it threatened to be early last year. Since the percentages below are rounded to the nearest full percentage point, they don't really indicate the climb in combinations, which, though less than one point, is considered significant.

The table below, based on EIA data since 1953 (when first statistics were collected on TV set types) shows consumer TV purchases at retail:

	Table & Portable	Console	TV-Phono Comb.
1953.....	46%	51%	3%
1954.....	55%	43%	2%
1955.....	57%	41%	2%
1956.....	64%	35%	1%
1957.....	60%	38%	2%
1958.....	56%	41%	3%
1959.....	57%	40%	3%

TV-RADIO PRODUCTION: EIA statistics for week ended Jan. 8 (first week of 1960):

	Jan. 1-8	Preceding week	1959 week
TV	105,078	76,643	91,212
Total radio.....	306,076	218,846	254,021
auto radio	175,101	94,868	107,875

New "compatible" stereo recording system, developed by Fairchild Recording Equipment Co. and Beltone Recording Studios, N.Y., is said to produce records which may be played stereophonically on present stereo phonos or monaurally on monaural phonos with standard mono pickups. In the new process, low-frequency notes (below 200 cycles) are not separated but are reproduced through both channels in the stereo system. Design Records is due to market recordings made by the new process, at \$1.98 each.

Radio TV Training Assn. Inc., 52 E. 19th St., N.Y., has been instructed in an order by FTC hearing examiner J. Earl Cox to halt alleged misrepresentations about jobs & salaries which can be obtained by students completing its correspondence course. In the order (which is not a final FTC decision), Cox said that the RTTA course didn't equip students for "a successful career in the fields of science & industry to which the literature refers." He ordered dismissal of 6 other charges in the original complaint.

Pilot production of tunnel diodes has been initiated by General Transistor Corp., it was announced last week by Pres. Herman Fialkov. He said the pinhead electronic devices are being shipped, priced at about \$50 each, and referred to but did not disclose "important breakthroughs which we hope will permit us to bring the price down markedly." Research dir. Dr. Bernard Jacobs said General Transistor has solved a vital production problem that has plagued other producers, and will now turn out "substantial" quantities of tunnel diodes which will offer peak-to-valley ratios of up to 6-to-1. The concern's pilot types reportedly have 20-ma peak current, 3-mv dissipation, 3-15-mils junction diameter; have been measured in the 100-200-mc region. Meanwhile, across the Atlantic, IT&T subsidiary Standard Telephone & Cables Ltd., London, has announced development of a tunnel diode and plans to market it in the U.S. at prices under those of American competitors. Both GE & RCA also are offering sample quantities of tunnel diodes.

New Emerson and Du Mont TVs & stereo phonos again emphasize revitalized interest in the combination or "home entertainment center." Among Emerson's drop-ins is a "modular ensemble" of matching TV, stereo-phono & 2nd-channel sound system with record-storage cabinet, priced at \$248, \$138 & \$68 respectively. Also featured by Emerson is a "True-Slim" portable line, "the slimmest 17-in. full-power-transformer portable TV receivers introduced with wireless remote control," in 3 models at \$158 to \$248 (latter with remote unit). Other new Emerson sets: seven 21-in. TVs, new push-button clock radio. Du Mont's 9 new sets are topped by \$1,200 Marseilles 21-in. TV-stereo-AM-FM combination and feature two 21-in. & two 24-in. TVs at \$359-\$650, 2 AM-FM stereo units at \$499, AM-FM table radio at \$100, 9-transistor pocket radio at \$58.

Ban on TV remote-control devices which make it easy for viewers to tune out commercials is being urged by Chicago TV maker U.A. Sanabria. In full-page Chicago newspaper ads, he is enlisting readers to write their Senators & Representatives to propose protective legislation. Says the plea in part: "It is un-American & unsportsman-like, and therefore should be unlawful, to deny TV stations, networks and advertising sponsors the fruits of their investments, which give us these wonderful shows free." Without such protection, he warns, "we will soon have to pay for our TV programs." Sanabria's ad also notes that his concern produces a remote control—an automatic programmer—which does not "cheat the sponsor." It enables the viewer to pre-select programs, "but it cuts out nothing."

RCA has added a line of build-in stereo phono & AM-FM radio units for installation in walls & room dividers. The new instruments, and RCA's "Mural TV" receivers for home builders & remodelers, are being displayed at the National Home Builders Show in Chicago this week (17-21). Two models of the stereo units already are being shipped to distributors & builder reps: model BK-1 phonograph, with a dual amplifier that produces 19 watts of maximum music power; model BK-2, a deluxe version with AM-FM tuner, 58-watt output.

Users of foreign-made electronic components must identify the country of origin on products, packaging, advertising and literature to comply with regulations outlawing deceptive trade practices, warns the import-study group of the Assn. of Electronic Parts & Equipment Mfrs. These requirements apply to all sellers, including manufacturers, distributors or dealers, EP&EM claims.

Marriage of Siegler and Webcor may be in the wind, although both deny they've had discussions. Pres. John G. Brooks says Siegler is interested in acquiring Webcor, "but there have been no formal negotiations so far. Also, we are part of a group of manufacturers, including Emerson, seeking this purchase." He denied reports that Siegler is interested in buying only the Webcor stock held by Chmn. Titus Haffa, said his firm has looked at "a number of other companies." Haffa cast even less light on the reported romance. "There's no truth in any report that Siegler tried to buy my stock," he said. "It's not for sale. I didn't buy back my stock to sell it again," he added, referring to his recent stock fracas with Emerson (Vol. 15:29 p22). Haffa believes the acquisition talk may have sprouted from conversations between the 2 companies on possible sales of Webcor changers to Siegler, parent of Olympic Radio & TV.

Motorola, following industry trend toward decentralization, has established 4 wholly-owned subsidiaries for marketing & sales of products manufactured by the various divisions of the parent company. They are Motorola Consumer Products Inc., Motorola Semiconductor Products Inc., Motorola Aviation Products Inc. and Motorola International S.A., the latter firm handling licensing & manufacturing of foreign-made Motorola-brand products. Officers of Motorola Consumer Products (all of whom retain their positions in the parent organization): Robert Galvin, chmn. (Motorola Inc. pres.); Edward R. Taylor, pres. (consumer products exec. vp); Edwin P. Vandewick, vp-treas. (vp-secy.-treas.); S. R. Herkes, vp (consumer products mktg. vp); Lewis Spencer, secy.

Electronic air conditioners moved closer to reality with Westinghouse's announcement last week of the commercial availability of thermoelectric cooling devices. "We are now equipped to manufacture these devices in quantity and in a variety of shapes & sizes for industrial & military applications," reported semiconductor dept. mgr. D. W. Gunther. "Free of compressors, coils and other equipment found in conventional refrigeration systems, the new cooling units are well suited to a broad range of applications." He said commercial production was made "economically feasible because of important Westinghouse advances in the composition & preparation of the thermoelectric materials." Gunther noted that the thermoelectric devices can be applied to "spot cool" electronic components, such as transistors, to prevent overheating.

"First successful conversion of heat directly into alternating current in significant amounts" is reported by General Dynamics Corp. The AC electricity was produced by a high-temperature cesium cell converter without rotating machinery or DC-AC converters, and was in range of 100 kc. Dr. Frederick de Hoffman, pres. of General Dynamics' General Atomic div., predicted that the new method of directly converting heat into AC current may someday supplant turbines, generators, steam boilers and other conventional equipment in power plants. No difficulty is foreseen in cutting the AC production to the 60-cycle level required by utility companies for home use & most industrial applications.

Bids for 10,000 TV sets manufactured under U.S. standards are sought by the Egyptian govt. Proposals for supply & delivery of the sets (3,000 14-in., 5,000 17-in., 2,000 21-in. models) must be filed by Jan. 31 with the General Organization for Five-Year Industrial Plan, 6 Khalil Agha St., Garden City, Cairo, according to the Commerce Dept.'s Bureau of Foreign Commerce.

Trade Personals: James D. McLean, former pres. of Hoffman labs div., Feb. 15 becomes pres. of Stromberg-Carlson and senior vp & member of management board of parent General Dynamics Corp. The onetime vp-gen. mgr. of Philco's govt. & industrial div. succeeds Robert A. Tait, who will continue with General Dynamics as a consultant; Allan R. Shilts, Stromberg-Carlson controller, appointed to new post of vp-gen. mgr. . . . Frank A. Morris named acting engineering dir., Stromberg-Carlson special products div. (hi fi, auto radios, sound products, etc.) . . . Kenneth L. Henderson named principal engineer, Stromberg-Carlson research div.; Robert B. Taylor engineering services mgr.

Norman E. Johnson promoted from vp to pres., Admiral International Corp. & Admiral Corp. Interamericana . . . Matthew L. Devine, ex-Cresap, McCormick & Paget management consultants, elected pres., Amphenol-Borg, succeeding Arthur J. Schmitt, who continues as chmn. & chief exec. officer . . . Lewis L. Strauss, ex-Atomic Energy Commission chmn., named to RCA & NBC boards. He had previously served on the boards in 1953 . . . Richard W. Mohr appointed sales analysis & controls supervisor, Tung-Sol, succeeding Robert E. Bilby, now ad & sales promotion mgr.; John D. Van der Veer named govt. relations mgr.

Fred R. Raach, former management consultant, named staff vp, RCA management engineering . . . Dr. W. R. G. Baker and Haraden Pratt re-elected treas. & secy. of IRE; Ferdinand Hamburger Jr., Johns Hopkins U., elected editor, succeeding John D. Ryder . . . Justin J. McCarthy named mgr., Sylvania electronic tubes private brand renewal sales, succeeding Louis A. Wheelock, retiring . . . Richard B. Leng, Packard Bell group vp, named to head new defense & industry group for advanced military & industrial electronics . . . Brig. Gen. Francis F. Uhrhane assigned to command Army Signal Corps' Ft. Huachuca (Ariz.) electronic proving grounds.

Technical session on TV-radio receivers June 20-21 in Chicago will be sponsored by IRE's Professional Group on Broadcast & TV Receivers and the Chicago section of IRE, concurrently with the start of the June Chicago markets. The conference, successor to the Spring Technical Conference in Cincinnati, will be held in Chicago's Graemere Hotel. Deadline for submission of technical papers is Feb. 22. Papers chairman Jack E. Bridges, Warwick Mfg. Co., suggests such topics as transistorized TV circuits, new components, new picture-tube developments, stereophonic multiplex systems. Information is available from Bridges or conference committee chmn. Pieter Fockens, Zenith.

"Conference on Consumer Protection" has been called by Atty. Gen. William P. Rogers for March 10-11. He said chief legal officers of all states, Puerto Rico, Guam and the Virgin Islands have been invited to participate in the sessions to see what they can do to help the federal govt. solve "problems involved in consumer & investment protection." Anti-trust enforcement will be the agenda's No. 1 item. Joining with the Justice Dept. in the conference will be FTC Chmn. Earl W. Kintner, who conducted a consumer rally on deceptive advertising practices last month (Vol. 15:52 p5), and SEC Chmn. Edward N. Gadsby.

Japanese invasion of hearing-aid field in U.S. may be heralded by an announcement that Tokyo Shibaura Electric (Toshiba) will market two 4-transistor aids here at \$29.95 & \$39.95. U.S.-made hearing aids range from \$50 to more than \$300 list.

Laboratories subsidiary has been established by General Telephone & Electronics for broad scientific research in the electronics & communications fields. Dr. Herbert Trotter Jr. has been elected pres. of the wholly-owned GT&E Laboratories Inc. He had been senior vp for research & engineering for GT&E's subsidiary Sylvania Electric Products. GT&E Chmn. Donald C. Power said Sylvania's Bayside, N.Y. research labs will form the nucleus of GT&E Labs. Additional facilities will be added as the new subsidiary expands its research activities. GT&E Labs will HQ in the General Telephone Bldg., 730 Third Ave., N.Y.

GE is offering a business-improvement course to independent TV-radio servicemen via its electronic parts distributors. The course was prepared under the direction of Dr. John K. Pfahl, Ohio State U. associate prof. of business organization. It embraces a long-playing recording, "Sounds of Success," of interviews with 30 successful service technicians, a 104-page treatise on *Sound Business Practices*, a 64-page text on *Selling Electronic Service*.

Leadership in 1959 production & sales of phonograph records is claimed by both Columbia & RCA Victor. Columbia Records Pres. Goddard Lieberman contends his concern was tops by capturing 20% of the disc market, claims independent surveys back his claim. RCA Victor rebutted that its business was up 13% over 1958, that 1959 was "the best year" in its history, and that it had continued "its leadership in the manufacture of phonograph records."

High-fidelity hearing aid which delivers "the closest thing to normal hearing" has been developed by Zenith and is in commercial production with a retail price tag of \$225. E. M. Kinney, Zenith vp & hearing aid div. gen. mgr., hailed the device as a major advance in solving hearing problems, said it "offers a 98% greater range of reproduced & amplified sounds than is possible through present transistor hearing aids." The 5-transistor device, named Extended Range, weighs 2 ounces, complete with mercury battery, and has a maximum acoustic gain of 75db.

Motorola has completed negotiations for purchase of the business & assets of the LearCal div. of Lear Inc. (Vol. 15:50 p17). Motorola will acquire Lear's executive & private aircraft products business for an undisclosed amount of common stock—the figure to be determined after final appraisal of various assets, including inventories & accounts receivable.

Litton Industries has consolidated its Times Facsimile Corp. and Westrex Corp. divs. to facilitate the introduction of new product lines, and to step up sales & service. The consolidation merges engineering, production, sales and service depts. of the 2 organizations. Westrex is active in the development of single-sideband equipment for communications applications.

Phileo enters component hi-fi field, showing its new line of equipment at the Los Angeles Hi-Fi & Stereo Component Show. Included in the line are Stereo-Phone speaker systems with Fidelitron electrostatic reproducer, AM-FM stereo tuner, 40-watt stereo preamp-amplifier, 12- & 15-in. woofers. They'll be sold through component hi-fi distributors & dealers.

Expanded program of dealer assistance by distributors will be a major 1960 marketing goal of the new Zenith Sales Corp., headed by Leonard C. Truesdell. The new subsidiary will expand the Zenith marketing development dept. headed by J. B. (Kip) Anger, with 8 field representatives conducting retail sales training schools for the 500 salesmen of Zenith's 76 distributors.

Finance

SKIATRON 'ERRORS' CONCEDED: There were "obvious errors" in an SEC stock registration statement filed with SEC last Aug. by Skiatron Electronics & TV Corp., but any mistakes of "commission or omission were made in good faith," the company's special counsel James M. Landis maintained last week.

Defending Skiatron Electronics against SEC charges that led to suspension of trading in its stock (Vol. 16:2 p24), Landis also told SEC examiner Robert Hislob at a Washington hearing that the pay-TV company's troubles with the govt. couldn't have come at a worse time.

The former Harvard Law School Dean, who was SEC chairman and an FTC member in New Deal days, said that when SEC brought its false-&-misleading stock data charges against Skiatron Electronics in Dec.: (1) A "letter of intent" to provide \$50 million for financing pay-TV operations had just been obtained by Matthew M. (Matty) Fox's Skiatron of America, exclusive licensee of the system. (2) "Serious negotiations" with "a major motion picture company" to take over Fox's financially-pressed enterprise were under way. Landis didn't say who had offered the "letter of intent" or which movie company had been ready to take over Skiatron of America, and examiner Hislob asked no questions about them.

The first 3 days of the SEC hearing, which was expected to run a week or 2 more in Washington and possibly in N.Y., otherwise were largely taken up by SEC attorney Eugene Rotberg, who introduced voluminous exhibits intended to prove that: (1) When Skiatron Electronics sought to register 172,242 shares for public sale, some already had been sold in violation of SEC law. (2) Skiatron Electronics Pres. Arthur Levy loaned Fox shares which Fox posted as collateral for loans which were defaulted. (3) These & other dealings weren't disclosed in the SEC registration statement.

A battery of other SEC lawyers aided Rotberg, including Frederick Moss & Edmund H. Worthy of the agency's corporate finance div. Representing Levy was Julian Jawitz, N.Y. lawyer, who described his client as a man who had dedicated himself to establishment of pay TV against "opposition of a powerful group"—including the broadcasting industry, Congress and FCC. Fox was represented by Delmar W. Holloman of the Washington law firm of Davis, Richberg, Tydings, Landa & Duff.

Early-session witnesses in the proceedings included vp Harold Springer of the Colonial Trust Co., N.Y. and Charles Halsey, a partner in Bache & Co., who were summoned by Rotberg to trace involved Skiatron Electronics-Skiatron of America transactions through their ledgers. Rotberg told us he'd call at least 8 more witnesses—including Fox—before he wound up SEC's case.

SEC meanwhile ordered further suspension of trading in Skiatron Electronics stock to Jan. 26.

Stanley Warner Corp. reports record income & earnings for 1960's first fiscal quarter, ended Nov. 28. Pres. Simon H. Fabian noted that 1959 was a record year for Stanley Warner, which also operates WAST (Ch. 13) Albany-Troy-Schenectady, and said: "Based on our operations to date, we have great expectations for 1960." For the fiscal quarter ended Nov. 28:

	1959	1958
Gross income	\$32,366,397	\$30,719,700
Net income	1,210,448	1,179,695
Per common share	60¢	58¢

THE NATIONAL VIDEO STORY: Now publicly traded and soon to seek a listing on the American Stock Exchange, National Video Corp. calls itself the 3rd largest manufacturer of TV picture tubes (after RCA & Sylvania) and the largest "independent"—meaning not owned by a company which also makes TV sets.

The Chicago-based manufacturer, headed by Pres. Asher Cole, was the subject of a recent offering of 283,307 Class A shares at \$15 each, formerly owned by officers & directors of the company. Prospectus tells this story about the large midwest supplier of original-equipment CR tubes:

National Video claims to produce approximately one out of every 8 picture tubes (excluding reclaimed tubes) made in the U.S. (Its principal customers are Admiral, Motorola, Muntz, Setchell-Carlson, Trav-Ler and Warwick, the latter firm owned by Sears Roebuck and a supplier of Sears Silvertone TV sets.) Its affiliated manufacturing firm, Rico Electronics Inc. of Vega Alta, Puerto Rico, makes electron guns for National Video, and each share of National Video also includes a beneficial interest in one share of Rico through the newly established Rico Trust.

Approximately 95% of National Video's sales in the fiscal year ended May 31, 1959 were made to TV set makers for original equipment; 85% of total sales went to the 6 set makers listed above. Admiral & Motorola accounted for about 65% of National's total sales. During the fiscal year, the company made 840,000 picture tubes—averaging 70,000 a month, ranging from a low of 49,000 to a high of 99,000 per month. At 3-shift capacity, the company can produce 1.25 million a year. Production for the fiscal year ranged from 42,000 to 107,000 per month.

At capacity operation level, National employs about 750 and Rico about 125 people. The company's officers (all also directors): Asher J. Cole, pres.; Harold Cole, sales vp; A. D. Giacchetti, engineering vp; M. L. Hayes, vp; Joseph Grossman, secy.-treas. Compensation paid to key officers & directors during fiscal 1959, as reported in the prospectus: Asher Cole, \$125,000; Ralph E. Stolkin, former vp no longer employed, \$33,000; Hayes, \$31,000.

The prospectus lists combined current assets of National & Rico at \$3,903,859 as of Aug. 31; property, plant & equipment valued at \$3,617,588; total assets \$5,324,468; current liabilities \$2,144,030; long-term debt \$552,190.

Financial statement for 6 months ended last Nov. 30, released last week, lists net sales at \$8,290,672, net income \$530,926 (86¢ a share)—no 1958 comparison given. These financial results are listed in the prospectus (earnings based on the 616,667 combined Class A & Class B shares now outstanding):

For 3 months ended Aug. 31 (unaudited):

	1959	1958
Net sales	\$3,737,216	\$3,157,643
Net income	180,967	139,437
Per common share	29¢	23¢

For 12 months ended May 31 (audited):

Net sales	\$14,853,531	\$11,697,930
Net income	1,018,996	350,021
Per common share	1.65	57¢

Textron Electronics' Globe Electronics div. rolled up a 200% 1959-over-1958 sales increase and hiked its business 11% since becoming a Textron div. in Sept., reported the subsidiary's Pres. Leo I. Meyerson. "During the 2nd half of 1959," he noted, "sales gained more than \$1,044,000 over those of the first 6 months." He attributed the sharp increase in sales to Globe's new "citizens broadcaster CB-100 2-way radio."

NT&T net income for the 52 weeks ended Sept. 29 was considerably greater than the 53-week period of the preceding year. Theater admissions were much higher as NT&T weeded out unprofitable & marginal theaters. Earnings included gains of \$979,491 from the sale of KMSB-TV Minneapolis, and \$270,000 from disposition of theaters & real estate, said Pres. B. Gerald Cantor. Operations of NTA & subsidiaries were included from last April 1, the date of acquisition of majority interest. Referring to the fact that NTA operations are included only from April to Sept., Cantor said that during this period the TV market for feature films and 30-min. series underwent a drastic change. Independent producers & distributors such as NTA were adversely affected by a glut resulting from the bulk sale of some movie libraries to TV stations, and a reduced demand for independent programs because of increased pre-emption by the networks. NTA has substantially reduced its operating costs to adjust to these changed conditions.

	1959	1958
Gross income	\$66,758,211	\$53,667,765
Net income	1,497,117	1,301,749
Per common share55	.48
Common shares	2,700,806	2,699,486

Loew's Inc. reported slightly lower net profit & sales for the first fiscal quarter ended Nov. 26, as compared with the same 1958 period, but Pres. Joseph R. Vogel said all company divisions operated profitably during the period. He said that during the current fiscal year gross TV income from pre-1948 movies will continue at about fiscal 1959's \$10.9-million level. The report of Loew's Inc. for first 12 weeks of fiscal year:

	To Nov. 26 1959	To Nov. 20 1958
Gross revenues	\$27,633,000	\$29,736,000
Net income	1,852,000	1,952,000
Per common share	71¢	73¢
Common shares	2,608,888	2,668,388

General Instrument Corp. reported record sales for 9 months ended Nov. 30 and earnings that topped the net for the entire fiscal year ended last Feb. 28. Chmn. Martin H. Benedek also reported record sales for the 3rd fiscal quarter and said net profit for the period was the highest for any quarter in the concern's history. He attributed the improved performance partly to a "more profitable product mix, leaning strongly on semiconductors & military equipment." Semiconductor sales for the 9-month period more than doubled those of the year-ago period; backlog more than tripled from Nov. 1958 to Nov. 1959. Benedek reported that General Instrument entered its 4th quarter with the overall order backlog at a record \$33,238,000. For 9 months ended Nov. 30:

	1959	1958
Sales	\$41,277,875	\$34,161,392
Net income	1,378,233	960,717
Per common shares ..	90¢	70¢
Common shares	1,529,473	1,373,273
For the quarter ended Nov. 30:		
Sales	\$15,896,621	\$15,085,325
Net income	764,623	606,240
Per common share....	50¢	44¢

Trav-Ler Radio Corp. quadrupled earnings on a healthy sales rise in 6 mos. ended Oct. 31:

	1959	1958
Sales	\$12,444,974	\$7,808,717
Net income	452,848	107,038
Per common share	55¢	14¢
Common shares	817,445	761,995

TelePrompTer offering of 145,000 shares of common was oversubscribed and the books closed, the underwriters said last week. The stock was priced at \$12 a share, for a total offering of \$1,740,000. The proceeds will be used for various corporate purposes, including expansion into CATV.

Sonotone Corp. sales & earnings in 1959 were "the best in history," with every product line ahead of 1958 performance, Chmn.-Pres. Irving I. Schachtel reports. He anticipates sales approaching \$25 million and earnings of about \$1 per share on 1,147,775 common currently outstanding, compared with 1958's earnings of \$800,473 (71¢ on somewhat fewer shares) on \$21,513,064 sales. "We foresee a continuance of this improvement through 1960," he said. Some 50% of Sonotone's business is hearing aids, 20% is nickel-cadmium batteries, 15% electronic tubes, 15% electronic components, including ceramic phonograph-playing cartridges. Schachtel announced that Sonotone is tooling up to introduce its first low-price cartridge for the mass phonograph market. It will also introduce an "ultra-fine cartridge for the high-fidelity connoisseur." The Elmsford, N.Y. concern is "constantly looking for acquisitions of electronic companies, although to date all of our new products have been developed from within," said Schachtel. "We are not considering any offers to be acquired." On Feb. 1, Sonotone will begin a test in 30 of its 350 hearing-aid dealerships on the traffic pull of vitamin products, to supplement dealer income.

Eitel-McCullough rolled up 1959 sales of approximately \$26 million, compared with the 1958 volume of \$16,186,849, finance vp E. E. McClaran reports. The San Carlos, Cal., producer of electronic components & tubes anticipates a 1959 net of \$1.5-\$1.8 million (87¢-97¢ a share, based on 1,827,242 common shares presently outstanding). Eimac's 1958 earnings: \$212,928 (26¢ on 825,271 common shares). McClaran noted that the current order backlog approximates \$12 million vs. \$9.7 million in June, \$11.5 million in Dec., 1958. He attributed 1959's substantial profit improvement largely to the fact that "1958 earnings were adversely affected by start-up expense in our new facilities."

Telechrome Mfg. Corp. suffered a sag in earnings despite a brisk pickup in sales during the quarter ended Sept. 30:

	1959	1958
Net sales	\$485,468	\$343,454
Net income	28,275	37,177
Per Cl. A share	13¢	22¢
Shares outstanding	221,167	165,800

Electro-Voice Inc. declined sharply in sales & earnings in the 9 months to Nov. 30:

	1959	1958
Net sales	\$7,738,375	\$8,493,419
Net income	167,792	415,826
Per common share	35¢	1.04

Reports & comments available: Philco, analysis, Parrish & Co., 40 Wall St., N.Y. 5 . . . Magnavox, report, Gude, Winnill & Co., 1 Wall St., N.Y. 5; review, Hayden, Stone & Co., 25 Broad St., N.Y. 4 . . . Siegler, analysis, Irving Weis & Co., 40 Exchange Place, N.Y. 5 . . . Hoffman Electronics, report, H. Hentz & Co., 72 Wall St., N.Y. 5 . . . AT&T, appraisal, Herbert E. Stern & Co., 52 Wall St., N.Y. 5 . . . TelePrompTer, prospectus, Bear, Stearns & Co., 1 Wall St., N.Y. 5 . . . "Electrical Equipment & Electronics in 1960," pamphlet, E. F. Hutton, 61 Broadway, N.Y. 6.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Allied Radio Corp. . .	—	\$0.08	Feb. 23	Feb. 8
Belock Instrument . . .	Stk.	2½%	Feb. 11	Jan. 12
Electronics Investm't.	—	.03	Feb. 29	Feb. 1
Natl. Theatres & TV.	Stk.	2%	Feb. 16	Jan. 26
National Video "A" . .	—	.22½	Feb. 15	Jan. 29
Philips' Lamp Works .	—	6% of par	Jan. 5	Jan. 5
Wometco "A"	Q	.17½	Mar. 15	Mar. 3
Wometco "B"	Q	.06½	Mar. 15	Mar. 3

WEEKLY **Television Digest**

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

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INDUSTRY'S LEADERS GIRD FOR HEARING FINALE; crucial testimony due from Goldenson, Stanton, Sarnoff, others (p. 3).

MORE ANTI-PAYOLA ACTION FROM FCC in proposal to make stations take "affirmative steps" to curb practice. Renewals being weighed in light of replies to questionnaire (p. 7).

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ALL-INDUSTRY TV SHOWDOWN set by Magnuson, who calls Feb. 19 summit conference of networks, NAB, Code Board, AAAA, FCC, ANA, FTC on reform moves (p. 2).

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SEC VS. SKIATRON: Second week of SEC stock-registration hearings produces mass of detail on loans obtained by Matty Fox (p. 20).

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GENERAL DYNAMICS HEADS Defense Dept.'s list of fiscal 1959's top 100 prime contractors; 26 electronics firms on list (p. 18).

113 GENERALS & ADMIRALS employed by 20 top electronics defense firms, House subcommittee reports in urging 2-year ban on sales to govt. by retired officers (p. 18).

MAGNAVOX GOES INTERNATIONAL, signing agreement with biggest British retail chain for sale of its products, and buying control of Collaro (p. 19).

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PURCHASE OF 10 CATV systems plus equipment maker, microwave system and radio station for \$2 million planned by Tele-PromPTer, buying Antennavision properties (p. 11).

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FOREIGN (p. 11). **CONGRESS** (p. 12). **PROGRAMMING** (p. 13). **PERSONALS** (p. 14).

TV ALLOCATIONS OUTLOOK—UNCHANGED: Everyone is wondering whether anything new can possibly develop from Senate Commerce subcommittee's Feb. 2 hearing on TV allocations, called by Chmn. Pastore (D-R.I.) last week. FCC members are only witnesses scheduled to date, and, as far as we can tell, they will describe their proposed interim drop-in plan (Vol. 16:2 p1), give their views on it—little else.

One possible novelty would be some sort of progress report on results of consultation with OCDM regarding possibility of shifting vhf spectrum from military to TV use. We can find no one at FCC with high hopes on that score, but they're all willing to be pleasantly surprised.

"It is hoped," said Sen. Pastore hopefully, "that the committee will be able to determine once & for all what the policy is with reference to the utilization of the vhf & uhf TV channels in the Commission's overall TV plan, so that the general public will know specifically what kind of service and the amount of service it will have available to it." Kenneth Cox, Seattle attorney who has handled several TV projects for committee, will be on hand again.

We asked one of FCC's most-scarred veterans for his long-range view of allocations, and he came up with this: "I think it will be like FM. FM laid around here for 10-15 years, and now it's finally beginning to move. Uhf will probably work out the same way." He thought FCC would be able to hang on to the uhf spectrum during the fallow years.

Meanwhile, FCC is considering whether to specify the markets where it would like to drop in short-spaced vhf assignments under its proposed rule-making. Subject is on agenda for next week; with all 7 Commissioners on hand, there may be a decision to name cities—perhaps 6 to 8.

Extension of the Feb. 19 deadline for comments on the proposal is much sought by industry. AMST has asked until June 20. Assn. of Federal Communications Consulting Engineers seeks 60 more days to ponder engineering details. There's very good chance extension will be granted, because many at FCC acknowledge that deadline was very short for such a far-reaching proposal.

Budget came through last week with FCC's request for \$2.25-million uhf study (Vol. 15:48 p2). Its prospects are unfathomable. Sen. Magnuson (D-Wash.), who is chmn. of both Commerce Committee and the Appropriations subcommittee with jurisdiction over FCC, said: "I haven't analyzed it yet. I haven't even gotten around to that part of the budget. I haven't any idea how the subcommittee will act on the item." He expects to hold budget hearings on FCC in about 2 weeks.

ALL-INDUSTRY TV SHOWDOWN SET BY MAGNUSON: Biggest gathering of TV clans ever assembled under one Capitol Hill roof at one time has been called for Feb. 19 by Senate Commerce Committee Chmn. Magnuson (D-Wash.), acidulous critic of broadcasting's program & ad practices.

Chiefs of networks, NAB, TV Code Board, advertising groups—along with FCC & FTC—were summoned by Magnuson to put in appearances at 10:30 a.m. that day in Hearing Room 5110 of New Senate Office Bldg. for showdown session on TV's ills and what they are doing to cure them. He said they should be ready to discuss "tangled TV problem," adequacy of Communications Act & TV Code in covering "deceptive & fraudulent" practices, and "need, if any, for legislation in this field."

Put-up-or-shut-up summit conference with industry had been pledged by Magnuson in blistering statement last Nov., when he threatened to move early in this Congressional session for legislative correction unless TV cleaned itself up (Vol. 15:47 p5).

Full Commerce Committee will join Magnuson for highest-level meeting, which will be open to public & press, but won't be formal Senate hearing. "We'll just sit around & talk and see what they're doing," Magnuson told us, indicating that what he sees & hears will do much to determine what he'll do next.

Biggest names in broadcasting are expected by Magnuson to show up for session—along with FCC Chmn. Doerfer, FTC Chmn. Kintner, spokesmen for AAAA and ANA.

Magnuson's conference is timed to follow up scheduled Feb. 8 grandstand opening of TV & radio payola hearings by House Commerce Legislative Oversight Subcommittee (Vol. 16:2 p1). In preparation for expected sensations in that Capitol Hill show, House approved \$275,000 for extra investigative expenses by oversighters this year. And subcommittee staffers were working overtime to get ready for hearings. They were reported running down payola leads in N.Y., Philadelphia and Boston in particular—and poring over subpoenaed books of Miami's Americana Hotel, where disc jockeys held much-celebrated convention last May 27-June 1.

Oversighters also are counting on headlines—probably this week—when they issue report & legislative recommendations on last year's TV quiz hearings. FTC also is expected to be heard from this week with another batch of payola complaints against record manufacturers & distributors (Vol. 16:3 p8).

Note: "Periscope" item in Jan. 25 Newsweek said Senate Majority Leader Johnson (D-Tex.) & House Speaker Rayburn (D-Tex.) had "quietly agreed to push for 'some kind of legislation' to curb TV abuses." We were unable to reach Johnson & Rayburn at press time, but spokesmen for them told us that was the first either had heard of any such agreement—quiet or otherwise.

NETWORK RESPONSE TO DOERFER PLAN: New 3-network public-affairs agreement was adopted last week as direct result of FCC Chmn. John C. Doerfer's Jan. 14 proposal in N.Y. that the networks evolve an evening public-affairs program strip (Vol. 16:3 p4). Joint agreement followed a Jan. 18 summit meeting of leaders of the 3 networks.

Doerfer will not get his wish for a 7:30-8 p.m.. rotated public-affairs period—at least, not in form he suggested. ABC-CBS-NBC plan sets a minimum goal of "at least 1 hour per week in evening option time" for public affairs on a 52-week basis, with each network going its own way in deciding whether agreed-on hour will be one show or 2, and in what time slots.

Only network really affected is ABC-TV, which has elected to program 2 weekly 30-min. public-affairs shows this fall in Tues. & Sun. evening periods. Currently, sole program of this type on ABC-TV is weekly 30-min. John Gunther's High Road, which may not be in ABC-TV's fall lineup.

No major program step-up is actually necessary at CBS or NBC under new plan. Both networks are already up to minimum level adopted, and existing shows—such as NBC-TV's World Wide 60 and CBS Reports—will be scheduled to conform to the plan.

Are any major changes really caused by new plan? Yes, several: (1) By agreement, networks will program public-affairs shows to appear on different nights of the week, avoiding a feast-&-famine informational diet. (2) ABC-TV will now come up to at least minimum levels of public-service programming set by other 2 networks. (3) New precedent has been set for Justice Dept. dealings inasmuch as the network agreement, in effect, is a collaboration.

Network affiliates are also brought into picture under new plan, which states: "Once every 3 weeks, each network will make available to its affiliates a half-hour period out of time earmarked as above so that affiliates may originate [public-affairs] programming on a local basis in that period." Stations will now have to step up their own local efforts in this area and syndicators will get a new, ready-made program market for public-affairs shows.

Plan will go into effect after elections "in view of the intensive public-affairs coverage between the political conventions & election day," networks agreed.

John S. Hayes, pres. of WTOP-TV Washington, and one of most active CBS-TV affiliates, applauded the plan. "I think that affiliates' reaction is going to be favorable," he said. "It's going to work. Constructive. It pins everyone down to specific performance. I'll bet the stations end up selling the shows, but they've got to learn how to sell them."

Jack Harris, chmn. of NBC-TV affiliates board of delegates & vp-gen. mgr. of KPRC-TV Houston, told us Jan. 22 he was "very enthusiastic" about the plan and that it wouldn't "impose a burden on affiliates" although some might have to "fortify their news & public-affairs staffs to meet this challenge."

Sen. Magnuson (D-Wash.), chmn. of Commerce Committee: "It's a step in the right direction. I am still studying the plan, and it undoubtedly will be discussed at our forthcoming conference." (See p. 2.)

INDUSTRY'S LEADERS GIRD FOR HEARING FINALE: Fresh from their quick consideration of FCC Chmn. Doerfer's prime-time-public-service suggestions (see above), networks—& NAB—take stand in Commission's programming hearing this week—for climax & finale of the massive inquiry.

Very top executives will be the witnesses. They are primed with weeks of preparation, as well they should be, for this all-out effort to counteract the dozens of previous witnesses, many respected in their fields, who have indicted broadcasting with unprecedented vehemence.

The witnesses: ABC, Pres. Leonard H. Goldenson; CBS, Pres. Frank Stanton; NBC, Chmn. Robert W. Sarnoff; NAB, Pres. Harold E. Fellows, Radio Code Board Chmn. Cliff Gill, counsel Whitney North Seymour. TV Code Board Chmn. Donald H. McGannon, who testified previously for the board, will speak for his own company, Westinghouse Bcstg. Co. Also scheduled—to answer ASCAP charges (Vol. 16:3 p5)—is BMI Chmn. Sydney Kaye.

Hearings will run Jan. 25, 26, 28 & 29. It's doubtful whether this week will clean it up; some sessions next week are expected.

INSATIABLE DEMAND FOR AM & FM STATIONS: The constantly accelerating flow of applications for new & improved AM & FM facilities hasn't abated one whit. That's certainly apparent from our latest tally of station statistics, summing up as of Jan. 1—in connection with forthcoming publication of our annual Radio Station Directory, now in hands of the printer.

FM is at the point of many hotly-contested hearings, while AM application backlog has mounted at such a tremendous rate that FCC Chmn. Doerfer recently said flatly: "If substantial improvement in our AM processing is not achieved in a comparatively short time, I shall not hesitate to recommend a freeze on all AM applications until we pull abreast of a quota we can handle expeditiously."

Operating AM stations have reached total of 3,456 as of Jan. 1, up 84 from 6 months ago, while FM

is up to 677, a rise of 57. Applications for new AM stations total 711, up from 645 July 1, and requests for changes in AM facilities hit 757, up from 636. There are 105 FM applications pending vs. 67 six months ago. Herewith are the year-by-year totals since end of World War II:

AM			FM		
Year	Licenses & CPs	On Air	Year	Licenses & CPs	On Air
1945	1056	913	1945	288	48
1946	1579	1027	1946	684	140
1947	1961	1586	1947	1010	374
1948	2131	1877	1948	976	687
1949	2246	2045	1949	791	728
1950	2351	2199	1950	706	672
1951	2410	2306	1951	654	640
1952	2516	2377	1952	648	612
1953	2644	2451	1953	602	550
1954	2782	2662	1954	583	549
1955	2941	2814	1955	557	536
1956	3140	3024	1956	559	528
1957	3289	3180	1957	588	537
1958	3423	3318	1958	686	571
1959	3527	3456	1959	839	677

Networks

More about

BACKGROUND OF DOERFER PLAN: FCC Chmn. Doerfer was taking no chances when he discussed his public-service plan with the networks, making sure to clear all anti-trust angles with the Justice Dept. He dealt with Robert A. Bicks, acting assistant attorney general in charge of the anti-trust div., telling Bicks in a Jan. 20 letter:

"I discussed [the plan] on a confidential basis with some well-informed affiliates whose interests do not always coincide with the networks'. They agreed that this plan, providing for 'option time' rather than 'prime time,' would get the cooperation, in their judgment, of all the affiliates.

"The informal discussions with the Commissioners indicate that they, too, are of the same mind. In addition there are indications that the old concept of 'sustaining' (not sponsored) & 'sponsored time' for public-affairs programming will be abandoned. There does not seem to be any intelligent relationship between high-level programming & sustaining programming. Experience with high-grade informational, cultural and educational programming during the past few years demonstrates the opposite."

Bicks promptly assured Doerfer that he saw no "anti-trust objection" and he wished Doerfer *bon voyage* with "best of luck in your endeavor."

The summit conference at the Harvard Club, N.Y. Jan. 18, was attended by Doerfer and Frank Stanton & James Aubrey, CBS; Robert Kintner & David Adams, NBC; Leonard Goldenson & Oliver Treyz, ABC.

The agenda, as outlined by Doerfer in a memo: "The problem is how to get 'public affairs,' 'informational,' 'educational' and 'cultural' programs during prime time on all of the networks for at least 4 days out of the period from Mon. through Fri., with affiliates programming on local basis during prime time at least one day between Mon. & Fri., exclusively.

"Object is for networks to program national & inter-

national problems, news documentaries, or news in depth, which would include the possibility of educational & cultural programs. Agreed that these were hard to define, but nonetheless understandable by experienced broadcasters." Then, pencilled in: "Could be sponsored."

The Doerfer Plan Described

The first plan discussed was titled simply, the "Doerfer Plan." Here's how the memo describes it. "The Doerfer Plan was that one network, say 'X,' would program the first week on Mon., Tues., Thurs. and Fri. between 7:30 p.m. and 8:00 p.m. Wed. would be reserved for local affiliates to put on local programming between 7:30 & 8:00. Thus, the networks would handle, among other things, informative programs regarding national & international matters, as well as high-grade cultural & educational programs. The affiliates with a smaller budget, but nonetheless an important problem, could program matters of local importance, plus local educational or cultural matters. The next week the same format except a different network, say, network 'Y.' The following week, network 'Z.' This would bring between Mon. through Fri., inclusive, the following advantages:

"(1) 150 min. (30 min. x 5 days) of public affairs programming that the public would get.

"(2) The public could rely upon a definite schedule—would soon learn that 7:30 to 8:30 each week is this type of program.

"(3) Justifies the use of option time, with exceptions, on the ground that it is a local program of the same type but of more importance in the eyes of the local broadcasters, using their own judgment. There must always be some leeway for a reasonable variation, but no leeway for a subterfuge to program light entertainment.

"(4) Although network 'X' for the first week might suffer because of the attraction of other programming, it will regain that the following 2 weeks—when it cuts down its competition on a network basis 50%, *i.e.*, it will compete against only 1 network whereas it continually competes against 2. Affiliates also would be in the same position.

If the programming is done in a highly attractive manner, then there should be no loss of viewers. The programs need not be sustaining—they may be sponsored both on a network & on a local basis."

Then came a description of "proposal No. 2"—NBC's: "Each network will earmark at least ½ hour of prime time each evening (Mon. through Fri.) for public-affairs programming in a fixed time period for 52 weeks a year.

"In addition, each network will withdraw present service of ½ hour of prime evening time (option time) each third week so that its affiliates may originate local public-affairs programming in that period. The networks will consult with each other with government approval so that the periods designated by each under the foregoing plan will fall on different evening, for the purpose of providing maximum spread of public-affairs programming each week for maximum viewer choice. This will provide for 270 min. of programming each week for the public—(7 days x 30 mins. plus 60 min. local).

"This gives more minutes of public affairs programming but lacks definitiveness, that is, instead of falling between 7:30 & 8, it may fall in any half hour segment 7:30 to 11 on weekdays and 6 to 11 on Sun., N.Y. time.

"It may offer less havoc with the affiliates or give them an excuse for not being able to plan definitely their own programming. One of the important elements of any arrangement is to have full cooperation of all affiliates."

Two More Proposals

ABC's plan, "proposal No. 3", was brief:

"Would provide for rotation within the week rather than by the week, that is, network 'X' would program each Mon. between 7:30 & 8:00; network 'Y' would program between 7:30 and 8:00 each Wed.; and network 'Z' 7:30 to 8:00 each Fri.—with either Tues. or Thurs. to be alternated each week by one of the networks and remaining day (Tues. or Thurs.) by the local affiliates each week."

Finally, there was a compromise "proposal No. 4" which differed from the finally announced agreement. It provided that network "X" would handle 30 min. each week, in the 7:30-11:00 period, on Mons. On Tues., the affiliates of "X" would program every 3rd week. On Weds., network "Y" would do the 30-min. stint weekly, while its affiliates would carry on for 30 min. every 3rd week. Network "Z" and its affiliates would do the same for Fris. & Sats.

"The advantages here," the Doerfer memo said, "would be that the responsibility of public-affairs programming would be split up among the networks each week and respective affiliates each third week. The disadvantages are . . . public service programming during prime time on Sat. or Sun. is not too desirable.

"There is no definitiveness—could not rely upon uniformity of time—and would have to consult newspapers, etc. The programming by the networks would be reduced to 90 mins. per week, although the affiliates would be increased to 90 mins. per week."

Thereafter, final agreement was reached (see p. 2).

Color programming on NBC will total 450 hours in the first half of 1960. "That's about 100 hours more than in the same period last year," NBC-TV vp for sales Don Durgin told an RTES seminar audience Jan. 21 gathered at NBC's Ziegfeld Theater color studio for an NBC-assisted status report on color progress. Durgin said that, with more than 300 stations now equipped to re-broadcast network color, it is becoming a definite factor in current network sales contracts by advertisers who consider color-TV-equipped homes "a quality market worth reaching."

NBC LOOKS AT 1959: Advertising revenue increased for the 12th straight year at NBC-TV in 1959, jumping 10% above 1958 to a new gross level of \$300 million for time, facilities & program billings on network-produced or -sold shows, the network's official year-end wrap-up stated last week. Advertisers spent \$28 million for time & talent on NBC-TV's roster of 200 specials, a 40% hike over 1958. Colorcasting emerged during the year as a strong factor in network sales, NBC-TV reported, with \$43 million (out of \$50 million) in automotive billings specifically for color programming, despite continuing limitation on the total number of color-equipped homes. NBC-TV color programming totalled 735 hours last year, an increase of 30% over 1958.

Network news-in-depth & public-affairs shows came into their own at NBC-TV in 1959, aided somewhat by the post-quiz problem of improving TV's general social image. NBC news produced 30 programs covering the Khrushchev-Eisenhower trips alone (and received a coveted Sylvania Award). The network's first weekly prime-time documentary series, *World Wide 60*, was announced, to start this month in the Sat., 9:30-10:30 p.m. period. Sports coverage totalled 450 hours, a 50% jump over 1958, with sponsors making a time-&-program investment of \$36 million in 1959 on sports shows.

NBC-TV's average evening network lineup advanced from 137 stations (1958 level) to 144 at year's end. Station lineups for NBC-TV's *Today & Jack Paar Show* participation programs totalled 148 & 146 respectively, and combined ad billings in the 2 participation shows reached \$20,875,000 during 1959. As the year closed NBC-TV had 192 affiliates & 20 satellites, covering 99% of U.S. TV homes. Of these, 164 were color-equipped for network feeds.

A total of 216 names were on NBC-TV's 1959 client list, including 24 of the top 25 advertisers, by the network's count. New sponsors included United Airlines, Lanvin and Puritron, although such 13-year veterans as Gillette & Kraft were still around at year's end.

An impressive growth chart is currently appearing in the advertising of ABC-TV to point up its decided progress in obtaining share-of-audience since 1953. Using Sun.-Sat. 8-10:30 p.m. Nielsen multi-network markets figures for Dec. only in the 6 years of 1953-1958 and the Nielsen 24-market share of audience for Dec. 1959, ABC-TV shows the chronological year-by-year share-of-audience growth of 11.4, 13.5, 16.7, 20.6, 23.3, 27.3—culminating in 1959's 30.9. The latter figure is the first to surpass the audience shares of the other 2 networks, which are stated by ABC-TV's chart to be 30.5 and 28.4. The network starts 1960 on the same healthy note with another ad spotlighting the year's "first" Trendex & Nielsen reports—both of which show ABC-TV out in front of its network competitors: 19.1 to 19 & 17.5 per Trendex (8-10:30 p.m., Mon.-Sun.), 19.3 to 19.1 & 17.3 per Nielsen (24 market).

Injunction against Hubbell Robinson Productions & NBC was denied playwright Mel Dinelli to "stop presentation" of "The Man," Jan. 4 Ford-sponsored *Startime* presentation starring Audie Murphy. Dinelli had consented to sell production rights to the play to Robinson but "insisted on adaptation rights as well." Robinson rejected the proposal, instead purchased contractual rights to the play which had been sold by Dinelli to RKO pictures. Dinelli may still seek damages from Robinson-NBC.

Net TV Ahead in Nov. The national ad volume gained 8% in Nov. over Nov. 1958, reflecting sizable business increases tallied by magazines (up 18%), network TV (14%) and business papers (10%), the latest *Printers' Ink* index shows. Suffering from a cutback in automotive lineage, newspapers sagged 7%, also dropped 22% from the Oct. volume. Only 2 of the major media had better Nov. than Oct. business: network TV (2%), business papers (1%). Magazines were down 6%. Network radio continued as the poorest performer—down 22% from Nov. 1958, down 12% from Oct., down 14% year to date. The general index gain for Jan.-Nov. was 9%, and all major media had cumulative increases excepting network radio & outdoor. The latter is estimated down 2%, based on incomplete data. Best performances among major media: network TV for Nov.-from-Oct. (up 2%), total magazines for Nov.-over-Nov. (18%) and year-to-date (12%).

Medium	Index		% Change from		% Cumulative change
	Nov. 1959	Nov. 1958	1 month ago	1 year ago	
General Index	224	208	- 7	+ 8	+ 9
Total Magazines	184	156	- 6	+18	+12
Weekly	197	170	-15	+16	+12
Women's	143	117	+14	+22	+10
General Monthly	234	200	0	+17	-18
Farm	122	101	+16	+21	+ 5
Newspapers	167	179	-22	- 7	+ 6
Network Television	492	433	+ 2	+14	+11
Network Radio	21	27	-12	-22	-14
Business Papers	244	221	+ 1	+10	+ 6
Outdoor	158	156	-16	+ 1	- 2

All indexes have been seasonally adjusted. The index shown for each medium is based on estimated total advertising investments in the medium, including talent, production and media costs. For each medium, the base (100) is an average of total investments in the years 1947-49 except for the TV base which covers the years 1950-52. "Cumulative change" in the last column refers to the change from the same period last year of the index average from Jan. through Nov. 1959.

NETWORK SALES ACTIVITY

ABC-TV

- American Bandstand, Mon.-Fri., 4-5:30 p.m., participations.
Borden Foods & Best Foods (both D-F-S)
- Daytime programming, participations, 13 wk. orders, two 15-min. segs. per wk.
Beach-Nut Lifesavers (Charles W. Hoyt) & *Best Foods* (D-F-S)
- Paul Winchell Show, Sun. 4-4:30 p.m., 7 alt. 30-min. sponsorships over 14 wks.
General Mills (D-F-S)

CBS-TV

- Garry Moore Show, Tues., 10-11 p.m., alt. wk. 30-min. segs. over 10 wks.
Scott Paper Co. (J. Walter Thompson)
- N.Y. Philharmonic Young People's Concerts, 4 Sun. afternoon 60-min. taped programs, 1-2 p.m.
Shell Oil Co. (Kenyon & Eckhardt)
- 1960 Olympic Winter Games, one-fourth sponsorship of the 11-day live & tape coverage, Feb. 18-28.
Renault Inc. (Kudner)

NBC-TV

- Loretta Young Show, Sun., 10-10:30 p.m., alt. wks.
Warner Lambert (Lambert & Feasley)
- Man from Interpol, Sat., 10:30-11 p.m., full sponsorship eff. Jan. 30. Participations in Law of the Plainsman, Thurs., 7:30-8 p.m., Riverboat, Mon., 7:30-8:30 p.m., Play Your Hunch, Mon.-Fri., 10:30-11 a.m.; Young Dr. Malone, Mon.-Fri., 3-3:30 p.m.
Glenbrook Labs div. of Sterling Drug Inc. (Dancer-Fitzgerald-Sample)
- Overland Trail, Sun. 7-8 p.m., eff. Feb. 7, alt.-wk. 1/3
P. Lorillard (Lennen & Newell), *Standard Brands* (Ted Bates)

Radio Nets Optimistic: Although *Printers' Ink's* latest index shows Jan.-Nov. 1959 network radio business down 14% from Jan.-Nov. 1958 (adjoining column), the 4 networks closed out 1959 on a more optimistic note—all reporting business "generally very good" and ahead of 1958 performance. Actually, only CBS had black-ink operations. CBS "got into the black" in the 4th quarter, has "\$2 million net business lined up for 1960." NBC Radio was still in the red at 1959's end, but noted that losses have "been decreased by two-thirds since the end of 1956." ABC also wound up with a non-profit year, but said it was "much further ahead than at the end of 1958." MBS, plagued by financial & organizational difficulties, managed to finish 1959 near the "break-even" point.

Despite the preponderance of red ink, ABC said national & local sales of its o&o's were 22% ahead in 1959 over 1958. NBC has recorded more than \$6 million advance net sales for its new more-news-less-entertainment program plan. Only CBS continued heavy programming of daily entertainment in 1959, in face of trend by other networks to expand news & information services.

Successful transmission of live TV pictures by hollow metal waveguide for more than a half mile has been accomplished in England by Standard Telecommunication Labs (ITT). ITT said the pictures were of "acceptable" quality. This is believed to be the longest transmission of TV ever accomplished by waveguide—basically a hollow pipe. In the tests, the TV pictures were sent by pulse code modulation—also believed to be a "first" for TV. The signals were sent over a hairpin-shaped path, 3,600 ft. long. Principal advantage of waveguide is its large carrying capacity—as many as 400 TV channels or several hundred thousand telephone conversations simultaneously. Previous drawbacks have been the difficulty in making signals follow the curvature of the earth and a great loss of signal strength. ITT says it has succeeded in bending the signal by constructing the pipe of specially treated aluminum wire, formed like a tightly coiled spring. It hopes to combat signal loss by using amplifiers along the guide.

Over-horizon telephone relay between U.S. and the Bahamas Islands was opened last week by AT&T and the Telecommunications Dept. of the Bahamas govt. Terminals of the system are at Florida City, Fla. and Delaporte Point, New Providence Island, a distance of 186 miles. The link currently can carry 24 telephone conversations—expandable to 72 circuits. This is the 2nd 2-way over-horizon communication route placed in commercial service between the U.S. and overseas points—the first being between Florida & Cuba, equipped for TV as well as telephone communications. AT&T long lines dept. says the new Bahamas relay is not currently capable of passing TV bandwidths and there are no current plans to equip it for TV.

Libel suit against Fulton Lewis Jr., MBS commentator, by Seattle educator Mrs. Pearl Wanamaker, which brought a set-aside jury verdict of \$145,000 for her (Vol. 15:45 p8), has been dropped in Washington's U.S. District Court. Lewis' counsel Roger Robb refused to confirm or deny reports that an out-of-court settlement had been reached in the suit, in which Mrs. Wanamaker accused the newscaster of falsely linking her with Communists. A new trial had been ordered after Judge George L. Hart ruled that the \$145,000 award—biggest libel damages ever fixed by a jury in the Washington court—was "excessive." He recommended that Mrs. Wanamaker accept \$30,000 instead, she said in an affidavit filed with the court.

The FCC

MORE ANTI-PAYOLA ACTION: FCC moved again last week. Not waiting to digest forthcoming Feb. 5 final station replies to its payola-plugola questionnaires (Vol. 16:2 p3), the Commission said it is acting right now to establish rules curbing the practices.

A notice of proposed rule-making is being drafted, probably will be issued within 2 weeks. The Commission said the rule-making would be designed to make licensees "take affirmative steps to prevent the broadcast of matter as a result of payola received by their employees." It's unlikely that FCC will spell out specific measures it expects stations to take. Rather, the proposal will let stations offer their ideas, after which the Commission will select what it considers to be the best—and imbed them in its rules.

The Commission also said last week that: (1) It wouldn't act on any renewals from now on before checking the station's response to its questionnaire. (2) FTC data on payola will be considered in weighing renewals.

FCC has received from FTC the names of some 70 station employes whom FTC alleges have taken payola. It's now studying discrepancies—if any—between station questionnaire responses and the FTC information. Only 300 stations haven't filed replies yet; FCC is prodding them.

FCC started its payola poll before Attorney General Rogers submitted his report to President Eisenhower (Vol. 16:2 p2), but it's interesting to note on page 47 of his report this language:

"The Commission would appear to have ample authority, under its general rule-making powers, to adopt regulations which would require licensees to take affirmative steps to prevent the broadcast of matter as the result of payola received by their employees."

In Ohio, U. of Cincinnati Law School Dean Roscoe L. Barrow, who headed FCC's network study, asserted that innocent victims of rigged quiz shows may be able to sue under the "loss of chance" doctrine. Speaking before the Advertisers Club, he also said: "The licensed broadcaster whose facilities were, without his knowledge, misused through the payola practice, may be able to recover from the recording companies under the familiar equitable doctrine of unjust enrichment." And he urged that "care should be taken that unwise legislation engendered by headlines & scandal does not evolve."

St. Louis Ch. 2 "influence" hearing resumes Jan. 26 in Philadelphia, before examiner Horace Stern, for the sole purpose of permitting attorney Robert Jones to change his testimony. Counsel for KTVI (Ch. 2) St. Louis, Jones had previously testified he had no contact with any commissioner in connection with the shift of Ch. 2 from Springfield, Ill. to St. Louis. Since then, he has recalled that he gave some documents to Comr. T. A. M. Craven. He now wants to acknowledge that fact. FCC have found the documents in Craven's files, and they will be identified during the hearing. It's expected that the hearing will last one day and the record will be closed. In other "influence" cases, Judge Stern has stated his intention of starting with hearings on Miami Ch. 7 just as soon as the Mack-White-side trial ends. The trial begins in Washington Jan. 25.

Ch. 70 translator grant in Weed Heights, Nev., to relay KXTV Sacramento, has been awarded to Anaconda Co.

Advertising

Admen Answer Critics: Reacting to FTC's barrage, the ad business last week let loose its own artillery.

Fairfax Cone, exec. committee chmn. of Foote, Cone & Belding (cited by FTC for stain-removal demonstration in Pepsodent commercials), demanded a separation of "the facts from the allegations" by the press Jan. 19, and asked newspapermen to stop equating advertising & admen with "such utterly diverse operations as payola." The press, Cone told the Newspaper Advertising Executives Assn. in Chicago, has "intimated that FTC has already held a hearing" and found Pepsodent, as well as others cited, "guilty of grave crimes against the public." The term "faking," as applied to telefilm commercial techniques, said Cone, is "the work of headline-chasers."

Cone's client, Lever Bros., had earlier issued a sharp statement concerning Pepsodent commercials. "The FTC did not say that Pepsodent will not remove yellow smoke stains," the firm said, "nor did it claim that the TV demonstration in any way misrepresented what actually occurs. It charged only that the visual method used in demonstrating that Pepsodent removes smoke stains from teeth doesn't prove it. We are confident that we will be able to prove to the Commission's satisfaction that the demonstration used is in all respects appropriate to convey properly Pepsodent's ability to remove yellow smoke stains."

Also in N.Y., a spokesman for an agency not presently under FTC attack, accused the Commission of "not attempting to correct abuses so much as it has been incorrectly abusing its privileges." Walter Weir, exec. committee chmn. of Donahue & Coe, in addressing the Art Directors Club of N.Y., responded to FTC's charge that "ads diverted trade unfairly from the manufacturer's competitors." Said he: "I hope the FTC will ask itself if making accusations on the front pages of the nation's newspapers before consulting privately with the parties concerned is not possibly the most unfair diversion of trade that could be visited on an American business."

4-A Adapts Copy Code to TV

On a related front, American Assn. of Advertising Agencies took another step in its own commercial cleanup among member agencies (Vol. 16:3 p8) by issuing a special new TV interpretation of the basic, 23-year-old 4-A copy code. TV commercials, often seen by mixed family groups, "are not always voluntary, as is the reading of print ads," cautioned AAAA. TV advertisers & agencies were advised that they have "a severe obligation to act in good manners as guests in the viewer's home."

Viewer irritation can be caused "by strident tones & improper voice levels & manners of certain announcers," said the 4-A bulletin. In other instances, "commercials which may be relatively inoffensive in their first appearance may become irritating by repetition," and "judgments should be stricter than . . . print advertising's because of the host-guest relationship between viewer & advertiser."

The 4-A copy interpretation also cited the following areas to be carefully scrutinized by advertisers: False statements or misleading exaggerations; indirect misrepresentation of a product, or service, through distortion of details, or of true perspective, either editorially or pictorially; statements or suggestions offensive to public decency; statements which tend to undermine an industry by attributing to its products, generally, faults & weaknesses true only of a few; misleading price claims; pseudo-scientific advertising; testimonials which do not reflect the real choice of a competent witness.

Print Media Pressing On: Braced by sharp gains all along the line, print media faces the future with scrappy optimism. Magazines have recaptured some lost page & dollar volume, newspapers are moving out in a sales campaign to maintain retail-ad leadership. But print media also know, and latest surveys show, that TV's giving none of its gains away.

Magazines mustered heavy comeback strength in 1959, racking up a 7.1% gain in ad pages to eliminate part of the 13% sag suffered in the previous year. The latest *Gallagher Report* also shows that 83 magazines gained \$92,756,484 in ad revenue for a 13.4% increase. In 1958, magazines had trailed their 1957 volume by \$42.3 million for a 5.7% loss.

Ad-page gains were scored by 69 of the 83 publications. *The New Yorker* retained its ad-page leadership of the entire list. *Business Week* and *Life* also gained and repeated their 2nd & 3rd place finishes, respectively. *Newsweek* moved up from 6th to 4th and thereby topped 5th place *Time* for the first time. Among the top 50 magazines, the biggest percentage gains were scored by *Reader's Digest* (up 51.1%), *Sports Illustrated* (25.1%), *TV Guide* (24.2%). Largest drop: *Charm*, down 12.7%.

Overall, total magazine (including supplements) revenue rose 10.8% in 1959 to a record \$898,218,610, late PIB-LNA compilations show. Dollar-volume leader was *Life*, again, which gained 9.6% over 1958 to \$134,441,468. Reflecting increased rates, *SatEvePost* and *This Week* posted dollar gains despite losses of 75 & 89 ad pages respectively.

Newspapers also are on the prosperity trail, and "intend to remain champs" in the retail ad field. So said the Newspaper Advertising Execs. Assn. at its annual meeting in Chicago last week. The meeting marked the kickoff of NAEA's 2nd annual "total selling" campaign to promote the newspaper industry and "win advertising revenue back from TV." (Vol. 15:4 p2). Newspaper ad volume will increase substantially in the next decade, *N.Y. Times* ad dir. Monroe Green told the group. He foresaw "persistent percent-of-field improvement as against TV, radio and magazines."

But there wasn't likely to be any slack-up in TV's status as a leading print-media competitor, NAEA admen were also told. A new survey conducted by *This Week* magazine among 25 vps & media dirs. of leading ad agencies annually placing \$650 million in TV reached the conclusion that, despite the recent quiz scandals & program investigations, "advertisers will continue to use TV to reach the audience that will still be there. . . . There will be no mass exodus of TV accounts." The agency-level checkup also found agency-men predicting "closer network control of programming & commercials, with changes in discount structures [benefiting] smaller advertisers."

Ad People: Arthur J. Kemp, ex-McCann-Erickson named Compton vp & asst. to the pres.; Robert S. Howell promoted from production supervisor to vp & TV-radio programming & production mgr. . . . Vincent Tutching, McCann-Erickson Corp. International vp, named a dir. & gen. mgr. of new subsidiary Hansen Rubensohn-McCann-Erickson Pty., Ltd., Melbourne, Australia . . . F. Stanley Newbery Jr., ex-McCann-Erickson, named Cunningham & Walsh vp; Mrs. Jackie Agnew West, associate creative dir., elected vp.

Obituary

Harry H. Enders, 53, exec. vp of Young & Rubicam, died Jan. 21 of a heart ailment in Bronxville, N.Y.

Film & Tape

SAG STRIKE VS. MOVIES NEARS: Barring any unexpected, last-minute change, it appears certain that Screen Actors Guild will strike against the major film studios Jan. 31 or shortly thereafter—thereby forcing virtual suspension of movie production. Key issue: payments to actors on post-1948 movies sold to TV—a demand the major film studios have repeatedly refused to meet (Vol. 15:52 et seq.).

When SAG's board meets this week (Jan. 25), it is expected to call a mass membership meeting to consider a strike vote. That meeting may take place Jan. 31, the day the Guild's contract expires.

Both sides admitted that nothing came last week out of management's meetings with SAG, Writers Guild of America and Directors Guild of America. At these meetings, film executives said they hoped it would not be necessary to sell their post-1948s to TV, but they gave no commitments that they would not do so.

No Disruption to TV Films Now

TV, with its own issues, remained untouched for time being. WGA's strike against the majors & the Alliance of Television Film Producers Jan. 16, had not interrupted production in either movies or TV. Most TV companies are well stockpiled in scripts, and most series are nearing the end of their seasonal production. Remarked one TV executive: "If there had to be a strike, this was the time we could best afford it." As for SAG, it hasn't even begun negotiating with TV producers as yet, so they face no threat of immediate shutdown of production, as do the majors.

If WGA hasn't reached agreement with the networks by Jan. 31, the Guild probably will extend its strike to that area. The network contract originally expired Jan. 1, but was continued to Jan. 31. WGA has also extended until Feb. 12 its contract with independent producers not associated with networks or the alliance.

WGA estimates the backlog of post-1948 movies is worth about \$400 million. Its contract expired Nov. 17 but their negotiations with the major movie studios have collapsed completely. The studios are adamant in their rejection of post-1948 demands.

Alliance Pay-Boost Formula Is Rejected

Our source with the Alliance of TV Film Producers, whose members produce 60% of Hollywood's TV film, told us his organization had proposed across-the-board increases in minimums to WGA, but they were rejected. He added that the Alliance is determined not to give in on demands for reruns for overseas showings of films, residual payments in perpetuity, and a residual increase based on the writer's pay rather than the minimums (which currently are paid for reruns). "We're completely apart on opening up & liberalizing the rerun formulas. We feel that by offering them minimum increases, we are increasing their residuals," our source said.

On other strike fronts: SAG received pledges of support from actors' unions in Mexico & the British Isles. The Guild announced it has 400 contracts with producers providing for payments on post-1948s. WGA promised to indemnify any of its "hyphenated" members, (such as producer-writers or writer-directors) for damages from lawsuits arising from their refusal to perform writer services. It also threatened to expell any members found violating its strike order. And it signed another movie independent, Sol Lesser Productions.

Syndication Coups for NTA: A group of 30 post-1948 movies has been bought by NTA from Regal Films (independent producer Robert L. Lippert) for \$1.8 million, despite the current wrangle between talent guilds and film producers. NTA's unexpected move was made possible by a Regal-SAG contract, written at the time the low-budget features were made, which calls for actors to get 15% of original compensation as TV residual payment. The actors will benefit by more than \$95,000 from the deal, and the directors also will get a share. However, the films' writers won't, because WGA turned down Regal's formula for payment. Regal Films Pres. Edmund J. Baumgarten recently asked SAG to waive payments for TV rights to those movies which haven't yet recouped their production costs, but the Guild rejected the request.

The Regal Films were produced under an arrangement with 20th Century-Fox which distributed the movies. They were made between 1956 & 1958, and some are still in theatrical release. NTA intends to feed the package into syndication sales channels. NTA also has been offered post-1948s from some of the major studios, but no negotiations have begun as yet.

Also being discussed at NTA is multi-market spot placement of *Play of the Week*, rescued from last-minute oblivion this month by Standard (N.J.) Oil Co. (Vol. 16:3 p14), which may enable the 120-min. taped show to operate, at least, at a "modest profit," and to be sold elsewhere.

Another feather in NTA's sales cap: After nearly 2 years of sales effort, NTA has a N.Y. outlet (WABC-TV, starting Jan. 30, 10-10:30 p.m.) and a N.Y. sponsor (Hudson Pulp & Paper) for its *How to Marry a Millionaire*.

Four Star's 16 Pilots: Four Star Television is projecting a record 16 pilots, one of which already has been sold. That's the tentatively titled *Tom Ewell Show*, which CBS-TV snapped up for next season immediately after seeing the pilot. Westerns are the most popular fare on Four Star's pilot program, 8 being planned. Some projects are co-production deals—with networks or other companies.

Four Star's plans include an untitled comedy starring Peter Lind Hayes & Mary Healy; an untitled comedy starring Gertrude Berg; a 60-min. pilot of *Michael Shayne* for NBC-TV; remake of a pilot done last year by Bing Crosby Productions, *The Law and Mr. Jones*, starring James Whitmore. The company also—in association with the production combine of Arthur Gardner, Arnold Laven and Jules Levy (*The Rifleman*)—plans 3 Westerns: *Simon Battle*, *Lariat Jones* and one still untitled. In association with producer Mike Meshehoff & Howard Duff it will pilot *Willy Dante*, in *Dante's Inferno*, starring Duff.

With producer Hal Hudson & writer Luke Short's Caprock Productions, it will pilot a Western, *Yuma*. With Hudson & the Zane Grey Company, it plans a Western starring Dean Jones. With producer Vincent Fennelly's Hildegard Productions, the company is piloting *Stagecoach West*, a 60-min. show for ABC-TV. Producer Aaron Spelling (*Johnny Ringo*) has 3 pilots he plans in association with Four Star: 2 Westerns, *Border Town* and *The Reno Brothers*, and *Tales of the Unknown*, an anthology dealing with the supernatural. Another pilot being made by Four Star is "*J.P.*," an action-adventure series being produced with Vincent Fennelly for ABC-TV.

TV-radio center to consolidate CBC's 11 scattered facilities in Toronto has been initiated with the purchase of a 33-acre site. No date has been set for construction.

ITC-ATV's 1960 Plans: A major revamp of Independent Television Corp.-Associated Television Ltd. organization is in the works. ITC, the telefilm company jointly owned by Jack Wrather & Britain's commercial program supplier ATV Ltd., will soon revert to its original status as a distributor of filmed & taped TV shows. A Wrather Hollywood production unit, ATV and independent telefilm producers will act as the ITC program source, and all production duplication will be eliminated.

ITC is extremely interested in strengthening itself through mergers or acquisitions, we're informed by Wrather, but he scotched trade reports that he is negotiating for a studio as a production base. "We looked into the Desilu situation when it became known it was for sale," he said. "However, we decided it was not wise to buy at this time. We are analyzing the industry situation because our object is to make ITC as strong as possible. We feel there are certain companies with which we have a mutuality of interests. Our desire is to increase our size through merger or acquisition. There is no room for small or intermediate companies in this business."

Wrather said he'd had conversations with Columbia Pictures Pres. Abe Schneider, "an old friend." Co-production of ITC-ATV series with Columbia's Screen Gems was discussed, among other subjects, but Wrather declined to elaborate. Merger was not one of the subjects, he said.

ITC reportedly will drop its own production unit in Hollywood, headed by Ted Rogers, which has planned several telefilm series and supervises production of taped *Ding Dong School*, now in syndication. The latter show, and other ITC-syndicated properties (*Four Just Men*, *Sweet Success*, etc.), will continue in production & sales. However, *Gale Storm Show* on ABC-TV is being dropped.

More Production In Britain

Much production emphasis in the revised ITC-ATV structure will be shifted to London, where ex-CBS Films vp Leslie Harris, now managing dir. of ITC international production, is supervising several new projects. Tape-equipped (U.S. standard) ATV is currently handling on-location TV recording of shows in CBS-TV's *Person to Person* series, and plans a number of location-taped specials of its own in Europe and the Far East. Included in this group of projects is a *Playhouse 90* special starring Laurence Harvey & Simone Signoret which would be the first U.S. dramatic TV show to be taped overseas. Also planned are taped specials ranging from Covent Garden opera productions in London to an outdoor water festival in Australia.

ATV, now taking a more active role on the international telefilm front as well as in the tape field, is mapping new film specials & series. ATV deputy managing dir. Lew Grade & production executive Val Parnell (who is also managing dir. of the London Palladium) along with ITC's Harris, are currently concluding a U.S. visit during which they've discussed co-production film deals with U.S. networks & movie majors. Two new telefilm series, *Whiplash* (filmed in Australia) and *Danger Man* (filmed in Europe), exist in pilot form, and are being shown to potential buyers as possible mid-season replacements or fall program purchases. Production chief Harris envisions telefilm production moving toward a more international level in 1960. "There are really only 4 film centers that can act as a production base for a 39-week telefilm series—Hollywood, N.Y., London & Sydney," he told us in N.Y. last week. "Among these, our own ATV-ITC production plans call for a slightly heavier balance of production of film & tape shows outside the U.S. than in it."

HOLLYWOOD ROUNDUP

Katz Sees Early Sell Season: Oscar Katz, CBS-TV network programs vp, sees indication of an earlier selling season than usual for the fall of 1960. He told us he believes most shows will be bought in Feb. & March. CBS-TV has already bought one series for the fall, *The Tom Ewell Show*, from Four Star Television.

The network is also involved in over 30 pilot projects, though it hasn't yet been decided how many will be filmed. Filmed thus far are a 60-min. untitled underwater series, to be produced by Ivan Tors at Ziv TV, with Keith Larsen & Jeremy Slate starring; *The Defenders*, a 60-min. action-adventure show, with Herbert Brodtkin producing for the network (no cast set); and *Pete & Gladys*, starring Harry Morgan, with Parke Levy producing. Among the network projects being considered for piloting are *Mountain Man*, a Western which would be on film, and *Star Witness*, a live & tape series.

Warner Bros. has merged its TV commercial & industrial films div. with its cartoon div. David H. De Patie, gen. mgr. of the former has been named gen. mgr. of the combined div. . . . Screen Gems plans a series titled *Sea Rover*, to be produced by Art & Jo Napoleon . . . Pinebrook Productions Inc. has been formed by Richard Conte for the production of movies & TV films.

Producer Aaron Spelling is planning a pilot, *Tales of the Unknown*, an anthology series about the supernatural —also 2 Westerns *Border Town* and *The Reno Brothers* . . . NBC will finance the pilot of an untitled comedy series to be produced by Stanley Roberts' SR Productions.

MGM-TV has signed Richard Chamberlain as the lead for its pilot, *The Paradise Kid*, produced by Paul Monash. Incidentally, all of MGM-TV's pilots will be produced as originally scheduled, being in no way affected by the WGA strike; scripts had been prepared before the Jan. 16 walk-out . . . CBS Films Inc. has signed producer-director Ralph Levy to produce a half-hour comedy series.

Roncom Productions has signed Shelley Hull to produce a Western pilot, *Tate* . . . Karen Sharpe is leaving her regular role in the *Johnny Ringo* series, complaining she hasn't been given enough to do.

Television Film Assn. has named John P. Ballinger of Screen Gems as president; Jack M. Goetz of Consolidated Film Industries, vp-dir.; Nicholas Muskey, Bekins Film Service, secy.-treas.-dir. . . . Joe Seinfeld has been named asst. to Screen Gems vp-exec. prod. Harry Ackerman.

Desilu Productions has shelved its pilot plans for *The Marie Wilson Show* and *Guestward Ho!* . . . Revue has signed Richard Greene & Robert Strauss to star in the pilot of *Love & Wahr*, which Richard Irving is producing. The pilot will be filmed in Mexico.

Sidney P. Solow, vp-gen. mgr. of Consolidated Film Industries, has been named chairman of the film archives committee of the Hollywood Motion Picture-TV Museum . . . Crosby-Brown Productions will finance Bill Burrud's new *Flight to Adventure* series.

Allied Artists Pictures has begun production on *Simon Lash, Detective*, its first 30-min. TV series for ABC Films' distribution. Sidney Salkow has been named producer-dir.

NEW YORK ROUNDUP

New Ampex "Inter-Sync" accessory for its Videotape recorders is aimed at making electronic editing easier and eliminating rollover when switching between VTR & another picture source. Replacing the standard drum-servo unit in the recorder, InterSync combines 2 picture sources, field by field & line by line, eliminating rollover in electronic editing, switching from live to tape, switching from one VTR to another, etc. The first engineering models were used in production of ABC-TV's *Pat Boone Show* last Oct. 1. ABC-TV has ordered pre-production units for delivery this month. Pre-production models also will go to Electronic Videotape Editing Service Inc., N.Y., in March and to CBS-TV next May. Full production units will be available in Aug. and will be offered as accessories for present VTR installations & future orders.

TV Program Export Assn. elected as pres., Merle Jones, CBS stations div. pres., at a board meeting in N.Y. Named vps were Sidney Kramer, vp, NTA; Martin N. Leeds, exec. vp, Desilu Productions; Thomas J. McDermott, exec. vp, Four Star TV. Herbert L. Golden, vp, United Artists & pres., UA-TV, was elected secy.-treas. The officers will serve until a special meeting of directors, scheduled for April 19, at which time permanent officers will be elected. "All necessary legal steps for immediate association action were taken at the meeting," a spokesman reported. (The assn. was fully incorporated in Delaware on Dec. 23, 1959). An exec. committee comprising the full board will serve until April 19. Other committees appointed last week include: Business agenda committee, Morris M. Schrier, MCA-TV, chmn; personnel committee, Harold J. Klein, ABC Films, chmn. All newly-elected officers & committee chairmen are charter members. Other charter members include Danny Thomas, Marterto Enterprises; Alfred R. Stern, NBC; Lloyd Burns, Screen Gems.

Screen Gems is feeding post-1948 feature films into syndication channels. They're nearly all European productions or co-productions with American producers not governed by SAG rulings. A total of 13 such titles ("State Secret," "The Detective," "Storm Over the Nile," etc.) are included in the latest Columbia Pictures-Universal batch of 78 features released recently by Screen Gems, on which sales have been scored so far in nearly a dozen markets. Screen Gems is also releasing the British-made *Ivanhoe* 30-min. adventure series as its mid-winter offering in the U.S. syndication market, as well as the reruns of *Wild Bill Hickok*. *Ivanhoe* stars Roger Moore, hitherto an unknown British actor but currently becoming known in TV as a star of Warner Bros.' *The Alaskans*.

Stanley Dudelson has been named syndication sales mgr. of Screen Gems . . . Perry Cross, ex-NBC-TV producer, has signed an exclusive producer's contract with CBS-TV . . . Sidney Kramer elected NTA foreign sales vp.

Ziv-TV announced 9 exec. promotions recently. M. J. Rifkin was named exec. vp for sales; Maurice Unger, exec. vp for productions and Robert W. Friedheim, administrative vp. Also named vps: Joseph W. Bailey, for eastern production; Edward J. Broman, regional sales; Len Firestone, syndication sales; Frank Reel, for legal affairs; James Shaw, national & regional sales; & Pierre Wejs, gen. mgr. of Economee, Ziv's rerun sales div. . . . Bob McCahon has been named a staff dir. of TV commercials, Robert Lawrence Productions.

Foreign

Africa As A TV Market: A growing, quota-free export market for American programs in Tanganyika, the Rhodesias & Kenya is "in the not-too-distant future, and should be explored immediately," ABC-TV correspondent-producer Helen Jean Rogers told us last week. Most other African countries have, or will have, govt.-controlled TV "similar to France," she said. Miss Rogers recently returned from Africa, where, while covering 20,000 miles ("mostly in a British jeep") and shooting 30,000 ft. of film, she was able to observe Africa's present TV situation. Her film will be seen as an ABC-TV documentary Jan. 31 (see below).

Most African areas regard TV as a potential medium for English instruction, and TV is frequently a favorite election promise in the new African nations, said Miss Rogers. However, in apartheid-conscious South Africa, govt. officials oppose the medium "as undesirable in the current state of Africa's development," and are "particularly opposed" to visits by American TV journalists, she said. There is a "basic, profound suspicion" of U.S. TV in South Africa, and cabinet members & other officials are "only permitted to be interviewed for British TV."

The only operating TV system in the lower part of Africa is in Western Nigeria where operations began last fall. Govt.-supplied TV sets are provided to schools & other community centers. Programs, produced by England's commercial firms, include "How to Bathe Children," "How to Avoid Leprosy," "Exemplary Nigerians."

* * *

Inevitable topical rivalry in the wake of increased world interest in African nationalism is now a scheduling fact. Due on each of the 3 networks within a single fortnight, starting Jan. 31, is a prime-time special on Africa: "The Dark & the Light," on ABC-TV, Jan. 31; "Freedom Is Sweet & Bitter," on NBC-TV, Feb. 6; "The Freedom Explosion," in the *CBS Reports* series, CBS-TV, Feb. 15.

* * *

TV Society of South Africa has been formed to fight govt.'s anti-TV policy (Vol. 15:45 p23). It plans to submit a petition for TV to be signed by a half-million persons. The South African govt. contends that TV may be detrimental to children and "the less developed races," and has banned discussion of TV on the state-owned radio network. The *London Observer's* Stanley Uys reports, however, that "the necessary technical tests have been made by the South African Bestg. Corp. which would enable TV to be speedily introduced if the [South African] Cabinet were to sanction" TV. He adds that local commerce & industry are demanding TV. "Several commercial companies are keen to establish stations, and business sees it as a stimulus to consumption & expanding production. The Federated Chamber of Industries of South Africa recently called on the govt. to allow its introduction."

* * *

Kenya's TV-study commission has recommended introduction of video service in the African territory by mid-1961. The commission, appointed by the Kenya govt. in Oct., calls for govt. financing to establish a TV station, says operating costs should be covered by ad revenue.

* * *

Western Nigeria's commercial TV stations—at Ibadan & Ikeja (Vol. 15:34)—have designated Intercontinental Services Ltd. (Harry Engel) as their U.S. advertising rep. Owner Radio Nigeria, owned in turn by Rediffusion Ltd. of Britain, will establish a commercial radio station.

Auxiliary Services

TelePrompTer's CATV Plans: TelePrompTer Corp., which last month disclosed that it had invested \$747,000 in 3 community antenna systems (Vol. 15:49 p4), now reveals that it hopes to spend \$2 million more to acquire 10 more systems, a microwave common-carrier service and a CATV-equipment manufacturer.

In the prospectus for the recent sale of 145,000 shares of common stock through an underwriting group headed by Bear, Stearns & Co., TelePrompTer Corp. discloses it is negotiating for all the assets of Antennavision Inc., Merrill CTV Inc. and Antennavision Service Co., all owned by Bruce Merrill of Phoenix, Ariz. The companies own 10 CATV systems in Cal. & Ariz., as well as a microwave carrier serving 7 of the systems, and the AMECO div. which makes CATV equipment.

TelePrompTer previously had bought Antennavision of Silver City (N.M.) from Merrill, and options on CATV systems in Farmington and Rawlins, Wyo., as well as on a microwave system serving Farmington and another system. The firm is also currently negotiating for an option on radio KNDE & KNDE-FM Aztec, N.M., for \$52,500 in cash or stock and assumption of \$30,000 in liabilities.

The prospectus lists these balance-sheet items for the 3 combined CATV companies as of last Aug. 31: Current assets, \$114,694 (including \$24,000 cash); property, plant & equipment, \$455,857 (less \$218,415 accumulated depreciation); total assets, \$378,661. Current liabilities total \$111,681, long-term debt \$14,629. Earnings statement for the 3 CATV companies for the year ended Aug. 31:

	1959	1958
Services, rentals, etc.	\$590,842	\$416,960
Net earnings	89,797	32,371

TelePrompTer's balance-sheet items as of Aug. 31 (figures in parentheses are after pro forma adjustments including recent stock sale and acquisition of the 3 CATV firms): Current assets, \$898,994 (\$1,617,614); property, plant & equipment, \$1,399,394 (\$2,211,373) excluding \$827,390 accumulated depreciation & amortization; total assets, \$1,935,069 (\$3,891,189). Current liabilities, \$457,798 (\$382,798); long-term debt, \$473,131 (\$3,131).

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Open-closed-circuit TV system will be installed on the Orient Line's new 40,000-ton luxury liner Oriana. The Marconi installation will have facilities for complete closed-circuit programming (2 vidicon cameras, 2 film projectors, 2 slide projectors). While in ports of call, the shipboard receivers will be able to tune TV channels on any of the 3 major world-wide TV standards (525, 625 or 405 lines) through means of a converter in the control room which uses the vidicon cameras to reprocess 525- or 625-line telecasts to the British 405-line system. Initially about 60 receivers will be installed in public rooms and first-class cabins; provision is being made for nearly 400 sets.

Telemeter Pres. Louis Novins in N.Y. Jan. 21 enlarged on his Oct. statement (Vol. 15:40 p19) with the information that he is planning Toronto-type pay-TV experiments in "more than 4 but less than 10" U.S. areas. Novins wouldn't name the locations nor date their starts, because "plans are still in the consideration stage" and there are "possibilities of eliminating certain areas."

Illustrated CATV booklet, *Over the TV Horizon*, explaining why systems got started & how they work, has been published by the National Community TV Assn., 1111 E St., N.W., Washington 4, D.C. Single copies are available free, 100 for \$8 and 5,000 or more for \$76 per 1,000.

Congress

Senate probe of FCC and other regulatory agencies under Sen. Carroll (D-Colo.), which got off to 2 faltering starts last year (Vol. 15:47 p14), probably will get another go-ahead at this session. Senate Judiciary Committee Chmn. Eastland (D-Miss.) has asked the Senate for \$115,000 for Carroll's administrative practice & procedure subcommittee to continue "a full & complete study" of laws governing the agencies. Under Eastland's resolution the subcommittee would file findings & legislative recommendations before the end of 1960. Eastland also asked for \$425,000 this year for the Judiciary anti-trust & monopoly subcommittee headed by Sen. Kefauver (D-Tenn.), jurisdiction of which includes proposals to permit TV blackouts of baseball games by major clubs (Vol. 15:37 p3). New on the Carroll subcommittee's agenda will be an agency codification bill (S-2849) by Minority Leader Dirksen (R-Ill.), who effectively blocked any 1959 action on an American Bar Assn. measure (S-2374) forbidding *ex-parte* contacts with the agencies. Co-sponsored by Sens. Wiley (R-Wis) & Hruska (R-Neb.), the Dirksen bill would impose uniform administrative procedures on all regulatory bodies.

FCC's \$2.25-million request for a 2-year uhf study (see p. 1) topped TV-radio-related items in President Eisenhower's \$79.8-billion budget submitted to Congress. The estimated cost of the special survey swelled FCC's 1961 fiscal budget to a new high of \$13.5 million vs. \$10.55 for 1960. Relatively minor across-the-board increases for regular Commission operations accounted for \$300,000 of the budget raise sought. In other budget items affecting broadcasting: (1) As expected, FTC raised its sights by about 10% (Vol. 16:3 p8), asking for \$7.6 million vs. \$6.84, earmarking investigation & litigation boosts "to support more effectively the Commission's efforts" in policing TV & radio advertising practices. (2) USIA asked for \$105.8 million vs. \$101.5—expansion of "worldwide TV, motion picture and information center activities" accounting for \$813,000 of the increase and stepped-up Voice of America radio programming getting a \$302,000 raise. (3) HEW filed a \$4.7-million 1961 request for educational media (including TV & radio) research grants under Title VII of the Defense Education Act—up \$1.7 million from \$3 million in fiscal 1960.

Action on ETV bills providing govt. grants to states for equipment purchases has been put off again by the House Commerce communications & power subcommittee headed by Chmn. Harris (D-Ark.). In its first meeting in the new Congressional session, the subcommittee discussed plans to tour educational TV installations in Albuquerque, St. Louis, Omaha and Champaign, Ill. (Vol. 16:3 p6). But it set no schedule for the trips or for any vote on a Senate-passed \$51-million ETV measure (S-12) by Sen. Magnuson (D-Wash.) or House variations of the proposed legislation. Meanwhile, Rep. Collier (R-Ill.) said subcommittee field hearings last fall had convinced him that: "In-school educational TV has a tremendous potential. It is now & can become an effective tool for better education, particularly in specialized fields."

TV campaign financing by the govt. for Presidential & Congressional candidates, as proposed in an elections bill (S-2823) by Sen. Neuberger (D-Ore.) "to correct certain abuses" (Vol. 16:3 p14), is getting heavy Democratic support. Already signed up as co-sponsors are Sens. Kennedy (Mass.), Mansfield (Mont.), Morse (Ore.), Murray (Mont.).

Stations

THAT ARB COVERAGE STUDY: Electronic computers have thrown a new element into estimates of station coverage, but it's too early to tell whether it's significant. Virtually every market checked so far shows viewing in counties beyond those previously considered within a station's regular coverage. The situation:

American Research Bureau, which previously checked station coverage by distributing viewers' diaries in areas which ARB considered to be within "normal" service ranges, is now using a Univac computer. The computer "sweeps" data from the entire country, reporting every instance of viewing. Says ARB Pres. James Seiler: "All we know so far is that Univac will tell us that there is at least one instance of viewing in a particular county. It could be one home in the county, or all of them. We don't know yet."

"We won't know, until about summer, what percentage of homes are reached in each county. In determining station coverage areas, most organizations consider that a station's influence is negligible if it reaches less than 10% of a county. Some use a figure of 25%, and so forth. As of now, however, there are strong indications that service areas will be larger than previously estimated. That's about as far as we can go."

To illustrate what Univac is showing, Seiler said: "It will report an instance of reception in Portland, Ore. of an Eastern station, by skip transmission."

Virtually every market checked so far shows viewing in counties beyond those previously considered within a station's regular coverage. Recently, ARB worked up figures for 4 random markets, found that Columbus, O. stations were reaching 27 more counties than previously included in coverage estimates, Philadelphia 31, Kansas City 33, Detroit 25. Seiler attributes the extensions to power-height increases.

Chandler Gets Set For Expansion: Los Angeles Times-Mirror Co. Pres. Norman Chandler, chmn. of its broadcasting subsidiary, KTTV Inc., has made a sweeping series of corporate actions to pave the way for expansion & diversification in the broadcasting field. Chandler's plans for expansion came as no surprise (Vol. 15:44 p8). KTTV Inc. Pres. Richard A. Moore said the subsidiary's name has been changed to Times-Mirror Bestg. Co., with Robert W. Breckner made a vp as well as gen. mgr. of KTTV. This leaves Moore free to handle the area of acquisition & expansion for Chandler.

Other changes: Charles B. Thornton and Otis Chandler named directors of the T-M Bestg. Co.; Dick Woollen named vp of T-M Bestg. Co. and program dir. of KTTV, also mgr. of the company's national syndication div.; H. Bruce Baumeister named general counsel of T-M Bestg. Co.; KTTV sales vp John R. Vrba becomes sales vp of T-M Bestg. Co. for KTTV and the company's newly formed commercial-tape division. All promotions go into effect Feb. 1.

In addition to running KTTV, the T-M Bestg. Co. operates a division for production & distribution of programs on video tape.

RCA TV tape recorders were shipped last week to WTOP-TV Washington, D.C. and educational WEDU Tampa-St. Petersburg.

Canadian Set Census: Latest sampling survey of Canada's TV penetration shows 3,493,600 households, or 81% of Canada's 4,294,500 homes, are TV-equipped. These figures are from the Bureau of Broadcast Measurement's Nov. 1959 estimates, issued last week.

The full survey results, by counties & census districts, will be included in the forthcoming Spring-Summer TELEVISION FACTBOOK. Here are BBM's estimates of TV households in Canada (excluding Yukon & Northwest territories) as of Nov. 1959:

Province	Population	Households	% TV	TV	
				Households	Households
Newfoundland	452,400	85,900	39	33,500	
Prince Edward Is.	102,800	23,500	62	14,500	
Nova Scotia	722,400	169,400	81	138,000	
New Brunswick	595,500	129,200	75	96,300	
Quebec	5,048,900	1,092,900	89	976,900	
Ontario	6,013,100	1,549,100	88	1,369,900	
Manitoba	893,000	229,000	73	166,800	
Saskatchewan	910,400	241,700	64	155,600	
Alberta	1,257,100	329,300	70	231,000	
British Columbia	1,585,800	444,500	70	311,100	
CANADA	17,581,400	4,294,500	81	3,493,600	

* * *

Decision on Canadian TV applications in Winnipeg & Vancouver are likely to come in around Feb. 1. Three groups applied for one channel in Winnipeg and 5 for the channel in Vancouver. The Winnipeg sessions revealed a letter by W. E. Williams, pres. & gen. mgr. of Procter & Gamble Canada Ltd., declaring that the 55% Canadian-program-content requirement was "impossible & unduly expensive" and warning that big TV buyers would turn to other media where dollar return is greater. The Vancouver sessions brought a protest from the British Columbia div. of the Retail Merchants Assn. against one applicant—Metropolitan Television Ltd.—because of "too much control of advertising & communications media in this various large area." Big partners in Metropolitan Television include Vancouver's only 2 daily newspapers, *The Sun* and *The Province*, and the 2 most popular radio stations, New Westminster's CKNW & Vancouver's CKWX.

NBC-RKO General station-swap intensions (Vol. 16:1 p9) have been communicated to FCC in the form of a letter signed by representatives of both. It says: (1) NBC will exchange WRCV-TV & WRCV Philadelphia for RKO's WNAC-TV & WNAC Boston. (2) RKO will buy NBC's WRC-TV & WRC Washington for \$11.5 million—if NBC can at the same time buy a TV station in another "suitable" market. (3) NBC agrees to comply with all provisions of the consent decree which requires it to sell the Philadelphia outlets (Vol. 15:39 p3). It's understood NBC is still negotiating for the purchase of a San Francisco station—KTVU or KRON-TV. The NBC-RKO agreement says the deal will be called off if NBC doesn't get another station by April 2. Under the consent decree, NBC can buy in San Francisco or other major markets if it satisfies Justice Dept. that the seller hasn't been threatened with the loss of NBC-TV affiliation. One unsettled matter in the picture is FCC's position on Philco's protest against the renewal of WRCV-TV & WRCV. RKO General Inc. is the station-owning subsidiary of General Tire & Rubber Co.

Virgin Islands get TV March 1 when WITV St. Thomas is scheduled to begin as closed-circuit CATV, carrying English-language programs, but also picking up Spanish-language shows from Puerto Rican TV stations. William R. Lastinger of Austin, Tex. is pres. & resident administrator of operator, Virgin Isle TV Cable Corp., which has \$30 installation charge and \$10 monthly fee. WITV also plans microwave to St. Croix and other Caribbean areas.

Programming

NETWORK PROGRAM SHIFTS: NBC-TV's nighttime program schedule began to look like the diagram of a Syracuse U. triple-reverse play last week as network officials added, dropped & shifted programs in the wake of a major round of mid-season sponsor cancellations. By comparison, program backfields at the other 2 networks were largely unaltered, but some ABC-TV & CBS-TV substitutions were in the works too.

At NBC-TV: A filmed-in-Europe series, *The Man from Interpol*, produced by the Danziger Bros. and sponsored by Sterling Drug, will replace taped, rating-light *It Could Be You*, cancelled by Pharmaceuticals Inc., in the Sat. 10:30-11 slot starting Jan. 30. *People Are Funny*, now in the Fri. 7:30-8 p.m. period, will move to Wed. 10:30-11 p.m., replacing Procter & Gamble-cancelled *Wichita Town*, effective in early Feb.

In a major Tues.-night shuffle effective Jan. 26, Ford's *Startime* specials will begin 60-min. earlier (8:30 p.m., instead of 9:30) in a move personally handled by NBC Pres. Robert E. Kintner. Ford is moving down to replace *Fibber McGee & Molly* (cancelled by Singer & Standard Brands) and *Arthur Murray Party* (moving to 9:30 Tues. in the first 30-min. of the vacated Ford slot). Now scheduled back-to-back at 10 p.m. Tues. with the dancing Murrays is *M Squad*, moving over from Fri. 9:30 p.m.—a slot that's likely to be filled by *Masquerade Party* which is expected to move over (*stay with us*) from CBS-TV's Mon. 7:30-8 p.m. slot—to be filled by the *Kate Smith* series.

Elsewhere on NBC-TV, Revue Productions' *Overland Trail* is due to replace Revue's *Riverboat* at Sun. 7-8 p.m., with the latter dropping anchor in the Mon. 7:30-8:30 period, replacing a pair of axed shows, *Richard Diamond* (Helene Curtis; Block Drug) and *Love & Marriage* (Nox-zema). The network's new 60-min. public-affairs series, *World Wide 60*, replaces *5 Fingers*, Sat. 9:30, on Jan. 30.

Substitutions at ABC-TV & CBS-TV

At ABC-TV: Having already replaced Dick Clark's *World of Talent* series with the filmed *21 Beacon St.*, ABC-TV's next program shuffle, we're told, will be to drop the nighttime version of *The Gale Storm Show*, sold to ABC-TV last season by ITC and scheduled in the Thurs. 7:30-8 p.m. slot. It's primarily a sponsor cancellation by Warner-Lambert, unhappy because *Gale Storm* reruns—under the same title—are scheduled as a 2:30-3 p.m. daytime strip for participating advertisers. No other immediate ABC-TV shifts are expected, although there's likely to be considerable juggling when the 1960-61 fall schedule is announced later this year.

At CBS-TV: As mentioned above, *The Kate Smith Show* is replacing *Masquerade Party* in the Mon. 7:30-8 p.m. period, a not-unexpected move since "Masquerade" was itself an interim replacement for *Name That Tune*, a musical quiz axed by CBS Inc. Pres. Frank Stanton in the wake of the quiz hearings. Being groomed as a possible replacement for either *The Lineup* (cancelled by CBS-TV) or *Big Party* (cancelled by Revlon, which wants a 60-min. weekly show) is a new 60-min. taped Nat Hiken package, *Madhouse 60*, whose pilot was recorded in N.Y. Jan. 19, with Nancy Walker & Eddie Foy Jr. starred. Kellogg, for budgetary reasons, may cut back on its sponsorship of the Sun. 7:30-8 p.m. *Dennis the Menace* (a rating success and not likely to be dropped) and its co-sponsorship of the Fri. 8:30-9 p.m. *Hotel de Parée* (lackluster ratings and a candidate for the network's axe).

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Personals: Lester Bernstein, NBC corporate affairs vp, named to represent the network on TIO board, succeeding Kenneth W. Bilby, recently named RCA public affairs vp (Vol. 15:52 p19) . . . James G. Hergen named daytime sales dir., Robert W. McFadyen daytime sales mgr., NBC-TV. . . William K. McDaniel named vp for NBC radio, succeeding Matthew J. Culligan, who resigned to join McCann-Erickson (Vol. 16:3 p9) . . . Richard Golden promoted from CBS-TV sales presentations dir. to dir. of sales presentations & mkt. planning . . . Norman F. Cissna named local sales mgr. of NBC's WNBQ Chicago, succeeding Kenneth Johnson, resigned to become exec. vp, Daren F. McGavren . . . William E. Coyle, sales promotion & publicity dir. of NBC's WRC-TV Washington, resigns effective March 1 to join Washington investment house of Ferris & Co. . . . George A. Graham Jr. promoted from sales planning vp to vp & gen. mgr., NBC radio; William F. Fairbanks promoted from national sales mgr. to sales dir.

Larry Carino promoted from acting mgr. to gen. mgr., WWL-TV New Orleans; Maurice J. Guillerman promoted from national sales mgr. to gen. sales mgr. . . . Robert B. Beusse named ad & promotion mgr., WOR-TV & WOR N.Y. . . . Lawrence H. (Bud) Rogers II and Mrs. Rogers are traveling in Europe before he takes over duties as operations vp of Taft Bcstg. Co. March 1 (Vol. 16:2 p 16) . . . William T. Wagner promoted from production mgr. to new post of program operations mgr., KTRK-TV Houston, Tex. . . . Mrs. Karen Rohwer, ex-WOI-TV Ames, Ia., named promotion mgr., KMSP-TV Minneapolis-St. Paul.

Alexander W. McCallum promoted to asst. national program dir., ABC radio . . . Leslie H. Peard Jr., Triangle Stations regional sales development dir., named gen. mgr. of Triangle's radio KFRE Fresno, Cal., succeeding Robert F. Klein, resigned . . . Carl L. Kowalski advances to partnership in Washington engineering firm of Silliman, Moffet & Rohrer . . . Morton A. Barrett appointed Bolling vp & Chicago office mgr. . . . Maurice E. (Doc) Fidler promoted from regional mgr. to div. mgr., RAB's member service dept., effective Feb. 15.

Chmn. Magnuson (D-Wash.) of the Senate Commerce Committee will address a Washington meeting of TvB Feb. 4 in the Statler Hilton Hotel, where TvB's wide-screen presentation "The Exponential" will be shown. Members of Congress, govt. officials, advertising & agency executives and delegates to the mid-winter conference of the Advertising Federation of America have been invited.

Hot Rod: Rod Erickson, ex-sales vp of Warner Bros. TV (and still linked to WB in an advisory capacity), was wearing 4 hats last week:

1. Network hat: While other deals (see below) simmer, Erickson has been retained as a "special sales consultant" by NBC-TV to line up sponsors (at \$1.8 million per 1/3 sponsorship with an expected cpm of \$2.08) for NBC's unsold TV-radio 1960 political coverage. This should run 43 to 60 broadcast hours.

2. Canadian hat: The pres. of Rodney Erickson Enterprises is co-owner of a new Toronto production firm, CanTel Ltd. Already offered \$500,000 for his interest (even though CanTel has yet to produce a show), Erickson intends to package "live & film shows in Canada that will satisfy Canadian quota requirements and be salable in the U.S. & elsewhere." He is also considering diversification moves into the Canadian fields of stations and film commercials.

3. Film hat: Erickson's U.S. firm is now handling sales representation of 2 new filmed comedies, *Double Take* (about 2 photographers) and *Don't Tell Roger*, and a private-eye series, *Life & Hard Times of Barney Benedict*, packaged by N.Y. commercial production independent Filmways. The latter is now represented in network TV with *21 Beacon St.* on ABC-TV. Erickson is also a dir. of Sapphire Ltd. and Walton-on-Thames studio, and handles U.S. representation of Sapphire projects done outside of its production deal (*Four Just Men*) with ITC-ATV. These projects include a 30-min. drama series *Women in Love* starring Olivia de Havilland, and tape specials.

4. Station hat: Erickson confirmed a Washington report that he is heading a financial group seeking to buy U.S. TV stations. "We hope to acquire as many as 6 in major markets, and we're close to 2 deals," he told us.

Conspiracy case against Alexander L. Guterman, former head of MBS, & other defendants, is expected to go before the jury in N.Y. Federal District Court by midweek. The govt. rested its case Jan. 20 in the 7th week of the trial. It charges that the defendants (including Robert J. Everleigh & F. L. Jacobs Co.) willfully failed to file necessary financial reports concerning Jacobs Co. with SEC & the N.Y. Stock Exchange. Federal judge Lloyd F. MacMahon dismissed 4 of the 21 counts on the defense motion. Jacobs Co. had previously pleaded guilty but sentence was reserved until conclusion of the trial (Vol. 15:50 p9).

Obituary

Horace Feyhl, 68, with WCAU radio for 30 years, died Jan. 21 at his home outside Philadelphia. He retired last year as night mgr. & coordinator of remote bcsts., and had previously been announcer, performer, writer, director & producer with the station. Mr. Feyhl was credited with building some of the first mobile sound units for radio. He is survived by his wife and a son.

Miller McClintock, 65, pres. of MBS from 1942 to 1944, died Jan. 10 at his home in Scarsdale, N.Y. Considered one of the country's leading automobile traffic experts, Dr. McClintock headed the Traffic Audit Bureau from 1933 to 1942. He was also a dir. of Muzak Corp. and Encyclopedia Britannica Films. He is survived by his wife and 2 sons.

William Marsh, 50, RCA broadcast & TV equipment div. sales rep for N.C. & S.C., headquartered in Atlanta, was a victim of the Jan. 18 Capital Airlines crash near Holdcroft, Va., which claimed 50 lives. He joined RCA 2 years ago, had been asst. chief engineer of WREC-TV Memphis. His widow and daughter survive.

Trade Report

JANUARY 25, 1960

JAPANESE TV EXPORTS IN VIEW: Nippon is set to cut a wedge of the U.S. TV pie—via "true portable" transistorized battery-operated sets. Although production hasn't begun yet in Japan, perhaps a dozen Japanese TV makers are hoping to aim 8-in. battery sets at American markets, and their agents & distributors here are anxiously awaiting first sets—even to the point of advertising them in the trade press.

Japanese may not beat U.S. manufacturers even in timing. Several American TV makers are now tooling up for direct-view battery-TV sets for spring & summer markets.

Sony's widely-publicized receiver is slated to reach U.S. dealers by April, offering such attractive features as direct viewing, 13-lb. weight, compact (6¼x8x8¾-in.) dimensions, with initial price tag of around \$250. Also in Japan's transistor-TV swim are majors Toshiba, Nippon Victor, Mitsubishi, Hitachi, Matsushita, Nippon Columbia—all of which have announced sets, some having shown samples to their U.S. agents.

Attitude of U.S. makers can be summed up as "Let 'em come." There's feeling too that industry, still bleeding over damage inflicted by Nippon transistor radios, welcomes TV invasion—welcomes it with the warm feeling of being on right side of an ambush. Some are convinced that Japanese TV portables will fall flat on their 8-in. faces. Others believe Nippon's venture will provide American producers with cheap & painless answers to plaguing questions about the nature & scope of a portable-TV market. Above all, Japanese competition will arrive in an area dominated by American know-how. When it comes to TV, large or small, U.S. makers have big technical & commercial lead. But U.S. is not playing waiting game. Japanese TV imports will run smack into solid Yankee transistor-TV competition.

Emerson will put direct-view TV portable into production within 60 days, Pres. Benjamin Abrams told us. Price & size are still under wraps. Best guess: a 14-in. set selling for less than \$250. Some other U.S. makers are known to be hard at work in pre-production labs, while still others snort at the very idea of a mass market for battery TV.

Japanese impact on U.S. TV market should be slight, leaders tell us. There are just too many road-blocks. Some of the major ones:

(1) Existence of battery-TV market still has to be proved. Some leaders, like Zenith Sales Corp. Pres. Leonard C. Truesdell, doubt there's market big enough to warrant effort & excitement at this stage of transistor-TV development. Another large manufacturer recently shelved transistor-TV plans after an adverse report from its market research dept.

Philco's Safari personal portable TV, with 2-in. tube and mirror-reflex screen which gives illusion of a larger picture, has proved only that a few people will buy tiny portables at \$250 plus battery. Industry has watched Safari set sales closely as clue to possible transistor-TV market. Some manufacturers have concluded they showed there isn't big enough market for battery sets; others saw indication that mass market awaits big-screen direct-view set.

One former TV manufacturer, now very big in the phono business—CBS-Electronics—says it has no plans "at this moment" to go back into TV via Japanese portables, although it has seen 8-in. samples produced by its affiliate Nippon Columbia. "To find sales success here," Columbia phono dept. national sales mgr. Milton Selkowitz told us, "an 8-in. portable must get down into a reasonable price range—under \$200, even under \$150. Even then, we can't be sure a market exists. It's too rich for the teen-age market; we think the screen's too small to become a factor in the 2nd-set market."

(2) Tiny screen size is completely contrary to history of consumer preferences here. Even though it's bigger than Philco's picture, 8-in. is going to look mighty small to customers who are used to watching 21-in. sets and to whom "portable" means 17-in. History of conventional line-cord portables shows that 14-in. set died out when 17-in. units came in. Several manufacturers tried 8-in. portables, without much success.

It's believed that most U.S.-made direct-view battery-TV sets will be 14- or 17-in., particularly since purchase of such a set must be justified on basis that it's also a 2nd set for the home (both the Japanese and

domestic sets will be designed for either battery or line-cord operation). Dealers are now beginning to receive 17-in. & 21-in. sets in volume as trade-ins. Will public be willing to pay a premium for 8-in. sets—even with the novelty of optional battery operation—for use as 2nd sets?

(3) Japanese are beset by same technical difficulties as U.S. manufacturers in designing compact sets with low power consumption. To be acceptable, general assumption is that transistor set must be able to play about 4 hours before battery needs recharging—long enough for an afternoon's outing. And radio & TV history have shown that most portables spend the bulk of their service lives on the table. American manufacturers tend to agree that few buyers—except for the "novelty" trade—are ready to plunk down several hundred dollars for a small-screen portable that will spend most of its time in the home and only play for a couple of hours outside the home.

(4) Japanese may lose much of their price advantage in shipping costs. Compact pocket radios are a natural for Japan's export trade—they can even be shipped economically by air. But TV sets—even 13-lb. 8-in. models—may be a different story. And when screen sizes grow larger while competition dictates a lower price, the bind will become tighter.

(5) Servicing of Japanese TVs could be serious problem. Many purchasers of even top-brand Japanese radios have found themselves stuck with orphans because of unavailability of service or parts. Mass sale of foreign sets without adequate servicing facilities & technical information could create severe problem and quickly give them a black eye.

These views are not shared by importers of Japanese electronic products. Their opinions & transistor-TV plans are rounded up below:

TV-RADIO PRODUCTION: EIA statistics for week ended Jan. 15 (2nd week of 1960):

	Jan. 8-15	Preceding week	1959 week	'60 cumulative	'59 cumulative
TV	137,410	105,078	103,696	242,488	194,908
Total radio	309,162	306,076	279,954	615,238	533,975
auto radio	138,311	175,101	109,765	313,412	217,649

More about

MADE-IN-JAPAN TV NEARS: Tokyo-based Sony Corp. let it be known last week that it will begin production by mid-March of its previously announced 8-in. battery-operated, transistorized TV portable—for sale in Japan at about \$194.

In N.Y., Sony's U.S. distributor reported that initial shipments will reach U.S. early in April and go to market with a retail price around \$250. (See page 15). Delmonico International div. of Thompson Starrett Co. also went into the trade press with ads inviting dealer interest in the new units. Delmonico exec. vp Herbert Kabat said orders already were coming in from dealers, expressed hope that the U.S. retail price will drop under the \$200 level as Sony production takes hold & accelerates.

In a technical nutshell, Sony's transistor portable is advertised as having an 8-in. picture tube—weight (with batteries) of 13 lbs., over-all dimensions of 6¼x8x8¾ inches. It has 23 transistors & 14 diodes, a built-in folding antenna, and a self-contained rechargeable 12-volt battery. Delmonico, however, had no data on battery life, playing life per re-charge, replacement cost. We also ran into considerable "lack of data" in our survey of other importers of major Japanese radio brands. It seems evident that Sony has a big lead over its competitors for U.S. business, if the announced production date holds firm. Here are views of other Japanese TV reps:

Sampson Co. (Hitachi): Pres. Robert Sampson told us he has no data on the size or availability of Hitachi's transistor portable, doubts that it's in production, believes only developmental models have been produced so far. He has

no idea when it will be commercially available either in Japan or here. "We'll be very happy if we can do anything by fall," he said, noting Sampson's policy to take on products only after they've had sufficient field & service experience domestically.

Transistor World Corp. (Toshiba): "We hope to have something in 8 to 9 months," we were told by asst. gen. mgr. Robert Henry. So far, this distributor has seen only lab models, he said. Henry noted that all Japanese TV makers have the problem of transistor selectivity, and that initial production of transistor portables will be so small that it will be retained for domestic sale. Once Toshiba gets rolling, "we hope to bring in a set priced under \$200."

Petely Enterprises (Nippon Victor): Pres. Michael E. Lee said Nippon Victor has announced an 8-in. transistor portable, but he hasn't seen it, has no data on it. He's leaving for Japan by month's end to confer with Nippon Victor on marketing the set in U.S. under Hi-Delity label.

CBS-Electronics (Nippon Columbia): Milton Selkowitz, national sales mgr. of the Columbia phonograph dept., said that affiliate Nippon Columbia has announced an 8-in. transistor portable, but Columbia Phono has no plans "at this moment" to distribute in the U.S. (it markets Nippon Columbia transistor radios). Selkowitz said this will not preclude Nippon Columbia's marketing the TV set through other U.S. channels—but not under the Columbia brand.

Lissner Trading Co. (Mitsubishi): Pres. Morton Lissner said Mitsubishi has a battery portable but he's not seen it or received information about it. He's expecting details soon, declined comment until familiar with the product.

Maco Electric (Matsushita): A spokesman told us this distributor had no knowledge about Matsushita's transistor

portables. However, it's reported that the Japanese firm has pre-production models of 8-in. sets.

Delmonico sales vp S. Lipper told us he expects the Sony TV set to attract widespread dealer interest and to produce considerably more retail outlets for the Sony radio line as well. First samples of the transistor TV set are expected in the next 2 weeks and will be used for dealer demonstrations & general promotion. He believes market is wide open for small battery portables, predicts they ultimately will be as popular as Japanese transistor radios. He foresees no service problems with the Sony TV set, said factory engineers will be sent to the U.S. to train Delmonico servicemen. "We see no limit or bar to the market," he told us.

* * *

Japanese answer to revitalized U.S. competition in price, quality & size of transistor radios: price cuts of 3% to 10% are being announced by Japanese radio mfrs.

Trade Personals: Carl E. Lantz, Admiral sales vp., elected pres. of new subsidiary Admiral Sales Corp., formed to handle sales, service, advertising and promotion for all Admiral consumer products. Other officers, all executives of the parent company: Ross D. Siragusa Jr., vp, electronics div.; B. H. Melton, vp, appliances; Harris Hesketh, vp, branch distributing div.

Joseph M. Hertzberg, ex-RCA mktg. vp, named to similar position with Philco's govt. & industrial div.—a new post . . . Alfred C. Viebranz, formerly with Sylvania and more recently account exec. with Young & Rubicam, named to new post of Sylvania Home Electronics mktg. vp; Austin J. White named gen. mgr., Sylvania Chicago branch . . . Clifford H. Lane promoted to mgr., industrial semiconductor products dept.

Robert J. Gilson, ex-Hoffman Labs, named systems management dir., Stromberg-Carlson electronics div. . . . Paul A. Johnston, dir. of information, appointed vp of TV Shares Management Corp., principal underwriter and investment manager for TV-Electronics fund . . . Max H. Krich, ex-pres. of Krich-N.J. Inc., RCA Victor & RCA Whirlpool distributor, named chmn; Frederic M. Comins named pres. . . . Hermon H. Scott, pres. of H. H. Scott Inc., elected a dir. & chmn. of the Institute of High Fidelity Manufacturers; Ray V. Pepe, vp of James B. Lansing Sound Inc., elected vp & dir. of the Institute.

Will M. Quinn Jr. named engineering mgr., in a consolidation of GE radio receiver dept.'s home phonograph & hi-fi components operations, headquartering in Decatur, Ill.; William B. Scott Sr., named mfg. mgr.; Marshall H. Terpening appointed employe & community relations mgr.; Marshall Bartlett Jr. named mktg. mgr., Syracuse; George M. Misenhelder, finance mgr., Owensboro, Ky.

Ray B. Cox, vp-gen. mgr., Hoffman Electronics consumer products div., was dismissed from Huntington Memorial Hospital, Pasadena, last week after minor surgery. He is expected back at his desk this week . . . William S. Hepner Jr., ex-asst. public information & publications dir. of Commerce Dept.'s Office of Technical Services, named mgr. of EIA's office of information, succeeding Herbert S. Hodge and reporting to public relations dir. Robert DeVore.

Dr. Martin A. Edwards appointed mgr. of GE electronic components div.'s new advanced product planning operation . . . Robert C. A. Eland promoted from Standard Coil chief engineer to new post of research & development vp . . . C. Robert Paulson named mgr., Ampex professional audio products div., succeeding Frank G. Lennert, who will remain as audio consultant.

More than 250 manufacturers of electronic equipment are now evaluating samples of the Nuvistor, RCA's thimble-size metal-clad electron tube (Vol. 15:29 p12), according to RCA electron tube div. vp-gen. mgr. Douglas Y. Smith. He predicted widespread use of Nuvistors in TV receivers & cameras, space vehicles and computers. Commercial production is due to begin this year. His comments were made last week during the annual tour of the division's plants by RCA tube executives. Also on the tour, kinescope operations mgr. H. R. Seelen predicted industry sales of picture tubes will continue in 1960 at "the same high level" established last year when more than 13 million units were sold, and John B. Farese, mgr., entertainment-tube products dept., forecast that receiving tube sales again will exceed 400 million.

Tests of Land 2-color theory as it applies to TV (Vol. 15:27, 32, 34, 40; 16:1 p20) by Britain's BBC are described in Jan. *Wireless World* (London). The conclusions, which conform with those of non-TV experiments undertaken by Britain's Goethean Science Foundation and *Wireless World's* own staff: "In view of the subjective nature of the colors and the fact that they depend a great deal on the composition of the pictures, it does not seem that Land color has much to offer for a practical system of color TV." BBC tests showed that the range of colors reproduced by the 2-color system was far more limited than that of the NTSC system and that color reproduction was partially inaccurate in objects with large areas.

Tape-recorder industry will produce 750,000 home recorders this year, at an estimated value of \$170 million, Ampex's Herbert L. Brown, pres. of the Magnetic Recording Industry Assn., said last week. He credited the emergence of 4-track pre-recorded stereo tapes with helping to save the tape-recorder industry and with bringing about the anticipated production increase from last year's estimated 650,000 machines at \$140 million.

"Quality stabilization bill" aimed at discount houses which sell trademarked products at prices less than those set by manufacturers, has been introduced by Rep. Madden (D-Ind.). He said the measure (HR-9692) isn't a fair-trade proposal. It merely "provides that a manufacturer may protect his property rights in his trademark simply by revoking—by mail, if desired—the right of an offending reseller to make any further use of, or reference to, the trademark," Madden told the House.

Admiral's stepping up first-quarter ad support of its 23-in. TV line. Admiral Sales Corp. Pres. Carl E. Lantz reports that "heavy distributor orders at our year-end sales meetings have resulted in more than doubling the company's investment in newspaper advertisements in every distributor's market." Scheduled 1,600-line insertions have been increased from 2 to 4, and four 1,000-line ads have been added in each of 81 markets. The newspaper inserts will be supplemented by 10 pages in *Life*, *Look*, *SatEvePost* during the 9-week period.

Compatible AM stereo broadcasting, using the Kahn system which employs 2 independent sidebands to carry the stereo information, will be adopted soon by CJAD Montreal, XEW Mexico City and 2 Venezuelan stations, according to Kahn Research Labs. Kahn system stereo may be received with 2 standard AM receivers.

Motorola had record sales of TV, stereo hi-fi and radio instruments last year, consumer products exec. vp Edward R. Taylor reported. TV unit sales were up 35% over the 1958 volume, stereo-hi-fi ahead more than 40%. Radio gains: portables 82%, clock radios 81%, table models 70%.

TOP 100 DEFENSE FIRMS: General Dynamics regained first place on the list of 100 leading defense prime contractors just released by the Defense Dept. for the fiscal year ended July 1959. Top in fiscal 1957, General Dynamics was edged out last year by Boeing (Vol. 15:4 p14). GE, 2nd among the electronics firms, dropped from 3rd to 4th place among all contractors.

Of the top 20 contractors, all of those not in the electronics field are aircraft companies, with the exception of Chrysler Corp. (No. 14) and GM (No. 20). The top 10 contractors, in order of ranking, were General Dynamics, Boeing, North American Aviation, GE, Lockheed, Douglas, Martin, Hughes Aircraft, AT&T.

We've listed the 28 electronics and related firms on Pentagon's list, with their standings among the top 100 companies, and the amounts awarded (in millions of dollars). Thirteen of the electronics companies climbed in rank in fiscal 1959; 8 slipped. Of these 8, however, 2 gained in dollar volume. (Dash indicates company was not among first 100 prime contractors for the period.)

	July 1958- July 1959		July 1957- July 1958	
	Contracts	Rank	Contracts	Rank
General Dynamics	\$1,616.4	1	\$1,383.2	2
GE	914.0	4	783.4	3
Hughes Aircraft	494.0	9	472.6	9
AT&T	476.5	10	659.8	6
Sperry Rand	403.2	12	361.9	11
Raytheon	392.6	13	237.0	22
IBM	276.9	17	316.4	14
Bendix Aviation	271.3	18	207.4	24
Westinghouse	238.0	19	268.9	18
RCA	199.7	22	288.1	15
Avco	183.7	23	86.5	31
ITT	139.1	26	96.7	30
Burroughs	120.9	29	71.6	35
Collins Radio	114.9	30	61.3	44
Minneapolis-Honeywell	104.6	32	47.0	55
Thompson Ramo Wooldridge	102.5	33	—	—
American Bosch Arma	101.5	35	70.9	36
Philco	95.9	37	66.2	38
Mass. Inst. of Technology	89.0	40	56.1	52
General Precision Equip't	72.7	47	52.9	54
Hoffman	57.7	54	—	—
Gen. Telephone & Electron.*	44.3	65	37.0	62
Lear	35.3	78	38.4	61
Standard Coil	35.3	79	—	—
Hazeltine	32.3	83	—	—
Cal. Inst. of Technology	31.6	86	45.4	57
Gilfillan Bros.	—	—	23.7	95
Continental Electronics	26.7	99	—	—
Magnavox	26.7	100	—	—

* Fiscal 1959 figure includes \$43.4 million awarded to subsidiary Sylvania; fiscal 1958 figure is for Sylvania alone.

Transitron Electronic Corp. has more than doubled its floor space by purchasing a 400,000-sq.-ft. Boston plant. The new facility is located on a 13.5-acre site. After extensive alterations, Transitron expects to employ between 2,000 & 3,500 at the former Maverick Mills textile factory. The transistor concern employs 4,500 at its facilities in Wakefield & Melrose, Mass.

Picture & receiving tube sales in Nov. were higher than those of Nov. 1958, but seasonally lower than sales of Oct., EIA reported last week. The Nov. and Jan.-Nov. factory sales with comparison figures:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
October 1959	1,007,211	\$19,306,788	42,680,000	\$35,527,000
November 1959	840,866	16,058,816	37,211,000	31,600,000
November 1958	789,283	15,007,653	35,604,000	29,854,000
Jan.-Nov. 1959	8,705,759	167,830,882	395,638,000	336,471,000
Jan.-Nov. 1958	7,603,449	150,838,366	368,862,000	316,806,000

Military Brass in Industry: Electronics may be the No. 1 industry in employment of retired generals & admirals, the report of a special House investigating subcommittee shows. In its report last week, the Armed Services investigation subcommittee printed a list of retired military officers now employed by the top 100 prime contractors in defense, on the basis of questionnaires to companies. The 20 electronics firms listed employed a total of 113 retired generals & admirals (out of 251 such officers employed by 72 firms responding to the questionnaire) and 566 retired officers of all kinds (out of total of 1,426).

The subcommittee headed by Rep. Hebert (D-La.) recommended legislation to bar all officers or civilians leaving the Defense Dept. from selling anything to the Pentagon within 2 years of their departure.

The electronics & related firms on the subcommittee list and the number of retired generals & admirals each company employs (followed by total number of retired officers employed) are as follows: General Dynamics 27 (186), GE 7 (26), AT&T 0 (6), Hughes Aircraft 5 (22), Sperry Rand 3 (30), IBM 1(9), RCA 15 (35), Raytheon 2 (19), Bendix 3 (29), ITT 14 (44), Avco 6 (8), Burroughs 3 (14), Philco 3 (29), Thompson Ramo Wooldridge 5 (12), Collins Radio 1 (11), GPE 6 (12), Lear 1 (2), Sylvania 1 (19), Motorola 1 (12), Westinghouse 9 (31). The complete list of ex-military brass now employed in large defense companies, with names, salaries, etc., is contained in the report of the subcommittee for special investigations, House Committee on Armed Services, on Employment of Retired Commissioned Officers by Defense Dept. Contractors, available from the Committee.

Dec. TV Sales Off: Retail sales of TV sets in 1959 totaled just about 5.75 million units—dropping below most late-year industry estimates because of a poorer-than-expected Dec.—preliminary estimates revealed last week. Dec. radio sales dropped below those of Dec. 1958.

December was the best month of 1959 for retail TV sales—this is traditional in the industry. It also was better than Dec. 1958—about 700,000 sets vs. 649,514—but didn't maintain the pace set in Sept. & Oct., when sales were at an annual rate of more than 6 million sets (seasonally adjusted). Normally, 13.3% of the year's total sets are sold at retail in Dec.—but the percentage this year fell below that. Dec. retail sales were at annual rate of 5.25 million.

It may be that TV seasonal sales patterns are changing—with monthly differences being ironed out & leveled off. A more even sales curve would be welcomed by the industry, of course, but the 700,000 retail figure for Dec. was something of a disappointment to those who foresaw a continuance of the Oct.-Nov. pace—which would have brought retail sales well over 800,000.

Radio retail sales for Dec. totaled about 1.75 million sets, vs. 1.8 million in Dec. 1958 and 1,016,634 in Nov. 1959—bringing total 1959 retail radio sales (excluding auto) to about 8.9 million units. Complete & official EIA retail sales figures are due in about 2 weeks.

* * *

Canadian TV sagged in Nov. as distributor sales to dealers tumbled to 46,125 TV sets—down from 56,410 in Oct. and 51,417 in Nov. 1958. For Jan.-Nov., cumulative sales still trailed the year-ago performance—373,757 TV sets vs. 390,312 sold in Jan.-Nov. 1958. The 11-month breakdown (corresponding 1958 figures in parentheses): portables, 63,629 (59,790); table models, 98,905 (122,230); consoles, 198,443 (195,848); combinations, 12,780 (12,444).

Magnavox Goes International: Magnavox Pres. Frank Freimann announced last week the first 2 of a series of world-market expansion moves by his company in the consumer electronics field: (1) The signing of an agreement with Britain's leading chain-store operator for British Commonwealth sales of Magnavox products. (2) The purchase of controlling interest in the Collaro Co., a leading British maker of record changers & recorders whose products are widely sold in the U.S.

In a N.Y. news conference Jan. 21, Freimann and Isaac Wolfson, chairman of Great Universal Stores Ltd., announced the agreement, which covers TV, radios & hi fi. Great Universal owns 2,700 retail stores in the U.K., Canada & Africa as well as a mail-order business serving 9 million customers. Freimann said the contract was Magnavox's first venture into the international market, and that the company later would extend its marketing to Europe and eventually to most of the world.

Magnavox thus becomes one of the first U.S. consumer-electronics manufacturers to take advantage of recent liberalization of British import restrictions. There was no indication whether the firm plans to enter production of its consumer products line in Britain through its new interest in Collaro or whether its consumer items will be exported.

The Collaro firm, which was acquired for cash, is a former subsidiary of Great Universal Stores. Collaro record changers are widely used in this country both in original and in consumer-assembled hi-fi installations. They are presently distributed in the U.S. by Rockbar Corp., Mamaroneck, N.Y.

Freimann said Magnavox's sales last year totaled more than \$108 million. Great Universal's sales volume in 1959 totaled more than \$750 million.

* * *

Magnavox may spend "close to \$1.5 million" in consumer advertising this year, Pres. Frank Freimann said, in announcing a stepped-up ad campaign keyed to the company's line of "Stereo Theater" TV-radio-phono combinations. Magazines, newspapers, spot TV & radio will be used. Freimann said half of Magnavox's TV sales dollar-volume stems from combination models. Stereo Theater line consists of 3 basic models—a 24-in. set with AM-FM radio starting at \$595, a 21-in. with AM-FM from \$550 and a 21-in. set without radio at \$389.90.

TV service complaints in Washington are declining, managing dir. Leland McCarthy of the local Better Business Bureau testified at a House hearing on a bill (HR-7714) by Rep. Foley (D-Md.) to license D.C. repairmen. He said his agency took no position on the measure, which was solidly opposed by the D.C. commissioners on grounds that special policing of TV servicemen would require tripling of licensing personnel. Local TV service organizations were divided on merits of the bill.

Emerson will return to color-TV market next fall, featuring color sets in both its Emerson and Du Mont lines, Pres. Benjamin Abrams told us last week. He said "no arrangements" have been made yet for production of the sets, when asked whether the chassis would be made by Emerson or produced on order by RCA. Emerson recently discontinued color TV production after making nearly 5,000 sets from 1955 to 1959 (Vol. 15:45 p3).

Webcor appoints North Advertising Inc. for its \$300,000-a-year account, effective April 15, replacing John W. Shaw Advertising.

Stromberg-Carlson will expand its activities in consumer, commercial & industrial communication products, vp Arthur J. Hatch Jr., gen. mgr. of the commercial products div. (formerly special products div.) announced last week. He said the division and its distribution & service system are being strengthened and announced these programs: (1) Additions to Stromberg's stereo hi-fi line. (2) New transistor auto radio models will be shipped within 30 days. (3) New Dial-X switchboard for private intercom telephone systems will soon be announced. (4) Distribution & service organization for the Pagemaster radio paging system is being expanded.

Sylvania has hiked TV production 50% to meet increasing demand for its 23-in. models, reported Sylvania Home Electronics Corp. Pres. Robert L. Shaw. He said the current backlog of orders is equivalent to nearly 6-weeks' normal production. He also noted that demand for Sylvania's \$19.95 Model 4P14 transistor radio has "far exceeded expectations," and said production is being increased.

Transistor sales dollar volume set a new record last Nov., although the number of units sold dipped sharply under October's record, EIA reported last week. Here are EIA's figures on factory sales of transistors for Nov. & Jan.-Nov. with preceding-month & 1958 comparisons:

	1959		1958	
	Units	Dollars	Units	Dollars
Oct.	8,710,913	\$22,109,748	5,594,856	\$13,461,857
Nov.	7,846,500	22,742,525	5,440,981	12,441,759
Jan.-Nov. .	74,467,929	199,189,791	44,423,144	96,133,811

Finance

Amphenol-Borg Electronics foresees a 1960 sales jump of 15%-20% over 1959 and "earnings should be up considerably more because of the elimination of non-recurring expenses and benefits that will be obtained from new facilities," reports vp John L. Woods. The Chicago-based maker of electronic components & equipment estimates a 1959 sales gain of about 19% to \$55 million, earnings of \$2.25 a share, up from \$2 in 1958. Backlog totaled some \$15 million. Based on present projections, earnings for the 3 months ending March 31 will be in the area of 70¢ vs. 50¢ for the same 3 months of 1959. Wood said that Amphenol-Borg is building a fabric-producing plant in England, is considering establishing other plants in South America, the Far East and the European Common Market.

Gabriel Co. anticipates 1959 earnings of about 80¢ a share, equal to the 1958 net, despite a net loss in 1959's final quarter. Vp-treas. Robert T. Hood attributed the 4th-quarter sag to the steel strike & cutbacks in auto production. (Some 60% of Gabriel's business is in the automotive supply field.) Hood said Gabriel's broadcast- & microwave-antenna producing electronics div. has been operating at a loss, but profits are foreseen in 1960. The electronics div. moves into a new plant at West Millis, Mass. this month, and important new contracts for antennas are in the house, said Hood. Overall, Gabriel anticipates in 1960 record sales of some \$40 million, compared with the 1959 estimated volume of \$29-\$30 million.

MPO Videotronics Inc., N.Y. producer of TV commercials & industry-sponsored motion pictures, has submitted an SEC registration (File 2-16028) for 150,000 Class A Shares for public sale. Francis I. du Pont & Co. is the underwriter of the offering, price & terms to be supplied in an amendment to the SEC statement. Of the 150,000 shares, 100,000 are to be offered by the company, 50,000 by MPO Videotronics Pres. Judd L. Pollock & other holders.

SEC vs. Skiatron: SEC administrative hearings for Skiatron Electronics & TV, trading in whose stock has been suspended for alleged inaccurate & inadequate statements in a 1959 registration statement (Vol. 16:3 p19), produced a mass of technical testimony—and little more—last week.

A staff of SEC lawyers headed by Eugene Rotberg spent the 2nd week of the proceedings in tedious questioning of representatives of N.Y. factoring firms. All had been involved—in one way or another—with transactions in Skiatron Electronics stock held by or loaned to Matty Fox's Skiatron of America, licensee of Skiatron's pay TV.

Following up first-week testimony by officers of the Colonial Trust Co. and Bache & Co., a succession of witnesses appeared on the stand in a drab little room in SEC's Washington HQ to pile up records of deals challenged by the market-policing agency. They included Morton Carlin, Judson Commercial Co.; Harry Bermack, Stratford Factors; Benjamin Cohen, Mid-East Securities & Reldan Trading Co. Gerald Pressman of Silver Co. was called as a govt. witness but he was excused when company counsel questioned relevancy of his testimony.

The testimony submitted for the factors was intended by SEC to show how Skiatron Electronics stock had been posted as collateral by Fox for loans to his privately-owned Skiatron of America—and then sold when the loans were defaulted. The Skiatron Electronics registration statement didn't disclose these transactions, according to SEC.

Next witnesses in the protracted proceedings, which were recessed until Feb. 19, are expected to include Skiatron Electronics Pres. Arthur Levey, Skiatron Electronics gen. counsel Kurt Widder and Fox, who is not involved directly in SEC's charges that Skiatron Electronics' stock registration statement was misleading. SEC attorneys said 2 more weeks of hearings probably will be necessary to wind up the case.

If SEC's complaint against Skiatron Electronics is sustained by hearing examiner Robert Hislob and by the Commission, SEC could issue a stop order suspending the statement for violations of registration requirements. Criminal prosecutions in such cases are rare unless "a concerted pattern of evasion" can be established, SEC secy. Orval L. DuBois told us.

Reports & comments available: Motorola, booklet, L.F. Rothschild & Co., 120 Broadway, N.Y. 5 . . . Packard-Bell, report, White, Weld & Co., 20 Broad St., N.Y. 5 . . . Rad-O-Lite Inc., prospectus, John G. Cravin Co., 56 Beaver St., N.Y. . . . Sonotone and Motorola, memos, Hayden, Stone & Co., 25 Broad St., N.Y. 4 . . . Ling-Altec Electronics, review, Alex Brown & Sons, 2 Wall St., N.Y. 5 . . . Stanley Warner, review, Schweickart & Co., 29 Broadway, N.Y. 6.

Increasing stock ownership by Eversharp in Technicolor Inc. is indicated by the election of Eversharp Pres. Patrick J. Frawley Jr. to the Technicolor board. In addition to its color film-processing business, Technicolor is deep in research on TV bandwidth reduction (Vol. 15:4 p3).

Polarad Electronics Corp. (microwave equipment) is now traded on American Stock Exchange. Symbol: POD.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Dresser Industries . . .	—	\$0.40	Mar. 15	Mar. 1
Gross Telecasting . . .	Q	.40	Feb. 10	Jan. 25
Gross Telecasting "B"	Q	.07½	Feb. 10	Jan. 25
Oak Mfg.	Q	.25	Mar. 15	Mar. 1
Stanley Warner	—	.30	Feb. 25	Feb. 8
TV-Electronics Fund . .	—	.08	Feb. 29	Jan. 29

Officers-&Directors stock transactions as reported to SEC for December 1959:

Allied Artists. Albert Zugsmith bought 11,100, held 122,906.
 American Bosch Arma. Sidney E. Miller exercised option to buy 100, held 1,250.
 AB-PT. A. H. Blank bought 500 for trusts, held 3,877 in trusts, 1,887 personally. Walter P. Marshall bought 100 as custodian, held 100 as custodian, 200 personally.
 Ampex. George I. Long Jr. sold 5,000, held 26,235. Henry A. McMicking sold 4,900, held 26,470. Robert Sackman sold 1,000, held 470. Thomas L. Taggart exercised option to buy 500, held 500.
 Amphenol-Borg Electronics. Matthew L. Devine sold 100, held 100.
 Avco. Arthur R. Kantrowitz sold 5,000, held 6,000. W. A. Mogensen sold 4,300, held 11,700. A. B. Newton bought 866, held 7,666. Curry W. Stoup sold 2,500, held 7,100.
 Cinerama. Sam Boverman bought 1,000, held 1,000. Nicholas Reisini bought 1,500 through Robin International Inc., held 2,500 in Robin International Inc., none personally.
 Corning Glass. Charles D. LaFollette exercised option to buy 1,500, held 12,514.
 Daystrom. Carlton S. Proctor bought 100, held 400.
 Emerson. Harold Goldberg sold 400, held 868.
 Filmways. William Cowan bought 1,000, held 1,515.
 Gabriel. Clarence M. Taylor sold 1,000, held none.
 General Dynamics. Lisle W. Adkins sold 100, held 400. Vernon W. Welsh sold 1,000, held 10,000.
 GE. William Rogers Herod exercised option to buy 292, held 11,836. George L. Irvine exercised option to buy 835, held 4,883. Clarence H. Linder sold 2,000, held 10,150. Jack S. Parker bought 5,278, held 7,100. Robert Paxton bought 6,450, held 24,727. Willard H. Sahloff exercised option to buy 2,445, held 6,677.
 General Instrument. Monte Cohen sold 6,300, held 718. S. W. Gross sold 2,000, held 500. Alois Konecny Jr. sold 2,500, held 7,200.
 General Precision Equipment. Gaylor C. Whitaker sold 500 from trusts, held 14,855 in trusts, 6,026 personally.
 General Telephone & Electronics. George W. Griffin Jr. exercised option to buy 1,292, held 1,402. J. B. Taylor exercised option to buy 625, held 725. Leslie H. Warner exercised option to buy 2,000, held 8,000.
 Hazeltine. Bertrand J. Tiffany bought 100, held 110.
 Hoffman Electronics. H. L. Hoffman sold 50,000 in private transaction, held 160,684. C. E. Underwood sold 5,000 in private transaction, held 10,000.
 Indiana General. A. J. Astrologes used option to buy 2,900, held 4,057.
 IBM. Walker G. Buckner sold 100 through foundation, held 500 in foundation, 1,631 in trusts, 2,089 personally. Sherman M. Fairchild sold 100, held 98,866.
 International Resistance. Ambrose H. Hardwick sold 1,100, held 1,020. Edward S. Weyl bought 100, held 21,885.
 ITT. Edward D. Phinney exercised option to buy 1,320, held 1,786. Paul F. Swante sold 800, held 5,134.
 Lear. Roy J. Benecchi sold 2,950, held 1,989. Harold J. Downee sold 625, held none. K. Robert Hahn sold 200, held 606. Richard M. Mock sold 6,530, held 11,033.
 Litton Industries. Roy L. Ash exercised option to buy 12,812, disposed of 305 through partnership in exercise of options by employees, held 62,611 personally, 5,274 in partnership, 1,450 as custodian. Myles L. Mace sold 4,000, held 12,560. Norman H. Moore sold 5,113, held 15,229 personally, 468 as trustee. Charles B. Thornton exercised option to buy 28,187, disposed of 2,000 in transfer of community property interest and 670 more through partnership in exercise of options by employees, held 148,550 personally, 11,599 in partnership.
 Loew's Theatres. Eugene Picker bought 200, held 1,000 personally, 300 in Esia Holding Corp.
 Magnavox. George H. Fezell exercised option to buy 347, held 397. Donald N. McDonnell bought 100, held 100. James A. Robinson Jr. bought 1,102, held 1,102.
 P. R. Mallory. F. E. Head sold 200, held 600.
 Microwave Associates. Vessarios Chigas sold 1,000, held 25,600. Irving J. Helman sold 400, held 100. G. S. Kariotis sold 1,000, held 4,000.
 Motorola. Charles E. Green sold 1,000, held 1,760.
 National Telefilm Associates. Harold Goldman sold 9,000, held none. Oliver A. Unger sold 20,000, held none.
 National Theatres & TV. Willard W. Keith sold 1,500, held 1,000. Jack M. Ostrow sold 5,600 through corporation, held 79,500 in corporation, 7,500 personally.
 Paramount Pictures. Barney Balaban sold 300, held 11,300.
 RCA. Charles M. Odorizzi exercised option to buy 9,000, held 10,527. Raytheon. George Ingram Jr. sold 875, held 1,881. N. B. Krim sold 1,000, held 2,450.
 Skiatron Electronics & TV. Arthur Levey sold 2,500 in private transactions, held 267,931.
 TelePrompTer. Irving B. Kahn bought 20,250, held 60,048 personally, 3,150 in partnership.
 Texas Instruments. Patrick E. Haggerty sold 500, held 122,031. C. J. Thomsen sold 400, held 12,613.
 Thompson Ramo Wooldridge. Harry D. Bubb sold 220, held 316. Burton F. Miller sold 300, held 3,757 personally, 9,000 in trust. M. E. Price sold 500, held 794.
 Tung-Sol. George E. Hallett bought 500, held 1,440. Paul Scharninghausen sold 200, held 510.
 20th Century-Fox. Robert Lehman sold 6,700, held 10,700.
 Varian Associates. C. V. Heimbucher sold 2,000, held 34,734. Ralph W. Kane sold 100, held 4,499. Theodore Moreno sold 1,000, held 9,185.
 Westinghouse. L. B. McCully exercised option to buy 1,500, held 3,300. L. W. McLeod sold 125, held 1,250. Gwylm A. Price sold 5,500, held 500. Harry E. Seim exercised option to buy 2,365, held 4,333. W. W. Sproul Jr. sold 600, held 1,676.
 Zenith. Alexander Ellett sold 500, held 100. Leonard C. Truesdell sold 150, held none.

Television-Electronics Fund 2-for-1 split in the common stock and a reduction in the par value from \$1 to 50¢ a share was approved by stockholders at the Jan. 21 annual meeting. Jan. 29 was set as the effective & record date of the split.

WEEKLY **Television Digest**

FEBRUARY 1, 1960

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

SUMMARY-INDEX OF WEEK'S NEWS

SPECIAL SURVEY REPORT:

Our exclusive list of the new pilots, ready or in the making; what Hollywood is offering sponsors for next season. (See White Supplement accompanying this issue; also pp. 3 & 7.)

FCC

VHF DROP-INS SET STAGE for Senate hearing; Providence & Grand Rapids favored in close FCC vote. Rule-making deadline extended to April 19 (p. 1).

FCC POWER & POLICY—industry view, as offered by highest-level spokesmen at Commission hearings; Stanton, Sarnoff, McGannon, Fellows are heard (pp. 2 & 4).

Auxiliary Services

TELEPROMPTER IS UNDER ATTACK by N.Y. State Attorney General for "attempting master monopoly" in heavyweight boxing promotion. It denies charges of violating anti-trust laws (pp. 3 & 14).

Finance

TV-RADIO PROFITS UP: 6 TV-radio-phono companies announce increased sales & profits in latest financial reports. Philco & Emerson report major gains, GT&E, Westinghouse, Siegler, Packard Bell also upbeat (p. 24).

Technology

STEREO COMMITTEE STYMIED by FCC's rejection of move to woo RCA & CBS into fold. Committee may be disbanded (pp. 2 & 21).

Manufacturing & Distribution

"MARKETING SUBSIDIARY" CONCEPT spreading in TV-radio-phono industry, as sales executive assumes key spot in industry where engineer formerly was top dog (p. 19).

MORE BRAND-NAME IMPORTS coming as Trav-Ler announces it will import radios, combinations & parts from Japan (p. 20).

STEREO, MICRO & SPACE to be spotlighted at next month's IRE convention. Highlight sessions listed (p. 21).

Advertising

BARGAINS IN CULTURE can be had on all 3 networks at rock-bottom prices as they try for best revenue they can get to launch the new roster of prime-time public-affairs specials (p. 9).

Congress

PAYOLA PROBE STAGE IS SET in closed-door dress rehearsals by House investigators. Ex-producer of Dick Clark ABC-TV show is questioned 2 days in secret (p. 6).

Other Departments

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VHF DROP-INS SET STAGE FOR SENATE HEARING: Sen. Pastore (D-R.I.) ought to be happy when he starts his TV allocations hearing Feb. 2, for FCC has finally proposed to satisfy his yearning for a 3rd vhf channel in Providence. Last week, Commission moved to implement its proposed short-spacing vhf drop-in plan, by proposing to shift Ch. 6 from New Bedford, Mass. to Providence. It also proposed to add either Ch. 13 or Ch. 11 to Grand Rapids-Kalamazoo area via mileage cuts.

Vote was close, 4-3, on Grand Rapids—Hyde, Bartley & Lee dissenting. Lee was absent during Providence vote, undoubtedly would have joined Hyde & Bartley in dissenting.

Pastore has said he wants to determine FCC allocation policy once & for all, and his Communications Subcommittee has set aside whole of Feb. 2 through Feb. 5 for job—may even sit Wed., FCC's regular meeting day. At week's end, in addition to FCC, testimony was expected from ABC vp Alfred Beckman, Rep. Ayres (D-O.) of Akron, Akron school supt. Martin Essex, William Putnam, pres. of uhf WWLP Springfield, Mass.

Bartley & Lee were brusque in their dissents. They couldn't find sense in proposing drop-ins using proposed standards—and tending to make the "interim" drop-in plan the "long-range" plan before a "long-range" decision has been made. Industry got a slight breather, meanwhile, when Commission extended from Feb. 19 to April 19 its deadline for comments on the drop-in proposal. FCC also finalized addition of Ch. 3 to Corpus Christi; this is a normally-spaced assignment.

FCC POWER & POLICY—INDUSTRY'S VIEW: With one brilliantly-presented exception, recommendations given to FCC last week by industry's very top spokesmen, boiled down to this: The Commission has some obligation to judge whether a licensee is doing anything to determine & meet his community's needs. The best way to do this is to ask the licensee to tell the Commission, in "narrative" form, what he has done & plans to do. Then, if he is caught in a lie, he should be punished—because of his unreliable character, but not because of the nature of his programming.

That was the advice given by NBC Pres. Robert W. Sarnoff, NAB Pres. Harold E. Fellows, NAB constitutional lawyer Whitney North Seymour and Westinghouse Bcstg. Pres. Donald H. McGannon. ABC Pres. Leonard H. Goldenson testifies Feb. 1. (For details of last week's testimony, see p. 4.)

The sharp exception was CBS Pres. Frank Stanton. His position: Any FCC examination of an applicant's "character" would inevitably lead to evaluation of his programs as the most significant measure of character—starting an unstoppable march to strict govt. control of programming. Stanton could see no reason for asking an applicant to tell what he has done to seek out a community's programming needs unless the Commission intends to judge whether the needs were subsequently filled. Otherwise, he said, the procedure would be merely "a field day for lawyers."

The "narrative" & "search out needs" idea could be termed the "Ford concept" because it was Comr. Ford who first broached it, in exactly the terms advocated by industry last week, in his Aug. 28, 1959, speech before W. Va. Bcstrs. Assn. (Vol. 15:35 p5).

Surprising result of industry's recommendations is that FCC Chmn. Doerfer found himself without major industry support (Stanton excepted) in his position that Commission has absolutely no power to touch programming in any manner. So disturbed was he that he told Fellows that he noted inconsistencies in his testimony and wondered whether he fully represented position of NAB membership & boards.

"Self-regulation" was theme of the week, generally, with witnesses asserting that quiz-rigging & payola were eradicated as soon as industry learned about them. Some spokesmen, however, had no objection to forbidding such practices by criminal statute.

Strong testimony against licensing of networks was offered by Sarnoff & Stanton. They could see no purpose in it unless it would be to put a finger on network programming—which, of course, would be anathema.

The "narrative-on-needs" concept has a lot of support, now that the tremendous hearing is almost over. It may be adopted eventually. What isn't clear yet, even from Comr. Ford, is what FCC would or could do if it found the narratives dull.

FCC REBUFF STYMIES STEREO COMMITTEE: The woe-beset National Stereophonic Radio Committee last week took a body blow which may prove fatal: FCC rejected its request to sponsor its reorganization into a truly representative all-industry group. At week's end, the EIA-sponsored NSRC—behind in its work of evaluating & testing FM stereo systems—seemed to be on the verge of disbanding. The answer may come this week.

FCC ended NSRC's hopes of regaining the right to be called an "all-industry group" when it rejected the committee's request to be reorganized under FCC supervision along the lines of the recent TV Allocations Study Organization (Vol. 15:49 p5). This would have carried reasonable assurance of immunity from anti-trust charges, permitting RCA & CBS to rejoin the fold. Those important companies backed out last year on advice of their attorneys against participating in such an unofficial intra-industry group.

Behind the scenes, FCC's reason for rejecting the request—made last Oct.—was understood to be based on a lack of personnel. Under the proposed reorganization, an FCC attorney would have been required to chair every subcommittee & panel meeting. The Commission did say it would reconsider its turndown after FM stereo proceedings are over, before AM stereo deliberations.

The Commission's letter also nudged NSRC to meet March 15 deadline for comments on FM stereo, for which FCC said it had established a "high priority." It added it would not consider AM or TV stereo until after the conclusion of the FM stereo proceeding. (Test of FCC's letter to EIA is on p. 21.)

Adding to NSRC's troubles, it was learned last week that its chairman, GE's C. Graydon Lloyd, has submitted his resignation because he will be required to devote all of his time to an intensive management course to which his company has assigned him.

It's possible that NSRC will file some sort of comments with FCC on FM—but no complete report. Field testing hasn't yet been started, and won't by the March 15 deadline—a deadline which the FCC seems determined not to extend. Report of the systems-specifications panel is nearly complete, and this will probably compose the bulk of any NSRC filing with FCC. The panel has established specifications of 5 basic systems (8 systems, including different variations). It's still possible that some NSRC field testing could be carried on after the filing of the original comments, if NSRC is still in existence. The field test results could be submitted to FCC in the form of comments on the rule-making proposal which the Commission says it will issue "shortly after March 15."

What is the significance of NSRC's trouble? It probably means still more delay in establishment of FM & AM stereo radio standards. The industry group, composed of top engineers, was designed to assist FCC in comparing & evaluating systems and equipment, field testing, studying stereophonic effect, etc. Now it's likely that much of this work will be left to FCC engineers & to individual manufacturers acting on their own.

Commission hopes to put out notice of rule-making on FM stereo soon after March 16 comments deadline. From then on, best guess is it will allow 90 days for comments on rule-making proposal, another 30 days for reply comments, follow up with oral argument. While one optimistic FCC source expressed view that FM stereo rules could be promulgated next fall, other Washington realists said "next year."

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Interest in AM stereo systems continues to run high, even though the FCC says it won't look at them until after FM deliberations are over. RCA has just completed 60 days of tests over NBC's WRCA N.Y. and is preparing a report to FCC on its findings.

Kahn Research Labs last week petitioned FCC for approval of its AM stereo system, which uses left sideband for one channel, right sideband for the other, and can be received stereophonically with 2 conventional receivers or monaurally with a single set. Kahn's petition notes that 4 foreign stations have already purchased equipment for its stereo system and that it has received orders from 3 U.S. stations for its gear "contingent upon FCC authorization of experimental licenses." The Commission has been reluctant to authorize experimental authorization, its understood, on grounds that Kahn hasn't provided enough technical data. Kahn's application is 3rd for AM stereo now on file. Others are by RCA & Philco. Commission consideration of AM stereo this year now seems unlikely.

IT'S COMEDY FOR NEXT SEASON: The laugh, relegated to stepchild status when Westerns took over TV, will make a strong comeback to dominate TV next season. Our check of virtually every production company in Hollywood reveals that at least 70 comedy pilots are being groomed for sale (see p. 7).

Comedies are far & away the most popular form of pilot in the approximately 200 now being planned or filmed. Telefilm production executives believe swing to comedy is reaction to preponderance of Westerns and public criticism of too much violence, and that this is last season for horse-opera saturation.

Western is down, but not out. About 30 such pilots are being planned, their producers believing that while there will never again be such a rash of sagebrush sagas, there will always be room for the quality Western, such as Gunsmoke or Wagon Train.

Other information from our survey: Aside from that striking emphasis on comedy, there is healthy balance in other types of pilot programming—about 25 action and 20 adventure pilots, 5 anthologies, 11 dramatic series, 4 mysteries, only 3 private eyes, 2 melodramas. Our last year's survey led us to predict that Westerns would dominate TV (Vol. 15:13 p2)—which they did. This despite the fact there were only 25 Western pilots planned, as compared with the 70 comedies of this year. (Complete tabulation of our survey accompanies this issue as a special supplement.)

TELEPROMPTER UNDER ATTACK: Drastic action to dissolve TelePrompter Corp. and Floyd Patterson Enterprises was taken by N.Y. State Attorney General Louis J. Lefkowitz last week. Both are charged with "attempting to dominate control of lucrative ancillary rights" to heavyweight bouts.

"Master monopoly plan" to enable TPT Pres. Irving Kahn & Patterson's manager Cus D'Amato to exercise complete control over management, gate and TV-radio-film rights, was also charged.

Kahn promptly declared his firm's innocence (see p. 14), adding via a spokesman that Lefkowitz "could never make his case stand up" and that the N.Y. state official had "dusted off a 60-year-old law to grab some investigation headlines."

The FCC

More about

FIRST TEAM TESTIFIES: FCC members were clearly impressed with the skill & candor of the industry's leading spokesmen as they testified in the programming hearing last week (see p. 2). The reverse was true, too—for the Commissioners have become very well educated during the long hours of testimony, probably the best educated on the subject in the history of the agency. Herewith is a summary of the witnesses:

Frank Stanton, CBS pres., termed the FCC hearing "the most important & critical in my quarter of a century in broadcasting." He analyzed the role of TV and stated: "We must face the fact that it is a major part of our function to try to appeal to most of the people most of the time." Examining CBS's schedule, however, he asserted that it has "a considerable range & variety."

Stanton cited the advantages of the Doerfer public-service plan but stated: "Our acceptance of the principles of the plan, of course, was in no way a concession that it is proper for the govt. to impose such a requirement." CBS, he said, has chosen Mon. & Fri. for its half-hour programs under the plan, and its affiliates will take every 3rd Fri. CBS will leave unchanged its plans for *CBS Reports*.

There has been "legitimate criticism" of commercials, Stanton said, and CBS is tightening its principles on "personal products & remedies." Beyond that, CBS is intensifying efforts to verify claims, actually witnessing demonstrations whenever practicable.

CBS Will Call Tune on TV Dramas

Stanton said advertisers may have had too large a role in programming, so CBS is tightening its own control of serious drama as follows: "If the advertiser's objection on grounds of detriment to his product or good will is well founded, either: (a) The network will cure the objection, if in its judgment, it can do so by making changes which do not impair the program. Or (b) if the objection can be cured only by changes impairing the program, the network will broadcast the program without change, and without obligation to the advertiser for the program. If the advertiser's objection on grounds of detriment to his product or good will is not well founded, the CBS-TV network will not change the program or the element involved, will proceed with the broadcast, and will hold the advertiser to his contractual commitment."

He asked, finally: "Am I to be judged as merely a protagonist of the status quo? This conclusion, frankly, has troubled me. But I am sure now in my own mind that this is not the proper judgment. For it has finally become clear to me that my timidity is not a sign of weakness but in truth is a reaffirmation of the deep wisdom of the practical approach to the adjustment of the concept of freedom of expression to the concept of responsibility in the use of a govt.-licensed facility. It is, for me, a recognition that the conscious restraint which this Commission, and its predecessor body, have exercised through the years, was built upon a courageous & statesmanlike appreciation that necessity may bend freedom's logical demands, but no further dares one go."

Robert W. Sarnoff, NBC chmn., stating that FCC does have a certain limited role in program review, suggested that the Commission require applicants to describe in narrative form their evaluations of their communities' needs and their plans to meet them. Then, he said, the Commission should form a judgment, using a "standard of reason-

ableness." This standard, he said, should be applied as follows: "In each case, the Commission would review the application to determine whether it reflected a service unreasonable on its face. Disregard by a licensee of his own program projections without reasonable justification could be . . . a departure from the standard I have proposed."

Counsel for NBC—the firm of Cahill, Gordon, Reindel & Ohl, along with NBC vp-gen. attorney Thomas E. Ervin—submitted a legal memo backing Sarnoff's concept and stating that FCC has no authority to prescribe or proscribe any specific program. The memo concludes:

"An application for renewal may be denied where it appears that an applicant's representations as to what his programming would be were not honestly made, or where he fails to make a reasonable effort to meet the goals which he has described for himself in his application. Such a procedure aimed at holding the applicant to a responsibility which he has himself defined again avoids the imposition by the Commission of its own standards of taste & social value.

"An application for renewal may also be denied where an applicant's persistent participation in fraudulent or deceptive practices demonstrates that his character does not qualify him for the holding of a license."

Sarnoff's testimony covered just about every major topic currently debated.

"The primary public-interest role of broadcasting for the majority of viewers & listeners," he said, "is to satisfy their needs for relaxation & diversion . . . what interests the public is an important measure of the public interest . . .

NBC Seeks to Serve All TV Tastes

"NBC's concept of a TV service in the public interest is one that gives reasonable satisfaction to the varying interests of the main audience elements; which does so by proportioning its program structure in general to the relative weights of these varying elements; which does not allow majority tastes to suppress a fair reflection of minority interests and does not frustrate majority interests by converting a mass medium into a specialized one.

"Beyond these balancing factors, we believe that broadcasters in a democracy have an obligation to lead the audience by providing information that will equip them for better citizenship, and by offering opportunities to enjoy the arts so as to broaden & cultivate taste."

He said that TV stations, because of their relative scarcity, must offer balanced schedules individually, whereas the plentiful radio stations may properly specialize—abandoning old concepts of "balance."

Answering critics, Sarnoff analyzed NBC's Dec. 1959 schedule and asserted that there was a great deal of news, public affairs, information and cultural programming "that might tempt a selective viewer." He also alluded to the Doerfer-sponsored public-service plan (Vol. 16:4 p2) and stated: "We at NBC are presenting far more of these programs [that the plan provided] but we welcome govt. permission to get together with the other networks on a scheduling pattern that will spread . . . the networks' programs in these areas across the weekly calendar."

Against the charges of "mediocrity," he quoted similar allegations against current drama & fiction and concluded: "In terms of the sheer volume of creative effort to fill more than the waking day, every day of the year, TV undertakes a challenge unparalleled in the history of human expression . . . No broadcaster tries to put on a poor show or even an ordinary show . . . In spite of this dedication and its frequently successful results, the ordinary TV show—like the ordinary play, book or movie—will always be with us."

Westerns & mysteries, Sarnoff said, comprise only 6% & 7%, respectively, of NBC's hours—less than NBC's news & interview shows, comedy-variety and audience participation output. He acknowledged that all Westerns & mysteries combined—from all networks & other sources—seem like a lot. "But," he concluded, "I do not know what standard of taste can be established & enforced to reduce the number of these programs in the total TV output, short of inviting Big Brother to plan & coordinate all the TV schedules in the land."

Sarnoff denied that there is much adverse advertiser influence. "In the largest sense," he asserted, "the influence of advertising on broadcasting is expansive & not restrictive, because it makes possible the resources for all we do, sponsored or unsponsored."

Ratings, he said, are misunderstood, comprising "only one of the factors in program planning, and as our schedule makes clear, our program judgments & decisions involve considerations other than the size of audience alone." He said NBC is trying to discourage the abuse of ratings by refusing to publicize them—particularly the "flagrant myth" of the "Top 10."

TV commercials can stand comparison with advertising in any other medium, Sarnoff said.

He opposed the licensing of networks for many reasons, including: (1) Networks don't use spectrum. (2) The logical extension would require licensing of other program suppliers. (3) Stations, which use network's output, are already licensed. (4) Confusing divisions of legal responsibility between stations & networks. (5) "To give effect to its review of a network's program service, the Commission would have to assure that the affiliated stations carried the full network schedule . . . This is an example of how ill-conceived, unnecessary regulation can beget still more regulation.

Harold E. Fellows, NAB pres. reiterated his theses: that self-regulation is the answer to programming abuses and that the Constitution guarantees freedom of speech to broadcasting just as it does to printed media. Herewith is the nub of his presentation, stating how far he believes the FCC can go in seeing to it that licensees use the airwaves for the "public interest, convenience, and necessity."

Favors 'Narrative' Over Statistical Report

"The present requirement for a broadcaster to submit to the Commission a statistical breakdown of his programming activity is unrealistic & unnecessary. We believe it would be far more useful to the Commission and responsive to the public interest if the broadcaster, in applying for renewal, recited in narrative form the steps he had been taking in the preceding 3 years to determine the public interest, at the same time relating the changes that had taken place in his programming pattern and the local manifestations that impelled those changes . . .

"If in its review of such narrative reports, the Commission should find no evidence of a *bona fide* effort on the licensee's part to respond 'to the wants of a responsible element of the community' or should find, for example, that deceptive advertisements were knowingly broadcast, then there would arise such question concerning the licensee's character that the Commission should investigate the matter further . . .

"The Commission has the right to expect that a licensee will program according to public wants and not for purely private whim. In the determination of this obligation, a narrative recital would be much more meaningful than any statistical or mechanical comparison of 'promise vs. performance.'"

To illustrate what NAB is doing to improve industry self-regulation, Fellows listed these Code Board plans:

(1) "An increase in monitoring directed in a qualitative sense to program content over & beyond the monitoring of quantitative & qualitative commercial performance."

(2) Liaison, in N.Y., with advertisers, agencies and producers of film commercials, so that questions regarding commercials "might be hammered out to the greater satisfaction of the public . . . FCC . . . FTC and . . . TV industry."

(3) An expanded Code budget, to be discussed at a special Feb. 28 meeting, with the recommendations to be considered by the full TV Board in March.

(4) Consideration of "every possible means of making the Seal & Code subscription by a station a more important factor in the public's mind, and therefore a more important asset to a station."

(5) Meetings with AAAA & ANA "looking toward the inclusion of language in both agency & advertiser contracts meeting the point that the commercials supplied to the broadcaster are produced in compliance with provisions of the TV Code."

(6) Inform Code members of methods to curb payola.

(7) Invitations to the White House, FCC & FTC to relay to the Code Board all complaints they receive—these to be given the same treatment they'd get if they were received directly by the Board.

(8) Work with networks to increase affiliates' information about future network programs.

McGannon For Over-All Performance Review

Donald H. McGannon, pres. of Westinghouse Bestg. Co., made it clear that he believes the FCC has the duty to examine a licensee's over-all performance—and should get more statutory authority to do so if it doesn't believe it has enough. His 64-page statement ended with 7 recommendations:

(1) FCC shouldn't license networks but should make sure affiliates have sufficient knowledge of upcoming network programs to be able to judge whether they should be carried.

(2) Support of FCC Chmn. Doerfer's network public-service suggestions.

(3) Enact anti-payola "commercial bribery" law.

(4) Federal financial support of ETV stations.

(5) Recognition that FCC has "ample" power to review licensee performance at renewal time.

(6) Enactment of law giving FCC punitive powers less severe than revocation—"such as fining the licensee."

(7) FCC "continue to give active support & recognition" to the TV Code & other self-regulatory activities, and ask licensees to state whether they subscribe to Codes.

E. V. Huggins, chmn. of Westinghouse Bestg. Co., testified to the policy of parent Westinghouse Electric Co.—giving the TV-radio subsidiary much autonomy.

Other witnesses of the week included W. D. (Dub) Rogers, pres. of KDUB-TV Lubbock, Tex. and the West Texas TV Network (KDUB-TV, KPAR-TV Sweetwater, KEDY-TV Big Spring, KVER-TV Clovis, N.M.); Whitney North Seymour, pres.-elect of American Bar Assn., who was retained by NAB for the proceedings to explore constitutional issues in govt. controls of programming; Theodore S. Repplier, Advertising Council pres; Pres. Novice G. Fawcett of Ohio State U., TV & radio chmn. of the American Assn. of Land Grant Colleges & State Universities; J. Jeffery Auer, exec. vp of the Speech Assn. of America, representing 7,500 college teachers; Sydney M. Kaye, BMI chmn. & gen. counsel; and Robert F. Hurleigh, MBS pres.

Record was closed on St. Louis Ch. 2 "influence" hearing last week by special FCC examiner Horace Stern, following a day in Philadelphia spent clearing up previous testimony by ex-FCC Comr. Robert F. Jones (Vol. 16:4 p7). Retained for \$55,000 by Signal Hill Telecasting Corp. (KTVI) as special counsel in its winning fight for the grant, Jones had first testified he had made no ex-parte approaches to FCC members. But while Comr. Craven was in Geneva at last year's International Telecommunications Union conference, FCC attorneys found a letter, an engineering map and a procedural time table from Jones in Craven's personal files. The St. Louis case documents had been marked "confidential" by Jones. Recalled to the stand, Jones said he still couldn't recall the off-the-record communications to Craven, who abstained from the final vote on Ch. 2. But he conceded he must have sent them. At one point in the hearing, examiner Stern asked Jones "what your views are in regard to the ethics or the propriety of that kind of a communication." Jones replied that in his 1947-52 experience as an FCC member, "I believe that Congressmen & Commissioners & practitioners did make ex-parte representations to the Commission or Commissioners." He recalled that the late Sen. Taft (R-O.) once called him about a Cincinnati case. Ending the hearing, Stern called for briefs by Feb. 23, said he'd need no more than 2 weeks after that to decide on his recommendations.

Ex-FCC Comr. Richard A. Mack entered Miami's Memorial Institute for psychiatric examination Jan. 28—and prospects of his retrial on Miami Ch. 10 conspiracy charges (Vol. 16:4 p7) were put in doubt. Mack & co-defendant Miami lawyer Thurman A. Whiteside had first been scheduled to face trial again in Washington's U.S. District Court Jan. 25. But Judge Alexander Holtzoff postponed it until Feb. 2 because Mack's lawyer Nicholas J. Chase was involved in another trial. Then came word from Miami that Mack had gone voluntarily to the hospital for observation & examination after his father, Charles Mack, signed a court petition stating that Mack's mind was "wandering." As a result, Judge Holtzoff called off the Feb. 2 retrial date, put govt. & defense counsel on 24-hour notice Jan. 29 to be ready to take up the case against if it is determined that Mack is able to stand trial.

Anti-payola rules under consideration by FCC include requiring stations to do the following: (1) Tell employes about the requirements of Sec. 317 of the Communications Act. (2) Make employes report payola offers immediately. (3) Notify FCC within 10 days of each payola offer—and what was done about it. The Commission is considering, as an alternative, simply quoting Attorney General Rogers' recommendations to President Eisenhower, proposing to embody them in rules. Either approach would be issued as proposed rule-making, and industry comments would be invited.

"Inside story" of the Geneva conference of the International Telecommunications Union last year will be told Feb. 1 at a meeting of IRE's Washington section. Members of the U.S. delegation are scheduled to discuss "How Are We Conserving our National Resource—the Radio Spectrum?" They include FCC Comr. Craven, delegation chairman; William H. Watkins, chief of FCC's frequency allocation & treaty div.; Capt. Paul Miles, exec. secy. of OCDM's Interdepartment Radio Advisory Committee.

FCC set aside its Dec. 29 grant of Helena, Mont. Ch. 10 to Helena TV Inc., headed by community antenna operator W. L. Pichel, acting on its own motion to conduct a hearing on "financial questions."

Congress

PAYOLA PROBE STAGE SET: House investigators of TV & radio payola went into close-door dress rehearsals last week for opening of their upcoming show Feb. 8 (Vol. 16:4 p2) in the big caucus room of the old House Office Bldg.

In the atmosphere of secrecy in which Chmn. Harris (D-Ark.) enjoys operating, members of the Commerce Legislative Oversight Subcommittee met for 2 days running in a conference room on the 3rd floor of the New House Office Bldg. to go over the cast & script for next week's public hearings.

Names of the stars billed for the payola probe were withheld by the subcommittee, and neither Harris nor any other Oversighters, caught by reporters as they ducked in & out of the secret session, would disclose specifics of hearing performances being planned. Neither would they identify a prospective witness who was interviewed both days—one meeting lasting 6 hours.

But the mysterious stranger in the room was ex-producer Anthony Mammarella of Dick Clark's ABC-TV *American Bandstand*. He quit that job last Nov.—at the start of the subcommittee's payola investigations in the field—rather than submit to an ultimatum by the network that all personnel must divest themselves of any financial interests in music publishing fields (Vol. 15:47 p5). Headliner Clark did sign the pledge, however.

Harris said he couldn't say "categorically" that Mammarella or Clark or any other witness would be called to the stand for public testimony, repeating that the cast of characters wouldn't be revealed until just before the hearings start—if then.

Disc Jockeys, Distributors Subpoenaed

Other subcommittee sources also kept a tight silence on the cast of characters, going only so far as to say "quite a few" subpoenas to appear have been served on disc jockeys, record distributors—"and others." One such summons was reported to have gone to Clark, but his attorney—ex-FCC Chmn. Paul A. Porter—wouldn't confirm or deny it.

Accompanied by 2 lawyers, Mammarella himself told reporters after his lengthy interviews that he hadn't been told by the subcommittee whether he would be summoned to the stand. All he was told, he said, was that the Oversighters had no further questions for him now. On the advice of his counsel, he had nothing to say about what questions had been put to him.

Meanwhile one subcommittee member—Rep. Moss (D-Cal.)—made a speech on the general subject of payola. He went before the Woman's National Democratic Club in Washington to charge that FCC & FTC were dragging their feet in the govt.'s anti-payola campaigns.

Moss said FCC is "a parole officer frightened to death of the parolee." Calling for "more timely & vigorous action" by FCC & FTC, he maintained that "ever since the investigation into rigging began, FCC has been most reluctant to make anything like full use of its powers under the law."

In addition to making plans for the payola quiz, the Oversighters last week went over a lengthy draft of a staff-prepared report & legislative recommendations on 1959 TV quiz hearings. The document wasn't finally approved, however, and release of it was delayed another week at least.

Long-snagged radio treaties—the North American Regional Broadcasting Agreement & U.S.-Mexican Pact (Vol. 15:28 p5)—have been hauled out for another attempt at unraveling by the Senate. A Foreign Relations subcommittee headed by Sen. Morse (D-Ore.) meets this week to vote on recommendations for the 2 treaties, following another in a series of hearings on their terms. He said he hoped a compromise report to the full committee would be adopted and started on its way to the Senate floor for ratification. As usual, a strong pitch for ratification was made at the hearings by FCC Comr. Hyde, urging adoption of the pacts—without reservations. As usual, the Daytime Bcstrs. Assn. (Benedict P. Cottone) asked for a reservation permitting further U.S. negotiations with Mexico for longer operating hours on Mexican clear channels. And the Clear Channel Bcstg. Service (Gayle Gupton) wanted more U.S. talks with Canada on higher powers for U.S. clear-channel stations. Witnesses supporting FCC & ratification included Westinghouse Bcstg. Co.'s Donald H. McGannon, Meredith Stations' Payson Hall, Washington communications lawyer Andrew G. Haley, the Regional Bcstg. Assn.'s Hollis Seavey. In a floor speech, Sen. Wiley (R-Wis.) urged that the treaties "be handled expeditiously and reported as soon as possible." He submitted letters from home-state stations as evidence of a "widespread feeling [that] the agreements should be approved."

Standard Oil's rescue of the *Play of the Week* drama series on WNTA-TV N.Y. (Vol. 16:3 p14) was hailed in a *Congressional Record* statement by Sen. Neuberger (D-Ore.) as an example of a sponsor's hands-off-programming policy which "other advertisers should likewise adhere to." He said that in staying aloof from "the content & personnel" of *Play of the Week*, Standard of N.J. displayed "detachment" which can prevent "the humiliation of further rigged shows & similar debacles." Neuberger also had high praise for NBC-TV's "Destiny West" Jan. 24 as a contrast to shows "glorifying crime, sex, violence, sadism, and corruption." He said he wanted to "commend all associated with this splendid TV spectacle."

TV & radio public service is forgotten in "all the hue & cry on Capitol Hill about 'payola' & 'rigged' quiz shows," NAB organizational services mgr. Frederick H. Garrigus said in a Columbus speech. Addressing a joint meeting of the Radio-TV Executives Club and Theta Sigma Phi alumnae there, he protested that it's "one part of broadcasting which legislators seem reluctant to admit exists to any degree." Garrigus pointed out that in 1959 alone, counting only 14 "major" public-service campaigns conducted by the Advertising Council, TV & radio networks and their advertisers contributed \$75 million in time & talent.

OCDM should be scrapped as "a haven for defeated politicians, sub-average planners and boondoggling bureaucrats," according to Sen. Young (D-O.). In a Senate floor speech he singled out local civil defense programs for criticism, but didn't except OCDM's Washington jurisdiction, which includes the Interdepartment Radio Advisory Committee. "If we cut off the head of the outmoded octopus here in Washington, its wasteful satellites in state & local govt. will soon wither away," Young said.

Committee replacement: Rep. Curtin (R-Pa.), first elected to the House in 1956, has been assigned to the Commerce Committee headed by Rep. Harris (D-Ark.). A Morrisville lawyer, he fills a vacancy caused by the death of Rep. Bush (R-Pa.), 3rd ranking minority member of the Committee. Under House procedure, Curtin goes to the end of the seniority list of 12 Republicans.

Film & Tape

More about

NEXT SEASON'S SHOWS: Right now Hollywood is busily in the midst of its annual multi-million-dollar pilot gamble—a gamble because experience has demonstrated that only 10%-12% of the 200 pilots made will sell. The overall loss from unsold pilots this season will probably exceed \$8 million—even after allowing for the practice of salvaging some rejected pilots by including them in going anthology series (see p. 3).

While the average pilot cost its producers about \$40,000 in the past, that figure has been upped to about \$55,000. (Some 30-min. pilots are made for as much as \$100,000.) The reason for the soaring price is not so much increased production costs as competition which compels producers to put more quality into their pilots and shoot on longer schedules. Another reason is the increase in 60-min. pilots. More of these will be filmed this winter & spring than ever before, despite the fact that a number of them bogged down into mediocrity this season. This is outweighed by the producers' knowledge that the gains are immeasurably greater if they can come through with a good 60-min. entry. For documentation, they point to the durable popularity of *77 Sunset Strip*, *Wagon Train* and *Perry Mason* which in their minds offsets such early-season disasters as *5 Fingers* and *The Lineup*, both cancelled.

Although we have made as comprehensive a check as possible on pilot activities in Hollywood, it is limited by the policy of some companies to keep pilot projects secret. Our report is in the Supplement with this issue.

NETWORKS & INDEPENDENTS ON HONEYMOON: Independent TV film producers in Hollywood, who have habitually complained that the networks favor house-made shows, are talking in more subdued tones these days. Reason: The 3 networks are financing about 30 pilots being made by independents & subsidiaries of major movie studios. Some 20 companies are involved.

While this is still only a small portion of the approximately 200 pilots being made this season (see Supplement accompanying this issue), it's a lifesaver for many an independent. For it not only helps him financially, but it gives him a better chance to sell the show. Deals are still being made, but here's the rundown to date:

ABC-TV: *Simon Lash*, *Unsolved*, both from Allied Artists. *Stagecoach West*, *J.P.*, both from Four Star Television. *Joaquin Murietta*, Goodson-Todman. *Calvin & Clyde*, Mark VII Ltd. *Snowfire*, McGowan Productions. *The Islanders*, *Asphalt Jungle*, both from MGM-TV. *Naked City*, Herbert Leonard in association with Screen Gems.

CBS-TV: *For the Love of Mike*, Screen Gems. *Savage of the Deep*, Ziv TV. *Mr. Bevis*, Cayuga Productions. *Man on the Beach* and *Little Green Book*, La Mesa Productions. *K-9 Corps*, Sharpe-Lewis Productions. *601 Park Ave.*, *Charlie Paradise*, *Diary of a Nurse*, *Radigan's Quest*, an untitled comedy, and *Plot 9*, Plautus Productions. *Oh! Those Bells*, Davana Productions. Untitled comedy, Arness & Co.

NBC-TV: *Port of Entry* and *Brady*, Jack Chertok Television. *Michael Shayne*, Four Star. *The Marriage*, Goodson-Todman. *Doowinkle*, *D. A.*, Henry Jaffe Enterprises. *Father of the Bride*, MGM-TV. Untitled comedy, SR Productions. *Klondike*, Ziv TV. *Double Jeopardy*, Sagebrush Productions.

SAG & WGA STRIKE DEVELOPMENTS: Confronted with movie management's face-to-face refusal to give it any part of post-1948 revenue from sales to TV, Screen Actors Guild last week delayed its threatened movie strike for at least a month. SAG's board will conduct a mail referendum of its 14,000 members, seeking strike authorization. Results may appear as late as Feb. 26 and, of course, authorization does not start a strike; it merely empowers the board to call one. A strike vote requires 75% assent from members, and such a strike would affect only movie production, not TV films.

It's apparent that the presidents of the major studios have made a strong impression on SAG with their unanimous stand on the key post-1948 issue, and enthusiasm for a strike is waning. This by no means implies there won't be one. The Guild has taken such a strong position on the post-1948s it will be difficult to retreat. Also, SAG has already collected some post-1948 money from independent producers; if it relinquishes its demand on the majors, will it have to repay?

Meanwhile, IATSE, which represents Hollywood crafts, met with SAG and Writers Guild of America on the matter to explore the possibility of obtaining post-1948 money.

TV production has not been noticeably hurt by the Writers Guild of America strike which began Jan. 16. For example, at Revue, the top TV company in Hollywood, production was moving at full speed on every series when we were there last week. WGA, meanwhile, extended its contract with the networks a week—until Feb. 6—because some progress had been made and there will be more negotiations. The contract originally would have expired Jan. 31. TV producers don't have to concern themselves about a Screen Actors Guild strike in the near future, since negotiations between SAG and TV independents haven't even begun, and the contract expiration date is March 31 when many series will have finished production for the season.

Symposia on video tape will be sponsored by Ampex in 4 sections of the country. The 2-day sessions, under the general title of "2 Years of Tape," are aimed especially at station operators, will cover "all phases of TV tape," technical & non-technical. Operation & design will be discussed and "several exciting new products" will be introduced, according to Ampex. In addition to Ampex representatives, local station operators will be invited to participate in panels & shirtsleeve sessions. First session will be held in San Francisco—beginning Feb. 2 at KGO-TV and concluding Feb. 3 at the St. Francis Hotel. Other symposia are scheduled for Chicago Feb. 8-9, Washington Feb. 15-16 and Hollywood Feb. 24-25, locations to be announced.

"Medicine—1960" will be tape-syndicated by Screen Gems as its first venture in the non-film syndication field. Designed to keep stations in step with the growing number of network-level public-affairs shows, the 12-episode series of 60-min. medical documentaries is packaged by San Francisco producer Lawrence Williams. Most *Medicine-1960* shows are built around actual surgical operations, with KRON-TV crews handling the hospital-location recording.

Radio & TV Directors Guild has disaffiliated from the AFL-CIO as a result of its merger agreement with the unaffiliated Screen Directors Guild (Vol. 15:50 p14). In severing its AFL-CIO ties, RTDG said it wanted "to continue our present mutually beneficial relationships with other AFL-CIO unions in the entertainment industry."

Strike Is Tough On Hyphenates: A harrassed producer-writer remarked to us the other day: "What am I supposed to do? The Writers Guild of America orders me not to write, and the company I work for reminds me they're paying for my services as a writer as well as producer." The so-called "hyphenated" writer-producer has become the man in the middle in WGA's strike against the major movie studios and Alliance of Television Film Producers which began Jan. 16. (Vol. 16:4).

Aware of the weakness of its position if such members were to continue writing, WGA has warned them flatly, threatening disciplinary action as severe as expulsion.

The Guild's warnings to such members have provoked the Alliance into charging WGA with misrepresentation. WGA has counter-charged that the Alliance is inviting strike-breaking. Alliance Pres. Richard W. Jencks added that the law does not permit any union to establish a blacklist based on non-compliance with its strike orders.

TV film producers who are also writers include Everett Freeman (*Bachelor Father*), Gene Wang (*Philip Marlowe*), Charles Marquis Warren (*Rauhide*), Sam Rolfe (*Hotel de Paree*), Rod Serling (*Twilight Zone*), John Robinson (*Wanted—Dead or Alive*), Aaron Spelling (*Johnny Ringo*), Antony Ellis (*Black Saddle*), Joe Connelly, Bob Mosher (*Leave It to Beaver*), Don McGuire (*Hennessey*), Marvin Marx (*Goldie*), Louis Derman (*The Gale Storm Show*), David Dortort (*Bonanza*), Blake Edwards (*Peter Gunn*), Charles Hoffman (*Bourbon Street Beat*), Stanley Niss (*Hawaiian Eye*), Coles Trapnell (*Maverick*), Maxwell Shane (*M Squad*), John Larkin (*Riverboat*), Harry Tugend (*GE Theatre*), Warren Duff (*Markham*).

In addition, pilots are in the works by producer-writers such as Parke Levy (*Pete & Gladys*), Ray Singer & Dick Chevillat (*Hot Off the Wire*), Phil Rapp (*Man of the House* and *I Married a Dog*), Al Lewis & Sid Dorfman (*One Happy Family*), Paul Monash (*The Paradise Kid* and *Steven V*), Alan J. Lerner (*Harry's Girls* and *P.S. From Paris*), Seton Miller (*Diamond Jim Brady*), Frank Gruber (*Johnny Fletcher*), Tom Waldman (*The Boston Terrier*), Art and Jo Napoleon (*Sea Rover*), Stanley Roberts (*Harkrider & Sweeney*, an untitled comedy, and *Where Did You Go? Out, What Did You Do? Nothing*), Hal Kanter (*Down Home* and an untitled comedy).

William Bendix, star of the 60-min. *Overland Trail* series that replaces *Riverboat* on NBC-TV Feb. 7, claims his show has "the most complicated production setup" in TV. He told us its profits & residuals will be carved up between no less than 4 co-producing companies: Revue Productions (parent of the project for facilities & sales), Stagecoach Productions (Nat Holt & Sam Peeples, producers), Bilben Productions (Bendix's own production company) and NBC-TV (a financial partner & production participant). Gagged Bendix: "With all these guys in bed, plus talent residuals, we'll be lucky to have any money at all. I'm just doing the show because TV is an art form."

A \$4 million damage suit has been filed against KCOP commentator Tom Duggan in Los Angeles federal court by Jake (The Barber) Factor, who charged libel, slander and an invasion of privacy in remarks allegedly made on Duggan's program last Dec. 2. Also named as defendants: Chicago newsman Ray Brennan, Pennington Press, Marrick Lithograph Corp. and 4 Los Angeles book stores. Factor asserted Brennan made "willful & malicious" attacks against his integrity on Duggan's show, and he charged both Duggan & Brennan hinted that Factor gave false testimony at the trial of the late Roger Touhy, convicted of kidnapping Factor.

Edd (Kookie) Byrnes, who plays a car-parking attendant in his starring role in *77 Sunset Strip*, took a job parking cars for the Sands Hotel in Las Vegas, but only lasted a day. Byrnes, on suspension from Warner Bros. because of an impasse over his demands for a contract re-adjustment (Vol. 15:44 et seq.) quit when the Teamsters Union pointed out that some of their parking-car attendants in Las Vegas are unemployed, that Byrnes is not a member of the union. The Sands had agreed to pay Byrnes \$500 a week—better than his \$400 TV pay.

NEW YORK ROUNDUP

Elliot, Unger & Elliot, film commercial production div. of Screen Gems, produced "\$4-million worth of TV commercials during 1959," an increase of 80% over 1958 volume. EUE, absorbed by SG less than a year ago, "will chalk up a 20% increase this year." It increased its staff from 60 to 80 full-time employes during 1959, reported SG.

UA-TV's syndicated *Tales of the Vikings* has been sold in 110 markets "with sales totaling approximately \$1.1 million" . . . MCA TV's mystery-adventure telefilm series *Johnny Midnight* has been sold in over 100 markets to date . . . MGM-TV is discussing a long-range sale to CBS of its *Wizard of Oz* feature film which, although shown twice on CBS-TV as a network special, has continued to pull sizable audiences.

CBS-TV's *Twilight Zone* was named "best-produced TV film series of 1959" by the Screen Producers' Guild . . . MCA's *Riverboat* (NBC-TV) drops co-star Burt Reynolds Feb. 1 when the show moves to Mon., 7:30-8:30 p.m.

Goulding-Elliot-Graham, commercial producers specializing in humorous animation (Bert & Harry Piel, Tip Top Bread), have devised a new presentation format for their agency-client pitch. Samples of their commercials are inserted in an animated version of a "typical" *Late-Late Movie* (1935-ish "Test Dive Buddies") which they also created. G-E-G's humorous commercials for various regional advertisers grossed \$1.5 million in 1959.

HOLLYWOOD ROUNDUP

Ziv TV and Four Star Television have been singled out by the AFM as American telefilm companies which use unidentified foreign canned music. Ernie Lewis, AFM's Western states coordinator against the use of such music, said the union is sending program lists to sponsors & producers.

MGM-TV has signed Joe Cronin to co-star with Lew Ayres in its *Dr. Kildare* series. The pilot is being produced by Collier Young . . . Screen Gems will pilot *Here Comes Melinda*, a comedy. Charles FitzSimons is producer . . . George Tobin has joined RonCom Productions as prod. mgr.

Betty Hutton, star of *Goldie* and owner of the company which films the series, set a dubious record when she dropped producer Marvin Marx and signed her 5th producer, Doc Merman. Marx had been dropped once before, but Miss Hutton had rehired him after a couple of days (Vol. 15:49 p14). Commented Marx sadly: "There were contract difficulties, and she finally signed my contract—the day before I was dropped. Her concept of the show changed every week. It was a difficult job. I would have been amazed if this hadn't happened. I have no ill feeling. I'm glad to be free." Marx outlasted all his predecessors, remaining producer for 4 months.

Movies attracted 2.5 million more theater-goers weekly in 1959 than in 1958, reports Theatre-Screen Ad Bureau. Total weekly attendance at both standard & drive-in theaters was 41,954,000—up from 39,621,000 in the preceding year. Drive-ins registered a 13.3% gain in paid adult movie-goers per week; the others gained 3.3%.

Advertising

BARGAINS IN CULTURE: A grim fact of TV business life is emerging with the new crop of prime-time public-affairs programs to which all 3 networks are now committed. Despite their growing roster of sponsors, these shows are costing the networks literally a fortune in ad revenue.

Explained an NBC-TV sales executive last week: "For years, networks have made 'program contributions' in public-affairs shows just to attract whatever business revenue they could. Today, we're staging these shows with big budgets and giving them exposure in network-option prime time. But sponsors still expect us to give them away."

Networks are thus caught between lingering memories of cut-price culture and their own post-quiz-scandal promises to air a higher grade of TV shows. In the scramble to build an improved image, advertisers are able to make deals like these:

Item: "World Wide 60": This NBC-TV 60-min.-weekly contribution to the recent 3-network public-affairs agreement (Vol. 16:4 p3) carries an actual break-even net budget, including all overhead, of \$75,000, according to NBC-TV programs & talent vp David Levy. But the selling price to advertisers is officially listed at \$36,000 plus time charges. And last week NBC-TV dir. of special-program sales Richard Linkroum admitted "WW 60" could be had for an introductory program charge of \$5,000 for the full hour, plus time, for the first 13 weeks. "We realize it's not enough to pay for the film processing on the show, let alone the costs, but we had to do something to get it started," he said.

Item: "CBS Reports": The keystone of CBS-TV's nighttime public-affairs structure, also has been launched with the aid of red ink. CBS News div.'s Robert Lang, dir. of program sales, confirmed last week the report we'd heard that the 60-min. show is actually costing CBS about \$85,000 in program charges, but is sold (for the first 6 shows) to Bell & Howell and Goodrich for \$50,000 apiece, plus time.

Co-op Giveaway to Stations

Item: "The Dark & the Light": This ABC-TV information special, aired Jan. 31, 6-7 p.m., represented a double program investment by ABC-TV. The network's sales dept., given a firm date for the show only 3 weeks before telecasting, couldn't line up a sponsor at any price in time. Rather than air the program as a sustainer in network-option time (it would then be subject to local-level preemption by stations), ABC-TV decided to give it away—to the stations. "It was handled as a network co-op show, with stations permitted to keep the local ad revenue and with no pro-rata program cost assigned to them," we were told by ABC-TV dir. of sales development Bert Briller.

These are not by any means the only cultural bargains in the public-affairs area:

Last week, NBC-TV told us the network will take "a substantial loss" on the forthcoming TV-radio 1960 election coverage, currently for sale at \$1.8 million for one-third sponsorship, time & talent.

CBS-TV said it had sold the Jan. 14, 90-min., Thurs.-night repeat showing of "The Population Explosion" to Bell & Howell for a little more than \$30,000 for the whole works—a sum that represents only the bare-bones compensation to CBS-TV affiliates, with no revenue for CBS.

ABC-TV said its image as a public-affairs outlet is so

recent that "we will probably lose more money on public-affairs specials in '60 than the other 2 networks combined."

Apart from program contribution and advertiser demands (or offerings by networks to get shows started), there are other reasons for this situation, network officials pointed out:

(1) Public-affairs shows are just beginning to establish a track record of audience success in prime time.

(2) Networks are moving so fast in the public-affairs field that shows hit the air almost as soon as salesmen start on a round of agency calls.

(3) There is also the problem of tailoring program prices to bring public-affairs shows in at a cpm level (usually around \$3) comparable with the cpm of such standard fare as Westerns & comedies.

(4) There is the pre-emption problem, with networks rapidly using up the number of allowable "bumps" (usually 2 pre-emptions per program series per season) without additional sponsor reimbursement.

Of the 3 networks, CBS-TV is probably in the best position in terms of revenue losses on its public-affairs shows. Having had an early start in major public-service shows, this network is now moving toward a profit position on its most recent sales efforts. Even as *CBS Reports* was getting into its stride under a program-contribution arrangement, CBS-TV sold *Tomorrow*, a 6-program science series done with M.I.T., to American Machine & Foundry for a full-price \$150,000 apiece. As we went to press, an 8-program series being developed by Irving Gitlin was in the process of sale by CBS News for \$175,000 apiece to a major client.

CBS Avoids Hard-Sell Sponsors

CBS-TV can even afford the luxury of being choosy about the clients to whom it is selling informational shows, we were informed recently by John Karol, recently-appointed vp & dir. of special project sales. "This is not an endowed chair, but we'd rather not sell public-affairs specials to a 'hard-sell' advertiser. It's not that we have anything against mass-market advertisers, it's just that we feel the commercials aired in a public-service show should match the general atmosphere of the show. Most big TV clients, like P&G and Colgate, are not concerned with 'corporate image.' They have products to sell. We'd rather concentrate on bringing to TV the kind of advertisers you see in *Fortune*—advertisers who want to be important, in a corporate sense, in a hurry."

The other 2 networks are usually happy to settle for any major clients they can persuade to buy public-affairs shows. "We'd welcome any worthwhile proposal on our public-affairs shows now, although we hope to have our series shows of this type, if not our specials, on a self-supporting basis this fall," said ABC-TV's Briller. "Prices will eventually firm up in this field," said NBC-TV's Linkroom, "but right now we've still got to face the fact that we aren't getting rich."

Switch to TV snob appeal by Ruppert Brewery is in the works. Newly-appointed agency Norman, Craig & Kummel will shortly drop the 11-year-old "Knock for Knick" slogan. New theme will be "Ruppert people have a thirst for living. Live a little! Have a Ruppert Knickerbocker." A media rotation schedule, concentrating on one medium at a time, will be employed by the \$4-million-ad-budgeted, 7-state, regional advertiser, "to heighten consumer awareness." Ruppert, which switched to NC&K from Compton Adv. last year, plans to expand its spot TV schedule, we were told.

FTC SIGNALS MORE PUNCHES: The TV-radio & advertising industries were given stern notice last week by FTC that its spreading dragnet for deceptive commercials is big enough to take in broadcasters themselves, as well as sponsors & agencies. In one of his first public statements since FTC started its stepped-up policing of commercials in the wake of last year's TV quiz scandals, FTC gen. counsel Daniel J. McCauley Jr. didn't say flatly that hitherto-immune networks & stations were next on the agency's list. But pointing to Attorney Gen. William P. Rogers' recommendation that FTC move against broadcasters (Vol. 16:2 p7), McCauley told the N.Y. State Bar Assn.:

"The continued replay of commercials questioned by a commission complaint, with the resulting public interest in why the commercial has not been stopped, is almost an invitation, if not a dare, to test our resolve. Be that as it may, decisions with respect thereto will continue to be made on the basis of the application of reasoned criteria."

And in answer to a Bar Assn. question as to how far FTC intends to go (copywriters, art directors, producers of commercials?) in citing agencies & executives for alleged sins of sponsors, McCauley outlined some criteria:

(1) "The scope & breadth of the evil being attacked."

(2) "The conscience of the industry. What past record does the industry have, if any, for cleaning its own dirty linen? Or, to frame it another way, how active is the industry in pressing the perimeter of the law in conceiving new devices of evasion?"

(3) "Will the corporate conscience be effectively stirred—or must it be supported by the conscience of its officers being under the cloud of possible personal financial penalties?"

No 'Comfort' for Other Media

(4) "Where does the particular case fit into the mosaic of law enforcement?"

At the same time, McCauley warned that newspapers wouldn't be exempted if FTC follows through on Rogers' suggestion that it seek injunctions against broadcasters in "false advertising of foods, drugs, devices or cosmetics." He said he saw no "comfort" for other media in injunctive provisions of the Federal Trade Commission Act—"except that in issuing its injunction the court should be considerate of publication schedules and avoid a harmful disruption."

Referring to FTC's batches of payola complaints against record manufacturers & distributors, McCauley also indicated that "push money" used by cosmetics manufacturers to promote retail store sales may come under similar attack. "What reason is there for distinguishing between a recording on the one hand and perfume, lipsticks and nail polish on the other?" he asked.

In a speech to the anti-trust section of the same N.Y. meeting of lawyers, FTC Chmn. Earl W. Kintner characterized his agency's course this way: "The tempo of commission activities can only be described as allegro." In other FTC developments:

(1) Ted Bates ran page ads in Washington, N.Y. and Chicago newspapers addressed to "Mr. Earl W. Kintner," asking some questions "in the interest of all the great companies who serve the American public." Named last month as a correspondent in FTC complaints against commercials for Colgate-Palmolive's Rapid Shave and Standard Brands' Blue Bonnet margarine (Vol. 16:3 p8) and earlier in a complaint against Brown & Williamson's Life cigarets (Vol. 15:50 p10), Bates asked: "Is imaginative selling against the law? . . . what are your rules?"

This challenge by Bates, leading exponent of hard-sell advertising & one of biggest agencies in TV field (Vol. 15:17 p7), was met with stony silence at FTC. Kintner & the other 4 FTC members refused any comment on grounds that to say anything would disqualify them in the pending cases. But another govt. source told us: "I should think the advertising profession—the agency people—would wonder about the wisdom of this thing. It deprives the agencies of maneuverability. Bates has cast down the gauntlet. It has declared war when there was no reason to declare war." There was no indication that the rest of the advertising fraternity was flocking to the Bates banner in the newspaper counterattack on FTC.

(2) Colgate-Palmolive asked FTC to dismiss a complaint filed last Nov. against commercials for its dental cream "with Gardol" (Vol. 15:47 p16). The company said its claims weren't deceptive, that in fact its competitors are engaged in "false, misleading and deceptive" TV ad campaigns, and that "at great expense" it has withdrawn its "protective shield" commercials on Gardol's effects.

(3) David Rosen Inc., Philadelphia record distributor, signed an FTC consent order forbidding it to give payola "to anyone as an inducement to broadcast records in which it has a financial interest." Cited on payola charges in the first bundle of such complaints (Vol. 15:49 p12), Rosen was the second firm to agree to a cease-&-desist order, RCA having signed the pledge in Dec. (Vol. 15:51 p6).

(4) After a 2-week hiatus, FTC's campaign against payola was resumed. Complaint No. 28 was addressed to A-1 Record Distributors Inc., 628 Baronne St., New Orleans and Pres. Joseph J. Banashak & secy.-treas. Bobbie G. Banashak.

Payola-Charge Score: 37 Complaints

Then came a multiple filing of payola charges against these record manufacturers & distributors, bringing the FTC's cumulative count of complaints to 37 at week's end:

Fame Record Inc., 782 8th Ave., N.Y., and Pres. Lee A. C. Gallo Jr. Time Records Inc. & Brent Music Corp., also trading as Shad Records & Brent Records Inc., 2 W. 45th St., N.Y., and their officer Robert Shad. Vee-Jay Records Inc., 1449 S. Michigan Ave., Chicago, and Pres.-treas. James Bracken & exec. vp Ewart G. Abner.

All South Distributing Corp., 630 Baronne St., New Orleans, and Pres. Henry J. Hildebrand Jr., vp Evelyn K. Hildebrand and secy.-treas. Henry J. Hildebrand Sr. Superior Record Sales Co. Inc., 666 10th Ave., N.Y., and Pres. Sam Weiss. Raymond Rosen & Co. Inc., Parkside Ave. at 51st St., Philadelphia, and Pres. Thomas F. Joyce, exec. vp Joseph B. Elliott, vp Jack S. Rosen, secy. Edward H. Rosen and treas. George M. Minter.

All State Record Distributing Co., 1450 S. Michigan Ave., Chicago, and Pres.-treas. Paul J. Glass & vp-secy. Peggy M. Glass. Ideal Record Products Inc., 549 W. 52nd St., N.Y., and Ideal Record Products of N.J. Inc., 357 Lyons Ave., Newark, and Pres.-treas. Alfred Levine & vp-secy. Sam Keenholz. Gone Recording Corp. & End Music Inc., 1650 Broadway, N.Y., and Pres. George Goldner, vp Jack Waxman & co-partner Jerome G. Roth, also operators of Co-op Distributing Co. at the same address.

* * *

FTC Chmn. Earl Kintner is due to address a special meeting of the ANA in N.Y. this week (Feb. 2) called "to examine at first hand the implications of the critical spotlight which has been put on advertising in recent months, and to formulate a plan of action." Spokesman for ad agencies, broadcasting and print media will also address the meeting. Guests include: NBC Pres. Robert E. Kintner, CBS-TV Pres. James T. Aubrey, Westinghouse Bestg. Co. Pres. & NAB TV Code Review Chmn. Donald H. McGannon, *Newsweek* publisher & MAB Chmn. Gibson McCabe, NAEA national advertiser relations chmn. & *Herald-Tribune* ad mgr. John D. Thees, D'Arcy Advertising Co. & AAAA Chmn. Robert M. Ganger, Bristol-Myers vp & ANA Chmn. Donald S. Frost, ANA counsel Gilbert H. Weil, and ANA Pres. Paul B. West. The meeting, open to the press during the morning session, closed during the afternoon, will be at the Plaza Hotel.

No Ban On Ban: A revised & re-shot version of Bristol-Myers' Ban deodorant film commercials used in network & spot TV is expected to be prepared by Ogilvy, Benson & Mather agency to replace, in 5 or 6 weeks, the "Greek statue" spots which the personal products subcommittee of NAB's TV Code Review Board has termed "offensive." Earlier trade stories which stated that NAB had informed "stations & networks" that the Ban commercials were a code violation "were inaccurate," OB&M senior vp James J. McCaffrey told us. Only the agency was notified, and it offered immediate cooperation.

"Our arrangement with NAB was that we would agree to submit a revised storyboard, and NAB would agree not to send a Code-violation notice," said McCaffrey, whose agency won the account from BBDO in July 1959. A storyboard revision was re-presented Jan. 22 to Edward W. Bronson, NAB dir. for Code affairs. OB&M expects NAB to return the Ban storyboard, with minor revisions by subcommittee members, early this week. "You can assume safely there'll be a new version of the Ban commercial," McCaffrey stated.

The original commercial which attracted NAB's attention is still scheduled in Bristol-Myers commercials for CBS-TV's *Alfred Hitchcock Presents* and NBC-TV's *Peter Gunn* and *Staccato*. "We consulted with continuity acceptance depts. at NBC & CBS on the original version and it was approved at both networks," said McCaffrey. "We're on the air with it now, operating under this approval, and we won't drop it until a new commercial is made," he said.

Bristol-Myers, which terms Ban "the number one deodorant in the field, a position attained in a little over 2 years," has also agreed to the agency's no-fight-with-NAB position and "wants only to have another version of the commercial that retains the selling power of the original."

NAB officials are pleased with the agency-client cooperation. Certainly, there's a marked difference in OB&M's response to the Code Board's actions concerning Ban from the responses of previous agencies whose personal-product commercials were termed "offensive." Last year Ted Bates & Co. and client "Preparation H" flatly declined to cooperate with the Code Board when Preparation H commercials were cited as "offensive" (Vol. 15:18).

OB&M admitted, meanwhile, that the NAB action had stirred up plenty of excitement at the agency. Said vp for commercial production Everard W. Meade, lapsing into Madison Avenuese: "Someone has certainly thrown a large stone into the pool, and the ripples are still splashing up against my desk." At week's end, the ripples continued to splash, although no major storm warnings were being run up on the OB&M flagpole for Ban admen to salute.

Ad People: John Peace promoted from first vp to pres., William Esty Co., succeeding James J. Houlahan, named chmn. . . . Elliot Plowe, ex-BBDO, named Grant Advertising senior vp . . . Eric Marder resigned as vp & mkt. research supervisor, Kenyon & Eckhardt, to form his own research organization, Eric Marder Associates . . . Stephen Baker elected a Cunningham & Walsh vp . . . T. Newton Weatherby, Sullivan, Stauffer, Colwell & Bayles administration vp, appointed treas. . . . Cornelius B. (Con) Donovan, Charles W. Hoyt Co. media relations vp, honored at a luncheon marking his 50th year with the N.Y. agency.

Obituary

John Craig Clark, 45, vp & account supervisor of Fletcher Richards, Calkins & Holden, died of a heart attack Jan. 26 at his N.Y. home. He is survived by his wife, a son, his father & a brother.

1959 AD VOLUME UP 7.6%: Buoyed by gains in all major media, the nation's 1959 advertising volume rose to a record total of \$11,090,000,000—7.6% above the 1958 level (Vol. 15:6 p10), according to a preliminary estimate released by *Printers' Ink* last week. Local advertising gained 10.3%, accounted for some \$4.4 billion of the total. National advertising was up 6%, amounted to more than \$6.7 billion.

The principal media percentage gains were scored by magazines, which ran 13% ahead. TV showed an 11.3% improvement. Newspapers gained 10.2%. Radio flashed comeback strength by reversing 1958's 0.6% sag with a 3.6% increase. Among all media & subdivisions, only 2 failed to join the prosperity parade. Network radio fell 13.6% from 1958's showing, direct mail was off 1%.

TV expenditures in 1959, it was estimated, rose to a total \$1.525 billion and a 13.7% share of all ad dollars, compared with the 1958 total of \$1.354 billion spent for a 13.2% share. Division of the TV spending (in millions of dollars): network, \$787 for an 11% gain over 1958; spot, \$458.5, up 15.5%; local \$280, up 13%. TV's gain of 0.5% in share-of-total-spending compares with newspapers' increase of 0.7% and magazines' 0.4%.

Total radio spending increased to \$638 million from \$615.7 million in 1958, but total share dropped to 5:8% from 6%. Network radio accounted for (in millions) \$50 of total, down 13.6% from 1958; spot, \$198, up 4.4%; local, \$390, up 5.9%.

(For 1948-59 *Printer's Ink* tabulations of advertising volume by media, see TELEVISION FACTBOOK No. 29, p22.)

The 1959-58 comparison tables:

	1959		1958		% change '59 vs. '58
	Millions	% of Total	Millions	% of Total	
Newspapers					
total	\$3,517.0	31.7	\$3,192.8	31.0	+10.2
national	826.0	7.4	768.7	7.5	+ 7.5
local	2,691.0	24.3	2,424.1	23.5	+11.0
Magazines					
total	866.2	7.8	766.8	7.4	+13.0
weeklies	478.4	4.3	425.4	4.1	+12.5
women's	168.2	1.5	150.5	1.5	+11.8
monthlies	185.0	1.7	157.7	1.5	+17.3
farm, nat'l	34.6	0.3	33.2	0.3	+ 4.2
Television					
total	1,525.5	13.7	1,354.2	13.2	+11.3
network	787.0	7.1	709.1	6.9	+11.0
spot	458.5	4.1	397.0	3.9	+15.5
local	280.0	2.5	248.1	2.4	+13.0
Radio					
total	638.0	5.8	615.7	6.0	+ 3.6
network	50.0	0.5	57.9	0.6	-13.6
spot	198.0	1.8	189.6	1.8	+ 4.4
local	390.0	3.5	368.2	3.6	+ 5.9
Farm Publications (regional).....	36.4	0.3	34.2	0.3	+ 6.4
Total Farm publications*	[71.0]	0.6	[67.4]	0.6	+ 5.3
Direct Mail	1,573.0	14.2	1,588.6	15.4	- 1.0
Business Papers	566.0	5.1	524.7	5.1	+ 7.9
Outdoor					
total	193.2	1.8	191.7	1.9	+ 0.8
national	130.4	1.2	129.4	1.3	+ 0.8
local	62.8	0.6	62.3	0.6	+ 0.8
Miscellaneous					
total	2,174.7	19.6	2,033.1	19.7	+ 7.0
national	1,254.9	11.3	1,199.2	11.6	+ 4.6
local	919.8	8.3	833.9	8.1	+10.3
Total national	6,710.0	60.5	6,331.0	61.5	+ 6.0
Total local	4,380.0	39.5	3,970.8	38.5	+10.3
GRAND TOTAL	\$11,090.0	100.0	\$10,301.8	100.0	+ 7.6

*Bracketed figures identify advertising directed to farm markets through national, regional and state farm publications. These figures are already contained in other media totals and are not to be added into national or local totals.

Bond Stores' radio commercials & newspaper advertising have made "deceptive pricing, savings and reductions claims" for the clothing chain's 95 stores, FTC has alleged in a cease-&-desist order. Setting aside an examiner's initial decision dismissing a May 1957 complaint, the full Commission said that from now on Bond "must base such claims on its actual regular retail prices."

Technology

TRANS-OCEAN TV DUCTS: The long-suspected existence of a trans-oceanic "TV pipeline in the sky" has been proven in actual tests, Defense Dept. scientists disclosed last week. The discovery may herald a simple & reliable method of sending TV and other wideband radio signals over oceans.

An announcement by the Naval Research Lab and the Air Force Cambridge Research Center revealed "conclusive proof [of] an elevated trans-oceanic atmospheric duct, capable of trapping & propagating radio waves at low loss over considerable distances." The transmission tests were conducted in the South Atlantic tradewind area between the coasts of South America & Africa.

Radio equipment operating at 220 mc (slightly above TV's Ch. 13) was used to send signals from Brazil to a point more than 1,430 miles away with a transmitter power of only 100 watts. Signals were sent between 2 aircraft for a 4-week period last Nov. & Dec.

The duct has a thickness of approximately 500 ft. and is centered at a height of some 5,000 ft., the scientists found. What makes it particularly suitable for TV is the discovery that it will accommodate wide bands of frequencies, has very low loss and apparently is reliable & stable all year round.

Other Oceanic Ducts Present

Studies indicate other similar ducts exist between California & Hawaii, Cape Verde (Africa) & Puerto Rico, in the Indian Ocean, from the Philippines to Australia, and in other areas.

Air Force project engineer Russell W. Corkum explained that trans-oceanic TV might be accomplished by using scatter or other methods to link the U.S. with the oceanic duct in Puerto Rico, sending the signals by duct to Africa, thence via microwave to Spain and the rest of Europe. An even more immediately promising prospect may be the California-Hawaii duct.

California-to-Hawaii route may be the next one studied. Also under consideration are experiments to determine methods of sending radio waves up to the ducts from ground-based transmitters & receivers.

The invisible radio pipeline, the Pentagon announced, "results principally from the atmospheric temperature inversion layer of the tradewind regions."

Note: The Navy began regular use of the moon as a radio relay between Washington & Hawaii Jan. 28 with the transmission of a wirephoto from Hawaii to Washington—bounced from the moon. While the system can't handle TV because of the power requirements of wideband transmission, the Navy expects to use the moon-bounce system to handle all messages between Washington & Hawaii (Vol. 15:14 p18).

New Zoomar lens converter makes it possible to zoom from 2½ to 72 inches with the all-purpose Super Universal Zoomar. The latest converter attachment, which can be added to the basic 2½-to-16-in. Universal Zoomar, zooms from 12 to 72 inches—making possible a zoom from an action "cover" shot to the head & shoulders of a single athlete when covering a football game from atop a grandstand. The new converter will be used by the networks at next June's political conventions. Another converter now extends the range of the Super Studio Zoomar to 2¼-15 inches.

Networks

NBC's Easier Announcement Policy: NBC's standards & practices directives Nos. 4 & 5, covering on-the-air identification of pre-recorded material, and the codification of operating standards of NBC News, were issued by S&P vp James A. Stabile Jan. 26. In contrast to CBS-TV's Dec. directives on the labelling of canned laughter ("audience reaction technically augmented"), NBC will not identify pre-recorded audience reaction, "because it is an artifice of showmanship which, when it offends, is at fault because it is obvious." In less rigid terminology, NBC will identify recorded segments of live programs by saying: "Parts of this program were pre-recorded."

At the station level, Storer Bcstg. Co. revealed last week details of its "quality control" dept. Each of Storer's 5 TV & 7 radio stations has been equipped with an S-24 Soundscraper tape recorder to record continuously, off-the-air, the sound portion of the station's entire broadcast schedule. In addition, TV is continuously reviewed by full-time, on-the-scene monitors in each Storer TV location.

NETWORK SALES ACTIVITY

ABC-TV

The Dick Clark Show, Sat., 7:30-8 p.m., renewal for 6 months, eff. March 5.

Beech-Nut Life Savers (Young & Rubicam)

Sugarfoot and Bronco, Tues., 7:30-8:30 p.m., participations starting April 12.

Haggar Co. (Tracy-Locke Co.)

Man with a Camera, Mon., 10:30-11 p.m., Sugarfoot, Bronco, Tues., 7:30-8:30 p.m., Bourbon St. Beat, Mon. 8:30-9:30 p.m., participations over 5 wks.

Helene Curtis (Edward H. Weiss)

Bertram Mills Circus, March 31, 7:30-8:30 p.m., special taped in London.

Timex (Doner & Peck)

Invitation to Paris, April 27, 10-11 p.m., taped in Paris, featuring Maurice Chevalier & Fernandel.

Renault (Kudner)

CBS-TV

Captain Kangaroo, Mon.-Sat., 8:15-9 a.m., 15-min. wkly. segs.

Plough Inc. (Lake-Spiro-Shurman) & *Warner-Lambert* (Lambert & Feasley)

Love of Life, Mon.-Fri., 12-12:30 p.m. & For Better or Worse, Mon.-Fri., 2-2:30 p.m., alt. wk. 15-min. segs.

Gold Seat Co. (Campbell-Mithun Inc.)

Be Our Guest, Wed., 7:30-8:30 p.m., wkly. one-third, eff. Feb. 3, over 5 wks.

Hazel Bishop (Raymond Spector)

Eyewitness to History, Feb. 24, 26, March 5. 30 min. Coverage of President Eisenhower's forthcoming South American trip.

Firestone Tire & Rubber (Campbell-Ewald)

NBC-TV

Overland Trail, Sun., 7-8 p.m., one-third sponsorships.

Standard Brands (Ted Bates), *P. Lorillard* (Lennen & Newell, & *John H. Breck* (Reach McClinton)

Riverboat, Mon., 7:30-8:30 p.m., & Law of the Plainsman, Thurs., 7:30-8 p.m., one-third sponsorships.

Standard Brands (Ted Bates)

Network Television Billings

November 1959 and January-November 1959

(For Oct. report, see TELEVISION DIGEST, Vol. 16:1 p10)

Nov. 11.8% Ahead: Network TV's Nov. gross time billings sagged slightly to \$58,138,086 from big Oct.'s \$59,030,752 (tops for 1959's first 11 months)—but they ran a healthy 11.8% ahead of the \$52,008,793 volume racked up in Nov. 1958, reports TvB. The year-to-date (11 months) business increased to \$568,274,278. This was 10.9% ahead of the \$512,651,580 recorded in Jan.-Nov. 1958.

CBS continued to lead the other networks in dollar volume, both for the month (with \$23,442,765 total billings) and for year-to-date (\$242,404,016). NBC, which had been closing in on CBS in the past several months (to within \$727,150 in Oct.), fell back to a \$1,677,404 gap with Nov. billings of \$21,765,361. ABC continued to rack up the giant percentage gains: 25.1% ahead in Nov.-over-Nov. billings, 21.1% ahead in the cumulative comparison.

NETWORK TELEVISION

	Nov. 1959	Nov. 1958	% change	Jan.-Nov. 1959	Jan.-Nov. 1958	% change
ABC	\$12,929,960	\$10,338,126	+25.1	\$112,033,136	\$ 92,550,834	+21.1
CBS	23,442,765	21,853,592	+ 7.3	242,404,016	224,946,459	+ 9.8
NBC	19,817,075	21,765,361	+ 9.8	195,154,287	213,837,126	+ 7.6
Total	\$58,138,086	\$52,008,793	+11.8	\$568,274,278	\$512,651,580	+10.9

1959 NETWORK TELEVISION TOTALS BY MONTHS

	ABC	CBS	NBC	Total
January	\$10,647,078	\$22,129,248	\$19,299,853	\$52,076,179
February	10,024,460	20,806,220	18,053,828	48,884,508
March	11,565,031	23,265,395	20,728,315	55,558,741
April	10,309,263	22,077,285	19,739,816	52,126,364
May	9,946,570	22,298,271	19,674,494	51,919,335
June	8,930,114	21,171,128	17,984,845	48,086,087
July	8,391,470	21,269,782	17,883,111	47,544,363
August	8,205,520	21,137,261	17,298,527	46,641,308
September	8,546,650	21,196,220	18,525,685	48,268,555
October	12,537,020	23,610,441	22,883,291	59,030,752
November	12,929,960	23,442,765	21,765,361	58,138,086

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

CBS-TV is still leading the 3 networks in delivering the largest national average-audience levels in prime evening time, but ABC-TV has edged NBC-TV for the runner-up position, the latest Nielsen National Audience Report (for the 2 weeks ending Jan. 9) showed late last week. From 7:30-10:30 p.m., the Nielsen national network AA levels were: CBS-TV—23.4; ABC-TV—21.0; NBC-TV—19.7. When the 10:30-11 p.m. marginal periods were included, NBC-TV pulled closer to ABC-TV, with CBS-TV still leading. On a 7:30-11 p.m. yardstick, the Nielsen national AA levels were: CBS-TV—22.7; ABC-TV—19.9; NBC-TV—19.3. There was no bombshell in the overall figures, but they showed that ABC-TV had definitely arrived as a national audience power. Its strong showing confirms the trend indicated by the 24-city Nielsen reports in which ABC-TV has been leading.

Negotiations with KTVU San Francisco continue—and KRON-TV is no longer in the picture—as NBC seeks to find a replacement for WRC-TV Washington. NBC's acquisition of a station in San Francisco, or another major city, is part of the agreement with RKO General, under which the 2 organizations exchange their Boston & Philadelphia TV-radio facilities and RKO buys WRC-TV & WRC Washington (Vol. 16:4 p13).

Giraud Chester, ABC-TV vp for daytime programs, and Julian Bercovici, executive producer in daytime programs are off to Caracas, Venezuela Feb. 4 seeking talent.

Auxiliary Services

More about

TPT FIGHTS MONOPOLY CHARGE: TelePrompTer Corp. in vigorously denying "it attempted to monopolize promotion of heavyweight fights" (as charged by N.Y. State Attorney General Louis Lefkowitz Jan. 26) declared that neither it nor Pres. Irving B. Kahn, "nor any other official has violated the anti-monopoly laws or any other laws, in letter or spirit." TPT & Floyd Patterson Enterprises Ltd. jointly are involved in a "bona fide tax dispute" with the State of N.Y. "and a proper reserve has been established for the prompt payment of the tax whenever the correct amount is established. TPT & Floyd Patterson Enterprises welcome an adjudication," we were told.

Lefkowitz's action has "not directly affected our business," a TPT spokesman told us, pointing out that "boxing is only 15% of our business, and we've only aired 3 of the 14 major fights via closed circuit." (Competitor Theatre Network TV handled the other 11.) As of Jan. 26 Lefkowitz had obtained a State Supreme Court order permitting him to begin proceedings. After being served with the complaint, the 2 corporations have 20 days in which to reply.

Few reply comments were filed in FCC's vhf translator rule-making proceeding (Vol. 16:3 p4), and even fewer were available for inspection at press time. Washington State TV Reflector Assn., a substantial group of translator operators, apparently hadn't seen NCTA's 5-year "status quo" and "shift to uhf" proposal, didn't comment on it. However, the association did say that uhf won't do the propagation job and uhf is too expensive; it likes the FCC-proposed vhf rules. Much of its reply was an attack on CATV, saying that the system operators have no interest in serving most of the homes now reached by vhf translators. WAST (Ch. 13) Albany opposed the suggestion of KOMU-TV (Ch. 8) Columbia, Mo. that no translators be authorized for "any area already receiving satisfactory service from 2 or more conventional stations." It favored FCC's proposed rules. Neither NCTA nor any other CATV organization offered reply comments.

CATV-control bill backed by the Senate Commerce Committee and brought close to a floor vote last year (Vol. 15:37 p3), is scheduled for action by Feb. 15. Senate Majority Leader Johnson (D-Tex.) put the measure (S-2653) on his active legislative agenda, reporting that calling it up for a vote "is just a question of arranging a time to suit the convenience of Senators." Johnson, asked by Sen. Mansfield (D-Mont.) if the bill could be pushed along for action this week, said it will be included in a ready-list of measures to be called up before civil rights debate starts Feb. 15. Johnson said he had received letters from "some Senators saying 'please take it up now,'" while others asked him to hold up "until after the 15th."

TV flight-information service is being established at the Montreal Airport to provide passengers & personnel with up-to-the-minute status reports on Trans-Canada Air Lines flights. The closed-circuit TV system will flash on screens in the lobby and at the passenger agent's counter such data as flight arrival & departure times, loading gate, space available.

Telemeter Test: Canada's first pay-TV swings into operation in Feb. with 1,000 signed customers and more still being added. The exact starting date in Toronto's suburban township of Etobicoke hasn't been set and E. E. "Gene" Fitzgibbons of Famous Players Canadian Corp. Ltd., declined to be any more specific.

Trans-Canada Telemeter Division of Famous Players is making the test in an area with 40,000 homes within 5 miles of its studio—a highly competitive area. Residents can pick up 3 Buffalo, N.Y. stations, CBC's Toronto Channel 6 and Hamilton's Channel 11, just 40 miles away. "That's why we picked Etobicoke," said Mr. Fitzgibbons. The company plans several other operations but Mr. Fitzgibbons said nothing would be done until the Etobicoke test was completed.

Telemeter operation makes no minimum charge. Installation fee is \$5 and an electronic box-office receives the coins as the set is used. The user first pushes a "barker" button which announces what programs are available on other circuits. Then coins are inserted in the electronic box-office and the program selected flashes on the screen.

* * *

Telemeter will bring Toronto Maple Leaf hockey away-from-home games on Sun. nights to homes in Telemeter's pay-TV pilot operation in West Toronto (Vol. 15:49 p5), starting this month. John J. Fitzgibbons, pres. of Famous Players Canadian Corp. Ltd., and Gen. John Reed Kilpatrick, pres. of the N.Y. Rangers and Hon. Chmn. of Madison Square Garden Inc., announced the closed-circuit sports-cast in N.Y. Jan. 28. First game in the series is scheduled for Feb. 28, with a coaxial live feed from N.Y. Later originations will be fed from Detroit & Boston to Toronto. Special permission to closed-circuitcast the games was obtained by Telemeter from Imperial Oil Ltd., which now sponsors the Sat. night Maple Leaf home-games on free television.

Translator starts: K70BP, K74AX & K78AN in Yreka-Weed, Cal. have been testing since late Dec., repeating KBES-TV Medford, KVIP-TV Redding & KHSI-TV Chico, but engineers are working to improve picture before filing for licenses. K76AV Yakima, Wash. began Nov. 8 with KGW-TV Portland. K74AT Likely, Cal. reported Jan. 25 that it is now carrying KOTI Klamath Falls, Ore. K77AN Columbia Falls, Mont. reported Jan. 27 that it is repeating KXLY-TV Spokane. K70AD Marietta, O. has a Feb. 10 target for its start with WTAP Parkersburg, W.Va. K70BT Santa Rosa, N.M. has a tentative Feb. 10 target to begin with KOB-TV Albuquerque. K70AL & K73AD Palm Springs, Cal. report they are back on the air with KNXT & KRCA, following 2 weeks of darkness in 1959 during annual fund drive. K72BC Leadville, Colo. began January 13 repeating KLZ-TV Denver. K76AS Tucumcari, N.M. began Dec. 21 repeating KVII-TV Amarillo. K70BL Wheeler County, Tex. began tests Dec. 7 with KGNC-TV Amarillo. K74AV Navajo Compressor Station, N.M. began tests Dec. 7 with KOAT-TV Albuquerque. K71AU & K74AY have March 1 & April 1 targets, respectively, for supplementary on-campus programming for U. of Utah's KUED (Ch. 7) Salt Lake City.

New CATV regional group—South-Central CATV Assn., covering Ark., Ala., Mo., Miss. & La.—elects: Fred Stevenson, Fayetteville, Ark., pres.; Jim Davidson, Batesville, Ark., secy.-treas.

Foreign

Dollar Curbs Lifted: British film revenue earned by U.S. producers or distributors can now be taken out of the United Kingdom under a new "Anglo-American film agreement," announced Jan. 29, which lifts the longtime freeze on movie remittances. Hailed by Motion Picture Export Assn. Pres. Eric Johnston as a possible forerunner of "a general freeing of restrictions throughout the world," the move is likely to provide a major benefit for theatrical films—but only partial relief for U.S. telefilm exporters, for the biggest TV problem in Britain, from the U.S. viewpoint, is not the question of dollar remittance but rather the semi-official quota system in effect on both the commercial & government-operated TV channels.

ITV under pressure from British film unions & theatrical exhibitors, maintains a 14%-of-total-programming quota. BBC-TV, according to dir. Gerald C. Beadle (see next column), "does not have a quota, but has a habit of keeping U.S. film shows to about 10% of programming." Thus, telefilm exporters can get their money out—if they can manage a sale. So far, a number of U.S. firms have ducked around this issue by setting up telefilm series as joint U.S.-British co-productions, which qualify them as British "quota shows." (A few: Ziv's *Martin Kane* and *Dial 999*, ITC-ATV's *4 Just Men*, Official Films' *Robin Hood*) British earnings are then usually plowed back into film production, avoiding the remittance restriction, with sales in the U.S. and other areas providing the profit.

On another British telefilm front last week, another form of restriction was lifted. ATV Ltd. Deputy Chmn. Norman Collins announced a new agreement between telefilm producers and British writing & acting talent, providing them with what amounts to residual payments on overseas (*i.e.*, U.S.) sales.

BBC-TV Taping For Export: "We are not film producers; we are electronic TV producers. We are completing an electronic-tape conversion system, to translate British standards to other types, so that we may play a larger role in the program export market." So said BBC-TV Dir. Gerald C. Beadle in N.Y. last week, reviewing the status of Britain's original non-commercial telecasting system.

BBC-TV has made at least one move into the telefilm field (*The Third Man*, starring Michael Rennie, co-produced with NTA), but "this was just a test," said Beadle. With a 13-acre, \$45-million live-TV studio plant nearing completion (due for June occupancy), BBC-TV is concentrating its program development primarily in live-tape shows, Beadle stated. Currently, BBC set-free revenue is \$87 million annually, and may reach \$120 million "in 4 or 5 years."

Beadle admitted that Britain's commercial TV channel frequently out-rates BBC-TV, but added that BBC can more than hold its own "when we go out to entertain." As an example, he cited a 66-34% TV audience split in BBC-TV's favor last Christmas day.

Britain's TV homes (10 million, out of a maximum potential of 15) have virtually completed the process of converting TV sets to receive both ITV and BBC-TV programs. "I've given up counting unconverted sets," said Beadle. "After 4½ years of commercial TV, the only difference that counts these days is coverage." In this, incidentally, BBC-TV considers itself ahead, with 98.5% TV coverage vs. 92% for ITV. Another new horizon for BBC-TV is color TV. "We are putting on some [experimental] color programs, using a compatible system, late at night, mostly for set manufacturers."

FOREIGNERS SAY U.S. TV TOO VIOLENT: American television includes too much violence for the foreign taste, Hollywood film makers were told last week by broadcasters from Great Britain, Canada and Mexico at a meeting of the Academy of TV Arts & Sciences.

Panelists were Norman Collins, deputy chmn. of Associated Television of London; Greeve Del Strother, American rep. of BBC; J. M. Duran y Casahonda, PR dir., Tele-sistema Mexicano, Mexico City; Alvin Ferleger, sales dir., NBC International; Howard Meighan, pres., Videotape Productions of N.Y.; and Kenneth D. Soble, pres., Niagara Television Ltd., Hamilton, Ontario.

What began as a general discussion of global TV ended with considerable criticism of American programming, sales methods and a neat counterpunch at U.S. complaints about foreign restrictions against American telefilms.

Del Strother said BBC carries about 10% foreign programming, mostly from the U.S. He said Eurovision may soon establish a TV link with countries behind the Iron Curtain, and later with North Africa. Eurovision may even telecast President Eisenhower's visit to Moscow in June, and send tapes to the U.S. so the pictures may be seen in this country on the same day. As to criticism that the United Kingdom won't permit more U.S. telefilms, he declared that "export is not a one-way street" and pointed out how few British TV films are shown here.

We Supply Half of Canada's Fare

Representing the Canadian market, Soble said 50% of his country's programming is from U.S. Canada is planning low-cost taped programs, he said, admitting: "One of our greatest lacks is in the writing field. And we don't have many topflight producers. But we have very good actors & musicians." Of U.S. programs, he commented: "We would like less violence, less Westerns, and less horrors. We would like considerably more dramatic shows."

Mexico's representative, Duran, said: "Many of your programs are not acceptable to Spanish-speaking audiences. Some of your shows—like *Mike Hammer*—are horrible examples of crime & violence, and may contribute to juvenile delinquency. We would like to see less violence & fewer Westerns." The Mexican speaker also hit at U.S. "high-pressure salesmanship" and said American salesmen seek a higher price than the market south of the border can afford. He saw no possibility of a U.S.-Mexico microwave in the near future, because of expense.

Collins, who said his company is planning 2 film series in Canada, one in Australia and one in England, also made the point that he would welcome more receptivity in this country to films made abroad. "We don't have sponsorship; we sell viewership," he said, emphasizing that the advertiser in England has no voice regarding program content. He opined that American sponsorship, too, began to die "when you begin with multiple sponsors."

Probably the gloomiest picture came not from a foreigner but an American—NBC's Ferleger. He said TV will never approach the movie industry in foreign revenue. The movies can count on as much as 50% of their gross from overseas markets, but this will never be true of TV from overseas markets, but this will never be true of TV.

He said Japan's top price for a 30-min. U.S. film is \$300, and often the station then sells it to an advertiser for \$3,000 or more. "Today we receive less for a half-hour film in Britain than we got 3 years ago, although sets have increased from 6 to 10 million. I do not foresee any sharp rise in foreign revenue, but I do see a steady rise." The best markets for the future are Japan, Italy, Germany, Argentina and Brazil, he predicted.

Stations

New TV-radio technical notes on National Bureau of Standards research are available from the Office of Technical Services, Business & Defense Services Administration, Commerce Dept., Washington 25. The series includes *Service Area of an Airborne TV Station* (No. 35, 46 pp., 75¢), *Resistance Diode Bridge Circuit for Temperature Control* (No. 34, 5 pp., 50¢), *A History of Vertical-Incidence Ionosphere Sounding* (No. 28, 140 pp., \$2), *Communication Theory Aspects of TV Bandwidth Conservation* (No. 25, 27 pp., 50¢), *Radio Wave Propagation in the Inhomogeneous Atmosphere* (No. 24, 21 pp., \$1), *Radio Noise Data for the International Geophysical Year* (No. 18, 239 pp., \$2.50), *Design of Single Frequency Filters* (No. 23, 10 pp., 50¢), *Technical Considerations Leading to an Optimum Allocation of Radio Frequencies in the Band 25 to 60 mc* (No. 13, 104 pp., \$2.50), *Transmission Loss in Radio Propagation* (No. 12, 156 pp., \$3), *Frequency Dependence on VHF Ionospheric Scattering* (No. 9, 46 pp., 75¢), *Low- and Very-Low Frequency Tables of Ground Wave Parameters for the Spherical Earth Theory* (No. 7, 86 pp., \$2.25).

NAFI Corp.'s deal to acquire control of KCOP (Ch. 13) Los Angeles through an exchange of stock by Bing Crosby, Kenyon Brown, George L. Coleman, Joseph A. Thomas & Alvin C. Flanagan has won FCC approval over protests by Comr. Bartley. He said that if FCC's integration-of-ownership-control-&-management "principle is to mean anything, it should not be allowed to be aborted through transfer of control" to NAFI, which also owns KPTV Portland, Ore. NAFI meanwhile moved to acquire radio KXYZ Houston from Houston Bcstg. Corp. for \$750,000.

Public-interest programming of WPRO-TV Providence in 1959 is itemized in an elaborate, spiral-bound 59-page "summation of Ch. 12's religious, educational, informational and news programming, and attendant service to the community." Gen. mgr. Joseph P. Dougherty, noting that "we believe it is our responsibility to take an active participation in local community activities," points out that since WPRO-TV went on air in March 1955, it has cooperated with more than 615 organizations and telecast more than 56,000 public-service announcements.

"Critical problems" confronting TV & radio will fill the agenda of NAB's annual conference of presidents of state bcstrs. assns. Feb. 24-25 in the Shoreham Hotel, Washington, according to Chmn. Howard H. Bell, joint affairs asst. to NAB Pres. Harold E. Fellows. "Our agenda is being planned to afford discussion of the problems by national leaders and a great deal of time will be devoted to discussion by the broadcasters themselves." FCC Chmn. Doerfer will address the Feb. 25 luncheon.

Giant outdoor display co-sponsored by WNBQ Chicago and the local Pepsi-Cola General Bottlers Inc. has begun operation atop an 11-story building in the city's heavily traveled Loop. The eye-catching sign (116 x 104 feet) plugs the Ch. 5 station & the beverage, flashes news bulletins day & night on its electric motograph via relay from the NBC station's newsroom.

Transfer of control of KFBB-TV & KFBB Great Falls, Mont. from Joseph P. Wilkins & others in Wilkins Best. Inc. to KFBB Bcstg. Corp. (headed by Wilkins as pres.) has been approved by FCC. Consideration: \$616,000.

Intercity relay, to bring programs of WTCN-TV Minneapolis to KXGO-TV Fargo, N.D., granted to latter.

Unusual, if not unique, are the plans of Marion G. Robertson, son of Sen. Robertson (D-Va.), who plans to revive off-air WTOV-TV (Ch. 27) Portsmouth, Va. and operate it primarily as a religious outlet. He has an option, running until May 3, to buy it from Tim Brite. Though not an ordained minister, he's a graduate of the Biblical Seminary, N.Y. and Yale Law School. He intends to accept some institutional advertising but expects primary support to come from contributions. Plans call for 50% religious programming, 70% of it live & local. The balance will be music, art and programs for teenagers—"to give them something better than violence and rock 'n' roll." The schedule calls for 40 hours weekly. Robertson hopes to carry educational programs later, perhaps 3-4 hours daily. His company is Christian Bcstg. Network Inc., and he hopes the concept will spread to other cities, leading to the formation of a network of religious stations.

"In talking with the people of Allentown (Pa.) recently, these facts clearly emerged: (1) TV has not lost its audience; (2) TV commercials do sell products; (3) there has been a strong feeling of disappointment in quiz shows; (4) there has been very little transfer of disbelief from TV show to TV commercial; (5) now, just as before, there is a rather large 'exaggeration allowance' . . . (6) people depend upon commercials to introduce them to new products; (7) the independent buyer, like the independent voter, is still here; and (8) government regulation of TV, they felt, is not the answer . . . A housewife said she believes more of what she sees on TV now than she did before. 'They wouldn't dare pull anything now,' she said."—Paul Slater of Compton in *Madison Avenue*.

Cleveland's 2 afternoon papers have merged. Publication of *Cleveland Press & News* began Jan. 25, following Scripps-Howard's (*Press*) acquisition of the *News* for an undisclosed amount from Forest City Publishing. The latter company continues with morning *Plain Dealer* there. Scripps-Howard newspapers are affiliated with Scripps-Howard Radio Inc., operator of WEWS Cleveland, WCPO-TV Cincinnati, radio stations WCPO & WNOX Knoxville. In addition, Scripps-Howard Radio is affiliated with WMCT & WMC Memphis through *Memphis Commercial Appeal* and *Press-Scimitar*.

Facility changes: KXII (Ch. 12) Ardmore, Okla. Dec. 16 boosted power to 171 kw after its move to a new site near Madill, Okla., and having received FCC authorization to identify itself with Sherman & Denison, Tex. KTSM-TV (Ch. 9) El Paso reported Jan. 14 that it has boosted power to 85.1 kw, using a new tower on Ranger Peak, Franklin Mts. WTHS-TV (Ch. 2, educational) Miami, Fla. plans a Feb. 15 boost to 100 kw. WLBT (Ch. 3) Jackson, Miss. hopes to begin April 1 from a new site with 1500-ft. tower.

Discontinuation of its microwave-equipment production operations at Van Nuys, Cal., has been announced by Lambda-Pacific Engineering Inc., which on Jan. 1 became a div. of Mechanical Products Inc., maker of circuit breakers for aircraft. The operation will be shifted by March 1 to Mechanical Products' Jackson, Mich. HQ. It will be housed in a new 13,000-sq.-ft. adjunct to the main plant. Lambda-Pacific, it is anticipated, will then be re-named electronic systems div. It produces microwave systems & components and industrial & broadcast test equipment.

RCA shipped a 6-kw transmitter Jan. 25 to WMCT (Ch. 5) Memphis. Also last week it shipped monochrome TV tape recorder units to WHDH-TV Boston, WTMJ-TV Milwaukee & KOB-TV Albuquerque.

Programming

Unusual programming is offered in a letter we've received from Bhupender Singh, of The Studio, Box 408, Mbale, Uganda, E. Africa, who writes: "We shall be most obliged if you suggest us any society in the States which is in the Marketing field. We have with us here some of the African subjects which have never been filmed before and these should be of great interest to the audience in the United States. Besides the Public interest we are sure the historic and record film libraries would be interested. In brief please find the type of films we are holding. (a) African Tribal Dances. (b) Ziro civilization. (The world as it existed in the eyes of the civilized people some thousands of years ago). (c) Tribal customs as practiced in (b) above. (d) Women circumcision followed by tribal dances unlike done in other parts of the World. (e) Men circumcision—ditto. (f) Blood drinking and feasts of raw meat eating something which is a dream to the civilised man today. Their food resistance is so strong that no disease catches them."

"Adventures in Paradise's" improving fortunes are again indicated in a confidential report on the 60-min. series (Mon. 9:30-10:30 p.m.) recently prepared for ABC-TV by Henry Brenner's TV-Q, and said to be a strong factor in the network's recent decision to ride with the show through the rest of this season. The "Q" rating of "Paradise"—a measurement of how well people like it, rather than how big an audience it has—has been climbing steadily, and so has the show's level of general familiarity among viewers. In early Oct., the Q-level of "Paradise" was a modest 15. In mid-Oct., it had risen to 22, and to 23 by Nov.; in Dec., it had climbed to 32. Meanwhile, ABC-TV's research dept. has noted with pleasure a steady rise in "Paradise" audience-size ratings, first in Trendex and later in the 24-city and national Nielsens, as TV viewers proved once more that public, not critical, taste is really responsible for the life & death of TV shows.

TV is degrading the image of America, and its portrayal of Americans is a "tape-recorded demonstration of banality," charged Hunter College Pres. Dr. George N. Shuster in an address last week before the 5th annual national mass media awards dinner of the Thomas Alva Edison Foundation. Nevertheless, TV programs & stations received 1959 Edison Awards at the event: *Our American Heritage* ("the TV program best portraying America"), *N.Y. Philharmonic Young People's Concerts* conducted by Leonard Bernstein ("best children's TV program"), *Conquest* ("best science TV program for youth"), NBC's "Meet Mr. Lincoln" & *Gateways to the Mind* (special citations). Educational KQED San Francisco was named "the most outstanding ETV station." KDKA-TV Pittsburgh and radio WBZ Boston "best served youth."

TV Westerns are still scoring. They had more hits per appearance than any other program type, according to a Nielsen analysis of the Top 40 shows in the Dec. ratings:

Rank	Category	Total Night Network Shows	Total in Top 40	Battling Average
1	Westerns	27	16	.593
2	Situation comedy	16	6	.375
3	Variety	10	4	.400
4	Straight comedy	6	2	.333
5	Panel & audi. partic.	10	3	.300
6	Suspense-crime	18	5	.278
7	General drama	10	2	.200
8	Specials	10	1	.100
9	Action adventure	8	0	.000
10	Prizefights	2	1	.500
Total-average		117	40	.308

Educational Television

ETV policy meeting with FCC, House Interstate & Foreign Commerce Committee, and House Education & Labor Committee representatives has been scheduled for next week (12) by the National ETV & Radio Center. NET Pres. John F. White said: "We are combining our board's quarterly meeting with an informal dinner with key people in Washington who are also concerned with the development of ETV. Among the subjects to be discussed will be activation of ETV stations, a report of the Center's activities and the consideration of its expansion plans, and ETV's place in the broadcasting industry." Other guests at the meeting in Washington's Statler Hilton Hotel will include representatives of national educational organizations, govt. agencies, the nation's ETV stations.

"Real breakthrough" in educational TV is planned by U. of Wis. under \$100,000 National Defense Education Act grant for audio-visual teaching research, Sen. Wiley (R-Wis.) reported to the Senate. He lauded the home-state program in which 42 films have been prepared for a graduate-credit TV correspondence course in teacher training. The course will be offered 3 times weekly over WXIX (Ch. 18) Milwaukee starting Feb. 3. Also scheduled for the program are stations in Miami; St. Louis; Rockford, Ill.; Lincoln, Neb.; East Lansing, Mich.; La Crosse, Wis.

Gift of more than \$50,000 in TV equipment from Taft Bestg. Co. to educational WCET Cincinnati has enabled the latter to expand its programming from 3 to 5 nights weekly. Included are 2 complete TV camera chains. The equipment comes from Taft's Cincinnati outlet, WKRC-TV, which recently moved into a new, automation-equipped HQ. "This grant from WKRC-TV marks a big step forward for educational TV in Cincinnati," noted WCET gen. mgr. Uberto T. Neely. The expanded ETV schedule has added 8 hours of programming weekly.

Third annual TV workshop of the U. of Fla. will get underway June 21 and offer participants 3 hours of undergraduate or graduate credit for completion of its "Teaching Through TV" course. The lecture-demonstration program will be conducted by staffers of the university's educational WUFT Gainesville and the journalism & communications school. The 8-week course is intended especially for teachers & others interested in ETV programming. It will also be conducted as a concentrated 3-week session, June 21-July 8.

Fund drive for educational WTTW Chicago will be conducted by 10,000 community volunteers during ETV Week, Mar. 6-11. The annual campaign will be led by Mrs. J. Harris Ward, member of the Chicago ETV Assn. Board of Trustees. The station's 1960-61 budget is \$808,000—of which two-thirds will be raised by the station. The balance depends on public support.

Two more ETV stations are slated to join the affiliated network of the National ETV & Radio Center this week: newcomer WGTE-TV (Ch. 30) Toledo, now completing on-air tests, and WFPK-TV (Ch. 15) Louisville, which debuted Sept., 1958. NET said the new additions increase network affiliations to 45 stations.

First TV station ever to win one of the Cal. Teachers Assn.'s John Swett awards for "significant contributions to advancing the cause of public education," is KERO-TV Bakersfield, Cal. The station was cited for "an outstanding [local] program series interpreting school programs & education issues."

Trade Report

FEBRUARY 1, 1960

'MARKETING SUBSIDIARY' CONCEPT SPREADS: Last month saw the incorporation of wholly-owned sales & marketing subsidiaries by Zenith, Admiral & Motorola. In 1959, sales corporations were formed by RCA, Sylvania & Du Mont-Emerson. What's behind this rapidly spreading trend in the consumer electronics industry?

We asked officials of most of the companies involved, as well as marketing experts, and the combined gist of their opinions—although some preferred to remain anonymous—indicates that benefits go far beyond tax advantages, and reflect the new prime importance of marketing & sales even in an industry founded on science & technology.

Thus, as 1960 dawns, the TV-radio-phono sales executive is in the driver's seat—at least in a co-equal policy-making position with the manufacturing & engineering topkicks, who were at the helm during much of the last decade. Increased emphasis on marketing & sales programs along with greater authority & responsibility in the sales dept. already show signs of avoiding some of the expensive mistakes of the 1950s which inevitably resulted in dumps and wild price competition—not to mention the demise of such TV names as Du Mont, Capehart, Stromberg-Carlson, Bendix, Raytheon, Crosley and Hallicrafters.

Though there are many ways of upgrading sales & marketing operations within a company, the ultimate seems to be the wholly-owned sales corporation. Among the recently incorporated firms: Zenith Sales Corp., Admiral Sales Corp., Motorola Consumer Products Inc. (one of 4 new Motorola marketing subsidiaries), RCA Sales Corp., Sylvania Home Electronics Corp., Du Mont-Emerson Corp.

The organizational structures differ, but each sales corporation has the same function—liaison between distribution & factory. It purchases from the parent manufacturing corporation & sells to distributors.

The one immediately obvious advantage in such a split-corporate setup is not necessarily the most important one, in the consideration of most marketing executives. This is the tax benefit. The 10% federal excise tax on TVs, radios & phonos is based on the manufacturer's price, or "first sale price." Therefore, under the 2-corporation system, the set is taxed on the basis of the parent company's lower sale price to the sales subsidiary, rather than on the price to the distributor.

Those companies with sales subsidiaries, however, see far greater gains in the dual corporation system. In most cases, the sales company carries basic marketing authority, and is fully responsible for product styling, merchandising, distribution, advertising and inventories. As a purely marketing organization, it is therefore better equipped to satisfy needs of distributors, dealers & consumers, they argue.

The sales subsidiary generally works closely with distributors & dealers, and is in position to interpret trends and rapidly incorporate them into the finished product. Says Sylvania Home Electronics Pres. Robert L. Shaw: "As a marketing group, we are closer to the consumer where these trends originate, and can communicate them quickly to our product-styling section, which in turn is in close liaison with the engineering & manufacturing functions [of the parent company]. The net result is that we bring the distributor and the retailer closer to the assembly line."

Under systems where sales is an arm of manufacturing, product planning often has been based on technological developments rather than consumer requirements & desires—or, conversely, on over-long runs of designs which have outlived their usefulness from sales standpoint.

Since a sales corporation must show a profit on its own, far more responsibility is now placed on shoulders of the sales executive—a responsibility which formerly rested on general management of the manufacturing company. Marketing function has been upgraded from a 2nd-echelon position to a very top policy-making management job. With this definite line of responsibility established, key question has become "what can we sell?"—no longer "what can we make?"

By-product benefit of the sales corporation: Marketing experts are relieved from time-consuming non-marketing projects, and, at same time, manufacturing executives are removed from all sales responsibility.

Different companies have different specific & immediate reasons for divorcing manufacturing & marketing operations. For example, Zenith Sales Corp. Pres. Leonard Truesdell says the rapid growth of his company has made the move necessary. "With this growth, we need all the concentration on marketing we can get. We found there was too much overlap in responsibility; our sales people were required to devote their time to too many non-sales functions." He said Zenith Sales is on the verge of an expansion. "During the time we raised our position from 6th or 7th to first in the industry, we added only 3 people in sales. There are many things we can do more thoroughly. We have more spots to fill in an organization devoted only to sales."

Admiral is stressing far closer liaison with distributors & dealers in its new sales subsidiary. One of first acts of Admiral Sales Corp. Pres. Carl E. Lantz will be to double the company's staff of field merchandising specialists, and Admiral Corp. Pres. Ross D. Siragusa has given the new subsidiary this assignment: Increase sales 50% within 2 years.

Sylvania credits its introduction of a full line of 23-in. TV sets last June—immediately after the new tubes became available—to the flexibility of the marketing-subsiary structure. On the other hand, says Sylvania's Shaw, last year's industry-wide stereo snafu was a perfect example of poor market estimation and forecasting, of engineering & manufacturing enthusiasm usurping a function which should have been based on close contact with the market. "The consumer wasn't confused," he told us. "The industry was."

TV-RADIO PRODUCTION: EIA statistics for week ended Jan. 22 (3rd week of 1960):

	Jan. 15-22	Preceding wk.	1959 week	'60 cumulative	'59 cumulative
TV	141,303	137,410	112,762	383,791	327,774
Total radio	354,098	309,162	293,721	969,336	843,555
auto radio	143,371	138,311	108,359	456,783	315,039

Magnavox's '5-Year Plan': Magnavox, which last week announced the purchase of control of the Collaro Co. and a franchise agreement for sales of its consumer products in Britain, Africa & Canada (Vol. 16:4 p19), plans to extend its marketing to Latin America and all NATO countries under a 5-year "growth plan."

Pres. Frank Freimann expects to do about \$25 million in overseas business annually within 5 years through the new Magnavox Electronics Ltd., which will be the parent company of Collaro. A leading British manufacturer of record changers & tape recorders, Collaro had sales of around \$7 million last year. These additional details of Magnavox's foreign program became available last week:

Magnavox TVs, phonos & combinations for sale in Britain, Canada & Africa will be made by the new British subsidiary in the 250,000-sq.-ft. Collaro plant which employs about 2,000. A limited line will be manufactured at first. Canadian dealers will be supplied by the British firm rather than by the parent American company because shipments from Britain to Canada are duty-free.

In its overseas merchandising, Magnavox will follow the pattern that it has established in the U.S.—selling directly to franchised dealers. Its agreement with the huge Great Universal Stores chain does not preclude the franchising of other retailers in Britain and other overseas countries as Magnavox dealers.

Imports of Collaro record-changers & tape recorders will continue—Magnavox says it has no plans to manufacture them in this country. Magnavox will soon introduce 2 new products in the U.S., both made in Britain by Collaro—a tape recorder and a tape-recorder deck for hi-fi installations.

Du Mont Labs is being investigated by Republic Aviation Corp. for possible acquisition, it was conceded by a source close to Du Mont—but "any negotiations are mainly in the newspapers." He said that a decision on acquisition is "still a long way off."

More Brand-Name Imports: Trav-Ler Radio Corp. announced it is joining the ranks of U.S. radio manufacturers who are importing complete sets & parts from Japan. The company will have a full line of transistor portables using Japanese parts as well as one made-in-Japan set at \$29.95. Others will range from \$19.95 to \$49.95.

So said Pres. Joe Friedman, just returned from Japan, as Trav-Ler showed 8 new TV sets—including four 23-in. models—and 2 stereo phonos, plus a miniature transistor radio-phono, the latter also made in Japan.

"We originally tried to compete by making transistor radios with all American parts, but found we couldn't compete price-wise," said Friedman. "By buying from Japanese suppliers just those parts requiring a great deal of labor, we think that we can come very close to competing in price with Japanese-made radios." He said the transistor radio line (except for the model imported from Japan) will use U.S.-made transistors.

TV models introduced by Trav-Ler include 23-in. sets at \$229.95 to \$309.95, 21-in. sets at \$189.95 & \$234.95, and 17-in. portables at \$179.95 & \$199.95.

Note: Another U.S. manufacturer now importing Japanese radios is Pentron Electronics, Chicago, which announced a miniature transistor clock radio at \$49.95.

Japanese TVs coming: "If radios are taken as an example, Japan overwhelmed the U.S. completely with her highly efficient small-sized and inexpensive sets, even though she was beaten in respect to the production process. With this success in mind, Japanese technicians are preparing to take positive steps in order to gain another success in [transistorized] TV sets . . ."—Sumie Gotoda, director of TV programming, education dept., Japan Bestg. Corp. (NHK), writing in *Radio & TV* magazine (Tokyo).

"All-American" line of transistor radios was unveiled by Philco last week. Entirely U.S.-made, the line is composed of 5-transistor models at \$24.95 & \$29.95, one 6-transistor set at \$29.95, 3 with 7 transistors, one with 8.

IRE—Stereo, Micro & Space: Big as space & small as a molecule—this describes 2 of the most exciting session & seminar topics scheduled for the IRE International Convention March 21-24 at New York Coliseum & Waldorf-Astoria. The meeting is expected to attract more than 60,000 engineers & scientists from 40 countries.

The world's largest technical meeting & convention will share the spotlight with the Radio Engineering Show, where some 850 exhibitors will display \$15 million worth of electronic equipment. Space electronics again is strongly in the spotlight, with 4 sessions devoted to its various aspects. Increasing interest in micro-circuits & molecular electronics is also reflected in the technical papers. In the consumer electronics field, the spotlight has shifted from vision to sound, with one session scheduled on stereo & another on audio—plus a session on stereo radio systems. A March 23 seminar will consist of a panel presentation of the inside story of the Geneva conferences of the International Telecommunications Union by participants.

Among space papers of interest to TV-radio engineers are Communication Relaying, by MIT's Jerome B. Weisner; and TV Satellite Reconnaissance Systems, by Bendix's R. L. Zastrow & D. J. Ritchie; in addition to the Satellite Communications session listed below.

These are some scheduled sessions and papers which should be of particular interest to broadcast & consumer-electronics engineers:

BROADCASTING (2 sessions)—Raymond Rogers, KDKA Pittsburgh, & Dr. William Hughes, Iowa State College, chairmen.

Report on Geneva Radio Conference—W. H. Watkins, FCC.
Possibilities for Film Room Mechanization—J. H. Greenwood, WTAE-TV & radio WCAE Pittsburgh.
Directional TV Broadcast Antennas—G. H. Brown, RCA.
Service Area of an Airborne TV Network—M. T. Decker, NBS.
Engineering Aspects of Video-Tape Recording Production—E. E. Benham, KTTV Los Angeles.
Modern TV Transmitter Plant Input System—J. L. Stern, CBS-TV.
Special-Effects Amplifier for Non-Composite or Composite Monochrome or Color-TV Signals—R. C. Kennedy, NBC.
Remote Control of TV Microwave Equipment—J. B. Bullock, RCA.

BROADCAST & TV RECEIVERS—W. L. Dunn, Admiral, chairman.
Reduction of Modulation Defocusing in TV Picture Tubes—Joseph Hoehn, Du Mont Labs.

Recent Developments in Scan Magnification—N. Parker, I. Csorba & N. Frihart, Motorola.
Noise Figure Performance of VHF Transistors & Tubes—J. F. Bell & L. E. Matthews, Zenith.
New High-Performance AM-FM Transistorized Portable Radio—B. J. Miller & E. A. Snelling, Zenith.
Filter-Pbaser AM Stereo Receiver—A. A. Goldberg & Arthur Kaiser, CBS Labs.

New Concept in Transistor Converters—L. Plus, R. A. Santilli, RCA.
AUDIO AND BROADCAST & TV RECEIVERS—Daniel W. Martin, Baldwin Piano, chairman.

The Present Status of Stereo Broadcasting—C. G. Lloyd, GE.
Receiver Design Considerations for Stereo FM Multiplex Broadcasting—C. G. Eilers, Zenith.
Continuously Variable Wireless Remote Control for Stereo Phonos—A. A. Goldberg & Arthur Kaiser, CBS Labs.
Automatic Stereo Pbaser—B. B. Bauer, A. A. Goldberg & G. Pollock, CBS Labs.

STEREOPHONIC SOUND REPRODUCTION—Benjamin B. Bauer, CBS Labs, chairman.

Stereo Sound Reproduction—H. F. Olson, RCA Labs.
Psychoacoustics of Stereo Reproduction—R. L. Hanson, Bell Labs.
Compatible Magnetic Tape Cartridge—Marvin Camras, Armour Research Foundation.
A 1½-ips Magnetic Stereo Recording System—P. C. Goldmark, C. D. Mee & W. P. Guckenburger, CBS Labs.
Automated Magnetic Tape Cartridges—J. D. Goodell, CBS Labs.

AUDIO—Harry A. Pearson, Sonotone, chairman.
Plotter of IM Distortion—E. F. Feldman, Panoramic Radio.
Listener Ratings of Stereo Systems—H. B. Moore, GE.
Automatic Compensation of an Audio System Spectrum Operating with a Random Noise Input—C. E. Maki, MB Electronics.
Analysis of Factors Affecting Recording Reliability & Digital Tape Recorders—Ken Taylor, Ampex.

SATELLITE COMMUNICATIONS—Charles H. Doersam Jr., Sperry Gyroscope, chairman.

Radio Relaying by Reflection from Sun—D. J. Blattner, RCA Labs.
Active vs. Passive Satellites for a Multi-Station Communication Network—L. Pollack & D. Campbell, ITT Labs.
Satellite Communication Problems & Solutions in Ground-Station Design—W. L. Glomb, ITT Labs, & W. Teetsel, Army Signal R&D Lab.
Operational Missile Voice-Frequency Communications System—W. S. Cayot, Nortronics.
Digital Handling System for Real-Time Computation on the Atlantic Missile Range—M. P. Falls, RCA Service Co., & T. A. Christie Jr., Stanford U.

More about

FCC ON STEREO: Text of the FCC's letter to EIA, rejecting its proposal to reorganize National Stereophonic Radio Committee along the lines of TASO (see p. 2):

"This is with reference to your letter of Oct. 15, 1959, requesting that the Federal Communications Commission take necessary action to establish the National Stereophonic Radio Committee (NSRC) on an organizational basis similar to the Television Allocations Study Organization (TASO).

"As you are aware, the Commission has recently extended the date for filing comments in response to its notice of inquiry in Docket No. 12517 concerning stereophonic FM broadcasting from Dec. 11, 1959, to March 15, 1960. This extension was based principally on the representations in the petition filed by the Electronic Industries Assn. (EIA) indicating that the National Stereophonic Radio Committee will work diligently to complete its tests and consideration of stereophonic FM broadcast systems by March 15, 1960.

"The Commission is desirous of proceeding expeditiously with its consideration of FM stereo in light of the interest which has developed in it and its relatively long pendency before the Commission. Accordingly, the Commission desires that suitable standards for FM stereophonic broadcasting be finally adopted prior to consideration of stereophonic broadcasting in the standard broadcast or the television broadcast services. Therefore, the Commission contemplates that it will be in a position shortly after March 15, 1960 to consider the issuance of a notice of proposed rule making in the matter giving consideration to comments filed in Docket No. 12517, the date to which the FCC has extended the time in which to file comments.

"In light of the foregoing, the Commission has established a high priority for the FM stereo study, and in view of this factor believes that further consideration of your request should be deferred until completion of the above proceeding. Accordingly, it cannot accede to your request that it take the necessary action to establish the NSRC on an organizational basis similar to TASO at this time.

"The Commission recognizes the importance of the work being performed by NSRC in this field and you can count on the Commission's cooperation whenever possible."

Home sound-movie equipment will go on the market this spring at less than \$480 for a complete camera-projector outfit. Fairchild Camera & Instrument Corp. will market a new 8-mm camera & projector which use a special magnetic-stripe film to be made by Ansco. A rechargeable nickel-cadmium battery supplies power for a transistor amplifier in the camera. The camera, with microphone, lists at \$239.50, the sound projector at \$240.50. Fairchild, a manufacturer of precision military & aerial cameras, will make its debut to consumers with the new "talkie" system.

Entering the growing "built-in-music" market, Nu-Tone Inc., Cincinnati manufacturer of doorbells & kitchen exhaust fans, will offer a combination stereo & intercom system. Built into the walls of the house, speakers relay piped-in stereo phono, tape or radio music. Intercom for paging members of the family automatically silences the music. The complete set-up includes AM-FM stereo radio, stereo phono, cartridge stereo tape player, built into the wall. Remote control panels are available. The systems are priced from \$400 to \$1,000.

Trade Personalis: John J. Amata named national supervisor of TV, radio & musical instruments by Sears, Roebuck & Co., succeeding Arthur T. Chameroy, now on a special electronics assignment involving foreign markets . . . William S. Baltz promoted from associate counsel to Admiral vp & gen. counsel, Admiral, succeeding Frank H. Uriell, senior partner of Pope, Ballard, Uriell, Kennedy, Shepard & Fowle, gen. attorneys for the corporation . . . C. M. Lewis named mgr. of RCA's new industrial computer systems dept.; R. W. Sonnenfeldt appointed engineering mgr., C. E. Ash named operations control mgr. . . . Frank F. Neuner promoted from head of product planning & associated services to product distribution & control mgr., RCA semiconductor & materials div. mktg. dept.; Erwin B. May promoted from promotion mgr. to ad & sales promotion mgr.; Irving H. Von Zelowitz promoted from sales coordination mgr. to semiconductor planning mgr.

Robert E. Dailey, asst. to the vp & gen. mgr., Stromberg-Carlson telecommunication div., named asst. to the dir. of communications industries div., Business & Defense Services Administration, U.S. Dept. of Commerce, on 6-month duty without govt. compensation . . . Hugh Bowler promoted from purchasing office mgr. to administrative asst. to vp for purchasing, Motorola communications div.

Col Robert F. Sladek named asst. dir. of engineering for administration, Page Communications Engineers . . . Robert A. Donner, ex-American Audion Corp., named sales mgr., Telectronic Corp. . . . Harris Anderman, ex-Commercial Radio Sound Corp., appointed head of Bogen-Presto school & industrial sound sales dept.

Robert L. Wilson, ex-Sylvania, named mgr. of production control, Stromberg-Carlson commercial products div. (hi fi, auto radio, sound products, etc.) . . . John D. Walter, ex-GE TV receiver dept., named materials mgr., RCA Victor home instruments . . . Frank H. Bower, ex-Motorola semiconductor products div., joins Sylvania semiconductor div. as engineering administrator . . . E. E. Ferrey, ex-Lenkurt Electric Co., named PR dir., Hoffman Electronics.

Lt. Gen. Roy H. Lynn (USAF ret.) appointed pres. of ITT Communication Systems Inc.; George L. Curtis named mgr. of commercial projects, B. R. Stack mgr. of military projects, ITT Labs, Palo Alto, Cal. . . . James E. Dingman, AT&T vp-chief engineer, and Sanford B. Cousins, AT&T personnel relations vp, elected to Bell Labs board . . .

Cleveland area set survey by Storer Bcstg. Co.'s WJW-TV indicated that 40% of TV receivers in homes are 6 years old & over, 15% of them at least 10 years old. Highest percentage, however—17%—fell into the "one year old or less" category; 13% were 2 years old; 11% were 3 years old. The sampling, conducted by Storer engineers last Dec. in some 200 area homes, also showed: (1) Very few viewers bothered with the fine tuning control or with re-orienting indoor antennas when they changed channels, even though this would give them substantially better pictures on some channels. (2) Almost without exception, the set owner felt he was receiving reasonably good TV reception, even though by engineering standards the quality may have left something to be desired. (3) Virtually all TV homes had sets in the living room. (4) Reception of all 3 Cleveland stations was uniformly good in the greater Cleveland area.

Two vidicon TV camera chains have been shipped by General Precision's GPL div. to University of N.C. for use in teaching TV production techniques and for experiments in teaching with TV. The equipment will be used by the university's TV-radio-motion pictures dept.

Finance

Guterma Found Guilty: Ex-MBS head Alexander L. Guterma was convicted Jan. 27 in N.Y. Federal Court of conspiring to defraud the govt. by impeding the efforts of SEC to protect investors. The trial had lasted 7½ weeks. Guterma also was found guilty by the 11-man, one-woman jury of "willful delay, obstruction & failure to file financial reports of the F. L. Jacobs Co." He faces a maximum 35 years imprisonment & \$160,000 in fines. Federal Judge Lloyd F. MacMahon will pronounce sentence on Guterma and co-defendants Robert J. Eveleigh and Conficor and Chatham Corps. (both personal holding companies of Guterma) on Feb. 17. Guterma & Eveleigh were placed in the federal house of detention to await sentence.

Before discharging the jury, which had deliberated for 2 hours, Judge MacMahon told them: "If I were on the jury I would have voted as you did. I think the evidence was overwhelming." Guterma & the others were convicted on 17 counts which remained after Judge MacMahon dismissed 4 last week on motion of defense (Vol. 16:4 p14). F. L. Jacobs Co. had previously pleaded guilty and will also be sentenced next month.

As an outgrowth of his MBS management, Guterma is now faced with a criminal trial in Washington on a Justice Dept. indictment for failing to register as a foreign agent of the Dominican Republic. He also faces a \$750,000 recovery suit instituted by the DR. Last fall, MBS was absolved of any complicity in the Dominican case (Vol. 15:45 p6) and is "not involved in any way in Guterma's predicaments," a network spokesman told us.

* * *

"I'll Call You" musical-comedy promoters have been denied an exemption from SEC stock-registration regulations on grounds that they made "false & misleading" statements in literature seeking backers for off-Broadway production of the show. Promoters Lyn Swann & Sterling Noel notified SEC in Feb. 1958 that they proposed "limited partnership interests" in "I'll Call You" aggregating \$110,000. They asked for a Regulation "A" Securities Act exemption covering public offerings of not more than \$300,000. SEC said that promotion circulars falsely claimed SEC approval of the offering, misrepresented investment terms, failed to "disclose that Noel was no longer associated with the offering & the proposed production."

* * *

Skiatron Electronics stock trading, stopped by SEC pending the outcome of administrative hearings on "accuracy & adequacy" of the pay-TV company's registration statement (Vol. 16:4 p20), has been suspended for a further period, ending this week (Feb. 5). SEC's hearings in the case will be resumed in Washington at 2 p.m. Feb. 10.

— ■ —

Sonar Radio, Brooklyn maker of marine electronic equipment, proposes public sale of 180,000 common stock shares at \$3 per share in an SEC registration statement (File 2-16040). George O'Neill & Co. Inc. heads the underwriting group. Most of the proceeds would be used for working capital to expand production facilities.

Reports & comments available: Texas Instruments, report, Baker, Weeks & Co., 1 Wall St., N.Y. 5 . . . Dynamics Corp. of America, report, Security Adjustment Corp., 16 Court St., Brooklyn 1 . . . Electronics Capital Corp., report, Hayden, Stone & Co., 25 Broad St., N.Y. 4.

Daystrom earnings jumped 56% on a 17% sales gain in the 9 months ended Dec. 31, reports Pres. Thomas Roy Jones. The Murray Hill, N.J. electrical-electronics manufacturer also had 3rd-quarter gains of 13% in earnings and 20% in sales, compared with the year-ago period. Finance vp Bradford T. Blauvelt said "indications are we will have a greater improvement proportionally in the 4th quarter" than earlier in the year. "At the rate our sales are going, they should be approximately \$90 million for the year, the biggest we've ever had." (Daystrom's sales record: \$81,714,000, scored in fiscal 1958.) For 9 months ended Dec. 31:

	1959	1958
Sales	\$65,524,000	\$55,909,000
Net income	1,405,000	901,000
Per common share	1.54	99¢
For quarter ended Dec. 31:		
Sales	\$24,174,000	\$20,109,000
Net income	603,000	532,000
Per common share	66¢	58¢

Beckman Instruments scored healthy gains in sales & earnings in the 6 months ended Dec. 31. The 1958 earnings of \$1,014,489 include a non-recurring profit of \$172,360 (13¢ a share) from the sale of a plant. For 6 months to Dec. 31:

	1959	1958
Net sales	\$25,442,965	\$21,206,743
Net income	1,262,172	1,014,489
Per common share	93¢	75¢
Common shares	1,363,094	1,354,343
For quarter to Dec. 31:		
Net sales	\$12,804,650	\$10,994,299
Net income	639,656	395,006
Per common share	47¢	30¢

Avco Corp. netted a slight profit increase on an 8% sales gain in its 1959 fiscal year. The corporation pointed out that its fiscal-1958 earnings were benefited to the extent of 33¢ a share by reduced income taxes resulting from a loss carry-forward and by a special credit to surplus of \$2,040,518 (22¢). For the fiscal year ended Nov. 30:

	1959	1958
Net sales	\$306,048,377	\$282,929,651
Net income	9,588,416	9,556,090
Per common share	95¢	1.02
Average common shares .	10,056,186	9,112,035

Hudson Radio & Television, parts & hi-fi distributor and mail-order house, sharply increased sales & earnings in the 6 months to Nov. 30:

	1959	1958
Net sales	\$2,193,633	\$1,889,381
Net income (loss in '58) .	32,910	(14,842)
Per common share	7¢	—
Common shares	499,970	374,970

Varian Associates gained markedly in sales & earnings in the quarter ended Jan. 2:

	1960	1959
Sales	\$10,677,551	\$8,197,798
Net income	755,710	524,470
Per common share	24¢	17¢
Common shares	3,130,482	3,111,132

Electronics Capital Corp., the San Diego small-business investment company, will buy \$1.25 million of 6-year debentures convertible into 60% of the stock of Electronic Energy Conversion Corp., N.Y. firm founded to develop electronic power-conversion equipment. Electronic Energy was founded by Dr. Victor Wouk, former research & engineering vp of Raytheon's Sorenson & Co. subsidiary.

Taft Bestg. Co. (WKRC-TV & WKRC Cincinnati, WBRC-TV & WBRC Birmingham, WTVN-TV & WTVN Columbus, WBIR-TV & WBIR Knoxville, WKYT Lexington) reports sizeable increases in sales & profits for 9 months ended Dec. 31 as compared with the same 1958 period. The Dec. 31 quarter showed a less marked boost. The figures for 1959 include 28 days of operation of WBIR-TV & WBIR—Taft having purchased complete control of the stations in Dec. (Vol. 15:41 p9)—which added 0.7¢ to the net income per share. For 9 months ended Dec. 31 (figures on operating profit are before depreciation & amortization):

	1959	1958
Net revenue	\$7,592,647	\$6,611,639
Operating profit	3,198,036	2,579,889
Net income	1,160,781	861,573
Per common share	80¢	59¢
For 3 months to Dec. 31:		
Net revenue	\$2,866,943	\$2,552,647
Operating profit	1,357,701	1,120,251
Net income	517,401	413,865
Per common share	36¢	28¢

Raytheon netted sharp increases in 1959 sales & earnings, the concern's preliminary report shows. Included in the net income is a special \$3-million credit (88¢ a share), representing a reduction in reserve for estimated tax liability and for renegotiation of govt. business in prior years. Raytheon's funded backlog of govt. business was about \$300 million at year's end, up from \$80 million a year ago. For the year ended Dec. 31:

	1959	1958
Net sales	\$494,278,000	\$375,156,000
Net income	13,481,000	9,403,000
Per common share	3.89	3.08
Common shares	3,423,567	3,050,459

* * *

Raytheon's 1959 sales "should place us in the top 100" U.S. industrial companies, Pres. Charles F. Adams told the Washington Society of Investment Analysts. Recounting his company's growth in military, commercial and industrial electronics since World War II, he said: "We have well-developed plans for further expansion both internally and by acquisition [and] we fully expect to emerge as one of the true blue chips of the industry." Coincident with Adams' speech, Raytheon announced a \$6.5-million Air Force contract for construction of "the world's largest modulator" and development of "super-power microwave tubes to operate at power levels several times any now in existence."

Ampex 3-for-1 stock split was approved by stockholders last week. Feb. 1 has been set as the record date.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
AMP Inc.	Q	\$0.20	Mar. 1	Feb. 5
Capitol Records	Q	.50	Mar. 31	Mar. 15
Desilu Productions ..	—	.15	Feb. 26	Feb. 12
Dresser Industries ..	Q	.40	Mar. 15	Mar. 1
Intl. Resistance	Q	.05	Mar. 1	Feb. 15
Mallory (P.R.) & Co. .	Q	.35	Mar. 10	Feb. 15
Magnavox	Q	.25	Mar. 15	Feb. 25
Paramount Pictures ..	Q	.50	Mar. 11	Feb. 25
Raytheon	Stk.	5%	Mar. 18	Feb. 24
Siegler	Q	.10	Mar. 1	Feb. 15
Stewart-Warner (new)	Q	.30	Mar. 5	Feb. 11
Taft Bestg. Co.	Q	.10	Mar. 15	Feb. 15
Tung-Sol	Q	.35	Mar. 2	Feb. 11
20th Century-Fox	—	.40	Mar. 31	Mar. 15
Westinghouse (new) .	—	.30	Mar. 1	Feb. 10
Wurlitzer Co.	—	.20	Mar. 1	Feb. 11
Zenith	—	.40	Mar. 31	Mar. 11

TV-RADIO PROFITS UP: Reflecting the rising tide of business, 6 companies active in TV-radio-phono production announced increased sales & profits in financial reports released last week.

Philco led the gainers. Its preliminary report for 1959 reveals roughly a 2½-fold profit increase on a 13% sales gain over 1958, and its earnings last year were the best since 1955.

Emerson also scored major gains, noting in its annual statement for the fiscal year ended last Oct. 30 an 89% increase in net profits and a 15% rise in sales from the fiscal-1958 figure.

Sylvania's parent GT&E topped the billion-dollar-revenue mark in 1959—for the first time in its history.

Upbeat reports also were made by Westinghouse (year ended Dec. 31), Siegler Corp. (6 months to Dec. 31) and Packard Bell (3 months to Dec. 31).

Philco's sharply improved 1959 performance resulted from sales increases in all divisions, Pres. James M. Skinner Jr. reported. Major gains were racked up by transistors, defense electronics, space technology and appliances. In netting its highest income since 1955, Philco was aided by a strong 1959 finish—the 4th-quarter net topping the income of each of 1959's first 3 periods. Skinner noted that "earnings increased in both consumer products & electronic activities, notwithstanding absorption of unusually heavy engineering & development costs incidental to beginning of regular production of the S-2000 large-scale scientific & data-processing computer, delivery of which is scheduled for early this year." For year ended Dec. 31:

	1959	1958
Sales	\$397,849,000	\$351,093,000
Net income	7,162,000	2,874,000
Per common share	1.67	61¢
For quarter ended Dec. 31:		
Sales	\$114,333,000	\$105,273,000
Net income	2,789,000	2,542,000
Per common share	67¢	60¢

* * *

Emerson Radio & Phonograph Corp. said all the company's major divisions contributed to the year's improvements and that "careful control over production & overhead costs" was an important factor in the higher profits for fiscal 1959. Unit & dollar sales of the company's commercial products in the domestic & foreign markets increased, said Pres. Benjamin Abrams, "and were accompanied by substantially higher profit margins."

Working capital Oct. 31, 1959 totaled \$26,867,892 vs. \$24,789,126 a year earlier. The company has no bank loans outstanding and reduced long-term debt by \$575,000 during the year. Total current assets at the end of the fiscal year were listed as \$40,730,710, fixed assets \$2,716,592, total assets \$44,767,162. Current liabilities were \$13,862,818, notes payable \$5,200,000.

Emerson's income statement for the year ended Oct.

	1959	1958
Consolidated net sales ...	\$67,442,399	\$58,401,179
Pre-tax income	5,551,214	2,828,709
Net income	2,668,682	1,410,009
Per common share	1.30	*69¢
Common shares	2,049,043	1,951,287

* Based on the 2,049,043 capital shares outstanding Oct. 31, 1959.

* * *

GT&E revenue & earnings were up sharply in 1959 over 1958, and Chmn. Donald C. Power expects the improvement to continue through 1960. He forecast 1960 earnings in the area of \$80-\$85 million on gross revenues exceeding

\$1.2 billion. The preliminary report (including Sylvania's figures) for 1959:

	1959	1958
Gross revenues	\$1,100,000,000	\$885,000,000
Net income	72,000,000	58,764,000
Per common share	3.42	3.26
Average common shares..	20,200,000	17,792,000

* * *

Westinghouse sales & earnings climbed moderately in 1959, according to a preliminary financial report released last week. Pres. Mark W. Cresap Jr. said pre-tax profit margins rose to 8% on billings, compared with 6.8% in 1958. "The improved operating profits," he explained, "resulted from the aggressive program begun 2 years ago to reduce cost & improve profits, particularly in marginal profit lines." The 4th quarter net includes a special income of \$7,196,000 (42¢ a share) resulting from a tax refund of more than \$12 million, minus non-recurring expenses of some \$5 million. The per-share figures are based on shares outstanding prior to the 2-for-1 split in Jan. (Vol. 16:2 p24). For the year ended Dec. 31: 1959 1958

Net sales billed	\$1,910,730,000	\$1,895,699,000
Net income	85,947,000	74,772,000
Per common share	2.43	2.12
Common shares (new) ..	34,679,456	34,360,056
For quarter ended Dec. 31:		
Net sales billed	\$502,337,000	\$511,200,000
Net income	29,722,000	25,761,000
Per common share	84¢	74¢

* * *

Siegler Corp. racked up a 43% profit gain on a 9.3% sales increase in fiscal-1960's first half (ended Dec. 31, 1959). The first-half sales & earnings were records, and Pres. John G. Brooks said Siegler expects to "continue to show for each remaining quarter at least the amount of increase we have shown over figures in the corresponding periods last year." Brooks emphasized that while the TV industry's 1959 unit sales rose 25.8% over 1958 but lagged 14.1% behind 1957's volume, Siegler's Olympic Radio & TV div. sold 27.7% more TVs in 1959 than in 1958, 18.8% more than in 1957. For 6 months ended Dec. 31:

	1959	1958
Net sales	\$45,059,831	\$41,167,719
Net income	1,758,878	1,231,661
Per common share	1.07	80¢
Common shares	1,639,602	1,538,171
For quarter ended Dec. 31:		
Net sales	\$23,870,586	\$22,162,088
Net income	943,262	698,399
Per common share	57¢	45¢

* * *

Packard Bell Electronics reported an all-time high in sales for its first fiscal quarter ended Dec. 31. Although profits increased moderately over the year-ago period, per-share earnings decreased because of the greater number of shares. Pres. Robert S. Bell said the home products div. (TV, radio, stereo, electronic garage-door opener) and the Packard Bell Computer Corp. registered the greatest gains—a 40% sales & 85% profit increase for the former, and more than 100% & 600% growth for the latter. For 3 months ended Dec. 31:

	1959	1958
Sales	\$13,305,018	\$12,869,602
Net profit	443,592	421,361
Per common share	56¢	61¢
Common shares	795,500	688,000

* * *

Motorola had record sales of TV, stereo-hi-fi and radio instruments last year, consumer products exec. vp Edward R. Taylor reported. TV unit sales were up 35% over the 1958 volume, stereo-hi-fi ahead more than 40%. Radio gains: portables 82%, clock radios 81%, table models 70%.

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

SUMMARY-INDEX OF WEEK'S NEWS

Congress

HARRIS REPORT—NO SURPRISES in legislative recommendations by House TV quiz probers to ban rigged shows, license networks, expose plugola, etc. (p. 1).

TV ALLOCATIONS—WELL-EXPLORED, but no solution apparent during hearing by Sen. Pastore, who'd like an all-uhf shift (p. 2).

FCC

FCC ACTS TO TIGHTEN QUIZ-PAYOLA CLAMPS, announcing plans to draft corrective legislation & rules aimed at both deceivers & deceived (pp. 3 & 9).

ABC FOR "NARRATIVE" as hearing ends, Goldenson stating that FCC has some duty to evaluate station performance but urging no "unwise & precipitous" action (pp. 4 & 11).

TRANSLATOR RULES RAPPED by Colo. Gov. McNichols, who calls FCC proposals "unduly harsh," too detailed. He calls for joint study committee (p. 12).

Advertising

ANA MAPS AD CLEANUP; adopts 3-point program of self-regulation in wake of warnings by FTC's Earl W. Kintner (pp. 4 & 13).

DOERFER BACKS PLAN for TV Code previews of commercials in AFA talk. Kintner announces end of cigaret "tar derby" (p. 12).

Programming

IDEAS FOR LOCAL PUBLIC-SERVICE TV pop up everywhere (p. 14).

Manufacturing & Distribution

TV-RADIO-PHONO HISTORY of 1959, as detailed in EIA statistics, shows record year for phonos, near-record for radio production, TV sales of 5.75 million (p. 19).

Auxiliary Services

JACK WRATHER COMBINE becomes largest stockholder in Jerrold Electronics, CATV equipment maker & owner (p. 5).

TWO MORE CATV's have been purchased by TelePrompTer in the Southwest in a transaction of "more than \$1 million" (p. 5).

Networks

NETWORKS IN ANTI-VIOLENCE DRIVE as NBC-TV & CBS-TV issue written and verbal directives to producers (p. 6).

Stations

STATIONS CITED FOR PAYOLA for first time by FTC in complaints against 3 Boston record distributors (p. 8). Also anti-payola moves of House subcommittee and FCC (p. 9).

CANADA APPROVES FIRST new stations (p. 10).

Film & Tape

WGA, SAG, IATSE, SEG, DGA, AFTRA—where TV stands in the strike situation (p. 16).

Other Departments

PERSONALS (p. 18). **FINANCE** (p. 22). **FOREIGN** (p. 24).

HARRIS REPORT—NO SURPRISES: There were no new legislative gimmicks—and no fresh indictments of broadcasters—in long-awaited, long-delayed report on 1959 TV quiz investigation (Vol. 16:5 p6) which House Commerce Legislative Oversight Subcommittee finally released last week.

Report shouldn't be kissed off as a mere anti-deception document, however. Its recommendations range far beyond quiz-rigging & plugola—into FCC's basic licensing practices, station sales, relationship of broadcasters with advertisers, producers, agencies, etc.

"Shocking situation," Chmn. Harris (D-Ark.) said again in ticking off report's 7 specific recommendations to remedy TV's ills. "Millions of Americans were tricked, deceived and duped wilfully & deliberately in what was nothing more than a sordid commercial scheme conducted over the nation's airwaves."

But legislative prescriptions had all been written before. Taking up only 3 pages of 133-page document reviewing subcommittee's headline-winning exploits in last year's hearings—and earlier hearings of FCC practices—they were:

(1) Make it criminal offense to produce or broadcast rigged TV quizzes.

(2) Empower FCC to impose milder penalties than license revocations on stations which don't serve public interest.

(3) License TV & radio networks and write some "guidelines" into Communications Act for networks' conduct to prevent them from "surrendering control" of programming to advertisers, producers, agencies.

(4) Require plugola announcements by networks & stations—violations subject to criminal penalties.

(5) Prohibit payoffs of competing applicants for stations, making swap-offs illegal unless FCC gives notice of proposed deals to permit other license applicants to come in.

(6) Require local FCC hearings before any station licenses are issued.

(7) Prevent trafficking in licenses by requiring licensees to hold on to their stations for 3 years unless FCC decides public interest would be served by transfers.

"I'm going to do what I can to bring it about," Chmn. Harris said when he was asked if he thought there was any chance of any Congressional action on the subcommittee's legislative program this session. Rep. Bennett (R-Mich.), ranking minority member, pointed out that legislative hearings must still be held, however—and that if & when they're completed, subcommittee "might well come to different conclusions."

Oversighters' report was unanimous except for one section which criticized FTC for disclaiming any jurisdiction over broadcast programming as such. Majority held that advertising-policing agency also has "ample authority to proceed against the marketing & use of rigged TV quiz show programs as a deceptive business practice." Disagreeing sharply were Reps. Springer (R-Ill.), Derounian (R-N.Y.), Devine (R-O.).

TV ALLOCATIONS—WELL-EXPLORED, BUT NO SOLUTION: One of Sen. Pastore's (D-R.I.) major complaints to FCC about TV allocations is: "You march up the Hill with a 4-3 vote—then you vote 4-3 the other way and march down again."

Commission marched up to Capitol Hill this week and marched back again—and Pastore still doesn't know what FCC is going to do "once & for all."

It's obvious that Pastore, chmn. of Commerce Communications Subcommittee, would love to shift all TV to uhf. At same time, he's fearful of disrupting existing service. And he seemed to appreciate FCC Chmn. Doerfer's quip: "If any Congressman votes for all-uhf, he will come back to Washington only as a tourist."

Comr. Lee remained the only Commissioner urging an all-uhf shift—even if it takes 10-15 years. All other members (all 7 attended hearing) believe either that uhf isn't good enough, that it would deprive rural areas of service—or that possibilities of acquiring more vhf channels from military should be exhausted first.

Best indication of prospects for more vhf came from Comr. Ford, who has been negotiating with OCDM. Though he has yet to discuss with OCDM policy makers the recently-finished report on govt. spectrum uses & needs made by OCDM technicians, he said: "Based on my examination of this document, the prospects of obtaining additional vhf spectrum space for use of TV do not appear to be favorable at this time." On the other hand, Comr. Craven, who will be in on the OCDM discussions, said: "I'm not as pessimistic as some, but but couldn't promise a yes-or-no answer by then. port by April 1, and Ford said he'd give a status report I'm not overly optimistic." Pastore asked Ford for a re

Pastore was intrigued by an idea, which the thought was original with him, that shift to uhf could be accomplished by requiring each vhf operator to operate uhf simultaneously, cutting off the vhf after 5-15 years—after viewers have replaced receivers with vhf-uhf sets through natural process of obsolescence. He was cooled off a bit by testimony that fringe viewers might suffer. Then he was reheated by assertions that fringe areas would get coverage from smaller-town uhf stations, satellites, translators, etc.

One thing all Commissioners except Lee agree on: If stations are built on new channels, regardless of whether they will be vhf or uhf, they won't have an audience unless manufacturers are forced to make only all-channel sets. FCC submitted draft of law to accomplish that, and Pastore agreed to introduce it—though he has doubts about its Constitutionality, as "something outside the police power." His counsel Kenneth Cox believes it is Constitutional, as does FCC gen. counsel John Fitzgerald. Doerfer called proposed law "critically important." Lee thinks that law would be helpful but unnecessary, that manufacturers would build without coercion. (For text of proposed legislation, see p. 20.)

Pastore was concerned about delays in getting the proposed Providence Ch. 6 drop-in (Vol. 16:5 p1) on air, urged Commission to promote trusteeship to operate it pending competitive hearing—as was done in New Orleans & Shreveport.

Lee made an exhaustive pitch for all-uhf, but Pastore noted "you stand alone" among Commissioners. Lee asserted that support would come when Commission learns that new vhf channels aren't available, as he believes it will. He insisted that uhf can & will do the job if FCC makes it possible.

ABC vp Alfred Beckman commended Commission for starting short-spaced vhf drop-ins, urged that it do more. William Putnam, of uhf WWLP Springfield Mass., offered his characteristic slam-bang attack on FCC & vhf operators, saying he makes money and provides coverage with uhf—and anyone else can do it too.

Hearing is over, and Cox will write his report for committee. In few Congressional hearings have we heard such well-informed questions & well-informed answers—for both Pastore (with counsel Kenneth Cox & Nicholas Zapple) and the FCC have been through the same subject many times for many years. But there's still no panacea in sight.

Pastore was the only Senator on hand most of time. Sen. Hartke (D-Ind.) dropped in long enough to suggest that answer to problem may be a new FCC or an administrator to take over its job; Doerfer defended the integrity & skill of his colleagues. Sen. Scott (R-Pa.) said that Congress can't force public to buy something like uhf sets and shouldn't try, that there's no public demand for uhf, that he's concerned about loss of fringe service under an all-uhf system.

FCC ACTS TO TIGHTEN QUIZ-PAYOLA CLAMPS: FCC responded to popular demand from almost everyone concerned—including Congressmen, Attorney General, industry—and announced last week that it is drafting proposed legislation & rules designed to eliminate such things as quiz-rigging & payola.

Details aren't ready yet, but Commission indicated that new measures would be directed at both broadcasters and those who hoodwink broadcasters. Laws & rules would follow closely the recommendations by Attorney General Rogers to President Eisenhower (Vol. 16:2 p5). Among these are new laws to make payola a crime and to permit FCC to impose punishment less severe than license revocation. FCC also said it was considering Rogers' other recommendations. (Justice Dept. has copies of this report.) Commission's announcement used pretty strong language (for full text, see p. 9), but we also detect Chmn. Doerfer's hand in the statement where it says: "At the present time the Commission cannot act against a specific program unless the program violates a specific law. The courts have held that broadcasting is under the same free speech protection of the First Amendment of the Constitution as the press. The Commission is restricted by the 'no censorship' provisions of the Communications Act to considering the overall programming balance of a broadcaster, which is a complicated & exhaustive process."

Meanwhile, Feb. 5 deadline passed on FCC's payola questionnaire (Vol. 16:2 p3), with most stations responding. Asked if any "shockers" have been found in the documents so far, one staff member said that very few raise questions, and: "You never know when there's a shocker until it's presented to the Commission and the Commission is shocked." Stations due for renewal are being held up unless responses are satisfactory.

In last-minute action Feb. 5, Commissioners unanimously adopted language of proposed anti-payola rule, asked comments on it by March 1: "All licensees & operating permittees shall adopt procedures to prevent the broadcasting of any matter for which service, money or other valuable consideration is, directly or indirectly, paid or promised to, or charged or accepted by, any officer, employee or independent contractor of the station, unless at the time the same is so broadcast it is announced as being paid for or furnished by such person."

Commission also told what its anti-quiz-rigging rules would be like, though text won't be available until this week. Comments deadline is March 1. It said this: "The Commission proposed rules to deal with fixed "quiz" and other non-bona fide contest programs. Although such rules are initially intended for TV, the Commission contemplates extending them to all broadcast services.

"The prospective rules would prohibit such programs unless accompanied by an appropriate announcement disclosing such prearrangement. Specific wording of the announcement is not spelled out, since it may vary from program to program. However, it would in all cases describe the nature of the program in a manner sufficiently to appraise the audience that the events in question are not in fact spontaneous or actual matches of knowledge, skill or intellect. Announcement would be made at the beginning & end of each program.

"Further, the proposed rules would require a station, if obtaining such program from the networks, to be assured that the network program has an accompanying announcement of this nature."

Legislation against deception & payola was also agreed on by Commission, it's understood, with drafts due this week. FCC recommends amendment of Title 18 of the Criminal Code to make it a crime for any station employe to accept payola and for anyone, including broadcasters, to contribute to production or broadcast of any deliberately deceptive "contest of skill or knowledge." No amendment of Communications Act is suggested.

ANA MAPS AD CLEANUP: In rare emergency meeting, Assn. of National Advertisers, whose members represent 85% of all national & regional ad spending in U.S., voted Feb. 2 for a new client-level program of TV-radio-print ad cleanup.

Advertisers must shoulder responsibility as much as media in the achievement of honest ads, gimmick-free demonstrations, truthful product claims. That was the warning voiced by roster of govt. & media executives who addressed morning session of ANA meeting (see p. 13). In closed afternoon session, ANA voted without protest to adopt self-regulatory program.

New ANA safeguards will include police work in several areas: (1) Special advisory council within ANA of admen with "high professional attainment" as main watchdog. (2) Closer liaison & "working relationships" with FTC. (3) Stronger links between ANA and various ad industry forces—networks, NAB, AAAA, etc.—"which have or may initiate self-regulatory procedures."

Big threat of govt. legislation—created to fill the vacuum of no self-imposed cleanup—was obviously in back of ANA's mind. Possibly, ANA's move is none too soon. Last week, Gov. Nelson A. Rockefeller requested N.Y. Legislature to draft a tough bill to bring the state's general business laws into line with FTC regulations "to protect consumers from false & misleading advertising" (see page 14).

ABC FOR 'NARRATIVE' AS HEARING ENDS: The "narrative-on-needs" technique of FCC surveillance over station programming gained another adherent last week—ABC Pres. Leonard H. Goldenson. Testifying at windup of FCC's hearing, he joined previous major witnesses—with the important exception of CBS Pres. Frank Stanton—in endorsing the idea of requiring applicants to supply FCC with a "narrative" describing their communities' needs & their plans to meet them (Vol. 16:5 p2).

Only one thing is clear to us, after listening to testimony & cross-examination about the "narrative" concept: Its results would depend entirely on philosophy of Commission at any given moment—varying with makeup of Commission & temper of the times, just as it does now. Hope of proponents, apparently, is that licensees' effort of looking for community needs would stimulate them into doing more to meet them.

Comrs. Doerfer & Ford certainly would treat narratives differently. Doerfer is wondering just how far the concept goes. He asked Goldenson whether FCC should approve an application proposing a "shopping list station"—one that offered nothing but prices of consumer goods. Said Goldenson: "Possibly. It depends on what other stations are doing in the area." Ford believes FCC should give industry some idea of what it considers public-interest programming. In Aug. 28 W. Va. speech proposing narrative approach, he said:

"It has been my view for a long time that it is highly unfair for the Commission to lie in ambush, so to speak, while practices are developing which violate its concept of the public interest, convenience & necessity, and then make an example of an uninformed broadcaster. I believe, rather it is generally our duty to inform the public through appropriate orders or reports of the criteria we expect to apply in advance of action against an individual broadcaster."

But in an exchange with Goldenson, Ford said he has trouble deciding what to do in matching a licensee's promises with his performance. "It's impossible," he said, "to hold a licensee to a particular program." In fact, he said, the FCC's present requirement that stations give a percentage breakdown of programming, by type, "is lifting the eyebrow pretty high."

Goldenson said that stations must be permitted to change plans, because "the public interest is a moving target."

Goldenson's basic tenets: Industry is correcting ills such as quiz rigging & payola, FCC should take no "unwise & precipitous action;" Commission has plenty of power now to handle abuses, needs no new laws;

FCC should rely on the public to call problems to its attention. (For details of his testimony & that of ABC-TV Pres. Oliver Treyz, see p. 11.)

Now that hearing is over, FCC network staff gets back to job it started before quiz-payola scandals broke—examination of each part of industry's role in programming. Agency representatives have testified. Start has been made with network executives below top level. FCC attorneys have spent 17 days with film producers in Hollywood. Next step may be hearings in Hollywood, probably within 2 months. Then, testimony by network operating heads. These would again have chief examiner James Cunningham as presiding officer. Meanwhile, Commissioners will hold huddles to decide whether to recommend new laws or new rules as a result of their historic powers-&-policies hearing, reporting their findings to Congress in couple months or so.

JERROLD JOINS WRATHER ENTERTAINMENT EMPIRE: Oilman-showman Jack Wrather and his financial associates branched into yet another phase of the communications-entertainment business last week with the acquisition of more than 33% of Jerrold Electronics Corp. for an estimated \$4 million.

Jerrold is the largest manufacturer of community TV antenna equipment. In addition, the 12-year-old Philadelphia firm owns 9 CATV systems, provides CATV engineering service, manufactures & engineers apartment house and other distribution and closed-circuit TV installations. It also manufactures some consumer items, including the highly successful "TV Receptor" indoor antenna.

Wrather's associate in purchase of Jerrold control is John L. Loeb, senior partner in the investment house of John L. Loeb, Rhoades & Co., associated with Wrather in other ventures. Wrather's burgeoning interests—some held jointly with Loeb—include producer-syndicator Independent TV Corp. (with Britain's ATV); TV series Lassie, Lone Ranger and Sgt. Preston; Muzak Corp.; 22% interest in Transcontinent TV Corp. (6 TV & 3 radio stations). Last year, his ITC took over big TPA program syndication operation. In the non-TV field, Wrather owns chain of luxury hotels (Disneyland, Palm Springs, San Diego, Las Vegas) and oil properties.

Sellers of the Jerrold stock were Pres. Milton J. Shapp & his wife, who had owned 644,025 of the publicly-held company's 1,269,500 outstanding shares. Loeb is buying 322,000 shares, Wrather 220,000, the Shapps retaining 100,025 (less than 9%). The stock reportedly was sold at \$8 a share, or about the current market price. Shapp, who remains as pres., announced there will be no changes in management or personnel.

Wrather organization thus becomes another of the TV-oriented combines entering community antenna field—the last one being TelePrompTer Corp., which this week added 2 more CATV systems to its stable, expects eventually to have total of 13 (see below).

Wrather is known as a shrewd buyer & seller. He invests in properties which appeal to him, spinning off portions of them which aren't pulling their weight or which can be sold at a good profit. Even now, Wrather & Loeb are understood to be negotiating to sell their interests in one part of ITC's wide-ranging operation—co-owner ATV of London being the buyer. It's expected that ITC's film distribution wing will be sold, while Wrather retains his own production unit in Hollywood.

Auxiliary Services

TPT's 2 CATVs: In a mostly-cash, part-stock deal totaling "more than \$1 million," TelePrompTer Corp. has acquired control of CATV systems in Rawlins, Wyo. & Farmington, N.M., Pres. Irving B. Kahn stated last week. The diversification move by TPT has been in the works for some time, and is part of a plan by the closed-circuit firm to buy into a total of 13 CATV systems (Vol. 16:4 p11). The multi-channel CATV systems currently serve about 5,000 subscribers.

Purchase of the CATV systems from Bruce Merrill of Phoenix, Ariz. followed the earlier acquisition by TPT of a CATV system, also Merrill-owned, in Silver City, N.M. In the same deal, TPT also bought a microwave system that feeds the Farmington CATV, as well as a small music-programming system in Rawlins.

TelePrompTer's troubled fistic front was somewhat soothed-over Feb. 5 when TPT signed a consent decree with N.Y. State Attorney Gen. Louis Lefkowitz, terminating the state's corporate-dissolution and anti-monopoly proceedings for alleged violation of state anti-trust & boxing laws (Vol. 16:5 p3 & 14). Pres. Irving B. Kahn agreed to withdraw from his contract for ancillary rights to the proposed return heavyweight bout between Patterson & Johansson, but indicated to us that he will actively bid for the rights "should a promoter arrange for the rematch." The consent decree has no bearing on the tax proceeding in which the state seeks to collect from TPT \$100,000 in gross receipts from the first P-J fight last June, we were told. "The consent decree was accepted on the advice of counsel because of length & cost of court action," said Kahn, adding, "It doesn't acknowledge violation of the law." Boxing represents less than 10% of TPT's gross.

Networks

NBC's STATEMENT

Of Programming Responsibilities Relating to Children as Viewers

NBC requests that all producers contributing to its schedule cooperate in assuring that children are well served by our programs.

The following statement deals specifically with the questions of sex and violence on programs reaching a broad family audience. It implements the NBC radio and television broadcast standards and the Television Code of the National Association of Broadcasters, with particular reference to the section of the Code headed "responsibility towards children." The wording and intent of these documents are clear.

As a medium that is still young, television must continue to appraise its aims and responsibilities. Where children are concerned, television has the special responsibility of reflecting the realities of the world at large in a way that is beneficial to young viewers. We accept this responsibility and we will use every means to live up to it.

We suggest, in addition, that parents have a responsibility in this matter—the responsibility of guiding their children in the development of good viewing habits. We believe that good television encourages habits of good health or reading.

Violence

Like other media, television reflects the conflicts that exist in the real world. Conflict does not of itself constitute violence, but as it increases and as its nature changes, conflict sometimes becomes violence. We believe, in other words, that violence is a matter of degree and intrinsic intent.

Producers must use great care in determining the degree and intent of conflict—not only in the actual content of a program but in the "teaser" and "trailer" highlights that are seen out of context.

Anything that approaches the sensational is unacceptable. To show an actor firing bullets into a victim already dead is entirely superfluous, not to say morbid. To extend a fist fight into a prolonged beating and to show close-ups of the facial injury goes well beyond the needs of establishing conflict and borders on the sadistic. Such extremes of violence will not be used on NBC programs for children.

Sex

Television also reflects the realities of the relationship between the sexes. Here again, degree and intent are the keys to good programming for a family audience.

Simple affection is a vital part of the expression of human love. There is reasonable acceptance of the portrayal of this affection between man and woman—this need to touch one another and, in so doing, to demonstrate love.

In meeting our responsibilities to the family audience, we can do without the leer, the brutal set of the jaw, and the intent to possess as the symbol of power and domination.

On this subject there are extreme approaches, but NBC favors a middle ground for programs drawing a wide family audience.

In cases where interpretation is exceptionally complex, all producers and their staffs can count on NBC to work with them to carry out the spirit of this statement and of the television standards that it implements.

NETS' ANTI-VIOLENCE DRIVE: Network action to control sex & violence in nighttime shows was well under way last week. NBC-TV issued to producers & creative personnel a copious amount of written material reminding talent of their responsibilities in the production of adult shows that may be seen by children. CBS-TV issued no memos but continued its private conversations with individual producers along the same line.

At NBC-TV, the warning came in the form of:

(1) A letter from vp for standards & practices James A. Stabile calling attention to a tough new interpretation of NBC's 26-year-old Broadcast Standards and the 8-year-old NAB TV Code. "It is important that all persons engaged in the creation of programs broadcast over NBC facilities be . . . cognizant of these standards," said Stabile.

(2) A 2-page interpretation of NBC ground rules (see text next col.) which declared flatly that NBC was accepting "the special responsibility of reflecting the realities of the world at large in a way that is beneficial to young viewers." Admitting that "violence is a matter of degree & intrinsic intent" and that "the relationship between the sexes" was a similar problem, the interpretation pointedly asked producers, inside & outside NBC, to "cooperate in assuring that children are well served by our programs."

(3) A copy of NBC's current, 43-page "TV-Radio Broadcast Standards." In his letter, Stabile noted: "We are in the process of revising the NBC standards book, and amendments will be sent as they are adopted."

(4) A copy of the TV Code of NAB (5th edition, March 1959), plus Dec. 1959 amendments, with special attention called to "the responsibility toward children outlined on pages 2, 3 & 4."

Helffrich Explains Barrage of Directives

Why was NBC making these moves against electronic brutality & televised leers? Was it another network push on the post-quiz cleanup front? Was there anything really new about the NBC directives?

We put these questions to Stockton Helffrich, NBC continuity acceptance dir. and veteran wielder of the network's blue pencil. Replied he: "What we've done here is to make a re-appraisal of a situation. The basic rules aren't new. But the climate of the times demands a conscious responsibility on the part of NBC in this area. Also, it serves as a valuable refresher for experienced TV producers and as an indoctrination for new producers, many of whom have come to TV from movies & theater recently."

Helffrich also reiterated a point that many of TV's outside-the-industry critics conveniently forget: "We can try to do our best, but it is also up to parents of children watching TV to do their part in sharing the general responsibility."

The other 2 networks, meanwhile, weren't making as overt a move as NBC to checkrein nighttime program content, but there were indications that NBC was not alone in sharpening the scissors.

At CBS-TV, spokesmen for the network's program dept. admitted in N.Y. that a quiet campaign against excessive TV violence was under way. The CBS cleanup is like NBC's in that it stresses adherence to existing rules. It differs from the NBC campaign in one important aspect, however. CBS-TV program executives have been conducting a series of face-to-face meetings with producers, primarily independents, to review network & NAB program standards. One explanation for the lack of rule-by-memo was offered by dir. of editing Herbert Carlborg, who re-

ports to program practices vp Joseph Ream. Said Carlborg: "We like to work with few directives. If you try to spell out every detail, you can get into an inflexible position."

Said vp Ream: "We've made it a point to review the violence content of Westerns & private-eye shows. When we think the producers are getting out of bounds, Bill Tankersley (dir. program practices, Hollywood) talks to them. The producers are being very cooperative."

At ABC-TV—a stronghold of action-adventure & crime shows—no special orders, written or verbal, were issued, but Tom Moore told us: "The network continuity dept. watches & checks against excessive violence or sex in ABC programs. If what they consider 'excessive' instances are found, the producer is informed, individually, so that changes can be made before airtime."

No network last week could claim that all its problems in the violence-&-sex area had been solved, however. One strong reminder came from across the Atlantic, where the *Philip Marlowe* telefilm series (Goodson-Todman Productions for Cal. National, ABC-TV, Tues. 9:30-10 p.m. currently) had just premiered on BBC-TV. British viewers and the British press reacted with a shower of phone calls & editorial blasts at the show's "gratuitous violence." BBC officials apologized, and said future episodes would be screened carefully, with those considered "too violent" summarily rejected.

(From Boston, Mass., came word that the Congress of Women's Clubs had voted *The Untouchables* the best TV series.)

* * *

Hollywood producers we talked to had already received NBC-TV's written instructions to hold down on violence. They corroborated that CBS-TV gave them verbal orders to cut excessive violence, and that ABC-TV has not issued any new instructions but is proceeding with the customary script-by-script editing of violence. The producers said they didn't expect substantial changes this season as a result of the NBC-TV and CBS-TV moves, partly because much of the product has already been filmed, and mostly because they've been hewing to this line anyway under the eye of the network continuity-acceptance depts.

It's far more likely that the results of the new orders will be noticed next season. Pilots are already being revamped in conformance with the no-violence edicts. For example, Sharpe-Lewis productions is doing a pilot, *K-9 Corps*, in association with CBS-TV. Originally planned as a drama series with action, the show has been revised to avoid criminal shooting. Acknowledging that this is being done at the behest of CBS-TV, producer Warren Lewis said, "Now we will stress human interest stories in our broad revision of the whole approach to the show. This will redound to the benefit of the show."

* * *

Of the 11 series cancelled to date, 8 feature violence in varying degrees. Trade observers predict that before the casualty season is over, 40 to 45 series will be cancelled. If the ratio persists, it will be a miserable year for mayhem on TV. But 2 series of this type continue to be decided hits—*The Untouchables* and *77 Sunset Strip*.

Shows with violence which are early casualties include *The Lineup*, *5 Fingers*, *Wichita Town*, *Richard Diamond*, *Private Detective*, *M Squad*, *Man With a Camera* and *Philip Marlowe*. *Desilu Westinghouse Playhouse*, cut back to alternating weeks, had featured many Westerns and dramas of violence. *Bourbon Street Beat* and *Law of the Plainsman* lost partial sponsorship but found replacements. Other (non-violent) casualties to date are *Love & Marriage*, *Fibber McGee & Molly* and *The Gale Storm Show*.

NBC-TV to Revise Discounts: A plan to gear the NBC-TV prime-time discount structure more closely to national audience levels was confirmed by the network last week. Following the lead of CBS-TV, which has already announced a 1960 revision of network rate structure (Vol. 15:40 p9), NBC-TV intends to make discounts for the 7:30-9 p.m. & 10:30-11 p.m. slots more attractive to advertisers while keeping prime 9-10:30 periods at full price with a top discount of 25%. Discounts on the early-evening & late-night slots will range from 27½% to 35%. Dollar volume & contract duration will count heavily in the revised discount structure, but so will factors such as station lineup & summertime TV buying.

In the latter area, NBC-TV also plans to be competitive with CBS-TV, whose discounts are now arranged to encourage the use of TV in the summertime (no time-period discount for advertisers on CBS-TV for the 39-wk. "winter season" only). New NBC-TV discounts will go into effect in April.

NETWORK SALES ACTIVITY

ABC-TV

Untouchables, Thurs., 9:30-10:30 p.m., 16 one-sixths over 31 wks.

Liggett & Myers (McCann-Erickson)

Colt .45, Sun., 7-7:30 p.m., 5 one-thirds, 2 two-thirds sponsorships.

Block Drug (Sullivan, Stauffer, Colwell & Bayles)

CBS-TV

Be Our Guest, Wed., 7:30-8:30 p.m., short-term participations.

Manhattan Shirt Co. (Daniel & Charles) & *Vitamin Corp. of America* (Fairfax Inc.)

On the Go, Mon.-Fri., 10:30-11 a.m., short-term participations.

Vitamin Corp. of America (Fairfax Inc.) & *Commonwealth Products* (R. J. Scott)

Captain Kangaroo, Mon.-Sat., 8:15-9 a.m., short-term participations.

Fruit of the Loom (Daniel & Charles)

Edge of Night, Mon.-Fri., 4:30-5 p.m., & *As the World Turns*, Mon.-Fri., 1:30-2 p.m., alt. wk. 15-min. segs.

Helene Curtis (Edward H. Weiss)

Twilight Zone, Fri., 10-10:30 p.m., renewal through Sept. *Kimberly Clark* (Foote, Cone & Belding) & *General Foods* (Young & Rubicam)

Person to Person, Fri., 10:30-11 p.m., & *The Texan*, Mon., 8-8:30 p.m.

Allstate Insurance (Leo Burnett)

NBC-TV

Jack Paar Special, April 26, 10-11 p.m., plus 2 Paar programs on unscheduled dates next fall.

Elgin National Watch Co. (J. Walter Thompson)

Today, Mon.-Fri., 7-9 a.m., 91 participations from April through Nov. 9.

Electric Auto Lite Co. (Grant Adv.)

The Man & The Challenge, Sat., 8:30-9 p.m., renewal for 6 months.

R. J. Reynolds (Wm. Esty) & *Chemstrand* (Doyle Dane Bernbach)

Masquerade Party, Fri., 9:30-10 p.m., co-sponsorship. *Block Drug* (Grey) & *Hazel Bishop* (Donahue & Coe)

NBC-TV-Disneyland Deal? Conversations have been held between Walt Disney and NBC-TV regarding their teaming to establish another Disneyland—this time in Florida. The original Disneyland, in Anaheim, Cal., was built by Disney with AB-PT as part owner. The NBC-TV-Disney deal "might eventually go through," we were told by an executive and associate of Disney's, but he declined to elaborate. One reason for the reluctance to discuss the proposed deal with NBC-TV is that contractually Disney is still committed to ABC-TV. But Disney is in litigation to get out of his contract with ABC-TV—a trial which will be held in N.Y., probably in the latter part of this month. Attempts to settle out-of-court have collapsed.

Disney hasn't yet chosen his site for his Fla. park, but disclosed at his recent stockholders' meeting that he has narrowed the choice down to 2 locations.

While *Walt Disney Presents* will return next season on ABC-TV, in a different time slot (6:30 p.m. Sun.), it's not likely there will be other Disney shows on ABC-TV because of the current friction and a Disney feeling that the network has not been pushing sales of its series.

Ironical twist to current negotiations: NBC originally turned down Disney proposal to become part owner of the now fabulously successful Disneyland in Cal. So did CBS. AB-PT accepted the proposal and so began the long Disney-ABC alliance—now on the rocks.

Pride & joy of ABC-TV last week was the latest Trendex nighttime report, now broadened to include 29 U.S. cities. Trendex showed ABC-TV leading the pack in the key nighttime hours of 8-10:30 p.m. with a 4-night (Mon.-Thur.) rating average of 20.2 vs. CBS-TV's 17.9 and NBC-TV's 16.0. Several of ABC-TV's shows considered "doubtful" when the season began last fall were now showing real Trendex strength. *Adventures in Paradise* on Feb. 1 scored a tops-in-time-period 20.7 against 18.4 for CBS-TV and 11.7 for NBC-TV. *Hawaiian Eye* on Feb. 3 topped *Perry Como* on NBC-TV, during its first 30-min., with a 22.3 against Como's 19.5 and an also-ran 15.4 for *The Millionaire* on CBS-TV.

NBC Chmn. Robert W. Sarnoff, tackling several major TV issues Feb. 3 before the Detroit council of the AAAA, urged that "every advertiser should examine whether his needs cannot be served effectively by image-building programs in the public affairs & cultural fields." Commenting on magazine-concept TV advertising, Sarnoff defended his opposition on grounds that "the advertiser would have no identification with a single program." On TV advertising propriety: "TV's responsibility is heavy because of its special impact & power, but this does not mean that competing media should enjoy special treatment by law enforcement agencies."

Low-light TV camera tube will be put into regular use by ABC-TV in its coverage of the national political conventions next July. The new image orthicon—interchangeable with the standard image orth—requires less than ordinary room lighting and will be used for special pickups from halls, hotel rooms, airports, etc. The tube is similar to the low-light image orthicon developed by GE and used in Crosley Bestg. Co. color pickups (Vol. 15:44, 49 p8).

Russian viewers will see coverage of the Winter Olympics. CBS, which holds exclusive world TV rights to the Feb. 18-28 Squaw Valley sports events, will supply 15 hours of kinescopes to USIA, which will furnish them to USSR & its satellites—and the rest of Europe.

Stations

FTC CITES STATIONS FOR PAYOLA: For the first time in its drive against payola practices, FTC last week accused radio stations as well as TV & radio disc jockeys of accepting payments from record firms for broadcasting their music.

Neither stations nor jockeys were identified in the new complaints—confined to Boston—which brought FTC's payola score to 40 since it began moving into the field 2 months ago. FTC's announcement of the actions listed only 3 Boston record distributors and their officers as payola case respondents: Records Inc., 790 Commonwealth Ave., and Pres.-treas. Cecil Steen. Music Suppliers Inc., 263 Huntington Ave., and Pres.-treas. Harry Carter & vp Gordon Dinerstein. Dumont Record Distributing Corp., 1280 Tremont Ave., and Pres. Donald E. Dumont.

FTC said the 3 firms had made illegal payments to jockeys, "radio stations & others" to exploit their records. In line with the advertising-policing agency's policy of not making public the names of recipients of alleged payola, it refused to amplify the announcement—but in usual routine, the names were sent along to FCC for its information.

Reporting on FTC payola investigations at the mid-winter Advertising Federation of America conference in Washington (see p. 12), Chmn. Earl W. Kintner said that of 256 record manufacturers & 481 distributors now reported in business, "apparently an exceedingly high percentage of them have been using 'payola' as a standard commercial procedure."

* * *

Meanwhile, FTC heard from another record company cited earlier:

Payola is promotion, Cincinnati's A & I Record Distributing Co. Inc. assured FTC in answer to the agency's complaint that it made illegal under-table payments to disc jockeys to popularize its records (Vol. 16:3 p8). But A & I and its Pres. Isadore Klayman said they were ready to agree to an FTC order to discontinue the practice. Third record firm to accept a cease-&-desist agreement in FTC's massive anti-payola campaign (Vol. 16:5 p10), the Cincinnati firm said it was unaware it was violating any FTC laws "by advancing small amounts of money to certain disc jockeys during the past 3 years." The reply to the FTC charges said such payments, totaling about \$800, were "considered promotion expense" and had been deducted in income tax returns. The answer added: "There was no attempt to defraud the public by such payments, inasmuch as the amounts paid were so small that it could not possibly cause a disc jockey to play their records unless they were worthy of playing them on their programs."

Donation of more than \$180 million worth of TV-radio time & print space was made by advertisers & media last year to the public-service campaign of the Advertising Council, stated Pres. Theodore S. Repllier to a midwinter Washington conference of the Advertising Federation of America. Said Repllier of the TV-radio industry: "Whatever may be its sins . . . it has been everlastingly faithful (for the past 18 years) to its assignment as carrier of Advertising Council public-service messages." According to A. C. Nielsen estimates, "more than 18 million TV-radio home impressions" were made in commercial network time periods for ad council campaigns during 1959.

HOUSE PAYOLA HEARINGS: Three former employes of Westinghouse's radio KYW Cleveland, and a record distributor there, were waiting in the wings last week to be cued on stage as the first public performers in the House Commerce Oversight Subcommittee's initial 1960 production—payola hearings.

Subpoenaed to be on hand for the opening of the long-rehearsed proceedings at 10 A.M. Feb. 8 in the caucus room of the Old House Office Bldg. (Vol. 16:5 p6) were ex-KYW disc jockey Joe Finan & Wesley Hopkins, ex-KYW record librarian Charles Young, and vp James Shipley of Main Line Cleveland Inc.

Finan, Hopkins and Young were among the first to lose their jobs in an across-the-country wave of dismissals at stations which followed the Oversighters' first foray into the payola field last Nov. (Vol. 15:45 et seq.). Westinghouse tersely announced they had been fired for "infractions of company policies & practices," then followed up with a general denunciation of payola.

Shipley's Main Line Cleveland record-distributing firm was among the first 9 companies cited in a complaint by FTC in its anti-payola campaign (Vol. 15:49 p12). Commenting on the payola situation in Cleveland, Shipley alleged that KYW's Finan had instituted the practice there.

Names of other prospective stars in the hearings m.c.'d by subcommittee Chmn. Harris (D-Ark.) were not immediately disclosed. But one subcommittee source told us that unnamed witnesses from Boston—executives of record manufacturers & distributors, disc jockeys and "radio station personnel"—also were being lined for early appearances this week.

Washington speculation that ABC-TV headliner Dick Clark of *Bandstand* would get top billing in the cast of characters was discounted by subcommittee staffers. They said it was unlikely that the disc-jockey idol of teen-agers, who has severed connections with music publishing, would be called to the stand.

The Harris subcommittee's hearings were scheduled for a run of only one week, with testimony restricted to payola. But other phases of the Oversighters' investigations of broadcasting practices—including advertising plugola—probably will be explored at a subsequent series of hearings.

* * *

First payola testimony to be given by officials of more than 50 record companies was heard last week by a N.Y. county grand jury. District Attorney Frank S. Hogan's office refused to disclose names of the witnesses, although spokesmen said no disc jockeys were called. The record executives are not being required to sign waivers of immunity. Hogan's office had subpoenaed books & financial records of the record companies last fall during the quiz hearings (Vol. 15:46 p13 et seq.).

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KSLA-TV (Ch. 12) Shreveport has been bought for \$3.4 million by KSLA-TV Inc. The latter is 51% owned by the *Shreveport Journal*, whose pres. & publisher is Douglas F. Attaway; 20% by the Don George estate; the balance by several local stockholders including Winston B. Linam who will continue as station mgr. The sellers are the Don George estate (43%), Ben Beckham Jr. (25%), Henry E. Linam (25%), W. C. Henderson (7%). The brokers were Blackburn & Co.

More about

FCC's QUIZ-PAYOLA PROPOSALS: The precise language of FCC's proposed legislation & rules to curb deceptive practices (see p. 3) hasn't been drafted, but the full text of the Commission's announcement of intent gives a good indication of their scope:

"The present laws governing Commission broadcast regulation reach only the station licensees. Evidence indicates that many objectionable broadcast practices have been due to the methods of program packagers & disc jockeys who are not directly subject to the regulatory powers of the FCC. Accordingly, the Commission is drafting supplemental legislation & rules which would provide more effective control in such matters.

"It's legislative considerations include authority to apply sanctions less drastic than the present revocation penalty—such as suspensions of licenses or fines; also use of cease-&desist orders, or court injunctions or restraining orders which can be implemented promptly.

"Contemplated new rules would require broadcast licensees to pay more attention to phases of program procurement & production. They would be designed to hold the licensees responsible for installing more effective systems of internal controls to detect & prevent such abuses.

"At the present time the Commission cannot act against a specific program unless the program violates a specific law. The courts have held that broadcasting is under the same free speech protection of the First Amendment of the Constitution as the press. The Commission is restricted by the 'no censorship' provision of the Communications Act to considering the overall programming balance of a broadcaster, which is a complicated & exhaustive process.

"Making reprehensible practices definite violations of the law would permit the Commission to apply to the court upon a proper allegation of fact for temporary injunction or restraining order pending a public hearing. Increasing the power of the Commission to effectively deal with frauds & deceits not heretofore specified in law would hurdle the present available defense that a person cannot be held accountable unless the complained of practice is definitely & legally prohibited beforehand. Banning the fraudulent quiz & payola practices by actual law would go a long way in deterring those responsible who are not directly amenable to Commission jurisdiction. The supplemental rules would enable the licensee to know & understand what conduct is to be interdicted & prevented before it gets on the air.

"The Commission also has under consideration other recommendations made by the Attorney General in his report to the President on deceptive practices in broadcasting media."

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WRDW-TV (Ch. 12) Augusta has been bought by the Friendly Group for "in excess of \$1,500,000" from Southeastern Newspapers Inc.—radio WRDW not included in the transaction. The Friendly Group also owns: WSTV-TV & WSTV Steubenville, O.; KODE-TV & KODE Joplin, Mo.; WBOY-TV & WBOY Clarksburg, W.Va.; WRGP-TV Chattanooga (70%); radio stations WPAR Parkersburg, W.Va.; KMLB Monroe, La.; WPIT Pittsburgh and WSOL Tampa, Fla. The sale was negotiated by Friendly's Fred Weber and gives the group a full quota of 5 vhf TVs and 7 AMs. It's one of the rare TV sales by a newspaper. It's understood that Southeastern Newspapers intends to sell WRDW too and buy into the *Savannah News & Press*.

Canada Approves First New Stations: Canada's first competitive TV stations have been approved by the Board of Broadcast Governors in decisions based on a 13-point yardstick.

Winners: Ralph S. Misener & Associates in Winnipeg (Ch. 7), and Vantel Bestg. Co. Ltd. in Vancouver (Ch. 8). Seven more TV licenses will be granted by July 1 and all 9 will be operating by Dec. 31, 1960. Misener's TV competition in Winnipeg's 400,000 population will be strictly government-owned CBC; but in Vancouver (750,000), Vantel will compete with CBC plus 5 stations in Seattle, Tacoma and Bellingham, Wash., and Victoria, B.C. Losers were Metropolitan Bestg. Co. Ltd., which is affiliated with both Vancouver daily newspapers, and Red River Television Assn., which is connected with the *Winnipeg Free Press* and other prairie newspaper interests.

Associated with Misener in Winnipeg are Lloyd Mofatt, majority stockholder in CKY Winnipeg and CHED Edmonton; Roland Couture, majority stock holder in CKSB in Winnipeg's twin city of St. Boniface; T. O. Peterson, formerly owner of radio CFOB in Fort Frances, Ont.; Walter Kroeker, majority stockholder in CFAM, Altona, Man., and Campbell Haig, Winnipeg lawyer. Jack Davidson, CKY gen mgr., will become gen. mgr. of the new TV station. Misener's company plans to spend \$843,000 for equipment and \$443,000 for building & studios.

Vantel is headed by 34-year-old Art Jones of Artray Film Productions. Associated with him are W. J. Ferguson, pres., Transport Finance; J. D. Hagar, Victoria investment dealer; Peter Saunders, pres., and Andrew Saxton, exec. vp, Imperial Investment Corp.; Col. Edward Eakins & Mrs. Eakins; Chas. R. White, pres., Western Canada Coin Washer Ltd.; Arthur Andrews, senior partner, Price Waterhouse Co., auditors; and J. R. & N. R. Whittall, investment dealers.

Vantel's presentation in support of its application included a 30-min. color film to show program proposals & resources of Artray film productions.

BBG Lists 13 Criteria

In announcing decisions, BBG listed these 13 points of consideration: (1) coverage; (2) nature of facilities; (3) composition of board of directors; (4) distribution of voting stock and location of effective control; (5) general plan of financing; (6) financial capacity of those named in application; (7) experience & standing of those named; (8) association of applicants with other communications media; (9) estimates of expected revenue and capacity of market to support station—"particularly capacity of the market to meet full costs of service to which applicant would be committed;" (10) establishment proposed, and experience & management capacity of personnel; (11) manner in which programming policies would be decided & implemented; (12) program commitments in relation to Broadcasting Act (55% Canadian content) and varied service of high standard; (13) characteristics of community, nature of available broadcasting service and capacity of applicant to meet varied needs of proposed service.

BBG also approved TV satellites at Upsalquitch Lake, N.B. (Ch. 12), by KCKW-TV Moncton, N.B.; and at Oliver, B.C. (Ch. 8), by CHBC-TV Kewlona. BBG also approved power increase to 100 kw for CHEK-TV, Victoria.

* * *

"Economic injury" concept—the impact of new stations on existing service—is avoided in the U.S. but it was applied vigorously in Canada last week. The Board of Broadcast Governors turned down several AM applications in the Winnipeg, Ottawa, Calgary & Vancouver areas

at the same time it picked winners for TV grants in Winnipeg & Vancouver. Said the BBG in each case: "The Board believes that the simultaneous appearance of an additional TV & an additional radio station cannot be justified by the immediate conditions in the [market], and could easily create a degree of dislocation which would result in deterioration in the quality of service. In the opinion of the Board, broadcasting service [in the market] would be enhanced more by alternative TV than by the addition of another radio station . . . The Board will not recommend a license for an additional radio station [in the market] until a second TV station is in operation and its effects on the market are apparent." The BBG also established the principle that no license will be given to radio stations basically devoted to religious broadcasting. In rejecting a Toronto application from A. W. Ness, BBG said religious broadcasting should be incorporated into the programming of all stations under guidance of broadly-based advisory councils.

Bartell Family's radios WAKE Atlanta and WYDE Birmingham, Ala. have been sold for \$1,025,000 to Ira Herbert and wife Bernice Judis, heading a group which includes Emil Mogul of Williams & Saylor agency and retired adman Milton Biow. The broker was Edwin Tornberg. The Bartell family retains radio stations WADO New York, WOKY Milwaukee, KYA San Francisco & KCBQ San Diego. It also has an interest in 3 Caribbean-area TV stations now under construction: Tele-Aruba (Ch. 7) Oranjestad, Tele-Curaco (Ch. 5) Willemstad and Tele-Haiti (Ch. 5) Port-au-Prince (Vol. 15:41 p9).

WNBQ & radio WMAQ Chicago tallied record sales in 1959, reports Lloyd E. Yoder, NBC vp & gen. mgr. of the 2 stations. WNBQ's total (national spot & local) sales soared 33% above 1958's level and 27% above the previous record volume set in 1956. The TV outlet's local sales accounted for 36% of the increase; spot sales were 32% ahead. WMAQ had a total sales gain of 11% over 1958. Local sales were 30% higher; spot sales approximated those of the preceding year.

Full-dress NAB Board sessions, postponed from Jan. 24-29 in Palm Springs, Cal. while NAB concentrated on its FCC programming hearing testimony (Vol. 16:5 p2), will be held March 7-11 in Washington's Statler Hilton Hotel. The TV Board will meet March 9, the Radio Board March 10, the full 43-member Board March 11. NAB committee meetings are scheduled for NAB hq March 7-8.

AFTRA members at KDKA-TV Pittsburgh have been authorized by the union's exec. committee to strike the station if contractual negotiations currently in process hit a snag, we learned from AFTRA last week. The station's AFTRA contract expired Jan. 31. Strike benefits have been allocated by AFTRA exec. secy. Don Hirsch, should the station members vote to walk out.

Automatic programmer, described by its manufacturer as the "most advanced in the world," has been delivered by Oki Electric Co. to Sanyo Bestg. Co. (JOYR-TV Okayama, Japan). The programmer handles complete program sequencing and keeps a complete log.

Pulse Annual Review for 1959, covering rating performance of TV-radio stations, will be published April 1. Price: \$50 to Pulse subscribers, \$75 to non-subscribers, by Pulse Inc., 730 Fifth Ave., N.Y. 19.

TV-tape storage cabinets for 6-, 8-, 12½-, 14-inch reels have been introduced by Neumade Products Corp., N.Y.

The FCC

More about

ABC WRAPS UP FCC HEARING: After AB-PT Pres. Leonard H. Goldenson & ABC-TV Pres. Oliver Treyz finished testifying in FCC's "powers & policy" hearing last week—concluding it (see p. 4)—it was apparent that ABC & NBC stand very close together in their positions on FCC's authority & duties, differing substantially from CBS, whose Pres. Frank Stanton has grave fears about any Commission attempt to evaluate station performance (Vol. 16:5 p2).

Answering Comr. Cross, Goldenson said FCC should concern itself with programming, questioning the character of a licensee if he misrepresents his performance. "If a licensee doesn't operate in the public interest," he said, "the FCC can put him on notice." On the other hand, he told Comr. Ford, a station can't be held inflexibly to earlier promises. "We must rely on the public," he said, "The public will call problems to FCC's attention."

Comr. Bartley developed a favorite subject of his—the absence of late-evening network news—asking what happened to the 10 p.m. John Daly show. "Lack of public response," explained Goldenson.

Comr. Hyde was skeptical about the industry's self-correcting capacities. He asked about its performance regarding quiz-rigging & payola: "Industry didn't act voluntarily, did it? Nothing happened until there was widespread national exposure."

"The democratic process is slow but sound," said Goldenson. Hyde also asked about ABC's policy on editorializing. Said Goldenson: "We're opposed to it. Using our own airways could become a serious problem." In preference, he said, ABC offers its facilities to permit others to give their views on controversial subjects. He added, however, that ABC may editorialize in the future.

Emphasizes Limits on FCC Power

Chmn. Doerfer, irked by Comr. Cross's frequent questions about "fast buck" operators, asked Goldenson if he knew of any such. Goldenson said he knew of none. Doerfer obtained Goldenson's agreement on the following concepts: FCC should be concerned when a licensee is guilty only of "misrepresentations;" FCC shouldn't prescribe specific program "directives;" stations are forbidden to use their facilities "as a private business." Doerfer's purpose, as with previous witnesses, was to emphasize strict limits on FCC powers.

FCC counsel Ashbrook Bryant's favorite line of questioning seemed directed at making a case for the licensing of networks. He noted that station witnesses indicated they have meager knowledge of forthcoming network programs. Treyz disagreed, outlining ABC's procedures and stating his belief that they're adequate.

Answering other Bryant questions, Treyz said ABC gives "no creative control" to advertisers. On the other hand, he said, ABC doesn't have "creative control" of the Hollywood-produced films on its schedule—though it definitely sets the policy for them.

As for Comr. Cross's "3 Ms"—"mayhem, murder & mediocrity"—Treyz said: "ABC policy rules out excessive violence." He asserted that violence is employed only when necessary to develop plot & character.

The Goldenson-Treyz prepared statement stressed ABC's "counter-programming" concept—the technique of filling programming wants neglected by the other networks.

Hence, they said, ABC first stressed action & adventure. Now that CBS & NBC have joined the fields, ABC is planning such programs as the Winston Churchill series, a weekly agricultural program, biblical themes, etc.

Goldenson defended TV's catering to mass tastes: "What is wrong, exactly, about serving the majority of Americans with the type of programs they prefer, with the popular entertainment for which they probably purchased their TV sets in the first place?" Then he added: "The minority's views are entitled to respect & consideration . . . we have tried to serve [them]. We think we are doing a reasonably good job and through our experience we hope to improve."

Goldenson concluded: "Unwise & precipitous action against a background such as this, whether in the form of legislation or regulation or even whether in the form of pressure too heavily applied, may result in the establishing of operating principles which can place this TV industry in a straitjacket. We must avoid any controls which might cripple or retard its growth and its ability to experiment, to be daring, to be vigorous and to enter into new fields that are the appropriate courses of conduct for so young & so new a vital force."

Jack Harris, vp-gen. mgr. of KPRC-TV Houston, submitted a statement as chmn. of NBC-TV affiliate delegates, loyally backing up the network's earlier presentation (Vol. 16:5 p2). He said "the abuses which triggered the Commission's present inquiry had been effectively eliminated even before this inquiry began." He assured FCC that the industry "can be relied upon decisively & effectively to protect & promote the public interest without the need for additional governmental intervention."

Miami Ch. 10 conspiracy retrial, delayed by hospitalization of ex-FCC Comr. Richard A. Mack for mental examination (Vol. 16:5 p6), may proceed without his presence at the defense table. Justice Dept. attorney Oliver Dibble said the Govt. is considering dividing the case and going ahead with Mack's co-defendant, Thurman A. Whiteside, in the dock alone. No decision on procedure will be taken, he said, until Miami County Judge George T. Clark holds a hearing on Mack's ability to stand trial again. Meanwhile, Judge Alexander Holtzoff of Washington's U.S. District Court, where the second trial had been scheduled to start Feb. 2, said he'd set no new trial date for at least 2 weeks.

Proposed revocation of license of radio KIMN Denver for "vulgar, obscene" broadcasts (Vol. 16:2 p4) should be stopped because no "specific law has been violated," the station told FCC in a supplement to its petition for reconsideration. Pointing to Commission's public notice of its plans for payola legislation (see p. 3), KIMN quoted this "significant language" in it: "At the present time the Commission cannot act against a specific program unless the program violates a specific law." FCC's revocation proceeding "cannot be reconciled" with its own "legal principles," the station argued. Commission hasn't charged KIMN with violating obscenity laws.

FCC housekeeping chores in compiling detailed personnel records for Congress under Sec. 4 (k) (3) of the Communications Act would be reduced under a bill (S-2958) introduced at FCC's request by Senate Commerce Committee Chmn. Magnuson (D-Wash.). In asking for the amendment, FCC figured that 3 weeks of office work per year were needed to edit & type the payroll reports, which are available in Commission files anyway, and that elimination of the requirement would cut the budget "slightly."

Translator Rules Rapped: "Unduly harsh" are Colo. Gov. Stephen L. R. McNichols' words for FCC's proposed translator rules (Vol. 16:5 p14), which he said "do nothing to clarify the legal status of the existing vhf TV repeater stations." Suggesting that a logical approach to solution of translator problems would be appointment of a joint committee representing vhf operators & Commission, McNichols told FCC the proposed rules are "over-detailed" as well as "harsh." He called for "a transitional method & a transitional time," asserting that as it stands FCC's formula "is the result of 'tacking on' of vhf rules to uhf rules, and of an unrealistic approach by the Commission to the problems facing vhf TV operators."

On the other hand, Rep. Don Magnuson (D-Wash.) praised FCC for its plan, but said that he supports requests for more power whenever vhf translator operators believe they need it. Magnuson also suggested that FCC limit translator applications to states which already have operating boosters, that no additional states be added to the list until after special hearings & investigations. In other comments:

Jesse A. Slusser, National TV Repeater Assn. pres., said: "Let's pull the booster rules out from under the uhf translator rules, so we can all see what they are & how vhf installations are affected. Let's take another—a more realistic look."

James Beamer, Tri-State Repeater Assn. secy., opposed NCTA's 5-year operation plan as "impractical, as it imposes an unwarranted additional cost to the public in converting their equipment in areas where vhf translators have proven themselves completely practical."

And in Livingston, Mont., the Tri-State Repeater Assn. adopted a resolution charging that NCTA's plan would spell a death sentence for vhf boosters in 5 years.

Evaluation of TV-radio towers from an air navigation hazard standpoint would pass from the Airspace Div. of the Govt.'s Air Coordinating Committee to the Federal Aviation Agency, under proposed rules issued by FCC and FAA. The ACC comprises representatives of agencies concerned with air safety. FAA has been assuming their functions. Said FCC: "The procedures proposed by the FAA set forth the same general practices adhered to in the past, and determinations or findings by it would be in the nature of recommendations to the FCC with the ultimate determination to be made by the FCC."

Laclede Radio Inc. purchase of Rollins radio KATZ St. Louis for \$600,000 has been approved by FCC following an inquiry to the N.Y. buyer as to whether the station might be used to promote "private business interests" of stockholders. FCC asked for assurance by Laclede that "products or services" offered by such stockholders as Milton M. Blink (music publishing) and Harry S. Golden (TV-radio station repping) would not be used "in preference to, or to the exclusion of" others.

FCC Chmn. John C. Doerfer, taking a medical checkup & a vacation, will be absent from his office until Feb. 23. The checkup is to determine whether he suffered any ill effects from wearing, for more than a year, a Rolex GMT Master watch. The timepiece had been recalled because its luminous dial contained an excessive amount of strontium 90. It was returned this week with a new dial.

Deadline for comments in FCC's clear channel radio proceeding has been extended from Feb. 19 to April 1. Clear Channel Bestg. Service had asked 3-month extension.

Advertising

DOERFER BACKS COMMERCIAL PREVIEWING: Berating NAB for spending "too much" of its \$1.25-million annual budget for "tranquilizers instead of real therapeutic medicines" to cure bad TV commercials, FCC Chmn. Doerfer last week came out solidly for previewing of advertising for TV Code approval. He shared the dais with FTC Chmn. Earl W. Kintner, who announced an agreement with major cigaret makers to eliminate health claims from TV & other advertising. TV Code Review Board member E. K. Hartenbower (KCMO-TV Kansas City) also spoke.

The previewing plan—long advocated by Triangle Stations' Roger W. Clipp (Vol. 15:47 et seq.) but viewed dimly by some other NAB leaders as a form of censorship—"would substitute a noteworthy effort for mere lip service" to NAB Code ideals, Doerfer said.

Doerfer's criticism of NAB and endorsement of the pre-testing idea (much like *Good Housekeeping's* guarantee-seal for magazine advertising, he said) were made in a speech to the 2nd annual midwinter conference of the Advertising Federation of America in Washington.

Doerfer called for "farsighted self-regulation" by broadcasters to correct abuses. "Congressmen & Commissioners are in no mood to tolerate for long defiance or dilatory corrections of that [in TV commercials] which offends many families," he said. "The fact that offensive practices may be a small percentage of the total is no excuse for delay."

Urges Arrangements with Agencies, Sponsors

NAB, said Doerfer, "must now reappraise the advisability of re-allocating funds into more important association activities." He said broadcasters should "explore some organizational set-up with adequate liaison arrangements with the advertising components to checkmate objectionable advertising before it goes on the air."

The AFA was told by Doerfer that "a penny's worth of prevention is worth thousands of dollars spent in attempting to retrieve the confidence of the American public—even though besmirched by the mistakes of a few."

Then, without naming Clipp, Doerfer said: "One specific plan proposed by a responsible broadcaster and endorsed by a number of advertising agencies, as well as by other broadcasters, is gaining more & more support." He pointed out it would cover "programs & commercials from whatever source," brushed aside objections within the industry that it would cost too much or that it would constitute censorship, called for a joint conference between advertisers & broadcasters to work it out.

As for cost, Doerfer said: "I am advised that the NAB TV Code staff could be expanded at a cost of around 5% of the estimated \$5 million presently being expended by the entire broadcasting industry in trade association membership dues." As for censorship: "Censorship, when self-imposed, is a peculiar term to apply to self-discipline."

FTC's Kintner reached a triumphant point in his AFA speech when he confirmed "a rumor on Madison Ave." that his agency's Bureau of Consultation had persuaded the cigaret industry to eliminate "tar & nicotine" claims from \$190 million worth of advertising which he said the industry spends annually. Cooperative FTC negotiations with cigaret makers on such claims were started after FTC issued a cigaret-advertising guide in 1955, were stepped up in mid-Dec. 1959, and got a big shove when

FTC cited Brown & Williamson, its Life cigarets and its agency Ted Bates in a formal complaint (Vol. 15:50 p10).

"Rather than continue the apparent conflict in claims, the tobacco industry, through the aegis of the Bureau of Consultation, decided to halt the 'tar derby,'" Kintner said, adding that "this is a landmark example of industry-govt. cooperation in solving a pressing problem."

Kintner reported he had it "on good authority that more than one advertising agency is working nights" to "change the major emphasis of a number of brands" as a result of the industry-wide agreement.

The FTC chief, fresh from another speech to the Assn. of National Advertisers in N.Y. (see adjoining column), also told the AFA conference that he hoped self-regulation by advertisers & broadcasters would itself halt deceptive advertising practices.

Kintner warned that FTC is pondering proposals to make broadcasters parties to cases involving charges of advertising frauds (Vol. 16:5 p10). But he also said: "For my part, I hope that the Federal Trade Commission never will find it necessary to make any publishing medium, printed or broadcasting, party respondent in a deceptive advertising case."

Speaking for NAB's TV Code Review Board, Hartenbower said the Code "had endured & survived its most serious crisis in the past year" and that it's now being strengthened toward a time "when John Q. Public will look for & expect [the] Seal of Good Practice on all commercials & programming."

He asked AFA members to "respect the prohibitions of the Code." Hartenbower said they should "resist the human urge to nudge, to fudge—and not to budge."

The AFA conference was climaxed by a Congressional reception for scores of legislators from Capitol Hill. A side feature of the meeting was a breakfast demonstration by TvB, including its wide-screen presentation, "The Exponential" (Vol. 15:45 p 13, 47 p8).

At the TvB session, Senate Commerce Committee Chmn. Magnuson (D-Wash.), one of many guests from the Hill, said: "If this movie showed anything this morning, it showed that the impact of the great medium of TV is the greatest the world has ever known—and therefore, the greater responsibility to you people."

Plans to set up local "vigilance committees" and other procedures to clean up misleading & poor-taste advertising were announced at the AFA conference by Chmn. James S. Fish. He said 181 ad clubs across the country will be asked to work closely with Better Business Bureaus—and set up their own policing operations in cities where there is no active BBB.

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When we asked top film & tape commercial producers if they were enjoying a bonanza of orders to re-shoot filter-tip cigarette commercials, they were generally aware of the FTC-tobacco industry agreement, but none reported new orders—yet. None of the continuity acceptance dirs. of the 3 networks, at the same time, had been notified by tobacco advertisers that new commercials would be supplied. However, the networks told us that compliance with FTC's requests would probably come, in the near future, with revised filter-tip commercials.

Marked shift from day to night sponsorship of network TV in Jan., compared with Jan. 1958, is noted by *Sponsor*. Total sponsored hours for all nighttime TV rose 16%. Daytime sponsored time sagged 22%.

More about

ANA AD CLEANUP: Client-level admen last week received a firsthand report on the soul-searching in which ad media have engaged since last November, plus some pointed warnings concerning advertising practices, from several of the industry's leading figures. The occasion was an unprecedented emergency meeting Feb. 2 of ANA members in N.Y. (see p. 4). Highlights of what admen were told:

By Chmn. Earl W. Kintner, FTC: "The degree of self-policing that your industry makes evident to the public will go as far as anything in reducing pressure for more restrictive laws . . . Virtually all of your recent troubles stem from the well-publicized amorality of a few and their indifference to existing laws . . . We are asking increased appropriations of \$760,000 to be used for intensified work in all our areas of responsibility. But the FTC's actions are puny indeed compared to the potential for self-policing which you national advertisers have at your command . . . Of course, the advertising agencies may argue some, but they'll end up listening."

By Donald S. Frost, ANA chmn. & Bristol-Myers vp: "Much that is considered objectionable & undesirable in advertising is not illegal—is not misleading or deceptive. No, it falls in that gray area involving such questions as bad taste, overexposure, the number of commercials, the way various types of products are advertised—yes, even down to the level of the commercial sound track. Here the responsibility must first lie with the advertiser, and it is here that the individual advertiser must exercise self-regulation to the greatest degree."

NBC's Kintner Welcomes 'Discussion'

By Robert E. Kintner, NBC pres.: "Public discussion & scrutiny of media are worthwhile. There is no excuse for the quiz scandals, payola, off-taste & illegitimate advertising. The broadcaster . . . must present quality programming . . . a service which will make a real contribution to the varying tastes & interests of his audience. Broadcasters have a definite obligation to inform the country through comprehensive news & public-affairs coverage . . . to review & evaluate the commercial messages [they] present. These pertinent questions might be asked: Is there a small group of advertisers trying to see how close to the borderline of good taste they can go in their claims? Are certain advertisers attempting to use an unfair shortcut against their competitors through unfair comparisons?"

By James T. Aubrey Jr., CBS-TV pres.: "I am sure that we are deeply united in our views of the overall objectives to be achieved—namely, to stop this erosion of public confidence and restore the faith & trust of our customers & audiences. We [as networks] must retain in our own hands the absolute veto power over commercials. We propose to request fully certified descriptions of the circumstances & procedures of . . . demonstrations. We must have the final voice in determining what programs we will accept solely on the basis of what constitutes the best programming for our schedule, whatever the source. Generally speaking, we believe there is no real danger to the public interest in permitting expert participation of the advertiser in entertainment programs. However, we make one important exception—serious dramatic programming."

By Donald H. McGannon, NAB Code Review Board chmn. & Westinghouse Bestg. Co. pres.: "The NAB TV Code is not an ivory-tower group foisting their opinions. They are practical broadcasters. We have met with top people [in the advertising industry] and have established

the basis of a relationship. What does the NAB Code Board want from ANA? Vigorous, outspoken support . . . liaison . . . a mutual program of advice & research . . . dissemination of Code material. We have a very simple alternative . . . If you create a void, the forces of government will move in . . . unless you fill it yourself with self-regulatory force."

N.Y. Anti-Deception Bill: Advertisers, not media, will be held primarily responsible for false advertising in new legislation being sought by N.Y. Gov. Nelson A. Rockefeller & Attorney Gen. Louis Lefkowitz.

The bill, if passed, would amend the state's general business law to empower its Attorney General to seek an injunction "where he has reason to believe that a person, firm or corporation has or is about to engage in false advertising, false labeling or other deceptive acts." Before applying for such an injunction, he would be required to give the advertiser notice and an opportunity to be heard. The injunctive power would apply to the advertiser "and not to a TV or radio station or to a publisher or printer."

Section 421 of the Penal Law also would be amended to make it clear that it is "a misdemeanor to publish a statement containing an untrue, deceptive or misleading statement of fact in the course of conducting business or furnishing a service." The amendment would extend to "disparaging remarks about a competitor's product as well as statements about the advertiser's own product."

The legislation would bring the state's general business law into conformity with FTC and put all businessmen, whether inter- or intra-state, "in an equally competitive position," a spokesman for the governor told us in N.Y. Co-sponsors of the bill will be Sen. David G. Albert of Mineola, L.I. & Assemblyman L. R. Marano of Brooklyn.

Ad People: Allen D. Patterson elected a Ted Bates vp. . . Robert J. Eck, Foote, Cone & Belding, Chicago supervisor, named vp . . . David P. Crane elected a senior vp, Ogilvy, Benson & Mather . . . Jack K. Carver and Samuel B. Vitt, Doherty, Clifford, Steers & Shenfield media supervisors, elected vps.

John Chapin named vp, Grant Advertising . . . Robert B. Pile elected a Campbell-Mithun vp . . . Alton B. Copeland named Donahue & Coe media supervisor . . . Robert Welsh has been named mgr., Kenyon & Eckhardt, San Francisco.

Colgate-Palmolive went to bat for its dental cream "with Gardol" at an FTC hearing last week, winning part of one argument and losing another against a complaint that TV commercials for the dentifrice were deceptive (Vol. 16:5 p10). FTC examiner Leon Gross tossed out 2 of 7 commercials which FTC attorney Edward F. Downs submitted as evidence against the company. At the same time Gross ruled that it was no defense for Colgate-Palmolive to plead that its competitors engaged in fraudulent advertising. The company & FTC agreed on one thing in a stipulation reached at a pre-hearing conference: No dentifrice provides complete protection from tooth decay.

U.S. Station Rate Increases

Station	Base Hour	Minute	Date
WCAU-TV Philadelphia	\$3500 to \$3800	\$800 to \$850*	Dec. 20
KFSD-TV San Diego.....	950 to 1050	250 (no change)	Feb. 1
WBAY-TV Green Bay, Wis.....	600 to 700	120 to 175	Jan. 1
WPTV Palm Beach.....	275 to 300	60 to 90	Jan. 1
KMSO-TV Missoula, Mont.	200 to 250	40 to 50	Jan. 1

* 20 Sec. only.

Programming

Ideas for Public-Service TV: Local TV programmers are having a go at the proposition that "truth is stranger than fiction." The tempo of non-entertainment is on a fast upbeat at the local-station level—and in some cases the locals are blazing public-service trails for networks to follow. The locals are looking more searchingly into social, political, medical and international affairs & problems—and many are using prime time. Some recent dispatches from these service-to-community-minded stations:

TV analysis of progress in the Carolinas was initiated by WBTV Charlotte last week with 90-min., prime-time (9:30 to 11 p.m.) "Open-Heart Surgery," which updated viewers on advances in this field, portrayed application of a heart-lung machine in surgery. The program was the kickoff for *Spearhead*, a public-service series which exec. vp Charles H. Crutchfield says will "depict the forward progress of the Carolinas in all its aspects, dramatically, yet factually, exploring new angles, shedding new light. It will show flaws in that progress where they exist and perhaps set forth a few remedies." Among upcoming *Spearhead* shows: 15-hour telethon for the Fine Arts Fund, a profile on Rev. Keyes, N.C.'s "Parson of the Hills."

Six staff-produced TV documentaries have been scheduled by WCKT Miami, news dir. Gene Strul reports, to "give its viewers a hard look at Cuba and what the U.S. should do about our backyard neighbor; explore the economic & political problems of the turbulent Caribbean; determine the meaning of Miami's vanishing city [deteriorating downtown area]; shake hands with the next Gov. of Fla.; gain an insight into the role Fla. plays in the political conventions, and meet the Cuban people face to face." The specials, projects of the station's news dept., are slated for telecast on various Sundays from Feb. 7 through July.

Fortnightly prime-evening documentary series was unveiled by WFIL-TV Philadelphia last week with "White Murder," a 10:30-11 p.m. report on local drug addiction. It was the debut of the station's *Eyewitness* series which in coming weeks will explore such subjects as heart ailments, beatniks, the city's transportation problem. The series opener drew enthusiastic newspaper reviews. Typical notice: "A vivid comprehensive report . . . in every way a commendable job."

Serialized study of juvenile delinquency was presented by WTMJ-TV Milwaukee in 5 installments on its nightly 6:25-6:30 p.m. Mon.-Fri. *Special Assignment* series. Filmed & produced by the news staff of the *Milwaukee Journal* station, *Special Assignment* covers national & local problems, as well as the lighter side of the news.

Free air time valued at \$853,000 was devoted for public-service announcements & programs by WRGB & radio WGY Schenectady in 1959. The 2 stations served 166 cultural, educational, civic, religious, govt. and public welfare agencies.

Church groups must participate actively in evolving better TV programs, and not be content with the negative role of criticizing unsuitable shows, the Protestant Coun-

cil of N.Y. has concluded in a session on "Mass Media—Its Impact on Family Life." Churches should suggest new program fare and express approval when the networks produce programs with moral ideals, it was urged. A greater effort to get network religious programs out of "the Sun, morning box," also was stressed.

Public-relations TV series has been initiated by KMOX-TV St. Louis to give viewers a behind-scenes look at TV, answer their letters of suggestion & complaint. Vp-gen. mgr. Gene Wilkey said *Inside KMOX-TV* will "give the viewers a frank & forthright answer to 'how' & 'why' we do certain things." Public affairs dir. Parker Wheatley hosts the series, telecast Sun., 1:45-2 p.m.

Ambitious TV visit to Mexico City was logged by KTRK-TV Houston recently with a series of five 120-min. programs tape-originated across the border and scheduled for daily telecast 8:30-10:30 a.m., Mon.-Fri. Co-operating Telesistema Mexicano furnished studio, video-tape machines, 2 mobile units and crews to assist KTRK-TV personnel in taping bull fights, entertainers, historical and scenic sites. The daily tapes were flown from Mexico City to Houston and telecast on the *Howard Finch Show* within hours of their origination. Sister organization *Houston Chronicle* was slated to carry daily reports on the programming and the experiences of the remote cast & crew.

Local women's clubs will star in a new public-service series which debuts at KOA-TV Denver this week (8). The 30-min. *Come To Order* will televise the regular proceedings (3 p.m. Mon.) of a different club meeting weekly to enable the groups to publicize their current projects & air views on local, national and international problems.

City council meetings are being televised for the first time in Cleveland by Westinghouse's KYW-TV. Occasional interesting sessions are video-taped, edited to assure faster pace and telecast on a delayed basis. A trial run last summer—taped but never aired—convinced the lawmakers TV could observe without being a nuisance.

Cascade Bcstg. Co. (KIMA-TV Yakima, etc.) is forming area viewers' council. Gen. mgr. Thomas C. Bostic states: "It strikes us that this approach, giving audiences a feeling of participation in what they see at the local level, will go a long way toward dissipating the hue & cry for the formation of a so-called national citizens' group, which most elements of our business agree would be very unworkable." KIMA-TV started the program with a telecast editorial telling of its plans to establish a TV Advisory Council comprising 200 "parents, preachers, truckers, teachers, farmers, people from the field of labor & business, housewives, bank executives, PTA members."

We'll publish more of these local public-service show ideas as we hear of them. Tell us about yours.

Local public-affairs shows are a feature of the 6th "Timebuyer Opinion Study" being conducted by NBC Spot Sales, which has sent a questionnaire on "the use & potentialities" of public-service TV to 1,200 agency & media men.

Film & Tape

AMPEX'S VTR TOUR: Making the first of 4 stops in a nationwide roadshow frankly designed to "sell Ampex," the Videotape-recorder manufacturer highlighted its 2-day San Francisco symposium for broadcasters with the introduction of a "Playback Delay Equalizer." The new \$695 accessory appears to be basically similar to the "electronic quadrature adjustment" on RCA TV tape recorders (Vol. 15:12 p2), and helps insure compatibility with RCA-recorded tapes.

Of the device, Ampex said: "Those users who have frequent occasion to play tapes of unknown recording accuracy, tapes from foreign sources or tapes made on other machines with possible recording inaccuracies will find it possible by use of the Delay Equalizer to play satisfactorily any tapes of non-standard quadrature which they may receive, while avoiding the necessity of temporarily mal-adjusting their recording heads . . ." Ampex officials also reported on the new Inter-Sync accessory, which eliminates rollover when switching between VTR and another picture source (Vol. 16:4 p10).

Ampex officials staged the show in KGO-TV's giant Studio A, provided the continuity and iced the cake with hard engineering data, but it was a parade of 7 station officials who delivered the "sell" as they read monographs on their experiences, illustrated with locally-made tapes.

Robert Kelly, KCRA-TV Sacramento: "Videotape allowed us to originate more local programming, opened new fields of revenue since the local advertiser can see what he is getting, and improved our on-the-air promotion with network personalities recording for us. Tape bettered our competitive position with the newspaper and opened a whole spectrum of spot production for local advertisers. Our goal this year is \$100,000 a month in local sales."

Bel Lange, KOVR Stockton-Sacramento: "We have 2 studios in 2 cities and a transmitter in a 3rd location. Our one Videotape recorder has practically taken over all production. We have done this by making all station operations revolve around the VTR."

Lloyd E. Cooney, KSL-TV Salt Lake City: "Who should control VTR? The sales manager for all commercial work and the director of operations when VTR is used for station work. Our VTR clears about \$1,000 a month for us in tape charges, as a sales tool and in improved use of manpower. We are now developing a new rate card in which the client pays the actual costs of taping."

Douglas Elleson, KRON-TV San Francisco: "It is important that all control of tape use be centralized in one person from initial requests to final tape erasure. The greatest problem spot is the tape session. Here the station director must be in firm control."

Theodore Cook, KOIN-TV Portland: "There is a tendency on the part of clients to abuse taping sessions, so we established a strict set of rules. When these rules were applied, most of the booby traps disappeared."

Robert Ferguson, KING-TV Seattle, stressed the intangible advantages of station promotion and showed a recent tape in which police arrested a suspected criminal on the set of a local show.

* * *

Ampex symposium on TV tape in Washington Feb. 15-16 (Vol. 16:5 p8) will be held in the Sheraton Park Hotel, where Allied Studios facilities will be used. The agenda includes reports by executives of a half-dozen stations on their tape experiences.

STRIKE SITUATION AT A GLANCE

Union	Strike vs. TV-Film Makers?	Strike vs. TV Networks?	Strike vs. Movies?	Effects on TV Management	Prognosis for TV
WGA (Writers Guild of America)	Yes. Against Alliance of TV Film Producers. Began Jan. 16 over residual demands (foreign showings, perpetuity and new system based on writer's fee instead of minimum).	Impending. WGA last week rejected networks' counter-proposal and contract was slated to expire Feb. 6. WGA council meets Feb. 8 to decide on strike already authorized by members. Same key issues as those in strike against TV-film makers. Unaffected so far are some 300 writers in live TV-radio & network staff writers. Their contract expires Mar. 31 and negotiations begin this week.	Yes. Strike began Jan. 16 over demands for share of post-1948 film sales to TV.	No cutback in production of TV pilots or series at the affected studios. Anticipating strike, TV producers stockpiled scripts and all seemingly are amply supplied. N.Y. ad agencies are shopping for new TV shows cautiously, wanting assurance of adequate script backlog.	How long writers can live with unemployment is key factor. WGA faces another crisis with expiration Feb. 12 of its contract with independent (non-network, non-Alliance) TV producers.
SAG (Screen Actors Guild)	No. SAG's threatened strike against major movie studios does not involve their TV operations. Also, SAG contracts with independent TV producers won't expire until Mar. 31.	No. Present contract for TV film does not expire until Mar. 31.	Impending. Contract expired Jan. 31 and SAG is balloting its 14,000 members for authority to strike on issues of share of post-1948 film sales to TV, pension-welfare fund, others. SAG says negotiations with major movie studios (Assn. of Motion Picture Producers) have collapsed. Guild has opened negotiations with movie independents.	Not much now. Uncertainty of residual issue has some effect on release of post-1948s to TV.	If SAG goes out against TV, producers & networks will have to shore up programming with ample supplies of reruns. New film production would be pretty much stymied. However, strike action against TV is remote.
IATSE (International Alliance of Theatrical Stage Employees)	No.	No.	No. Contract of studio unions do not expire until Jan. 1961. However, they have re-opener clauses for negotiations should concessions on post-1948 films be granted to other unions.	None.	IATSE has already conferred with SAG & WGA on possibilities of cutting slice of post-1948 pie.
SEG (Screen Extras Guild)	No. Contract expired Apr. 2, 1959, negotiations still going on.	No. Contract expired Apr. 2, 1959, negotiations still going on.	Voted to support a SAG strike.	None.	Same as SAG.
DGA (Directors Guild of America)	No. Contract expires Apr. 30.	No, but trouble brews. Networks reportedly have told DGA they will hire new directors even though they refuse to pay DGA's \$2,000 membership fee. Contract expires Dec. 31.	No.	None.	See column 3.

THE STRIKE SITUATION: An impasse remains on key issues in negotiations between the Alliance of Television Film Producers and Writers Guild of America, neither side giving an inch on the important issues. But to date, there has been no halt in production as a result of the WGA strike which began Jan. 16 (Vol. 16:5 p8). WGA and the Alliance met last week, but no progress was made on the important issues. WGA faces another crisis Feb. 12—date of the expiration of extension of its contract with independents who are not members of the Alliance.

If there was any shortage of TV scripts, it wasn't obvious. Production continued at the various TV film companies, on pilots as well as regular series. One executive of a leading company told us he had a 5-months supply of scripts on hand.

The Screen Actors Guild negotiations with the major movie studios were in a strange & unresolved state last week. SAG natl. exec. secy. John L. Dales said negotiations had collapsed and no more meetings were scheduled. But Charles S. Boren, exec. vp of the Assn. of Motion Picture Producers had an opposite opinion.

Tape Angle in WGA Strike: A tape wrinkle arose last week in the Writers Guild of America strike against TV's film producers which began Jan. 16 (Vol. 16:5 p8). Some executives, planning for all eventualities, including a long strike, are talking of using tape next year instead of film. They theorize that while WGA has jurisdiction in live & film TV, no jurisdiction has ever been established in tape.

When we checked WGA on this, a spokesman replied: "We don't care whether a show is live, film or tape. There is no jurisdictional dispute involving writers in tape, and in any event we provide the services of writers. If a producer on our struck list tapes a show, he still won't be able to hire any of our writers."

In another tape development, negotiations between the Screen Actors Guild and AFTRA—involved in a jurisdictional dispute over tape—have resulted in agreement by AFTRA not to push for such jurisdiction while SAG negotiates with TV's film producers.

Television Producers Guild, organized mainly to seek residuals, last week formally drafted its demands, but did not decide when to present them to the TV companies.

HOLLYWOOD ROUNDUP

NTA's *Play of the Week* received still another financial transfusion last week when KCOP Los Angeles became the first outside-N.Y. station to buy the 2-hour tape series now being syndicated (L.A. price: \$390,000 for 39). Last month Standard Oil of N.J. rescued "Play" from near-certain demise, following heavy public demand (30,000 mail pieces) to keep the show going (Vol. 16:4 p9). Unlike WNTA-TV N.Y., which televises "Play" as an across-the-board nighttime strip, KCOP will carry the drama series on a once-weekly basis.

Paramount Television is planning an adventure pilot, *Innocent Jones*. Carey Wilbur will produce. The series has not yet been cast . . . Comedy 3 Productions, owned by the 3 Stooges and Norman Maurer Productions, plans to pilot a series combining animated & live sequences. The Stooges will star, Maurer will produce. TV Spots will produce 78 five-minute cartoons of the Stooges, to be incorporated in the series.

Warner Bros. has finished its 26 *Maverick* telefilms for this season, and will film the first show of next season this week before calling a production halt. The *Maverick* deal is for 26 first-runs & 26 repeats.

Video-Tel International, handling distribution of *You Asked For It* outside the U.S. for Crosby-Crown Productions, has sold a 26-run of the show to the French-Canadian network. It will be seen there under the title *Sur Demande*. . . . Jerry Schnitzer plans to pilot a comedy, *Pilgrim's Progress*.

CBS-TV has signed Keefe Brasselle to star in a new series . . . General Foods has first refusal on *The Andy Griffith Show* pilot, which will be showcased on *The Danny Thomas Show* on CBS-TV. Thomas and his producer-director, Sheldon Leonard, are partnered with Griffith.

Producer Whitney Ellsworth will produce 26 episodes of *The Adventures of Superboy*, as a sequel to the *Superman* series which he also produced . . . Tandem Productions, has decided not to pilot its *Band of Gold* anthology, and will seek to sell it via presentation instead.

Frank P. Rosenberg has resigned as producer of United Artists TV's *The Trouleshooters* series, starring Keenan Wynn. He will produce a movie, "North from Rome," for UA. No successor will be picked, until a decision is made on renewal of the series.

Paramount Television Productions has video-taped 2 championship fights in Los Angeles for global distribution. Tapes of the Jose Becerra-Alphonse Halimi and Battling Torres-Carlos Ortiz bouts, held the same night in the Coliseum, have been sent to Mexico and to Britain's BBC.

Cayuga Productions begins March 15 at MGM on the final 10 episodes of *Twilight Zone* for this season . . . Roncom Productions has signed Don DeFore to star in its pilot of *Home Team*, a situation comedy which goes into production at Fox Western Studios this week.

Producer Herbert B. Leonard has signed Martin Milner to star with George Maharis in his new project, *Route 66* . . . Revue Studios has resumed production on its *Whispering Smith* series, starring Audie Murphy.

NBC-TV and Jack Webb's Mark VII Ltd. are negotiating for network financing of a 30-min. dramatic series pilot.

NEW YORK ROUNDUP

Hubbell Robinson Productions will package classic mysteries in *Thriller*, a new 60-min. filmed series scheduled for prime-time exposure on NBC-TV this fall. The series will be produced by Fletcher Markle with James Cavanaugh as associate producer & story editor. Filming of the first 26 episodes of series begins Feb. 15, with primary production at Revue International in Hollywood but with some episodes due to be produced on foreign locations. First property will be "Doubles in Death," adapted from William Grew's novel. Future episodes will aim for taut-but-bloodless suspense, avoid violence under new NBC rules.

Gold Medal Studios pres. Martin Poll, whose Bronx film studios have housed a number of N.Y.-produced pilot films & TV commercials, will be co-producer (with Selma Tamber) of a Broadway comedy that hits fairly close to home: "Viva Madison Avenue!", by George Panetta. Buddy Hackett has been signed for the lead role, and the play is scheduled to go into rehearsal in N.Y. Feb. 15. A special circular makes an offering of limited partnership to agency men, TV executives and others of \$2,000 for 1% of the partnership's net profits.

United Artists Associated, primarily a feature-film distributor in TV, has made a successful foray into home movies. Fred Hyman, sales dir. of the firm's 8-mm entertainment film div., reported recently that UAA's sales in this field, begun last March, will increase 100% in 1960, and now include as a sales outlet "2,000 of the 6,000 dealers who sell 8-mm home movies." A prime reason for UAA's sales success, says Hyman, is the firm's innovation of throwing out the old title cards used in its silent films and adding on-the-picture subtitles instead.

Client-level cleanup on CBS-TV—in addition to the network's own tightening of program self-regulation—is being staged by Lever Bros., co-sponsor of *Mr. Lucky* (Sat. 9-9:30 p.m.). In future, star John Vivyan will no longer be the proprietor of a gambling casino; he's to be a restaurateur. "There was no decree, no official order," said *Mr. Lucky* packager Don Sharpe. Lever had first brought up the cut-out-the-gambling move and then worked it out with the producer.

Textbooks on video-tape recording are now beginning to appear. Published last week: *A Primer on Television Tape Recording* by George B. Goodall, Ampex Corp. (Robins Industries Corp., 36-27 Prince St., Flushing 54, N.Y., 47 pp., soft cover, \$1), which originally appeared as a series of 5 articles in *International Projectionist*. Due to be published Feb. 23 by Hastings House: *TV Tape Commercials* by Harry Wayne McMahan.

ITC's "Interpol Calling" has been sold in 12 countries within 8 weeks of its release for foreign sales. Estimated outside-U.S.-gross is \$515,000 to date, international sales dir. Abe Mandell reported.

NTA's *How to Marry a Millionaire* has been bought by Studebaker dealers in Philadelphia & New Haven for WFIL-TV & WNHC-TV respectively. In Springfield, Mass., they will carry NTA's *Grand Jury* on WWLP.

Seymour Reed succeeds Harold Hackett as Official Films pres.; Louis C. Lerner is new chmn.; Leonard I. Schreiber, vp; Stanley Mitchell, treas. . . . Michael Reddy has been appointed art dir., Pictafilm Inc.

Television Digest

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Personals: Thomas B. McFadden promoted from general sales exec. to NBC-TV vp-national sales mgr.; Max E. Buck promoted from station mgr., WRCA-TV N.Y., to NBC-TV vp & eastern sales mgr.; Edward M. Hitz promoted from vp for network sales, NBC central div., to vp & general sales exec., NBC-TV; Angus Robinson and Cyril C. Wagner named dir. & mgr., respectively, of network TV sales, central div. . . . William F. Fairbanks named vp & sales dir., NBC radio . . . Herbert Sussan resigns as NBC-TV special programs dir.-Hollywood to form United Talent Ventures, a TV & theater program production firm.

John B. Poor named finances & investment vp, RKO General; Hathaway Watson appointed broadcasting operations vp . . . Donald M. Hine resigns as program mgr. of KNXT Los Angeles to become special projects dir., World Tennis Inc., eff. March 1; he's succeeded by Leon Drew, ex-KMOX-TV St. Louis . . . William Whitsett, ex-Don Lee network, named administrative vp for NAFI Corp.'s broadcast div. . . . Frank J. Jordan named mgr., NBC News, Chicago . . . Robert L. Greenwell promoted from asst. art dir. to art dir., NBC-TV sales planning.

Frank P. Fogarty, vp & gen. mgr. of Meredith's WOW-TV & WOW Omaha, appointed chmn. of NAB's Freedom of Information Committee, succeeding Robert D. Swezey, who resigned Jan. 1 as exec. vp & gen. mgr. of WDSU-TV & WDSU New Orleans; Lewis W. Shollenberger of CBS News, new pres. of Radio-TV Correspondents Assn., replaces David Brinkley of NBC News on committee . . . Kenneth E. Chernin, Triangle Publications TV & radio div. promotion dir., named membership committee chmn., Bestrs. Promotion Assn.

Don Cook resigns as production mgr., KNXT Los Angeles, to join CBS-TV staff of directors assigned to cover Winter Olympics . . . John F. Meyers, ex-NBC-TV, named program mgr. in Hollywood for CBS Films, Inc. . . . Joseph P. Dougherty, gen. mgr., WPRO-TV Providence, named also vp of Capital Cities Bestg. Corp. (WTEN & radio WROW Albany; WCDC Adams, Mass.; WTVD Durham, N.C., in addition to WPRO-TV & WPRO) . . . Duane Holman promoted from local sales mgr. to sales mgr., KOLN-TV Lincoln, Neb.

Harold G. Ross, ex-NBC economist, joins Fox, Wells & Rogers investment firm which controls KFSD-TV & KFSD San Diego . . . Walter Cronkite, CBS News, named recipient of the 12th annual Collegian Award by LaSalle College, Philadelphia.

Richard D. Heffner promoted to new post of special projects dir., CBS-TV information services . . . Joseph Csida, one-time RCA vp and more recently a music publisher, appointed vp for Eastern operations, Capitol Records . . . Maurice Rashbaum Jr. promoted from sales exec. to research & promotion vp, Harrington, Righter & Parsons, TV station reps . . . Harry Francis appointed production dir., KCMO-TV Kansas City, Mo. . . . Lawrence Beckerman promoted to public affairs dir. of WTOP-TV & WTOP Washington, Stephen W. Cushing to news dir. . . . Gary S. Franklin, ex-WJZ-TV Baltimore, named news dir., KYW-TV & KYW Cleveland, succeeding Sanford Markey, named radio KYW news supervisor . . . A. M. (Bert) Cairns, ex-radio CFAC Calgary, Canada, appointed vp-gen. mgr., CHCT-TV Calgary.

Radio & TV Correspondents Assn., whose exec. committee serves as the governing body of Senate & House TV & radio galleries, has elected Lewis W. Shollenberger of CBS as pres. Other officers: vp Ann M. Corrick, Westinghouse Bestg. Co.; secy. John H. Secondari, ABC; treas. Elmer M. Lower, NBC. Delegates at large: Charles E. Shutt, Telenews; Leslie W. Higbie, Les Higbie Associates; John R. Corporon, WDSU-TV & WDSU New Orleans. They will be inducted Feb. 27 at the organization's annual dinner in Washington's Statler-Hilton Hotel.

Meetings this week: Academy of TV Arts & Sciences forum on TV for children & teenagers (Feb. 8), CBS Studio 52, N.Y. . . . RTES time-buying-selling seminar (9). Ray L. Stone, associate media dir., Maxon, and Robert A. Wulforst, associate media dir., Dancer-Fitzgerald-Sample, will discuss "Station Image Factor in Timebuying." Hotel Lexington, N.Y. . . . Mich. Assn. of Bestrs. annual spring convention (9-10), Olds Hotel Lansing . . . British Columbia Assn. of Bestrs. annual meeting (11-12), Hotel Vancouver, Vancouver, B.C. . . . IRE Washington section annual banquet (13), Hotel Statler-Hilton, Washington, D.C.

Meeting next week: RTES timebuying-selling seminar (Feb. 16). ITC Chmn. Jack Wrather will discuss "Commercial TV in Britain." Hotel Lexington, N.Y.

NBC-TV's Dave Garroway has been lauded by Rep. McDowell (D-Del.) for his "dynamic display of leadership" in educational programming by offering nuclear physicist Dr. Edward Teller a weekly spot on *Today*. McDowell said that the proposed physics-appreciation course "could & would awaken millions of American citizens from the present state of disastrous apathy in this nuclear age."

TV's night owls are mainly women, concludes Feb. 6 *Sponsor* after a study of late-night Mon.-Fri. TV audiences. At 10 p.m., the study found, the average TV audience comprises 49% women, 37% men, the balance teenagers & younger; 90-min. later, 54% women, 38% men.

Obituary

Al Tisch, 63, a founder with his 2 sons of the Tisch Hotel chain, which owns controlling interest in Loew's Theatres Inc. (WMGM N.Y.), died Feb. 1 of a heart ailment in a Houston, Tex. hospital. He is survived by his wife, sons Laurence Alan & Preston Robert Tisch, and a sister.

Harvey L. Mott, 54, OCDM public affairs dir. and former managing editor of the *Arizona Republic* in Phoenix, where he also was a radio commentator before going to Washington in 1955, died Feb. 3 of a heart attack at his desk. Surviving: his wife, 4 daughters, a brother, a sister.

Trade Report . . .

FEBRUARY 8, 1960

OFFICIAL TV-RADIO-PHONO HISTORY OF '59: Exact dimensions of home electronics' recovery year—in TV-radio-phono business—have been measured by the industry's statistical custodian, Electronic Industries Assn., closing the books on 1959.

Perennial guideposts for production-marketing planners, the EIA annual figures may be compared with previous years' data on page 26 of our fall-winter TV Factbook. For first time, reliable figures are available for phono production & sales, although only 11 months had been tallied at press time.

Here are the outstanding trends shown by the figures:

(1) Official 1959 count of TV retail sales stands at 5,748,676, compared with 5,140,082 in 1958. With the exception of 1958, last year's retail sales figure was the lowest since 1951. TV production in 1959 totaled 6,349,380, up from 4,920,428 recorded in 1958—but only 3 years since 1949 have seen lower output.

(2) Production of all types of radios totaled 15,622,357, up from 11,817,243 in 1958—making 1959 radio's 2nd best year in history from the standpoint of units produced. Retail sales of home radios, however, totaled only 8,897,451, just about 250,000 ahead of 1958's 8,631,344. (While EIA's radio figures are designed to reflect domestic production, they include foreign-made sets sold under U.S. manufacturers' brand names.)

(3) Production of FM & FM-AM radios totaled 540,522—excluding phono combinations with FM, which are believed to have numbered about 600,000. There's no comparable figure for 1958, since EIA didn't compile FM statistics for the full year of 1958. The last years for which EIA has comparable FM figures are 1955, when 252,800 were made; 1954, 188,685, and 1953, 455,662.

(4) Factory sales of phonos totaled about 4.3 million units, of which more than two-thirds were stereo. The 1958 figure was slightly less than 4 million. (Both figures exclude record-player attachments.)

(5) Picture & receiving tube sales increased over 1958, reflecting bigger renewal & original-equipment sales. Transistor production continued to soar (complete tube & transistor figures due next week).

Here are over-all monthly TV-radio-phono figures for 1959:

	1959 Production				1959 Retail Sales		
	Total TV	Total Radio	Auto Radio	*Phono	Total TV	Home Radio	Phono
January	437,026	1,124,737	420,052	361,483	501,704	700,490	390,643
February	459,492	1,125,385	432,551	353,623	448,173	474,888	327,604
March	494,032	1,347,554	511,219	287,192	425,751	515,563	279,652
April	389,251	1,040,183	422,346	172,264	263,998	388,863	212,423
May	431,911	1,039,562	476,222	123,183	279,536	400,882	152,993
June	571,003	1,430,165	637,806	197,876	344,795	678,195	167,961
July	350,360	829,035	254,725	203,259	370,575	526,827	207,721
August	547,445	1,009,423	279,424	342,724	492,449	671,713	297,058
September	808,337	1,981,208	717,501	480,184	684,773	928,457	390,543
October	706,583	1,795,718	531,116	596,050	637,147	839,912	495,676
November	560,770	1,346,079	290,815	623,461	598,070	1,016,634	652,822
December	593,170	1,553,308	581,378	—	701,705	1,755,027	—
TOTAL	6,349,380	15,622,357	5,555,155	3,741,299	5,748,676	8,897,451	3,575,096
				(11 mo.)			(11 mo.)

* Phono figures are factory sales and exclude record-player attachments.

Additional breakdown of TV sales for 1959: Factory sales totaled 6,278,476, foreign sales 188,719, distributor sales to retailers 6,012,979.

In radio category, here is the 1959 breakdown by type of set:

	Portable			
	Table	Clock	Transistor	Tube
Production	3,144,622	2,793,997	3,922,256	206,327
Retail sales	2,729,468	2,480,489	3,366,259	321,235

Extent to which stereo has captured phono market is shown in these 11-month figures for Jan.-Nov. 1959 factory, distributor & retail sales, and Jan.-Nov. 1958 factory sales:

	1958	Factory Sales	Distributor Sales	Retail Sales
Monaural		2,565,139	not tabulated	not tabulated
Stereo		892,509	608,905	not tabulated
Total		3,457,648	not tabulated	not tabulated
	1959			
Monaural		1,113,207	1,372,668	1,423,148
Stereo		2,628,092	2,441,946	2,151,948
Total		3,741,299	3,814,614	3,575,096

The figures above don't include 70,712 record-player attachments sold at the factory in 1959, down from 112,686 sold in 1958.

TV-RADIO PRODUCTION: EIA statistics for week ended Jan. 29 (4th week of 1960):

	Jan. 22-29	Preceding wk.	1959 week	'60 cumulative	'59 cumulative
TV	141,111	141,303	129,745	524,902	437,026
Total radio	383,424	354,098	295,036	1,352,760	1,124,737
auto radio	175,535	143,371	95,323	632,318	420,052

Only all-channel TV sets could be built, under the terms of legislation proposed by the FCC (see p. 2). A new subsection (S) would be added to Sec. 303 of the Communications Act, stating that the FCC would "(S) Have authority, whenever the objectives of this Act so require, to prescribe minimum performance capabilities for apparatus designed to receive TV pictures broadcast simultaneously with sound, when such apparatus is traded or shipped in interstate commerce for sale or resale to the public." A new Sec. 330 would be added, reading: "No person shall trade or ship in interstate commerce for sale or resale to the public apparatus described in Subsection 303(S) unless it complies with minimum performance capabilities prescribed by the Commission pursuant to Sec. 303(S); provided that this section shall not apply to carriers transporting such apparatus without trading in it."

"Compatible stereo" system for FM & TV has been proposed to FCC by Richard S. Svorec, 824 36th St., South Bend, Ind. Engineers say that it appears similar to the Lippincott system. Svorec's patent application states that the system's objectives are to provide: (1) No subcarrier in the SCA band. (2) "Complete secrecy of the SCA band from accidental unauthorized listening." (3) "A subcarrier which is frequency modulated with a multiplex channel for transmission of subsidiary intelligence or signals of non-broadcast nature, such as background music, news, stock quotations, and the like, so as to afford maximum utilization of the SCA band." (4) Compatibility with existing receivers.

Another patent study—*Govt. Assistance to Invention & Research: A Legislative History*, 22nd in a series published by the Senate Judiciary Patents Subcommittee—is available for 35¢ from the Supt. of Documents, Govt. Printing Office, Washington 25. It was prepared by Mrs. Barbara H. Jibrin of the legislative reference service of the Library of Congress.

Japanese TV imports—how soon? A marked difference of opinion seems to exist between Tokyo's Sony Corp. and its U.S. distributor, Delmonico International. As reported in these pages last month, Delmonico is already advertising Sony's 8-in. battery-operated TV to the trade and quoting April as the starting date for dealer deliveries (Vol. 16:4 p15). However, an interview with Sony Pres. Masaru Ibuka in the Jan. *Radio & TV* magazine (Tokyo) explains that the company is "taking a prudent attitude in world marketing of its new product because of . . . problems connected with repair servicing." Ibuka is quoted: "Of course we are thinking of exporting this set to world markets. However, this will take some time since the production is still very limited and because the product is new. It is not wise for us to launch a world-wide marketing of this set immediately." Scheduled to go on the market in Japan some time next month, the set initially will be produced in quantities of 1,000-1,500 sets a month, increasing to 10,000 monthly by the end of this year.

Import-labeling bill, amending the 1930 Tariff Act to require stamping of the country of origin on containers for foreign-produced articles which are repackaged for sale here, has been passed by the House. Opposed by the National Retail Merchants Assn. & other retail groups, the measure (HR-5054) would apply to importers, jobbers, distributors, dealers, retailers, "or other person who does the repackaging." Rep. Herlong (D-Fla.), floor manager for the House bill, said it's intended to close a Tariff Act loophole exempting "articles which for one reason or another cannot themselves be marked."

Unusual TV textbook which explains theory & technology of TV in detail without mathematics or complicated engineering language is *The Physics of Television* by Philco research dir. Donald G. Fink & Penguin Books (England) science editor David M. Lutyens (Anchor Books Science Study Series, paperback, 160 pp., 95¢), out now.

Armstrong's Posthumous Victory: The widow of Maj. Edwin H. Armstrong last week came another step closer to winning her husband's bitter battle against most of the TV-radio industry, when Emerson dropped its appeal from a court ruling that its TV & FM sets had infringed Armstrong FM patents and agreed to payment amounting to about \$500,000.

Although at least 9 other manufacturers, including RCA, had settled previously with the Armstrong estate (Vol. 15:40 p15), the Emerson case was the first to go through a court trial, and is therefore expected to affect the remaining Armstrong suits awaiting trial—against Admiral, Bendix, Du Mont Labs, Motorola and Philco—by exerting stronger pressure for an out-of-court settlement.

Last fall, a N.Y. federal court ruled in favor of the Armstrong estate in the Emerson case, holding that the FM inventions in question "are to be found in every FM broadcast receiver, in every TV receiver, and they have wide applications to military, police, other mobile services."

Emerson had appealed the decision, but last week agreed to accept the lower court decision and stipulated a settlement which is understood to be less than it would have paid if it had been an Armstrong licensee. The 3 patents involved have expired—the last one in Sept. 1957.

Fire-destroyed TV components, held in a warehouse for export, are still subject to the manufacturers' excise tax, the Internal Revenue Service has ruled (Rev. Rul. 60-29). The knotty problem of fire loss was posed by an unidentified U.S. company which sold components for shipment to a Mexican TV-set assembler. The shipment was totally destroyed when a broker's warehouse in Tex. burned down. Question: Did the components come under excise exemptions for sales for export? No, IRS decided: "Although the TV components were identifiable as having been sold for export, they were not actually exported and proof of exportation could not be furnished."

Two new transistor radios and a \$10 price cut on a popular hold-over model have been announced by GE. Model P-776, a 7-transistor leather-case portable, was reduced to \$49.95 list from \$59.95. The new sets—both pocket units—are a 7-transistor set (P-815) at \$39.95 and a 6-transistor radio (P-791) at \$34.95. Radio gift packs—radio, case, earphone—were also announced.

Obituary

Dr. James Wilson McRae, 49, one of the nation's top figures in microwave & radio research, died Feb. 2 while on his way to address the AIEE's winter general meeting. At the time of his death, the former IRE pres. was an AT&T vp and coordinator of defense activities for the Bell Telephone System. Since joining AT&T's Bell Labs in 1938 as a researcher in transoceanic radio, he had held the following positions: Wartime coordinator of airborne radar & radar countermeasures for the Signal Corps (for which he won the Legion of Merit); chief of engineering, Signal Corps Engineering Labs, Bradley Beach, N.J.; Bell Labs dir. of radio projects & TV research; Bell Labs vp for telephone systems development; vp of Western Electric and pres. of subsidiary Sandia Corp. Last April he was appointed chmn. of the Army Scientific Advisory Panel. He is survived by his widow, 2 daughters & 2 sons.

Oskar Kalb, father of Herold Radio Chmn. Roland J. Kalb, and former internal auditor of the company, died Feb. 1 of a heart attack at his home in Riverdale, N.Y.

Trade Personals: Frank J. Rogers promoted from gen. mgr. to vp, Admiral commercial electronics div. (hotel-motel systems & special installations), headquartering in Newark, N.J. . . . Harold H. Howlett named secy., GT&E, succeeding Robert F. Briggs, retired . . . Glen P. Bieging, ex-GE, named to new post of mktg. vp, Packard Bell defense & industrial group . . . Paul J. Larsen, ex-Hughes Aircraft and former dir. of Civil Mobilization & Defense, Office of the President, appointed govt. relations dir., Du Mont Labs.

Jack G. Anderson, ex-Hoffman Labs mktg. vp, named a Stromberg-Carlson vp, reporting to James D. McLean, former Hoffman Labs pres., who became Stromberg-Carlson pres. last month (Vol. 16:3 p18) . . . Lawrence J. Epstein, ex-United Audio Products, appointed sales & merchandising mgr. of high fidelity & professional products, Siegler Corp. Bogen-Presto div. . . . Van M. Stevens Jr. promoted to asst. to the corporate dir. of commercial mktg. services, Raytheon.

Maj. Gen. John B. Medaris, retired head of Army's Ordnance Missile Command at Redstone Arsenal, Ala., elected chairman of Electronic Teaching Labs, Washington firm which pioneered in language instruction by use of recorders & other electronic devices . . . Frank H. Bower, ex-Motorola, named engineering administrator, Sylvania semiconductor div. . . . Earl J. Shelton, ex-Raytheon, appointed development dir., Eitel-McCullough . . . George C. Kanen Jr., ex-Philco, named military dept. senior program advisor for Dage TV div. of Thompson Ramo Wooldridge. . . . Jack E. Ricard named electronics div. national sales mgr. for Sampson Co., distributor of Hitachi products.

William A. White Sr., ex-publisher of *Danbury* (Conn.) *News-Times*, appointed head of Commerce Dept.'s Business & Defense Services Administration to succeed Horace B. McCoy, who resigned (Vol. 15:52 p19) . . . J. Albert Bertolacci named treas., Cornell-Dubilier . . . Roy S. Kullby & Robert P. Howington Jr. advance to partners in Chicago law firm of Pope, Ballard, Uriell, Kennedy, Shepard & Fowle, which represents Admiral . . . Sidney Brandt, ex-Loew's and Magnavox, named operations vp, MGM Records . . . Marshall Bartlett Jr. named mktg. mgr., audio products section, GE radio receiver dept.; George M. Miesenhelder appointed finance mgr., same dept. . . . John W. (Jack) Merritt resumes post of distributor sales mgr., Howard W. Sams & Co., after serving on a special assignment with Sams subsidiary Bobbs Merrill Co.

Arnold Sutta, Emerson, named pres. of Purchasing Agents of the Radio, TV & Electronics Industries, N.Y.; Edward Kovacs, Republic Electronic Industries Corp., elected treas.; Abe Schneiderman, Olympic, recording secy.

Tele-Dynamics Inc. was purchased by American Bosch Arma for an undisclosed sum last week from RCA Victor distributor Raymond Rosen & Co., Philadelphia, Pa. (Tele-Dynamics Pres. J. B. Elliott is chairman of EIA's small business committee.) Tele-Dynamics, which specializes in communications & telemetry equipment, will be operated as a division of American Bosch. It presently employs some 450 people, has 100,000-sq. ft. of plant & office space in Philadelphia. The sale was "initiated & negotiated" by Philadelphia broker Charles J. McCue & Co. Inc.

Curtis Mathes Mfg. Co., Dallas, introduced a new line of furniture-styled TV sets with 3-speaker sound systems. Included are 23-in. sets with tambour doors at \$299.95 & \$329.95, table 21-in. sets at \$199.95 & \$209.95 and other 21-in. sets at \$219.95 to \$269.95.

Finance

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

Admiral. Frank J. Kazda exercised option to buy 3,600, held 4,666. James R. Oberly exercised option to buy 4,400, held 5,424. Sylvio S. Rossate exercised option to buy 3,600, held 5,520.

Allied Artists. Roger W. Hurlock bought 200, held 18,800. Albert Zugsmith bought 13,100, held 136,000.

American Bosch Arma. Charles Allen Jr. sold 5,000 through Allen & Co., held 50,214 in Allen & Co., none personally. Frank I. Bertsch sold 100, held 500.

AT&T. F. R. Kappel bought 100, held 808.

Amplex. Philip L. Gundy exercised option to buy 1,000, held 1,550. Murray Innes Jr. sold 2,000 and 1,000 more from trusts, held 2,000 personally, 667 in trusts. Neal K. McNaughton exercised option to buy 250, held 266. A. M. Poniatoff sold 1,000, held 2,850.

Amphenol-Borg. Harold R. Egenes sold 500, held 1,633.

Audio Devices. Henry E. Mendes bought 100, held 2,000 personally, 105 for daughter.

Avco. W. A. Mogensen sold 2,400, held 9,300. Benjamin H. Namn bought 500, held 2,806.

Cinerama. Bernard Goodwin sold 1,000, held 2,105.

Clarostat. Arthur Richenthal exercised option to buy 5,000, held 5,000 personally, 300 for wife, 100 for Charles J. Goldstein.

Clevite. Willard W. Brown exercised option to buy 2,000, held 3,000. O. P. Gokay exercised option to buy 1,000, held 1,800. Curtis B. Hoffman exercised option to buy 400, held 500. William G. Laffer exercised option to buy 3,000, held 6,229. Wilbur D. Prescott exercised option to buy 500, held 500.

Collins Radio. Arthur A. Collins bought 100, held 181,288 personally, 221,864 as trust beneficiary, 55,132 for minor children, 84,933 in trust for mother. M. L. Doelz sold 204, held 4. H. V. Gaskill bought 525 and sold 200, held 1,133. Robert S. Gates sold 200 from Trust A, held 20,325 in Trust A, 535 in Trust B, 1,267 personally. Albert H. Gordon bought 6,496 through Kidder Peabody & Co. and acquired 2,723 more through Kidder Peabody & Co. by exchanges of convertible debentures preferred stock, sold 8,653 through Kidder Peabody & Co., held 566 in Kidder Peabody & Co., 1,040 personally. S. J. Storm sold 256, held 1,442.

Consolidated Electronics Industries. Charles G. Munn sold 200, held 2,000. Pieter van den Berg exercised option to buy 2,500, held 3,750.

Corning Glass. William H. Armistead sold 2,000, held 1,000. William C. Decker sold 3,300, held 14,937. Thomas Waaland exercised option to buy 2,000, held 4,700.

Daystrom. William H. Westphal bought 100, held 300.

Decca Records. Milton R. Rackmil bought 700 as co-trustee, held 11,400 as co-trustee, 1,713 personally.

Emerson. Harold Goldberg bought 885, sold 200, held 1,553.

Filmways. William Cowan sold 1,515, held none.

General Dynamics. Ellsworth C. Alvord bought 2,880, sold 3,032 through holding company, held 5,495 personally, 14,568 in holding company, 10,484 in trust. Frederic de Hoffman sold 600, held 3,730. Vernon M. Welsh sold 1,000, held 9,000.

GE. John W. Belanger exercised option to buy 5,125, held 19,068. Lemuel R. Boulware exercised option to buy 4,570, held 18,070. James H. Goss exercised option to buy 7,522, held 9,442. George L. Haller bought 600, held 700. Edwin H. Howell sold 200, held 1,565. John D. Lockton exercised option to buy 2,841, held 12,360. Francis K. McCune exercised option to buy 1,000, held 9,339. Harold A. Olson bought 4,837, held 6,327. Harold E. Strang sold 1,600, held 9,240. William C. Wichman exercised option to buy 1,695, held 5,226.

General Precision Equipment. Joel Dean sold 500, held 1,600. George T. Link sold 2,472, held 500.

General Telephone & Electronics. Don G. Mitchell exercised option to buy 3,000, held 5,766 personally, 1,500 in Waldon Inc. Gardiner Symonds sold 100, held 1,000.

Globe Union. Ralph W. Conway exercised option to buy 200, held 2,200. William S. Parsons exercised option to buy 1,000, held 3,255. William M. Wanvig exercised option to buy 300, held 3,100. Remington H. Warner exercised option to buy 200, held 520 personally, 230 for wife.

IBM. Charles V. Boulton exercised option to buy 201, held 472. Edward E. Ford sold 2,400 from trust, held 72,336 in trust, 41,076 personally. Herbert T. Hansford bought 252, held 1,671. J. J. Kenney sold 450, held 1,500. L. H. LaMotte sold 850, held 5,359 personally, 10 in LaMotte Foundation. T. Vincent Learson bought 500, held 1,097. H. M. Sibley exercised option to buy 172, held 1,400.

International Resistance. George I. Black exercised option to buy 400, held 2,200.

ITT. Edward D. Phinney exercised option to buy 2,680, held 4,466. Paul F. Swantee sold 500, held 4,634.

Lear. Albert C. Keske sold 241, held 1,100. William P. Lear sold 30,000, held 392,768.

Litton. Glen McDaniel sold 600, held 19,900. Russell W. McFall bought 800, held 825.

Loew's. Ellsworth C. Alvord bought 760, sold 800 through holding company, held 1,760 personally, nine in holding company. J. Howard McGrath bought 250, held 500.

Loew's Theatres. Arnold M. Grant bought 500, held 10,500. Simon H. Riffkin bought 1,000, held 1,000.

P. R. Mallory. Charles A. Barnes bought 500, held 500. J. Taylor Foster exercised option to buy 1,836, held 3,684. F. E. Head sold 200, held 414. P. R. Mallory bought 1,000, held 80,636 pers., 17,994 in trust.

Microwave Associates. Julian Pathe sold 1,000, held 1,000.

National Telefilm Associates. Ely A. Landau sold 3,000, held 17,000.

National Theatres & TV. Samuel Firks sold 250, held 59,750.

Paramount Pictures. Louis A. Novins sold 500, held 1,791.

RCA. George H. Brown exercised option to buy 100, held 295. Elmer W. Engstrom exercised option to buy 600, held 3,143. Alan M. Glover exercised option to buy 300, held 564. Ernest B. Gorin sold 681, held 100. Pinckney B. Reed exercised option to buy 300, held 439. Robert W. Sar-noff exercised option to buy 9,000, held 9,904. Frank Sleeter exercised option to buy 1,800, held 2,006. James M. Toney sold 84 and 25 more for son, held 163 personally, none for son.

Raytheon. David D. Coffin exercised option to buy 2,259, held 2,686. Carl J. Gilbert bought 500, held 500. N. B. Krim sold 2,000, held 450.

Standard Coil. James O. Burke sold 16,830, held 393,640 personally, 26,780 in Tripp Bldg. Corp. Robert C. A. Eland sold 1,000, held 4,150. Arthur Richenthal sold 5,000, held 31,066.

TV Industries. William Zeckendorf sold 1,910, held none personally, 24,835 in Webb & Knapp.

Texas Instruments. Bryan F. Smith sold 300, held 11,369 personally, 159 in trust.

Thompson-Rame-Wooldridge. Burton F. Miller sold 800 from trust, held 8,700 in trust, 3,757 personally.

Trans Lux. Harry Brandt bought 1,250 for foundations, sold 1,100, held 33,980 in foundations, 160,730 personally, 17,000 for wife, 100 in Barvic Theatres Corp., 2,000 in Brapick Inc., 100 in Marathon Pictures Corp., 400 in Bipharm Corp., 400 in Pamela Amusement Co.

20th Century-Fox. Robert Lehman sold 1,000, held 9,700. Joseph H. Moskowitz sold 5,600, held 5,000.

Varian Associates. Edward W. Herold bought 150, held 150.

Warner Bros. Benjamin Kalmenson sold 10,000 in private transactions, held none. Jack L. Warner sold 1,900 in private transactions, held 225,055 personally, 1,400 in trust.

Westinghouse. C. H. Bartlett sold 500 held 275. R. D. Blasier sold 800, held 1,368. John W. Craig bought & sold 1,000, held 1,000 personally, 100 in trust. John K. Hodnette exercised option to buy 3,325, held 5,788. E. V. Huggins bought 100, held 2,126. Leslie E. Lynde exercised option to buy 250, held 2,903. George G. Main sold 950, held 400 personally, 400 in trust. L. W. McLeod sold 100, held 1,150. A. C. Monteith sold 975, held 3 personally, 1,000 in trust. Carlisle P. Myers sold 180, held 252. Russell B. Read exercised option to buy 225, held 693. Charles C. Shutt sold 300, held 1,025. Charles H. Weaver sold 700, held 25.

Motorola's 1959 net profits were more than 90% higher than the \$7,356,213 reported in 1958, and its sales were more than 30% ahead of 1958's \$216,590,325, Pres. Robert Galvin told Motorola management at the company's annual management conference in Chicago Feb. 5. He said preliminary results of the company's record year show a net in excess of \$14 million and sales well above \$280 million. Consumer electronics, mobile radio, Handy-Talkie equipment and semiconductors all contributed to the upsurge, he added, while Motorola's military electronics business remained about the same as 1958. He repeated the prediction that the company's 1960 sales will exceed \$300 million barring labor disturbances in major U.S. industries. He said that while Motorola intends to continue to diversify, it plans to continue to specialize in electronics. Galvin also indicated that the company hopes to acquire the electronics business of other companies as part of its expansion program in the next 10 years.

Transitron Electronics Corp., Wakefield, Mass. producer of semiconductor products, issued its first financial report to shareholders since its initial offering of stock to the public last Dec. (Vol. 15:46 p24). Leo & David Bakalar, chmn. & pres. respectively, reported sales of all product lines running at a good rate. For the 26 weeks ended Dec. 26, Transitron had a net income of \$3,807,262 (51¢ a share) on sales of \$21,984,611 (vs. \$13,068,718 sales in the year-ago period; comparative earnings are not available). In the 13 weeks ended Dec. 26, net sales amounted to \$11,829,026; net income totaled \$2,030,213, equal to 27¢ a share on the 7,502,500 shares of capital stock outstanding. Comparative 1958 figures are not available.

Dynamics Corp. of America has acquired control of Anemostat Corp. of America with the purchase of 77,395 additional shares of the Hartford company which manufactures air-diffusing & air-conditioning equipment. The shares were purchased from Securities Corp. General, an investment firm, for \$155,820 cash & 2 blocks of Dynamics-held Securities Corp. preferred stock. Pres. Raymond F. Kelley said Dynamics Corp. will operate Anemostat as a subsidiary. Dynamics Corp. now owns 84%, or 127,031 shares, of Anemostat's 151,000 outstanding shares. Anemostat, in 1958, reported earnings equal to 59¢ a share on sales of \$4,383,640.

Magnavox anticipates 1960 sales of \$135-\$150 million and is "shooting for a net of \$2.50 to \$3 a share," C. Wesley LeBlanc, asst. to Pres. Frank Freimann, told the Detroit Financial Analysts Society last week. High-aiming Magnavox (Vol. 16:4 p19) had 1959 sales of about \$107 million & earnings of some \$1.90 a share.

Pentron Electronics Corp., Chicago maker of magnetic tape recorders & related electronic equipment, has asked SEC (File 2-16092) to register 250,000 common stock shares for public sale at \$3 per share. An underwriting group is headed by Stanley Heller & Co. Also reported in the registration statement is the purchase of 10,000 shares at 25¢ per share by Heller's senior partner Stanley Heller from Pentron's Pres. Theodore Rossman & exec. vp Irving Rossman. Most of the proceeds of the public sale would be applied to payment of outstanding 6% debentures.

Savoy Industries subsidiary Transelectronics, Ltd., has opened a production plant for electronic components in Freeport, Grand Bahamas. Savoy Pres. Louis Danenberg said cheaper labor & tax advantages prompted the Tulsa-based concern to erect the plant in the Bahamas. At the outset, output of the Freeport facility will be used by Savoy's Fort Lauderdale (Fla.) and Griffin (Ga.) electronic equipment plants. As production expands, the components will be offered to other equipment makers. Freeport's initial employment of 100 is expected to rise to more than 200 in a year.

Tung-Sol hit a sales peak in 1959 with a 20% gain over 1958's \$59.8-million volume, but the net approximated the \$2,643,842 (\$2.67 a share) earned in the preceding year. Vp-treas. H. Merle Darling explained that while sales soared past the previous high of \$64.1 million (set in 1957), the steel strike, competition and heavy expenditures for expansion of the company's semiconductor div. were drags on earnings. "Competition whittled down our prices on electron tubes, particularly in the renewal or replacement field," he said. "We think this trend will be reversed this year."

Electronic Research Associates Inc., Cedar Grove, N.J. maker of specialized commercial & military transistorized devices & other electronic components, seeks SEC registration of 216,254 Class A capital shares to be offered in exchange for an equal number of Class B shares on a share-for-share basis. The company said that some stockholders may subsequently offer their Class A shares for public sale. Principal Class B holders now include vp Noah J. Gottfried (48,775 shares).

Elco Corp., Philadelphia manufacturer of basic electronic equipment components, submitted an SEC registration statement (File 2-16072) for 88,135 common stock shares reserved for issuance on exercise of outstanding warrants. The warrants were issued to S. D. Fuller & Co., which underwrote a 1954 stock offering, and to Elco pres. Benjamin Fox & other key personnel.

Healthy financial climate is reflected by the higher dividends voted by 145 companies in Jan.—up from 101 in Jan. 1959 and a record for the month, reports Standard & Poor's Corp.

Ampex has gotten the nod from Stock of the Month Club Inc., Warwick, N.Y.

P. R. Mallory & Co. scored record earnings & sales for the year ended Dec. 31, 1959. Net income was up 51% from 1958 and 38% from 1957, the previous record year. Sales increased 26% over 1958 and 11% over 1957. For the year ended Dec. 31 (1958 & 1959 per-share earnings after pfd. dividends and both based on 1959 shares outstanding):

	1959	1958
Sales	\$86,504,443	\$68,286,563
Net income	4,339,042	2,872,526
Per common share	2.87	1.85
Common shares	1,441,090	1,409,584

Dresser Industries reports a sag in net income despite a sharp sales gain in its 1959 fiscal year. The Dallas-based corp. & subsidiaries (Dresser-Ideco, Southwestern Industrial Electronics div., etc.) report for the year ended Oct. 31:

	1959	1958
Net sales	\$232,309,621	\$225,287,985
Net income	9,171,131	9,882,233
Per common share	1.95	2.14
Common shares	4,709,547	4,612,283

Belock Instrument Corp. scored marked increases in sales & earnings in the fiscal year ended Oct. 31:

	1959	1958
Net sales	\$15,794,325	\$12,731,300
Net income	349,988	202,743
Per common share	40¢	24¢
Average common shares .	852,776	811,447

Hewlett-Packard Co. sales & earnings climbed sharply in fiscal '59. For year ended Oct. 31:

	1959	1958
Sales	\$47,745,073	\$35,653,353
Net income	3,899,941	2,571,952
Per common share	1.19	79¢

Axe Science & Electronics Corp. mutual fund reports strong gains in net assets for the year ended Dec. 31:

	1959	1958
Net assets	\$12,521,784	\$9,446,139
Net assets per share	12.42	11.99
Capital shares	1,008,346	788,093

Howard W. Sams & Co., Indianapolis publishing, electronics research & engineering firm, and subsidiary Bobbs Merrill Co., report a 22% sales gain for the first half of fiscal 1960 over the same period of fiscal 1959 (\$5,857,904 vs. \$4,818,710). The figures cover July 1 to Dec. 31, and are before eliminating inter-company transactions. Pre-tax profits were \$647,549 vs. \$483,933—a 33% increase.

Ling-Altec Electronics sales in 1960 are expected to soar past \$75 million, compared with 1959's estimated \$45 million, Chmn. James J. Ling forecast last week. He would not estimate 1959 earnings, but hoped they "will be in the ball park" of an Oct. forecast of \$1.40 a share—or about \$2,240,000, based on 1.6 million shares outstanding.

Reports & comments available: GE, discussion, E. F. Hutton & Co., 61 Broadway, N.Y. 6 . . . Philco, analysis, Amott, Baker & Co., 150 Broadway, N.Y. 38 . . . Hoffman Electronics, review, Carreau & Co., 115 Broadway, N.Y. 6 . . . General Precision and Bendix Aviation, discussions, Bache & Co., 36 Wall St., N.Y. 5 . . . Telechrome Mfg. Corp., prospectus, Amos Treat & Co. Inc., 79 Wall St., N.Y. 5 . . . Tenney Engineering Inc., prospectus, Milton D. Blauner & Co., 115 Broadway, N.Y. 6 . . . Data-Control Systems Inc., prospectus, C. E. Unterberg, Towbin Co., 61 Broadway, N.Y. . . . Technicolor, profile, Feb. 1 *Forbes*.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Allied Artists	Q	\$0.13 $\frac{3}{4}$	Mar. 15	Mar. 3
GE Ltd.	Stk.	3%	Apr. 6	Feb. 29
GT&E	Q	.55	Mar. 31	Feb. 23
Gen. Tire & Rubber ..	Q	.25	Feb. 29	Feb. 15
ITE Circuit Breaker .	Q	.45	Mar. 1	Feb. 15
Lear Inc.	—	.10	Mar. 1	Feb. 11
Sonotone	—	.07	Mar. 31	Mar. 4
Standard Radio Ltd. .	Q	.15	Apr. 8	Mar. 18
United Artists	Q	.40	Mar. 25	Mar. 11
Walt Disney Prod. . .	Q	.10	Apr. 1	Mar. 18

Walt Disney Productions reported a net loss & decline in revenues for the 13 weeks to Jan. 2 as TV income alone fell \$2,062,679, compared with the year-ago period. Treas. Paul Pease attributed the overall decline to "the continuing effect of the low profit margin that we have experienced on our recent theatrical releases coupled with a loss on the current *Walt Disney Presents* TV show." During fiscal-1960's first quarter, he said, the film concern derived no income from *Mickey Mouse Club* and *Zorro*, which are not being televised because of the disagreement with ABC about the right to license to other TV outlets (Vol. 15:48 p6). For 13 weeks to Jan. 2:

	1960	1959
Revenues	\$9,731,841	\$11,799,302
Net profit (loss in 1960)	(165,939)	629,838
Per common share	—	40¢
Common shares	1,628,023	1,581,011

Warner Bros. sales for the first fiscal quarter ended Nov. 28 were well ahead of the 1958 period, but net income was down because of a higher provision for federal income taxes (\$1.7 million vs. \$650,000 in 1958). Stockholders were told last week at the annual meeting in Wilmington, Del. that 2nd-quarter earnings will be "slightly less than in the first quarter." Secy. Herbert Freston said that while Warners' 1960-61 TV film schedule hasn't been arranged, there may be a shift in emphasis away from Western & adventure programming. The company's report for the quarter ended Nov. 28:

	1959	1958
Sales, film rentals, etc....	\$23,037,000	\$18,938,000
Net before income tax ...	3,453,000	2,572,000
Net income	1,753,000	1,922,000
Per common share	1.16	1.10
Common shares	1,505,196	1,745,196

RKO General, the TV-radio subsidiary of General Tire & Rubber Co. (4 TVs, 5 radio stations), was one of leading factors in increasing the company's 1959 net earnings to a record \$26,624,080 (\$4.84 a share). This was 136% over 1958's \$11,279,117 (\$2.06). Pres. William O'Neil, discussing the company's various subsidiary operations, said: "One of our best performances was turned in [by] RKO General. While we do not consolidate this division's sales in our figures, its earnings are consolidated and added substantially to our total." The parent company's consolidated net sales (excluding non-Canadian foreign operations, those of RKO General and A. M. Byers) totaled a record \$676,942,133 vs. \$469,782,099 in 1958.

United Telefilms Ltd. shareholders have approved a 1-for-4 consolidation of stock (Vol. 15:52 p20). Canada's *Financial Post* says "it is rumored that this is preparatory to the issue, probably in the U.S., of \$15 million 5½% 8-year convertible debentures." United Telefilms' present authorized capital is 6 million shares, of which 3,993,000 are outstanding. Pres. G. P. Cass has stated that the Toronto-based concern will expand by acquiring products in all phases of the entertainment field.

Meredith Publishing Co. (WHEN-TV & WHEN Syracuse, WOW-TV & WOW Omaha, KPHO-TV & KPHO Phoenix, KCMO-TV & KCMO Kansas City, Mo., radio KRMG Tulsa, *Better Homes & Gardens*, *Successful Farming*) reports a jump in net income to \$2,202,854 (\$1.69 a share) in the 6 months to Dec. 31, up from \$1,772,865 (\$1.37) in the year-ago period.

Magnetic tape sales totaled \$40 million in 1959 and will reach \$100 million by 1963, according to a forecast by Ampex vp John M. Leslie, gen. mgr. of Ampex's tape-making Orr Industries div.

Foreign

Australia's favorite TV series is the Warner Bros. *77 Sunset Strip*, which last week was winner of the "Logie" award (named for British TV Pioneer John Logie Baird). The prize was given after an annual poll by Melbourne's *TV Week* magazine. Variety star Graham Kennedy, who hosts a nightly Melbourne TV show, was awarded a "Logie" as "star of the year," and Edd (Kookie) Byrnes of "77" (currently on suspension from WB in a contract dispute) was runner-up. Other U.S. export winners in the program category: *The Phil Silvers Show* and *Father Knows Best*. Owned by the News Ltd. of Australia (in which ABC-TV owns an interest), *TV Week*, modeled closely after *TV Guide*, now goes to one in every 3 Australian TV homes, the magazine's N.Y. office told us.

Ad revenue of Britain's commercial TV program contractors reached a total gross of \$162.2 million in 1959, up from \$135.5 million in 1958, reports *Advertiser's Weekly*. Top grosser was Associated-Rediffusion, with revenue of more than \$34.6 million. Granada was 2nd with \$32.6 million. The program contractors telecast 300,668 separate individual ads. The most popular TV spot was the 15-sec. variety, with 97,819 separate transmissions. The 30-sec. film commercial took 2nd place with 88,463 appearances.

British Marconi has sold more than \$28 million worth of TV equipment in the last 10 years, according to a new brochure published by the company. Other highlights: It has sold more than 550 TV camera chains (503 image orthicon cameras), 37 mobile TV units, 102 TV transmitters, 46 TV transmitting antennas, \$14 million worth of studio equipment. Interesting sidelight in the Marconi booklet: "Marconi's have also designed & manufactured a complete mobile [color-TV] unit for an American company."

"East Eurovision" network, linking TV systems in Communist bloc countries, is now under construction, according to Tass, which said programs would be interchanged among the Soviet Union, Czechoslovakia, Poland, Bulgaria, Romania & East Germany. A coaxial cable is being laid for the Russian-Polish link, the dispatch said. As to an interconnection with West Europe, Tass added: "Quite feasible technically, given a proper agreement, is inclusion of Warsaw or Prague in the Western European Eurovision system."

TV sets in Denmark now number 320,433, according to the latest report by the Danish Information Office on licenses issued, for a fee, to set owners. Seven TV stations now dispense the non-commercial video service throughout the nation. An 8th station is expected soon in Bornholm. Advocates of commercial TV still fail to make headway and were defeated decisively at the recent Nordic Council session on their proposal to introduce TV-radio ads in Denmark, Norway and Sweden.

Middle East's most powerful radio station has been opened near Mansura, Egypt, according to the Commerce Dept.'s *Foreign Commerce Weekly*. The 300-kw medium-wave facility carries broadcasts of Radio Cairo & Voice of the Arabs throughout the Arab world and in most of Africa. The United Arab Republic also plans four 100-kw short-wave transmitters, is building a TV-radio center at Cairo.

NTSC color system has been officially adopted by Japan after a long period of tests & experimentation.

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

SUMMARY-INDEX OF WEEK'S NEWS

WITH THIS ISSUE: "Investing in Applied Science," Special Supplement on buying electronics securities, by George Edgar, of Carl M. Loeb, Rhoades & Co. (story on p. 2).

Industry Image

OUR CHECKLIST OF what 12 organizations in government, advertising and industry have done for TV's image (pp. 1 & 5).

DISC JOCKEYS & "3Bs"—"babes, booze & bribes" at Miami convention—become major target of payola expose by Oren Harris & his House probers (p. 6).

PAYOLA & DECEPTION REMEDIES. Texts of FCC's proposed rules & legislation. Punishment: \$5,000 or 1 year, or both (p. 7).

FORD'S VIEW OF FCC POWERS includes conviction it has authority to review station performance. Says no one proposes "blue pencilling by govt. clerks" (p. 8).

Congress

OVERSIGHTERS' BILL PARADE is led by Bennett, ranking Republican on House subcommittee, who proposes jail & fines for anybody who tries to "deceive" on TV or radio (p. 1). Dept. (p. 9).

Foreign

USIA'S FOREIGN TV REPORT shows stations up 47% (p. 18).

Film & Tape

SUMMARY OF TV STRIKE SITUATION: WGA still deadlocked with TV Alliance & major-studio TV units on key issues; network TV film strike delayed (p. 16).

Manufacturing & Distribution

OUT OF THE LABS and into production come 2 new electron devices expected to have important TV potential—GE's tunnel diode & RCA's Nuvisor (p. 19).

TRANSISTOR OUTPUT lagging behind defense goals as result of Japanese competition, EIA states in final argument for govt. action. Japan's 1959 radio exports to U.S.—6 million sets (p. 19).

1959 PHONO SALES totaled 4.3 million units at the factory, 4.4 million at retail, for 2nd best unit sales year (p. 21).

EIA'S NSRC SHUTS SHOP following FCC's refusal to set up TASO-like all-industry group to test & evaluate stereo systems (p. 21).

Programming

THOSE FALL PROGRAM BLUEPRINTS: our report on how new-season television will look on the 3 networks (p. 14).

Finance

CBS POSTS RECORD sales & earnings in 1959 as sales climb 8% to \$444.3 million and income gains 3% to lift corporation to \$25-million profit plateau for first time (p. 24).

Other Departments

ADVERTISING (pp. 2 & 12). **TECHNOLOGY** (p. 3). **AUXILIARY SERVICES** (pp. 3 & 11). **FCC** (p. 9). **NETWORKS** (p. 10). **STATIONS** (p. 13). **PERSONALS** (p. 18). **FOREIGN** (p. 18).

QUICK CHECKLIST OF GOVT.-INDUSTRY MOVES: For your convenience in determining just where industry & govt. now are in their efforts to clean up & improve TV, we have compiled the chart on pages 5 & 6 showing just what each major agency or organization has done, plans to do, is considering doing—together with our estimate of what may happen. It's necessarily brief because it covers such a mass of material, but we think it provides a valuable quick reference.

OVERSIGHTERS' BILL PARADE IS LED BY BENNETT: House Commerce Legislative Oversight Subcommittee's report on its TV quiz investigation (Vol. 16:6 p1) last week produced first of expected flock of bills implementing its recommendations to correct industry's faults—and one legislative proposal was a humdinger.

Hitting hopper with bang for broadcasters was bill (HR-10241) by Rep. Bennett (R-Mich.), ranking minority Overseer, "to prohibit the broadcasting of material intended to deceive the listening or viewing public." It would set up 2-year jail terms and/or \$5,000 fines for anybody convicted of having anything to do with preparing or broadcasting programs "with intent to deceive"—theatrical illusions not excepted in bill as written. In addition, anybody responsible for commercials used on such TV or radio shows would be subject to same criminal penalties.

Sponsors of any programs which turn out to be rigged—whether or not commercials themselves are phony—would face jail under these terms of Bennett bill: "Advertising matter which is broadcast in connec-

tion with a program, and which is intended or calculated to promote the sale of articles or services, shall be held to be a part of such program. The term 'matter' includes all writing, signs, signals, pictures, and sounds of all kinds, or any combination thereof, disseminated or communicated by means of radio communication."

Bennett also introduced FCC station-discipline bill (HR-10242) permitting Commission to put wayward broadcasters on probation or under suspension when it decides that would serve "public interest, convenience and necessity." Instead of renewing licenses for 3 years or revoking them (only penalty now provided FCC for punishment of stations for misconduct), FCC could order "conditional" renewals for one-year periods or suspend them for periods up to 30 days.

Chances of action on Bennett bills seemed dim at this short election-year session of Congress. He's still waiting for Commerce Committee to do something about his measure (HR-5042) for FCC regulation of networks—another subcommittee recommendation—which he submitted nearly year ago (Vol. 15:9 p4). And if any legislative priority is given to broadcasting bills on Capitol Hill before adjournment for July political conventions, it probably will go to still-undrafted omnibus measure by Commerce Chmn. Harris (D-Ark.). It will be designed to carry out all of his subcommittee's wide-roaming proposals—from FCC control of station trafficking to FTC injunctions against any deceptive commercials. Multiple-purpose Harris bill "won't be ready for weeks or even months," one Committee source told us.

But Bennett bills are grim samples of threats which will confront broadcasters in wake of quiz findings by Oversighters, who moved on into headline-fertile field of payola hearings last week (see p. 6) while FCC came up with its own legislative ideas for excising payola & deception vices from industry (see p. 7).

INVESTING IN APPLIED SCIENCE: "There is no such thing as an electronics industry," says George Edgar of the research dept. of the big N.Y. investment house of Carl M. Loeb, Rhoades & Co., in describing his firm's approach to investments in electronics—or "applied science," as he prefers to call it.

To obtain maximum appreciation from investment in the rapidly-expanding electronic technology, buy into a specific "new product" at the frontiers of science—specifically on the component end. For greatest growth, buy into a company which specializes as much as possible in that new product. In a nutshell, this is the highlight of Edgar's "new concept" in electronics investing, which rejects many traditional theories about stock buying.

We found Edgar's approach to investment in electronics so interesting that we asked him to edit for publication an extemporaneous address he delivered recently in St. Louis, and we are passing it on to you as a Special Supplement with this issue—knowing that most of our subscribers, being personally involved in electronics, are active or potential investors in electronics. Of course, we neither endorse nor disown his specific stock recommendations, but we know you'll find his comments interesting & useful reading.

The analysis was made originally for security dealers and delivered under auspices of A. G. Edwards & Sons, St. Louis correspondents of Carl M. Loeb, Rhoades & Co. Edgar is a member of the N.Y. Society of Security Analysts and the Electrical & Electronic Analysts Group.

TELEFILM'S LORELEI SONG: Virtually every Hollywood producer now offering new telefilm shows to agencies & advertisers (Vol. 16:5, Supplement) has added a co-financing come-on, we're told by top TV admen in N.Y. The tactic isn't dictated by money shortage among leading producers. Producers known to be offering join-the-act deals include Desilu, Filmways, Four Star, ITC, MGM-TV, Paramount, Revue, Screen Gems and Ziv. Combined, these firms are offering 68 shows, many in completed pilot form. Nearly all have strong credit ratings.

Real intent of co-financing deals is 3-fold, agencymen believe: (1) A sponsor isn't likely to bother with other pilots once he's decided on a telefilm co-financing investment. (2) He's even less likely to cancel the show once it's on the air, since he's now producer's financial partner. (3) Sponsor-producer "marriages" help producers to circumvent growing tendency (partly inspired by quiz-scandal cleanup) of networks to control program scheduling & physical production.

Standard TV film offer is the 50-50 split. If he'll underwrite a show's production, the sponsor will receive half the show's profits, particularly profits in a co-sponsorship sale, residuals from reruns, overseas sales. And sponsors are usually offered a larger-than-average voice in the show's production policies, casting, script choice, etc. Such deals aren't new (see p. 12).

Agencymen aren't happy about the trend, particularly TV executives at small & medium-sized agencies. Consensus of their gripes: Sponsors should stay out of show business, unless they have large, experienced, internal program departments (such as that of P&G). Most telefilm network shows operate at a first-run loss, and sponsors who visualize a quick profit will be disappointed; it may take years to recoup the investment in reruns. Agencies are bound to be dragged in to supervise production, and may lose money under the 15%-commission set up (because of added TV personnel) unless sponsor will consent to special-fee arrangement.

CATV, COMING OF AGE, SEEKS COMPROMISE: Community antenna business is in an important transitional phase, and board of National Community TV Assn. recognized this in its Washington meeting this week. Most of time was devoted to the legislation designed to put CATV under FCC's jurisdiction, which is now before Senate despite FCC's distinct lack of desire to take over field.

NCTA believes pending bill (S-2653) is both discriminatory & unworkable, though it has long favored regulation by Commission. Board is most eager to compromise, hopes to get Senate Commerce Committee to modify bill, particularly on provision designed to keep CATV systems from carrying programs also telecast by stations in their communities (Vol. 15:36 p4). Prospects seem at least fair.

CATV's penchant for federal regulation stems from desire for relief from uncertainties of state & local controls. In addition, federal regulation tends to produce stability—a sort of recognition that industry has solid status. With many systems now on market because of great tax benefits following exhaustion of depreciation, operators are eager to present the aspect of maturity to prospective investors. Along the same line, they're most pleased to note entrance into field of such large & shrewd investors as Jack Wrather & John Loeb, through purchase of major holdings in Jerrold Electronics, and TelePrompTer's acquisition of systems in Farmington, N.M. & Rawlins, Wyo. (Vol. 16:6 p5). We hear several more major sales now are being negotiated.

CATV is eager to come to terms with vhf booster operators, too. NCTA told FCC recently that it recommended simply accepting status quo for 5 years, putting almost no restrictions on boosters (or translators, as FCC calls them)—as long as no new ones are permitted in vhf. NCTA is considering suggesting that existing boosters not be required to shift to uhf for 10 years.

Lacking federal regulation, CATV financial data is hard to come by, is available in bits & pieces as operators choose to release it. One area with a marked vacuum is that of CATV systems' rates to subscribers. We've surveyed industry and have come up with first compilation ever published on patterns of installation charges & monthly rates (see p. 11).

LIVE TRANS-OCEAN TV—WHO NEEDS IT? Discovery of "atmospheric ducts" which could carry TV signals across the Atlantic (Vol. 16:5 p12) has revived a favorite prediction of electronics prognosticators: Live trans-oceanic TV will be "in general use" within the next 5, 10 or X years. While this is exciting, stirs the imagination, it also brings to mind this question: How much "general use" would we get out of it?

Biggest barrier to widespread use of transatlantic TV will be, not the pace of invention, but the time differential. On a normal day, what could we see during the prime evening hours of 7:30-10:30 p.m. (EST) via transatlantic relay? Well, we might catch a late late show at the Folies Bergere in Paris (the time there is 1:30-4:30 a.m.), but Congress wouldn't like that—at least, not while the kiddies are still awake. Or the streetwalkers on Picadilly Circus (London time 12:30-3:30 a.m.). If we let the Russians in on our relay, we could watch the early shift reporting to work at the Moskvitch auto plant (3:30-6:30 a.m.). With transpacific TV we could see the morning crowds on Tokyo's Ginza (9 a.m.-12:30 p.m.) during our prime time, or perhaps a Japanese-dubbed rerun of Rin Tin Tin direct from Nippon TV.

This isn't quite enough to sustain viewer or sponsor interest and pay the cost of live trans-oceanic relays on a regular basis. During the important evening hours in Europe, it's afternoon in N.Y.—not a good time to slot an expensive show, and shows from Europe will be expensive.

If trans-oceanic TV were a necessity—or even an important luxury—we'd have it now. For at least 5 years, communications technology & knowhow have been at a sufficiently advanced stage to build an island-hopping over-horizon Atlantic "scatter" relay. Cost: \$50 to \$100 million. Now the trans-oceanic-TV spotlight has shifted to space satellites and over-the-ocean air ducts. Probably cheaper, easier—but still too costly

for the little use TV would get from them—unless their installation can be financed for other types of military or civilian communication. Under such conditions, TV could go along for the ride now & then.

Yes, only now & then. The fact is, networks here & abroad aren't particularly interested in live trans-ocean TV—exciting as it would be for an occasional news or sports event. As for regular program exchanges with foreign countries—live TV wouldn't make them a bit easier than they are now. Most shows are on film or tape now—so foreign programs are easily available to us—but we rarely see them.

How about important spot news events? For prime-time live coverage, it would be best if we could arrange for news to break in the wee small hours of the European morning. But why break our necks to cover European news live when even our own domestic news is covered 2nd-hand via film or tape for transmittal at the proper news time period? Tape or film & jet plane produces good results on spot news far cheaper.

Once in a lifetime there is a Coronation in England, and some of the pageantry could be caught live while Americans are awake. Live TV would be at its best in transmitting the day-long Olympics. This year's Olympic games will begin at 9 a.m. (Rome time) and often continue as late as 11 p.m., for indoor events such as basketball. This means they'd start at 3 a.m. N.Y. time (midnight in Los Angeles), continuing until about 6 p.m. Fine. The Olympics are held once every 4 years. Even the Winter Olympics, in our own country, are being televised live only on weekends—mostly unsponsored.

Best summation of possibilities of the wonderful world of live trans-ocean TV: It's a swell idea. Networks would use it once in a while, if only for prestige purposes—but somebody else would have to pay to get it built—and it would be hard to convince most sponsors to pay what will probably be monumental transmission charges. Except for a few really worthwhile occasions each year, it would be an extremely expensive novelty—especially when you consider that most of our own domestic "live" shows, from N.Y. & Hollywood, are now on tape.

Industry Image

TV Code subscribers totaled 380 stations (among 517 operating commercial outlets) for another new high at last week's end, 8 more having joined up since NAB submitted a roster of 372 to FCC as of Jan. 5 (Vol. 16:2 p3). New subscribers are WMSL-TV (Ch. 23) Decatur, Ala.; WSIX-TV (Ch. 8) Nashville, Tenn.; KMOS-TV (Ch. 6) Sedalia, Mo.; KRGV-TV (Ch. 5) Weslaco, Tex.; KTBC-TV (Ch. 7) Austin, Tex., KTWO-TV (Ch. 2) Casper, Wyo.; WOI-TV (Ch. 5) Ames, Ia.; KSTF (Ch. 10) Scottsbluff, Neb. (satellite of KFBC-TV Cheyenne, Wyo.). Also on Code subscription list are the TV nets, 20 film producers.

Most advertising is pure, according to Rep. Wilson (R-Cal.), who was a partner in Champ, Wilson & Slocum, San Diego ad agency, when he first went to Congress in 1953. By now it's "99 & 44/100% pure," he assured his colleagues in a *Congressional Record* statement commenting on a recent *Wall St. Journal* ad ("Advertising Versus Badvertising—A Few Quiet Reflections"). "It is the exception that is making the headlines these days," Wilson said. "It is the misleading claim, the excessive counterclaim, the absurd distortion, or the downright rude or crude commercial that is under attack. All of these are true exceptions."

"Some very bad advertising" is on the air, NAB Pres. Harold E. Fellows conceded in a speech to the Electric Institute Inc. at Boston. But he argued that self-regulation by broadcasters—not govt. control, which "spells the end of individual freedom"—should correct industry faults. "We are guilty in broadcasting of blatancy in many instances, of over-commercialism—not as that may be measured by govt., but as it might be offensive to the listeners as viewers," Fellows said. "We were lax in the case of the quiz scandals, and we have been lax in the case of payola." However, none of this should "constitute a launching platform for a campaign to change the Constitution," he maintained.

TV summit conference with the Senate Commerce Committee Feb. 19 on the industry's advertising & programming ills (Vol. 16:4 p2) will bring these participants together at 10:30 a.m. in room 5110 of the New Senate Office Bldg.: FCC & FTC members, NAB Pres. Harold E. Fellows, TV Code Review Board Chmn. Donald H. McGannon, ABC Pres. Leonard H. Goldenson, NBC Pres. Robert E. Kintner, CBS-TV Pres. James T. Aubrey, Advertising Federation of America counsel John J. Ryan, Assn. of National Advertisers vp Peter Allport, American Assn. of Advertising Agencies Pres. Frederick R. Gamble.

More govt. regulation of TV, unless TV self-regulation is successful—was the warning sounded to admen by 2 leading broadcasters last week. "The shadow of authoritarian control constantly hovers over us," Donald H. McGannon, pres. of Westinghouse Bestg. Co. & chmn. of NAB Code Review Board told an AFA district meeting in Boston Feb. 8. "Broadcasters must stand together in opposition to advertising matter or any other kind of program substance that clearly & violently offends public taste or is deceptive," he said. Clark B. George, gen. mgr. of WBBM-TV Chicago, similarly told the Advertising Execs. Club of that city: "It is time that we insure that no ambitious group elected to office is able to seize the power of TV . . . It is hoped that every TV station in the country will be guided by the [NAB] Code within a relatively short period."

"Clipp Plan" for NAB Code previewing of commercials, proposed by Triangle Stations' Roger W. Clipp and endorsed by FCC Chmn. Doerfer (Vol. 16:6 p12), is due for discussion at NAB's March 3 board meeting, NAB Pres. Harold E. Fellows informed Senate Commerce Committee Chmn. Magnuson (D-Wash.). The Senator had asked Fellows for NAB's position on the plan, and Fellows indicated that no final action had been taken yet, though he stated that Code activities should be expanded.

GOVERNMENT & INDUSTRY ACTION ON TELEVISION

AGENCY OR ORGANIZATION	ACTIVITY	PROGNOSIS
CONGRESS	<ol style="list-style-type: none"> (1) House Commerce Legislative Oversight Subcommittee recommended sweeping legislation to stop & prevent abuses. (2) Oversight Subcommittee started payola hearings. (3) Senate Commerce Committee called extraordinary conference with networks, FCC, FTC, NAB, advertising groups on advertising policies & practices. 	<p>Many bills, much talk, a few legislative hearings, little action by Congress this session.</p> <p>No end in sight. Meeting takes place this Friday. House Subcommittee will keep on carrying broadcasting ball.</p>
FCC (Federal Communications Commission)	<ol style="list-style-type: none"> (1) Chmn. Doerfer's prime-time public-service network program suggestion accepted, as modified, by networks. Due to start in Nov. (2) Issued proposed rules & legislation to curb deceptive broadcasts & payola. (3) Conducted extensive hearing on FCC's powers & policies in programming field. (4) Tightened renewal procedures for stations charged with violating specific laws or rules. (5) Chmn. Doerfer endorsed NAB Code Board previewing of new commercials. 	<p>Kudos from govt. & public. Generally low ratings for the shows.</p> <p>Rules will be adopted.</p> <p>Will adopt renewal procedure requiring stations to show efforts to find & meet communities' needs. Will drop present requirement that stations supply percentage breakdown of programs by category.</p> <p>Sustained pressure, more intense investigation of complaints.</p> <p>Previewing by NAB Code Board alone unlikely, but intra-industry cooperation will be greatly stepped up. Continued attacks on "poor taste" by Doerfer & other Commissioners.</p>
FTC (Federal Trade Commission)	<ol style="list-style-type: none"> (1) Called extraordinary conference with all networks & NAB on advertising policies & practices. (2) Expanded its TV-radio monitoring system. (3) Moved against payola for first time. (4) Stepped up campaign against fraudulent commercials, began citing agencies as well as advertisers. (5) Started close liaison with FCC & Justice Dept. 	<p>Periodic check-up meetings with industry groups.</p> <p>More & more monitoring.</p> <p>Steady flow of complaints for a while hitting most of record industry.</p> <p>Fewer complaints, reflecting new caution by advertisers & agencies.</p> <p>Collaboration will grow.</p>
JUSTICE DEPT.	<ol style="list-style-type: none"> (1) Recommended new laws to curb payola and to permit FCC to punish licensees with penalties less severe than revocation. (2) Stated that FCC & FTC now have powers adequate to handle most problems, including poor programming, but haven't exercised authority vigorously. (3) Raised no anti-trust objection to Doerfer plan for network collaboration on public-service programming. 	<p>Will wait & see what industry, FCC & FTC do about recommendations.</p> <p>Will continue to extend anti-trust protection to industry efforts at program improvement, at same time maintaining tough anti-trust attitude on industry business practices.</p>
NAB (National Association of Broadcasters)	<ol style="list-style-type: none"> (1) Expanded & tightened TV & radio codes to outlaw rigged shows, ban payola, clean up commercials, prevent fakery. Enrolled record numbers of subscribers (380 TV, 1,257 radio currently). (2) Designated task force of broadcasters & NAB staffers for emergency handling of ethical & legal issues confronting industry. (3) Intensified campaign to insure consultation & co-operation by advertising groups & film producers. 	<p>Increasing respect for code seals by industry & public. No-nonsense administration & enforcement by NAB.</p> <p>Standing NAB committee.</p> <p>NAB previewing of commercials unlikely, but self-interest liaison will grow among all branches of industry.</p>
TIO (TV Information Organization)	<ol style="list-style-type: none"> (1) Created by broadcasting industry in 1959 to "improve TV image" through program of publicity, fact-dissemination. (2) Maintains liaison with NAB, networks, industry groups, via office of TIO dir. Louis Hausman. (3) Makes independent research projects and attitude studies. 	<p>TIO program's first effects should be felt this year.</p> <p>Greater awareness by broadcasters of TV's "bad image" areas; campaigns to improve them.</p> <p>More ammunition to rebut critics who attack TV on qualitative level.</p>
ABC-TV (American Broadcasting Co.)	<ol style="list-style-type: none"> (1) Required its o&o station DJs to sign a no-payola pledge last Nov. (2) Participating in 3-network agreement with FCC Chmn. Doerfer to have more prime-time public-affairs programming. (3) Gives closer scrutiny for excessive violence or sex in TV programs. Notifies offenders individually before airtime. (4) Setting up closer working liaison with advertising groups, associations & govt. agencies. 	<p>Should be generally effective safeguard against recurrence of payola.</p> <p>Will program at least minimum level set for public-affairs TV.</p> <p>Will curb excessive violence in their programs.</p> <p>Less friction, fewer delays in cleanup programs.</p>
CBS-TV (Columbia Broadcasting System)	<ol style="list-style-type: none"> (1) Was first network to stage major cleanup of quiz shows. (2) Created new program practices div. headed by vp Joseph H. Ream. (3) Issued numerous executive-level directives covering identification of program practices, giveaway merchandise, canned laughter, etc. Meeting with individual film producers to hold down shows' violence & brutality. (4) Announced new program-acceptance policy this month, whereby network will decide which show goes where, with "hands off" policy on public-affairs programming. (5) Participating in 3-network agreement with FCC Chmn. Doerfer to have more prime-time public-affairs programming. (6) Setting up closer working liaison with advertising groups, associations & govt. agencies. 	<p>Few, if any, shows of this type in future on CBS-TV.</p> <p>Frequent re-appraisal of existing rules, tighter changes where necessary in programming, commercials.</p> <p>Tighter regulation (possibly strictest of all 3 networks) on program & commercial content.</p> <p>Greater network control by CBS-TV of program structure, as well as content.</p> <p>Since network is well above minimum level of plan now, CBS-TV may top all 3 networks in 1960 in total amount of public-service programming.</p> <p>Less friction, fewer delays in cleanup program.</p>

(Continued on next page)

AGENCY OR ORGANIZATION	ACTIVITY	PROGNOSIS
NBC-TV (National Broadcasting Co.)	(1) Required executives to give depositions concerning quiz-fixing, payola. (2) Created new standards & practices dept. headed by vp James A. Stable. (3) Issued new directives covering identification of taped shows, quiz-prize practices, violence & brutality, etc. (4) Participating in 3-network agreement with FCC Chmn. Doerfer to have more prime-time public-affairs programming. (5) Setting up closer working liaison with advertising groups, associations & govt. agencies.	New safeguards at network level against recurrence of scandals. Frequent re-appraisal of practices, tighter rules for programs, commercials. Tighter regulation of program areas that have drawn criticism. Minimum level set now for public-affairs TV. Present plans call for more information shows than agreement requires. Less friction, fewer delays in cleanup program.
AFA (Advertising Federation of America)	(1) Has announced plan this month for greater self-regulation of local advertising by local ad clubs and Better Business Bureaus. (2) Has sent to membership a bill of specifics complementing ANA plan to establish advisory council, and announced AFA support of effort by advertising organizations, on local & national level, to correct abuses & maintain high standards.	Tighter regulation of local advertisers to conform to new national practices. Closer liaison with ANA, other advertising groups.
ANA (Association of National Advertisers)	(1) Approved 3-point program of advertising (all media) self-regulation at emergency meeting in N.Y. Feb. 2. (2) Establishing closer "working relationship" with FTC. (3) Setting up closer liaison with media's self-regulatory groups within AAAA, NAB, networks, etc.	Secures basic cooperation of its members, who represent 85% of national & regional U.S. advertising. Less friction between FTC and ANA members. Smoother functioning of self-policing machinery, starting at advertiser level. Better understanding by clients of newest media regulations & problems.
AAAA (American Association of Advertising Agencies)	(1) Has speeded-up process of having 4-A agencies act as watchdogs against "objectionable advertising" by other members. Failure to comply can bring expulsion. (2) Issued new TV "Interpretation of AAAA Copy Code" Jan. 19, putting stress on "good manners" in selling via TV in U.S. homes. (3) Setting up closer liaison with ANA, media, govt. agencies on questions of commercial practices.	Threat of public censure by other agency members may bring recalcitrant agencies into line. May spark more recommendations by agencies for "soft sell" commercials, improve content.

DISC JOCKEYS & '3 Bs': It took just 3 hearing days last week for House investigators of payola to run through a witness list of suspect disc jockeys and get down to the apparent central point of the broadcasting inquiry—what went on at a Miami Beach hotel in May 1959.

In what had been billed as a week-long, searching, "objective" study of payola practices at TV & radio stations across the country (Vol. 16:6 p9), the Commerce Legislative Oversight Subcommittee spent 2½ days giving tough times on the stand to jockeys & ex-jockeys from Westinghouse's radios WBZ Boston & KYW Cleveland.

Then, with scarcely-concealed glee, the Subcommittee under Rep. Harris (D-Ark.) turned to the most titillating subject it has explored since it went into the investigative business 3 years ago. This was the "International Radio Programming Seminar & Disc Jockey Convention" last May 29-31 at Miami Beach's Americana Hotel, sponsored by Storz Stations. The agenda & proceedings were headlined by one Miami newspaper as "Babes, Booze & Bribes."

The Subcommittee recessed for a long Lincoln Day weekend after chief counsel Robert W. Lishman set the scene for coming episodes—probably this week—by introducing Americana records showing that 19 record companies picked up \$117,664 in tabs at the convention. Capitol Records spent \$19,812, Dot Records \$19,485, Roulette Records \$19,158, Columbia Records \$9,415, RCA Victor \$8,569.

One item among many convention "functions"—costing the record companies \$68,133 in all—was an all-night party ("Bar, BarBQ and Bkfst") at the Americana which set back Roulette Records \$15,415. According to the hotel's special services dir. Edward E. Eicher, this bill included 2,000 bottles of bourbon served to guests from among the 2,000-2,500 who turned up for the convention.

"I've heard 3B's used as descriptive of the convention, but they weren't bar, barbeque and breakfast," Rep.

Moss (D-Cal.) observed slyly. "They made a headline."

Eicher also told Chmn. Harris that among the convention guests whose expenses were paid by record firms were Pat Boone and at least one politician, "the governor of Tenn."—who was ex-Gov. Frank Clement. "Maybe I'd better stop now," Harris laughed, looking around at his Subcommittee colleagues.

There were more titters when Lishman said the subpoenaed records might constitute "documentary evidence which may be of use to the Subcommittee at some future time." That time was expected to come with the scheduled Feb. 15 resumption of the hearings.

"That isn't all of it," Harris told reporters. "Wait till you get the rest of it."

Before recessing for the weekend, the Subcommittee had time to hear from only one delegate to the convention—Stan Richards, ex-jockey at radio WILD Boston. He testified his hotel expenses—including \$117.42 for some new sports clothing—was paid for by United Artists, and that he saw "nothing wrong" with that. Richards also said he had received \$6,225 from Mutual Record & Music Suppliers of New England, Boston record distributors, but denied he'd made "deals" to play their music on WILD.

"This seems to be the American way of life, which is a wonderful way of life," the voluble Richards assured the subcommittee. "It's primarily built on romance. I'll do for you. What'll you do for me?"

With variations, this was what most of the week's other witnesses maintained—more or less stoutly—as Lishman & Subcommittee members took turns grilling them on their personal finances earlier in the week.

"Apparently they forgot about operating in the public interest," Chmn. Harris said at one point. "This is not an indictment of the whole industry, but it reflects on the entire industry and should be a warning."

The witnesses included:

Wesley Hopkins, ex-jockey at KYW Cleveland, who

said he received \$12,000 in 1958-59 from record companies as "listening fees." He insisted that he didn't get the extra money for spinning the companies' products.

Joseph Finan, ex-KYW jockey, who testified that \$16,-100 he had taken in from record firms in addition to his \$40,000 annual station salary wasn't for plugging records, but for advising the companies on commercial prospects for their music. (Harris termed Finan's testimony "pathetic"—an adjective Finan protested bitterly).

Charles Young, ex-KYW librarian, who conceded that \$3,000 he was paid by record firms probably was meant to "influence" him but that he didn't let that dictate what music went on the air.

David Maynard, jockey at WBZ Boston, now on probation, who conceded he had received more than \$6,000 in gifts & cash, including payments on a new car, but said this was for off-station work promoting "record hops," etc.

Alan Dary, on probation as a WBZ jockey, said he had been paid \$400-\$500 in Christmas gifts by record firms in recent years, but none of it was for on-air plugs.

Much was made by Lishman of a 1958 block party at Brockton, Mass. which was promoted by WBZ on the air and in *Boston Globe* advertisements as a benefit for the Old Colony Mental Health Assn. In questioning WBZ gen. mgr. Paul G. O'Friel and society orchestra leader Lester Lanin, who played for 35,000 at the party, Lishman tried to show: (1) The party was a record promotion stunt, not a benefit. (2) WBZ exploited it as an example of the station's effectiveness as an ad medium in disparagement of newspapers. In a telegram to Harris, the mental health group's counsel Cortland A. Mathers protested "the public impression created." Mathers said he knew "of no occasion when a radio station performed a more useful service to any community."

Norman Prescott, ex-WBZ jockey, had been scheduled to go on the stand. But he asked to be heard in a closed session instead, and Harris refused to disclose what he said behind closed doors.

In contrast to the Subcommittee's capacity-crowd TV quiz hearings last year, the payola proceedings drew sparse houses last week. In constant attendance, however, was an Internal Revenue Service agent who sat quietly at a press table taking many notes. Another IRS agent was assigned at Washington hq to sift through the notes for any unreported disc jockey income.

Other Boston area radio station witnesses on the Subcommittee's future list—but uncalled—included Maxwell E. Richmond (WMEX), Robert S. Richmond (WMEX), Arnie Ginsberg (WMEX), Mel Miller (WMEX), Joseph Smith (WILD), Bill Marlowe (WILD), Don Masters (WHIL), Jack McDermott (WHIL), Lou Goldberg (WEZE).

Note: Asked about the House probe of TV quiz shows last year and the Subcommittee's new foray into payola, President Eisenhower said at his press conference last week that: (1) Public morality had forced a cleanup of fixed quiz shows. (2) Everyone should be working to see that such practices do not occur again. (3) Public morality is involved when the right of persons to use the airways under public license is converted to personal gain.

CBS-TV's editing dept. has been renamed the dept. of program practices. "In order to reflect the current expansion in responsibilities & areas of operation, Herbert A. Carlborg has been designated director, program practices, and William H. Tankersley has been designated director, program practices, Hollywood," a CBS-TV memo stated.

PAYOLA & DECEPTION REMEDIES: FCC last week hammered out details of its proposed techniques for dealing with rigged quizzes, payola, and the like: (1) FCC rules to govern station licensees, the only group under the Commission jurisdiction. (2) Legislation to cover everyone, amending the U.S. Code.

The proposed rule to curb payola was issued Feb. 5 (Vol. 16:6 p3). Last week anti-deception rule was released:

"Quiz programs and other contests of intellectual skill or knowledge; announcement.—(a) No television broadcast station shall broadcast any program in which the appearance of a *bona fide* game, contest, or competition of intellectual skill or knowledge is of significance if the licensee knows, or in the exercise of reasonable diligence should know, that the outcome of such event has been in fact prearranged, or participants or contestants have been provided with information, instructions or any other communication for the purpose of influencing the outcome, by any person acting in behalf of the licensee or in behalf of any producer, sponsor or advertising agency associated with the program, unless the prearrangement is disclosed by an appropriate announcement.

"(b) The announcement provided for in subsection (a) shall clearly and fully describe the nature of the prearrangement, or assistance rendered to the contestant or contestants, in such manner that the audience will be apprised that the program is not in fact a spontaneous or genuine contest of intellectual skill or knowledge. Such announcement shall be made at the beginning and the end of such program.

"(c) No license shall be granted to a television broadcast station having any contract, arrangement or understanding, express or implied, with a network organization unless the station has received satisfactory assurance from the network organization that any program of the type described in subsection (a) will be accompanied by announcements in compliance with subsections (a) & (b)."

To cover everyone on the payola front, the Commission suggested that the following new Sec. 1345 be added to Title 18 of the U.S. Code: "Any person who broadcasts or knowingly permits or causes to be broadcast, over a radio station for which a license is required by any law of the United States, any matter for which service, money, or any other valuable consideration is directly or indirectly paid, or promised to, or charged or accepted by, such person from any other person without making at the time such matter is so broadcast an appropriate announcement that such matter is paid for or furnished, as the case may be, by such other person, shall be fined not more than \$5,000 or imprisoned not more than one year, or both."

Deception could be attacked, FCC said, by adding this new Sec. 1344 to Chapter 63 of Title 18 of the Code: "Whoever shall wilfully and knowingly offer, devise, produce, sponsor, or present, or cause to be offered, devised, produced, sponsored or presented, or whoever shall wilfully and knowingly participate, or shall wilfully and knowingly cause any other person to participate in any program which is broadcast by any radio or television station operating pursuant to a license required by any law of the United States for which any money or other thing of value is given, awarded, or promised as a prize in a test or contest of intellectual skill or knowledge and which is offered or presented as a *bona fide* test or contest with knowledge that the outcome of such test or contest is prearranged or predetermined for the purpose of misleading or deceiving the public, shall be fined not more than \$5,000 or imprisoned not more than one year, or both."

FORD'S VIEW OF FCC'S POWERS: FCC Comr. Frederick W. Ford hasn't the slightest doubt that the FCC possesses both the authority & the duty to examine a licensee's programming output to determine whether he's operating in the public interest. He spelled out his views emphatically last week (Feb. 11) when he summarized the arguments of the 2 major opposing views within the FCC, in an address to the TV & Radio Advertising Club of Philadelphia. Comr. Ford came up with this conclusion on the rulings of the courts:

"Never has it been found that the Commission consideration of programming was illegal or contrary to either the Communications Act or the Constitution. And never has it been found that the Commission engaged in censorship. Moreover, the authority of the Commission has been upheld by the Attorney General of the U.S. in his recent report to the President, and by the Special Subcommittee on Legislative Oversight of the House Interstate & Foreign Commerce Committee. To debate the matter further would be unproductive."

He proceeded then to restate his proposal for a means whereby FCC would be able to make a judgment as to whether stations are programming in the public interest. Quoting from his Aug. 1959 speech, he said:

No Desire for Program Dictation

"It appears to me that one course the Commission could follow would be to ask the licensees to tell us in narrative form the broadcast needs of the community they serve and to then explain how those needs had been & are to be met. The broadcaster himself is in a far better position to do that than anyone else, because after all it is his basic & primary responsibility to determine those needs & to serve them, whereas our only function in this area is to assure ourselves as best we can that he is carrying out his primary responsibility in order that we can conscientiously make the finding that he will serve the public interest, which we are required to do by law.

"This solution seems so simple & so basic that it is very difficult for me to understand how there can be any disagreement about it. So far as I know, no one at the Commission has the slightest desire to tell any broadcaster that he should or should not broadcast any particular program. It has been my observation that we all feel very strongly that the broadcast licensee should serve the public interest and that he should make an accounting to the Commission under the law for his stewardship of the public property committed to his care.

"No broadcaster should ever feel that he is in a strait jacket of any kind or that his programming flexibility is fettered or his imagination is circumscribed. He should take seriously the burden & trust that the Congress has placed in him that he will properly exercise his privilege to serve all the public in his service area. How he is to do this is his problem, but that he must do it the law demands. Our problem is to determine whether he has done it & plans to continue to do it."

Ford analyzed the present FCC requirement that stations provide a percentage breakdown of their programming by category. "Its weaknesses are readily apparent," he said. "The data is purely quantitative, indicating nothing about the quality of the programs themselves. It necessarily relies on arbitrary definitions of program types & categories which really tell little of the spiritual, educational or entertainment content of the programs themselves. And most importantly, it does nothing to relate the programs to the desires & needs of the community?"

Paar Takes a Walk: Annoyed at a Feb. 10 group vote by members of NBC's new standards & practices to scissor a questionable joke from his pre-taped show, the comedian-host of *The Jack Paar Show* walked out of his show Feb. 11 in full view of some 5 million TV homes—leaving the network with a tricky exercise in talent, viewer & advertiser relations on its hands.

The Paar show has proved a late-night goldmine for NBC-TV, grossing just under \$13 million last year from 51 sponsors which aired 1,512 commercials on a 151-station lineup. Even as Paar—whose income is \$500,000 a year—choked back tears to tell audiences "there must be a better way to make a living," the network was awaiting reaction to a Feb. 4 letter notifying advertisers of a hike in program charges (from \$1,635 to \$1,950, net), and was planning a week-long Paar tape junket to London in March. If Paar stays away from the show, NBC-TV may have to do some fancy sales footwork to keep some advertisers from departing.

At week's end, however, NBC-TV was expressing the hope that the whole thing would blow over and that the 3-day weekend for Paar (the Feb. 12 show was a taped summary of previous episodes in the week) would give him a chance to cool off. In any event, Paar's contract with NBC-TV runs until 1962, and it's not likely it will permit him to work for another network in the meantime. "The whole thing will give Jack a chance to be brought back on Monday 'by popular demand,'" said one NBC-TV official, somewhat cynically.

Afternoon papers in N.Y. last Friday gave the story a big page-one play. The press was generally favorable toward NBC's courage in running the taped walk-out without editing, and to the firm stance taken by the network's standards & practices machinery in maintaining an internal housecleaning. The last word was probably achieved by *World Telegram & Sun* columnist Harriet Van Horne who summed up her reactions to the tear-stained Paar swan song with: "All *The Jack Paar Show* needed to restore a sense of balance & proportion last night was a brief word from Eva Marie Saint."

"Broadcasting in the '60s" will be the theme of NAB's 5th annual conference of presidents of state bcstg. assns. Feb. 24-25 in the Shoreham Hotel, Washington, where NAB Pres. Harold E. Fellows will be the keynoter. Other speakers & events at the sessions where broadcasting's current problems & outlook will be explored: Feb. 24—reports by NAB's radio vp John F. Meagher, TV vp Thad H. Brown Jr., chief counsel Douglas A. Anello, govt. relations mgr. Vincent T. Wasilewski. Voice of Democracy awards luncheon, Statler Hilton Hotel. Reports by state organization leaders, including John C. Cooper (Ala.), Carlton Dargusch (O.) Elby Stevens (Me.), Charles B. Brakefield (Tenn.), Jack Gilbert (Neb.). Feb. 25—reports by U. of Mo. Freedom of Information Center dir. Dr. Paul Fisher, FCC Comr. Lee, asst. OADM dir. Lewis Berry, David E. Driscoll (radio WCBS N.Y.) of the National Industry Advisory Committee, Wasilewski, NAB public relations mgr. John M. Couric. Luncheon address by FCC Chmn. John Doerfer. The roundtable will be moderated by Pres. Fellows.

More than 18 billion TV-radio impressions were donated by TV stations in commercial network time for ad council campaigns in 1959 and not, of course, 18 million as typographically mis-noted in our Vol. 16:6 p8 item on public-service donations.

Congress

North American Regional Broadcasting Agreement and the U.S.-Mexican AM treaty (Vol. 16:5 p7) will get quick Senate ratification, it was indicated last week. A Senate Foreign Relations Subcommittee headed by Sen. Morse (D-Ore.) voted unanimously after hearings on the long-pending pacts to recommend ratification—without reservations. The full Committee headed by Sen. Fulbright (D-Ark.) concurred. NARBA terms, negotiated by the State Dept. 9 years ago, cover radio allocations in Canada, Cuba, Dominican Republic, Jamaica and the Bahamas. The Mexican pact has been snagged since 1957. Both have been opposed by U.S. radio daytimers despite pleas for ratification by spokesmen for the State Dept., FCC and other segments of the broadcasting industry who argued that the agreements were needed to prevent international channel jumping.

Federal probe of agencies by the Senate Judiciary Administrative Practice & Procedure Subcommittee (which got almost nowhere last session—Vol. 16:4 p12) has won another go-ahead—but only after a spirited Senate floor debate on its merits. Chmn. Carroll (D-Colo.) was granted a \$115,000 appropriation for 1960 work by his subcommittee & 9 staffers (including an economist & accountant) in trying to overhaul laws & regulations covering FCC & 100 other agencies. It took some fast floor work by Carroll, however, to overcome tart objections by Sens. Ellender (D-La.) & Curtis (R-Neb.). Ellender argued that it was time to halt soaring Senate expenditures for investigations of “everything from juvenile delinquency to world health.” Curtis said inquiries such as Carroll’s threatened “legislation by staff rather than by elected Senators.”

“Lewdness & debauchery” are promoted by TV when such movies as 1948 French-made “The Devil in the Flesh” are shown on the air, according to Sen. Lausche (D-O.) He first lashed out at the film (shown at 11 p.m. Jan. 30 by WMAL-TV Washington) during Senate Commerce Communications Subcommittee allocations hearings, then went on the Senate floor to say that it’s “a mockery of decency” for TV to present the film, “which openly portrayed the illicit relations of a young married woman and her teenage lover.” He also assailed TV showing of “I Am a Camera” as an example of “programs which cannot have any other impact than to debauch & contaminate [nation’s] youth.”

Transistor radios donated by Admiral, RCA & Zenith are being sent around the world to 15 Voice of America listeners who participated in an audience survey to determine effectiveness of overseas English-language programs. Winners of the shortwave sets were drawn in Washington by USIA dir. George V. Allen from 65,000 replies from listeners who were asked to send in names, ages, addresses and occupations and identify programs they heard.

Communications Act changes complying with FCC requests, are proposed in bills by House Commerce Committee Chmn. Harris (D-Ark.) to relieve the Commission of the duty of filing annual personnel reports to Congress (HR-10261) and apply painting & lighting standards to unused as well as in-use towers (HR-10259). Similar legislation had been introduced by Senate Commerce Committee Chmn. Magnuson (D-Wash.) earlier (Vol. 16:6 p11).

Radio daytimer hours would be changed to 6 a.m.-to-6 p.m. from sunrise-to-sunset under a bill (HR-10275) by Rep. Pelly (R-Wash.). It’s similar to a measure (HR-9627) proposed earlier by Rep. Abernathy (D-Miss.) (Vol. 16:3).

The FCC

Use of Ch. 9 in Baton Rouge temporarily by WAFB-TV (Ch. 28) was denied by the Court of Appeals last week as it vacated FCC’s Special Temporary Authority (STA) which had authorized the shift. The Commission had granted the STA over the objections of radio WIBR, a competitor for Ch. 9. The Court (Judges Burger & Miller, with Danaher dissenting) stated that the Commission didn’t show it gave attention to the objections raised, including the fact that there is common ownership & overlap in coverage between WAFB-TV & WDSU-TV New Orleans. The Court said that the Commission should have made “comprehensive findings on all relevant factors, including, but not limited to, the basis of the ‘public need,’ and, where appropriate, the question of concentration of mass media, in situations where (a) the public already has some service, or (b) where the ‘temporary’ operation may well last 2 or 3 years, or (c) where the investment of the ‘temporary’ operator is so large as to make his failure to prevail in the comparative hearing oppressive on him.” The Court showed skepticism about FCC’s assertion that WAFB-TV’s temporary operation wouldn’t influence its final comparative decision, saying: “It is suggested that to question this involves a challenge to the good faith of the Commission. But this is not a matter only of good faith. Ordinary human experience tells us that these factors have a force which cannot always be set aside by the triers no matter how sincere their effort or intent . . . they are mortal men.”

Third station for Providence will come much quicker if Ch. 6 is left in New Bedford area instead of being shifted to Providence as FCC proposes, according to Eastern States Bestg. Co. This organization and Wilson Bestg. Co.—competitors for Ch. 6 with WNBH New Bedford—had agreed to a deal leaving WNBH unopposed for the CP. FCC’s channel-shift proposal appears to have made the arrangement fruitless. Eastern last week asked the Commission for a special conference, *en banc*, hoping to dissuade it from the shift. It stated: “A prompt grant of the [WNBH] application offers the best & simplest method of securing additional service to the Providence-Fall River-New Bedford area at the earliest possible moment. Any other attempted method of obtaining such service would involve prolonged rule-making proceedings, show-cause proceedings, comparative proceedings and probable court litigation.”

Retrial of ex-FCC Comr. Richard A. Mack & Thurman A. Whiteside on Miami Ch. 10 conspiracy charges (Vol. 16:6 p11) was set last week for April 25 in U.S. District Court, Washington. In scheduling the second trial, Judge Alexander Holtzoff said Whiteside would be tried separately if Mack—now in a Miami hospital for mental examination—is unable to appear. Govt. attorneys were authorized to hire one or more psychiatrists to check on Mack’s condition and submit a report to the Court. Meanwhile, Mrs. Susan S. Mack sued him for divorce in Miami, alleging that Mack engaged in “habitual” drinking which made him “disgusting & intolerable.” Mack’s drinking habits also were noted in a hospital report read to Judge Holtzoff by Justice Dept. attorney Oliver Dibble. It said emotional & mental disturbances brought on by Mack’s trial troubles led him into consuming from one to 1½ pints of liquor a day, that he is tense, nervous & depressed.

WESH-TV Daytona Beach, Fla. has requested a waiver of FCC rules to identify itself also with Orlando.

Fresno-Bakersfield deintermixture proposal by FCC (Vol. 15:29 p6) was up for consideration again last week but Commission came to no decision. It's due for discussion Feb. 24. The Commission proposes to add Ch. 2, 5, 7 (educational) & 9 to Fresno, deleting Ch. 12, 18 (educational), 24 & 47. KFRE-TV would be shifted from Ch. 12 to Ch. 9, KJEO from Ch. 47 to Ch. 2, KMJ-TV from Ch. 24 to Ch. 5. Ch. 8 & 12 would be added to Bakersfield. All the Fresno stations would be required to operate from Patterson Mountain, 45 miles from Fresno. Last week, KFRE-TV asked the Commission to defer action, noting among other things that the stations wouldn't be able to provide service to Fresno from Patterson Mountain in compliance with the new engineering standards proposed by the Commission in its mileage-cut rule-making (Vol. 16:2 p4). It also argued that Fresno has no critical shortage of facilities demanding a quick decision.

Two applications for new TV stations were filed with the FCC last week—both for Ch. 4 Reno. One was from a local group headed by Robert L. Stoddard, owner of radio KBET there; the other by a group headed by Alex Gold of KSHO-TV Las Vegas and including Howard D. Johnson of KTLT(TV) Pocatello and Joseph Bloom, of the Forjoe TV rep firm. Total on file is now 114 (19 uhf).

Protest against microwave to feed Phoenix signals to a Yuma CATV system has been granted to KIVA Yuma by FCC, against Antennavision Service Co. The microwave is held up pending a hearing. Similarly, KSWS Roswell, N.M. has been granted a protest against Microrelay of N.M. Inc., which holds CPs for a microwave to bring Albuquerque signals to a Roswell CATV system.

Channel shifts for Columbus, Ga. & Dothan, Ala. stations were re-ordered by FCC Jan. 29 after WTVY Dothan dropped its fight against shifting from Ch. 9 to Ch. 4. In Columbus, WRBL-TV has assented to changing from Ch. 4 to Ch. 3, WTVM from Ch. 28 to Ch. 9.

Power increase of WABC-TV New York, sought by ABC through waiver of FCC rules, has been opposed by the Assn. of Maximum Service Telecasters and Scranton-Wilkes-Barre uhf stations WNEP-TV, WDAU-TV & WBRE-TV.

Technicolor Inc. is entering the radio-station ownership field through purchase of radio KICN Denver for \$575,000, in the name of Technical Bestg. Corp., headed by Technicolor Pres. John R. Clark. The company plans to expand station holdings, is interested in both radio & TV.

KPAC-TV (Ch. 4) Port Arthur, Tex. has been granted authority to change from 16 miles north of Port Arthur to 27 miles northeast of the city and 32 miles northwest of Lake Charles, La., increasing height to 990 ft.

Translator CPs granted: Ch. 73 & 80, Rhineland, Wis., to J. R. Karban; Ch. 74, Brownwood, Tex., to Brownwood TV Cable Service; Ch. 80, Wheeler County, Tex., to Wheeler County Translator System.

Allocations petitions: By radio WACO Waco, Tex., to add Ch. 12 there; by Western Mich. U., Kalamazoo, to switch city's education assignment from Ch. 74 to Ch. 46.

On protest of KGUN-TV Tucson, the power-height increases and site moves of KVOA-TV & KOLD-TV Tucson have been set for hearing.

CPs granted: Ch. 3, Douglas, Ariz., to Electron Corp.; Ch. 10, Roswell, N. M. to Roswell Telecasting Co.

Networks

NO NBC-KTVU DEAL? A trade press story that NBC has negotiated the purchase of KTVU San Francisco for about \$7.5 million came as "a complete bombshell" to the management of KTVU, we were told last week by KTVU exec. vp-gen. mgr. and 25% owner William D. Pabst. The story simply "is not true," said Pabst, although he acknowledged that his station expects an offer to be made.

Elsewhere in San Francisco, there were reports that NBC's negotiations to buy its local affiliate, the *San Francisco Chronicle's* KRON-TV, broke down over the *Chronicle's* whopping asking price of \$16 million.

To reassure its employes that no sale deal had been consummated, KTVU issued this statement Feb. 10 to its staff: "Certain press stories which have appeared during the past few days have indicated or stated flatly that KTVU has been sold to NBC. This is not true."

There is an outside chance that the NBC station-buying deal may swing KTVU's way, although it hasn't so far. Pabst further noted that "KTVU may anticipate that the conditions of such a proposal will be presented in the immediate future, after which directors & shareholders will have to call a meeting to consider any such proposal." At the moment, such a move is impractical, KTVU officials told us, since stockholder Edwin Pauley (25%) "is currently vacationing in Mexico City."

NBC maintained a "no comment" stand last week.

On a related front, reports that RKO-General's Washington, D.C. radio WGMS has been sold to Dallas broadcaster Gordon McLendon were denied in N.Y. by William Winkler, asst. to RKO-General Pres. Thomas F. O'Neil. "McLendon's bid for WGMS is one of several, and we aren't accepting any offers until the current Boston-Philadelphia station swap with NBC is approved by the Justice Dept. and FCC," he told us.

Gasoline advertisers more than tripled network TV spending in Jan.-Nov. 1959, going to \$8,459,113 from \$2,772,895 in the year-ago period, reports TvB. Total Nov. 1959 network billings were \$58,138,086 (Vol. 16:5 p13). Leading network TV advertiser in Nov. was Procter & Gamble, with \$3,574,968 in total billings. Anacin tablets was the leading net-advertised TV brand with billings of \$888,280. The Nov. leader by product classification was food & food products, with a \$9,635,443 net-TV investment.

National advertising on TV topped \$1.240 billion in 1959 (gross time), up 15% from 1958's investment of \$1,078,360,000 by national advertisers in network and national & regional spot TV, reports TvB Pres. Norman E. Cash. (The figures do not include talent or local ad costs.) Cash noted: "In national advertising, TV continues to outdistance the media field. With gains of \$160 million last year, a larger increase than any other medium, TV in national advertising has moved even further ahead. Since advertising produces the sales that produce more advertising, it must be assumed that TV brings results."

Talent costs of CBC (performers, authors, composers, musicians, performing rights) are expected to top \$15 million in the 12 months ending Mar. 31, reported the English-language network's gen. mgr. H. G. Walker. Refuting charges of increasing use of American talent by CBC, he forecast a 34.3% drop in non-Canadian "imports" for the fall-winter season (Oct. 1959-June 1960), compared with the 1958-59 season.

NETWORK SALES ACTIVITY

- ABC-TV

Ted Mack & the Original Amateur Hour, Mon., 10:30-11 p.m., effective March 7.
Pharmaceuticals Inc. (Parkson Advertising)

American Bandstand, Mon.-Fri., 4-5:30 p.m., participations.
Western Tablet & Stationary Corp. (Bozell & Jacobs)

Daytime programming participations.

Beech-Nut Life Savers (Charles W. Hoyt),
Best Foods (Dancer-Fitzgerald-Sample),
Borden Foods (D-F-S), *Dinner Redy Corp.*
(Foote, Cone & Belding), *Exec Mfg. Co.*
(Hoyt), *Gen. Mills* (D-F-S), & *Whitehall Labs.* (Ted Bates)

Leave It to Beaver, Sat., 8:30-9 p.m., additional 13 wk. one-third sponsorship.
Ralston Purina (Guild, Bascom & Bonfigli)

Cheyenne, Mon., 7:30-8:30 p.m., 14 additional one-sixths.
Procter & Gamble (Benton & Bowles)

CBS-TV

Person to Person, Fri., 10:30-11 p.m., alt. wk. sponsorship.
Allstate Insurance Co. (Leo Burnett) &
Carter Products (Ted Bates)

Rawhide, Fri., 7:30-8:30 p.m., alt. wk. one-thirds.
Gulf Oil (Young & Rubicam) & *Hamm Brewing* (Campbell-Mithun)

NBC-TV

Journey to Understanding, Part 3; half-sponsorship each of six 60-min. & ten 30-min. programs covering Pres. Eisenhower's & Premier Khrushchev's travels. First show Feb. 27, 9:30-10:30 p.m.
North American Phillips Co. (C. J. La Roche), *American Motors* (Geyer, Morey, Madden & Ballard)

Bonanza, Sat., 7:30-8:30 p.m., alt. wk. sponsorships.
RCA (J. Walter Thompson), *Procter & Gamble* (Benton & Bowles), *Du Pont* (BBDO) *Gold Seal* (Campbell-Mithun), *Johnson Motors* (JWT)

Riverboat, Mon., 7:30-8:30 p.m., **Overland Trail**, Sun., 7-8 p.m. & **Tales of the Plainsman**, Thurs., 7:30-8 p.m. one-third participations.
Procter & Gamble (Benton & Bowles)

High-definition still-picture TV system for military or outer-space reconnaissance has been developed by CBS Labs and the first unit already has been delivered to an unidentified govt. agency. Capable of almost unlimited resolution, the system works this way: A photographic camera in an unmanned aircraft or rocket snaps a picture, which is automatically developed chemically. The resulting transparency then is revolved on a drum while it is scanned by a brilliant stationary spot of light from a CBS-developed "line scan tube." A photo-multiplier tube behind the film catches the resulting variations in strength of the light which modulate the transmitted signal. At the receiving station, the situation is reversed, the line-scan tube painting a picture on unexposed film which is then chemically processed.

ABC-TV & Popular Library are jointly promoting the network's *Untouchables* (Thurs., 9:30-10:30 p.m.) and a paperback version of the book on which the series is based. The show is plugged on the book's back cover as well as in point-of-purchase signs in paperback outlets.

Auxiliary Services

More about

CATV RATE PATTERNS: Our survey of CATV rate practices (see p. 3) shows great variations in the industry, attributable to many factors—availability of free signals, capital & operating costs of system, age of system, number of channels offered, affluence of community, experience of operator, etc.

Genesis of rates was simple. The first operators asked Milton J. Shapp, pres. of equipment supplier Jerrold Electronics, for his opinion about rates—because no one had any experience. Shapp weighed all the cost factors he could muster and came up with a \$125 installations charge and \$3.50 monthly fee. Many operators followed that pattern. In recent years, the trend has been toward a much lower installation fee and a somewhat higher monthly charge. We have analyzed responses by 232 system operators. Here's how they break down:

INITIAL INSTALLATION		MONTHLY	
Charge	Number of Systems	Charge	Number of Systems
None	20	Under \$3	16
\$1-\$10	22	\$3-\$3.50	63
\$11-\$25	43	\$3.51-\$4	44
\$26-\$50	36	\$4.01-\$5	63
\$51-\$100	40	Over \$5.01	24
\$101-\$150	48		
Over \$150	1		

We haven't attempted to weigh the foregoing, to determine whether the larger systems are clustered at one end or the other of the scales. Experienced operators tell us, however, that they believe the larger & older systems tend toward the smaller initial fee & slightly higher monthly charge.

Unique microwave operation, which proves that CATV & stations "can work very nicely where they have mutual interests," is claimed by Mont. CATV operator Paul B. McAdam, who also owns radio KPRK Livingston. A 600-mi. 7-hop microwave system not only carries Salt Lake City signals to CATV customers in Bozeman & Livingston but serves KGHL-TV Billings, which in turn provides an off-air pickup for KWRB-TV Riverton, Wyo. Moreover, McAdam tells us, he has firm commitments from 2 more TV stations to use the microwave. He adds that the \$210,000 microwave system couldn't have been financed without KGHL-TV's cooperation.

Medical promise of TV tape & recorders in diagnostic studies was outlined by Dr. Albert Jutras before the recent meeting of the Canadian Assn. of Radiologists. "Videotape recording," he said, "implies possibilities far beyond the restricted capabilities of sensitized emulsions . . . is done simultaneously with fluoroscopy, thus eliminating successive [X-ray] phases, thereby decreasing the radiation exposure to the patient." Dr. Jutras said video tape's immediate playback, erasure and other features offer "tremendous savings in films, chemicals, processing labor, film storage and clerical work. Most important of all, it saves time for radiologists, consultants and patients."

Council on Medical TV of the Institute for Advancement of Medical Communication, N.Y., will meet April 20-21 at the National Institutes of Health, Bethesda, Md., to discuss techniques in televised medical education. Attendance is limited to members & invited observers.

Theatre Network TV has produced an 18-min. film illustrating new uses of closed-circuit TV as a business marketing medium. Titled "By Invitation Only," the film highlights past TNT closed-circuit meetings.

Advertising

More about

Join-the-Act Deals: "You'd be surprised how many sponsors would be willing to spend \$5 million—the time-&-talent price of a 30-min. series for a year on a network—just to protect a \$100,000 pilot they've backed," the pres. of a Park Ave. ad agency billing in the top 10 told us.

In essence, this is the sales strategy behind the growing number of co-financing offers being made by Hollywood telefilmmers to TV sponsors as the current program sales season quickens (see p. 2). Once a sponsor has a telefilm tiger by the tail, it's hard to let go.

Historically, some deals of this sort have been glowing successes. Ballantine's purchase of Sheldon Reynolds' original *Foreign Intrigue* ultimately paid for itself. The brewing firm and its agency, J. Walter Thompson, syndicated the show in many non-Ballantine TV markets. P&G part-ownership of *Fireside Theatre* and Schlitz's investment in *Schlitz Playhouse* proved good investments through extensive reruns.

Some deals, however—such as General Foods' investment in a \$100,000 MGM-TV pilot of *Father of the Bride* that never went on the air, or Young & Rubicam's equally large investment of agency money in a *Rob Roy* pilot—have been classic flops. Nobody concerned usually likes to remember such deals; least of all, producers who are offering co-financing arrangements.

Producers also hesitate to mention another caution: TV is a far more public medium than such investment areas as research, new products, mergers, etc. If a major public corporation invests in a flop TV show, there's a good chance the issue will emerge embarrassingly at the annual stockholder meeting—even though a program loss is a relatively minor factor in the billion-dollar business level of corporate giants which spend millions in TV.

Ethical drug sponsorship of new medical FM radio programming service is being sought by NBC-RCA. Cost of underwriting each 15-min. medical news segment of the program service is \$338,000 for 52 weeks, \$212,000 for 26 weeks. The system, announced by NBC-RCA last Nov. (Vol. 15:47 p10), is expected to begin operating next Sept. Sponsors will be allowed 3 min. of commercial time during each of the thrice-daily medical information programs. Several agencies, however, have expressed resentment of the plan. RCA has been selling time availabilities in the service on a direct basis to pharmaceutical advertisers, instead of working through agencies. Thus, agencies say, they will have to charge clients special service fees for preparation of commercials. In Washington, NBC scheduled a demonstration of the system at studios of WRC Feb. 19. A closed-circuit program from the Clinical Center of the National Institutes of Health will comprise a status report on Asian influenza by world authorities following the conclusion of a 3-day world conference on the flu.

U.S. Station Rate Increases

Station	Base Hour	Minute	Date
WXYZ-TV Detroit	\$2500 to \$2600	\$700 to \$725	Feb. 1
WPIX New York	2000 (no change)	500 to 550	n.r.
KCMO-TV Kansas City	1350 (no change)	330 to 360	Mar. 1
WKY-TV Oklahoma City ...	950 (no change)	240 to 250	Feb. 1
KPTV Portland, Ore.	800 to 900 ¹	315 (no change)	Feb. 15
WHO-TV Des Moines	750 to 800	150 to 190	Feb. 1
KUTV Salt Lake City	650 to 700	200 (no change)	Mar. 1
KUTB-TV Shreveport	550 to 600	150 to 180	Mar. 1

¹ New Class AA (7:30-10 p.m. daily), Class A (6:30-7:30 Mon.-Sat., 5-7:30 p.m. Sun., 10-10:30 p.m. daily) hour remains \$800, Min. \$225.
n.r.—not reported.

Commercial Translator: To meet the growing demand for overseas versions of U.S. TV commercials that maintain the original sales impact and "idiomatically conform to local custom," ex-NBC producer John Gres announced the formation in N.Y. recently of Round Hill International Productions, a new TV-radio-advertising service firm.

"The importance of effectively translating TV-radio & film material cannot be underestimated," said Gres, who used to produce Spanish-language versions of NBC shows sponsored by Firestone, Chesterfield & Sterling Drug. "More than 240 million people in 32 countries are currently being reached by commercial TV originating within their own frontiers or overlapping them."

Round Hill is currently under a non-exclusive contract with Alexander Film Productions, and is already at work translating or modifying commercials for such firms as IBM, General Motors, Pittsburgh Paint, American Motors, 7-Up, Citroen, Catalina Swimwear, and Kayser-Roth. The firm is ready to provide translations of air advertising into "any one of 50 foreign languages."

As an example of how American sales messages suffer in normal translation, unless modified, Round Hill executives cited the following case. A Kayser commercial featured the slightly coy, but effective, line: "You don't have a leg to stand on if you aren't wearing Kayser hosiery." In its original translation to Spanish, for use in Latin-American areas, the line emerged roughly as "You will have a leg amputated if you aren't, etc." Gres quickly came up with a new copy slant.

Libbey-Owens-Ford has filed a formal denial of FTC charges that camera trickery was used in TV commercials promoting Safety Plate Glass used in GM cars (Vol. 16:2 p15). Protesting FTC's complaint that L-O-F & GM misrepresented non-distortion qualities of the glass in side windows, the glass manufacturer maintained that "its advertisements were in all respects true & accurate statements, portrayals & demonstrations of the facts." The complaint should be dismissed, L-O-F said, denying that "this proceeding is in the public interest."

New reps: KBAK-TV Bakersfield to Peters, Griffin, Woodward Jan. 1 from Weed. WFBC-TV Greenville, S.C. to Avery-Knodel Feb. 1 from Weed. KNOP North Platte, Neb. to Bob Dore Jan. 1 from Hal Holman. KMOX-TV Sedalia, Mo. to Bob Dore Feb. 1 from Pearson. KAVE-TV Carlsbad, N.M. to Bolling Jan. 1 from Branham. WALA Mobile to Bolling Feb. 15 from H-R Television.

Ad People: Bruce A. Baker, pres. of Baker, Tilden, Bologard & Barger, named a senior vp of Compton Advertising in a merger of the companies; Louis E. Tilden, BTB&B chmn., appointed Compton vp . . . Anthony J. Pan named a senior vp, Lennen & Newell . . . Alvin A. Achenbaum, Robert S. Zimmern and Aldon H. Sulger elected Grey Advertising vps . . . James D. Kysor retires as Foote, Cone & Belding media supervisor after 44 years in advertising . . . Dr. Wallace H. Wulfek, William Esty exec. vp, elected vice-chmn.

Obituary

Joseph R. Stauffer, 62, former mgr. of N. W. Ayer's radio production dept., N.Y., and head of TV program development when he retired in 1959, died Feb. 7 at his brother's home in Stamford, Conn. He is survived by his wife, a son, his mother and 2 sisters.

Stations

FTC Payola Cases Total 42: Two more payola complaints involving 5 N.Y. record distributing firms have been filed by FTC in its drive to stop payoffs to TV & radio disc jockeys—and stations (Vol. 16:6 p8)—for broadcasting music.

Cases No. 41 & 42 were chalked up on FTC's score-board against Am-Par Record Corp. and Pamco Music Inc., 77 W. 66th St., and Pres. Samuel H. Clark, vp Harry Levine, secy. Edith Schaffer and treas. Simon B. Siegel; Herald Music Corp., Ember Records Inc. and Ember Distributors Inc., 150 W. 55th St., and Pres. Al Silver & secy. treas. Jack Braverman.

Each was accused of giving money "or other valuable consideration" to unnamed disc jockeys for "exposure" of records, some of which were played 6-10 times daily on the unidentified stations.

At the same time, Alpha Distributing Co., 457 W. 45th St., N.Y. and its partners John Halonka & Harry Apostoleris, cited last month for payola practices (Vol. 16:2 p7), asked FTC to dismiss charges against them. They told FTC that the firm had "given valuable consideration to certain individuals in radio stations to test, promote and expose records." But the formal answer to the Alpha complaint maintained that the payments weren't illegal, that in any event FTC lacks jurisdiction.

Meanwhile, FTC Chmn. Earl W. Kintner was reported reading combat orders to his staff to put his crash program against deceptive TV commercials on a continuing, permanent basis. In the wake of last year's TV quiz scandals he doubled his agency's tiny broadcast monitoring unit as part of an emergency clean-up operation (Vol. 15:44 p12 et seq.).

Station-image studies are secondary factors in the overall time-buying judgment function, 2 ad-agency associate media dirs. told the RTES timebuying seminar in N.Y. Feb. 9. Ray Stone, Maxon Advertising, & Robert A. Wulfhorst, Dancer-Fitzgerald-Sample, agreed that the image factor was less important in TV network affiliates which have less opportunity for local programming. When asked from the floor whether there has been initiative on the part of advertisers to look for stations with public-service image "in view of the current Washington climate," both admen agreed that there was "no marked rash of advertisers seeking such an image."

Minneapolis Star and Tribune Co. (Cowles) has purchased the *San Fernando Valley* (Cal.) *Times* for an undisclosed sum from Russell A. Quisenberry, Claire S. Newberry & John J. Tuttle. Robert N. Weed, promotion & public service dir. of *Minneapolis Star & Tribune*, is now publisher of the *Valley Times*. *Minneapolis Star & Tribune* owns 80% of KTVH Hutchinson-Wichita and 47% of WCCO-TV & WCCO Minneapolis. Cowles Bestg. Co., operated as a separate entity, owns KRNT-TV & KRNT Des Moines and WHTN-TV Huntington, W.Va.

On-the-job training for academic credit is being provided by KFMB-TV & KFMB San Diego for senior students majoring in broadcasting at San Diego State College. The students work at the stations 6 hours weekly for 2 credit units, and are to be graded by its executives at semester's end. George Whitney, vp-gen. mgr. of the stations, said: "Every effort will be made to give the students as complete a picture of commercial operation as possible, by exposing the students to work situations in all depts."

Broadcast equipment exhibitors at NAB's 38th annual convention April 3-6 in the Conrad Hilton Hotel, Chicago, will be: Adler, Alford, Ampex, Caterpillar Tractor, Century Lighting, Collins, Conrac, Continental Electronics, Dage, Electronic Applications, Fairchild Camera, Foto-Video Labs, Gates Radio, GE, General Electronic Labs, General Precision, Harwald, Hughey & Phillips, Industrial Transmitters & Antennas, Kahn Research Labs, Kliegl Bros., MacKenzie Electronics, Metropolitan Electric, Minneapolis-Honeywell, Nems-Clarke, Muzak, RCA, Raytheon, Sarkes Tarzian, Schafer Custom Engineering, Telechrome, TelePrompTer, Telescript-CSP, Tower Construction, Utility Tower, Visual Electronics.

Novel film-splicing device, designed to reduce the number of man-hours spent editing commercials into syndicated film shows, has been developed by William L. Cooper Jr., WPIX N.Y. film mgr. The station has installed 5 of the "pixicola" units, 4 adapted to 35-mm film. one for 16-mm film. WPIX programs about 90 film shows a week. In pre-pixicola days, the station's editors spent up to 4 hours on each 30-min. show. Now, the time will be cut by nearly 75%. Camera Equipment Corp. is distributing the unit to other stations. The unit enables an operator to inspect, edit, insert commercials, view for scratches, framing and sound sync, measure footage and take up on a projection reel—in one operation.

Soviet Council of Ministers Chmn. D. S. Polyansky made his first live appearance on U.S. TV over WCKT Miami when he granted an exclusive on-air interview (10:30-11 p.m.) to newscaster Wayne Fariss. They had met last summer when Fariss accompanied the tour of Russia by U.S. governors. Following the telecast, Polyansky toured the station, noted it had "excellent facilities" for news gathering. WCKT scored a second beat last week by telecasting for NBC-TV network feed the first films of a machine-gun-punctuated disturbance near the Cuban rendezvous of Castro & Soviet Deputy Premier Mikoyan. The films were made by a WCKT staffer & flown to Miami several steps ahead of confiscation.

TV quiz-probe script, which gave a permanent place in broadcasting history to the House Commerce Legislative Oversight Subcommittee last year, actually was written earlier by a N.Y. grand jury, according to N.Y. District Atty. Frank S. Hogan. Pointing out that Chmn. Harris (D-Ark.) and his investigators had been given 12 volumes of jury testimony about the scandals, Hogan told a meeting of N.Y. County Grand Jury Assn. that the Oversighters were "latter-day heroes" in the quiz exposes.

Public-service programming by WHIO-TV Dayton, which for 8 years has donated 30 min. weekly to the Dayton Council of World Affairs for the *It's Your World* discussion series, has won praise in Congress. Rep. Schenck (R-O.) said the station headed by James M. Cox Jr. "deserves the gratitude of all who benefit from [the programs] and justifies our pride in the owner."

NAB deadline for applications by station executives to attend the 2nd broadcasters' seminar July 10-22 at Harvard Business School is March 1.

Civilian TV engineers are being recruited by Army Pictorial Center, 35-11 35th Ave., Long Island City, N.Y. The jobs pay \$8,810.

RCA shipped a monochrome TV tape recorder last week to KXLY-TV Spokane.

Programming

THOSE FALL PROGRAM BLUEPRINTS: Although the start of the fall TV season is a good 7 months away, autumn colors were in fashion at all 3 networks last week as sales & program executives mapped 1960-61 schedules. Such trial schedules—subject to everything from the temperament of show stars to shifting competition on other networks—will probably be revised, reshuffled & re-revised before being locked up for winter. But top N.Y. agencies were being given behind-closed-doors looks at such network planning:

ABC-TV fall schedule: There will probably be fewer basic nighttime changes at ABC-TV than at any other network, since most of the present schedule has shown real rating strength. New shows being discussed are similar to those that have made the grade. The action-adventure trend will continue, and ABC-TV will generally steer clear of prime-time blockbuster specials, musicals and variety programming. The number of weekly 60-min. film shows may reach 15.

For Monday, ABC-TV is considering a shift of the 8:30-9:30 p.m. *Bourbon St. Beat* to Tues. 9:30-10:30, with a new 60-min. property (possibly MGM-TV's *Asphalt Jungle*) dropped in as replacement. (The Ted Bates agency, a major customer at ABC-TV, is staunchly opposed to the "Bourbon" shift, and ABC-TV may abandon the idea.) A situation comedy package, *For Men Only*, may replace *Man with a Camera* at 10:30 p.m. Mon., with the remainder of the Mon.-night schedule unchanged.

On Tuesdays, the major change would be in the 9:30-10:30 p.m. slot, now occupied by *Philip Marlowe* and *Alcoa Presents*. The former is to be axed and the latter will move to 10:30 p.m., thus freeing the time for either *Bourbon St. Beat* or one of several 60-min. properties in which ABC-TV is interested. Also ended would be *Keep Talking*, now at 10:30 p.m. Tues.

Wednesdays will represent a real shake-up in ABC-TV's fall plans. *Bugs Bunny*, a 30-min. Warner Bros. cartoon show, and *Leave It to Beaver* are tentatively scheduled to replace *Court of Last Resort* and *The Charley Weaver Show* in the 7:30-8:30 p.m. period. Mid-evening Wed. shows (*Ozzie & Harriet*, *Hawaiian Eye*) would be unchanged, but at 10 p.m.—long the 45-min. arena of *Wed. Night Fights*—the shift would be from live sports to filmed cops-&robbers, with the Screen Gems-ABC *Naked City* moving in and the fights moving to a Sat.-night slot.

Thursdays on ABC-TV are far from firm, apart from the high-rated Desilu *The Untouchables* at 9:30 p.m. Advance planning calls for either the 30-min. *Guestward Ho!* or 60-min. *Stagecoach West* at 7:30 p.m. (In the latter case *Donna Reed Show* will probably be moved to a Fri.-night slot). *The Real McCoys* will remain at 8:30 p.m., but the *Pat Boone Show* may shift elsewhere and *Take a Good Look* will probably be dropped.

Friday's early lineup is due for changing. Blueprinted tentatively for 7:30-8:30 p.m., replacing *Walt Disney Presents* (likely to shift to Sun. 6:30 p.m.) is a back-to-back pair of situation comedies, *Shaggy Dog*, based on the Disney feature film, and *The Flagstones*, a Screen Gems cartoon show, with *Donna Reed* following. The strong *77 Sunset Strip-Detectives-Black Saddle* lineup will remain.

Saturday nights, as advance planning has it, will be tailored for a masculine appeal & an older audience, once past the 7:30-8 p.m. *Dick Clark Show*. Blueprints call for either a shift of *Lawrence Welk's Dancing Party* from 9 p.m. down to 8 p.m., or the substitution of a 60-min.

Pat Boone Show at 8 p.m. At 9 p.m., ABC-TV is considering a follow-up to its success with *The Untouchables*—a 60-min. action series from Warner Bros. called *The Roaring 20's*—which would, in turn, lead nicely into the fights (moved over from Wed.).

Sundays are visualized with *Disney Presents* leading an earlier-than-ever start of 3-network nighttime competition at 6:30 p.m., thus getting the jump on *Overland Trail* (NBC-TV, 7 p.m.)—which has the jump on *Maverick* (ABC-TV, 7:30 p.m.)—which has the jump on the *Ed Sullivan Show* (CBS-TV, 8 p.m.). No further Sun. changes are planned until 9:30 p.m., when *The Islanders*, a 60-min. MGM-TV property not unlike *Adventures in Paradise*, may be substituted for Warner Bros. *The Alaskans*. (This switch may be abandoned; *Alaskans* is currently gaining steadily in the rating lists, and ABC-TV may renew it in the fall, dropping *Islanders* in another harbor, possible Tues. night at 9:30 p.m.). *Winston Churchill's Memoirs* will probably go into the Sun. 10:30 p.m. slot, replacing *21 Beacon St.*

CBS-TV's fall schedule, at the moment, is only partially complete. It's known what shows are likely to be axed, but—in nearly every case—agencies aren't being told what the replacements will be. In general, CBS-TV planning calls for a few more 60-min. film shows, heavier emphasis on 30-min. situation comedy, a reduction in the number of entertainment specials on a pre-emption basis, and an increase in nighttime public-affairs series. First public showcasing of CBS-TV's fall plans is likely to be the upcoming Feb. 29 Washington meeting with network affiliates. Here's where the changes will probably come in the nighttime CBS-TV schedule:

Monday: *The Kate Smith Show* (7:30-8 p.m.) will probably be moved, and *Father Knows Best* (8:30-9 p.m.) is being dropped by the Rodney-Young production team.

Tuesday: The back-to-back *Grand Jury* and *Dennis O'Keefe shows* (8:30-9:30 p.m.) are likely to be ousted in favor of a 60-min. series. The remainder of the schedule is fairly firm, although there's some doubt the *Garry Moore Show* will continue at 10 p.m.

Wednesday: Changes are likely to fall in the early part of the schedule, with *Be Our Guest* (7:30-8:30 p.m.) *Men into Space* (8:30-9 p.m.), and *The Millionaire* (9-9:30 p.m.) likely to be axed.

Thursday is the night of heaviest CBS-TV shifting. Virtually everything between 7:30 and 11 p.m. is due to be bounced or moved elsewhere. (It's also a night in which CBS-TV may try to launch a magazine-concept brand of TV selling.) Only one show is pencilled-in for Thur., an Ivan Tors-Ziv action-adventure package, *Savage of the Deep*, in the 7:30-8:30 p.m. slot.

Friday: More heavy changes, with all the shows between 8:30 & 11 p.m. (*Hotel de Paree*, *Desilu Playhouse*, *Twilight Zone* and *Person to Person*) in doubt.

Saturday: No changes mapped.

Sunday: *Alfred Hitchcock Presents* (9:30-10 p.m.) will shift to NBC-TV, requiring a replacement, and *The Jack Benny Show* (10-10:30 p.m.) will go on a once-weekly basis.

A major change in NBC-TV's nighttime structure is now being tested on N.Y. agencies. In brief, NBC-TV is abandoning much of its stance as the prime champion of nighttime specials (this season's crop of some 200 specials, most of which have drawn so-so ratings & high cpm's, will be cut back to about half that level), and will emerge

with a fall schedule in many ways not unlike that of ABC-TV in the current season. Here are highlights:

Monday-night schedule is likely to be unchanged between 7:30 & 10 p.m. (*Riverboat*, *Tales of Wells Fargo*, *Peter Gunn*, *Alcoa-Goodyear*). At 10 p.m., however, *The Steve Allen Show* will probably be dropped in favor of one of several action-adventure 60-min. film packages being considered by the network.

Tuesday nights, the big question is *Ford Startime*, whose high costs & modest ratings at 9-10 p.m. are causing Ford agency men to be doubtful of its chances for renewal in its present form for the 1960-61 season. Otherwise, the now-local 10:30 p.m. period may be recaptured and the 10-10:30 *M Squad* shifted or dropped to make way for a 60-min. film show.

Wednesdays are relatively firm up to 10 p.m., at which point NBC may either drop a 60-min. adventure or private-eye series into the time periods now occupied by *This Is Your Life* and the previously-axed (by P&G) *Wichita Town*, or schedule a public-affairs show at 10:30 p.m.

Thursdays, NBC-TV is planning to lead the evening schedule at 7:30 p.m. with *Bonanza* (currently, Sat. 7:30-8:30 p.m.), replacing *Law of the Plainsman* and *Bat Masterson*, currently planning no changes in remainder of schedule—a series of 30-min. shows until 11 p.m.

Fridays, to counter ABC-TV's Fri.-night strength and the possibilities of stepped-up CBS-TV competition, NBC-TV will probably perform a complete program face-lifting. As with Thursdays, several basic plans are being considered. One is to put still another 60-min. adventure entry (undisclosed) in the 7:30-8:30 p.m. period, with at least one other show of a similar vein slotted prior to 10 p.m., at which time Hubbell Robinson's 60-min. "thriller" mysteries are scheduled to replace the veteran *Gillette Cavalcade of Sports*. Another Fri. plan is to use that day primarily as a showcase for major NBC-TV specials.

Saturdays will see more action-adventure & Western film programming going in, with *Outlaws* tentatively scheduled to replace *Bonanza* in the 7:30-8:30 p.m. slot, *The Deputy* moving earlier to 8:30 p.m. to replace *The Man & the Challenge*, and possibly one more 60-min. film show launched in the 9-10 p.m. period. Almost certainly in the schedule, possibly at 10 p.m., will be NBC-TV's *World Wide 60* public-affairs series.

Sunday-night audiences will get more back-to-back film programming of 60-min. shows, if present plans go through. *Overland Trail* (current replacement for *Riverboat* in the 7-8 p.m. slot) will continue, with *The Barbarians*, a Mahin-Rackin adventure film package, following from 8-9 p.m., replacing the *Sunday Showcase* series of live/tape drama specials. NBC-TV's *Dinah Shore Chevy Show* at 9 p.m. & *Loretta Young Show* at 10 p.m. will probably continue unchanged.

Editorial praise was heaped on TV last week by both the *N.Y. Times* and *N.Y. Herald Tribune*. Both singled out the same recipients: WNTA-TV Newark, the Ch. 13 station's *Play of the Week* and its presentation of Jean Giradoux' "Tiger at the Gates," and sponsor Standard Oil Co. of N.J. "Mature, adult entertainment . . . both Ch. 13 & Standard Oil are to be complimented & thanked for providing it," lauded the *Herald Tribune*. The *Times* went still further: "To see & enjoy this fine example of TV programming & advertising at their best is to raise the question why such occasions are so relatively rare. And why, for the time being at least, is this delightful play limited to us . . . lucky enough to live in this community?"

More ABC News Specials: ABC-TV is expanding its plans for prime-time public-affairs programming. Presently blue-printed is "at least one news special a month." This is not as ambitious as the plans of the other networks, but represents a 300% increase over the ABC score of 4 documentaries this season. Four are currently in production.

As part of the stepped-up program plans, ABC-TV announced a series of news department appointments & promotions Feb. 11, led by the naming of Thomas A. Velotta as vp for special products. Others include: John H. Secondari, named producer for special projects, and Mary Laing, Walter Peters & Helen Jean Rogers, appointed unit producers. Robert H. Fleming will succeed Secondari as ABC News Washington bureau chief. John T. Madigan has been named mgr. of ABC News N.Y. newsrooms.

Hope May Leave NBC: Bob Hope, who has been with NBC since 1934, may leave the network when his 10-year contract expires in June. The comedian told us his agent, James Saphier, is now in N.Y., negotiating with all 3 networks. He said his present TV sponsor, Buick, has already indicated its desire to renew for next season. NBC-TV owns 50% of Hope Enterprises, which was formed to produce movies as well as the comedian's TV shows. He still has a commitment to do 2 movies for that company. If a deal is made with another network, Hope will form a new production company.

Hope's 10-year NBC-TV contract contains escalator clauses which have provided for automatic raises during that span. It's estimated that the comedian has received approximately \$20-25 million (including production costs) for his TV shows during that period. A new Hope deal would probably be for 5 years, with options.

Hope was the first movie star to become a TV regular, signing with NBC-TV when he was one of Paramount's leading box office stars. "I'll never forget," he recalled, "the way [Paramount Pres.] Barney Balaban reacted, and the many wires I got from exhibitors all over the world telling me I was crazy to go into TV. I told Balaban if he would make me the same deal NBC-TV offered me, I wouldn't sign. He didn't answer."

Regarding post-1948 residuals, Hope said he thought the major studios should agree to put \$10-20 million into an actors' fund from the post-1948 revenue they receive. "I was paid \$50,000 for starring in 'Sorrowful Jones,'" he explained, "and right after that my price jumped to \$150,000. Today it's much more. Lucille Ball was in the same picture, and she got about \$10,000. Today the movie studios will realize a lot more from these movies because of the increased value of the star names, so I don't go along with their argument of 'We paid them once, so why should we pay them again?'"

Most CBS-TV comedians are angry at the network's edict that comedy shows must be accompanied by an announcement that laughter "is technically augmented." Jack Benny, whose contract with the network expires this year, told us that when he first heard the order he wanted to quit. He even had talks with ABC-TV, and has been courted by NBC-TV. However, he has since cooled down and, "It looks very much as though I will stay with CBS," he said. "NBC-TV hasn't found it necessary to have such announcements. A studio audience may not like your material, but you're playing to millions of viewers who might. All of us try to use as much original laughter as possible. I protested to Bill Paley, and he said he understood, but didn't do anything about it. I think it's ridiculous."

Film & Tape

THE STRIKES CONTINUE: Even the most optimistic observers can see no sign of an early break in the current deadlock involving the Writers Guild of America against the Alliance of Television Film Producers and the TV subsidiaries of the major movie studios. The WGA strike began Jan. 16 (Vol. 16:6 p16). The Guild's negotiations with the networks on TV film have collapsed, but a strike has been postponed pending further negotiations on live TV, radio and staff writers. WGA has given independent telefilmmers who are not associated with the major movie studios or Alliance an extension to March 12.

WGA and the Alliance held another meeting last week, but no progress was made on the important issues (Guild demands for residuals of films shown abroad and increased residuals in this country). The Alliance flatly rejected Guild demands for extra payment if the films are eventually shown on pay TV. Progress was made in some areas, involving speculative writing and rights in literary material, and talks are continuing.

WGA has not negotiated with the major TV-film operations since Jan. 14, when talks ended after the majors refused to grant any concessions on key issues. As for pay TV, the majors took the position that it was an extension of the boxoffice, and should be discussed in connection with the movie contract. There was no agreement on speculative writing.

Rummaging for Second-Hand Scripts

Meanwhile, we learned, some telefilm companies are dipping into their backlogs of old telefilms to do remakes. This, they calculate, will enable them to hold out indefinitely in the event of a prolonged strike. Said one production exec.: "We are granted remake rights under the recently-expired Guild contract. Only if a script is based on a published story do we have to make another payment, and that's to the original author. We do not have to pay again the writer who did the teleplay. What's wrong with remakes? The movies have been doing this for years." WGA confirmed that producers can do remakes without paying the scripters again, but it is demanding such payments in its new set of proposals.

Production in TV has not been curtailed much by the strike. As far as can be learned, the only series which has run into problems is *Ford Startime*, which has held up several film shows because scripts are only partly written. Scripts for James Stewart, Greer Garson and George Gobel are involved.

The Screen Actors Guild is expected this week to announce results of its balloting of membership to seek strike authorization against the major movie studios. SAG is still in negotiations with independent movie producers. WGA, striking the major movie studios, last week contended that its strike has stopped work on scripts of 30 movies involving production costs of about \$50 million. WGA also reported progress by signing 3 more movie independents to contracts and termed its strike against the independents "virtually won." About two-thirds of the movie independents in Hollywood have signed since the strike began last Oct. 10, the latest being Otto Preminger, Kirk Douglas and Gary Cooper. The ticklish post-1948 issue is handled in these contracts by a stipulation that once an industry pattern is established the independents will accept it.

Film's Assembly-Line Economy: Faced with low budgets, high production costs and stiff competition, knowledgeable TV-film makers have been devising methods for grinding out their product without stretching their budgets.

Best gadget thus far discovered for this purpose, though, is a producer or director who can adapt himself to assembly-line operations. The rapid tempo & low budgets of TV bewilder & defeat the average movie maker. (Notable example: *Screen Directors Playhouse* of several years back, when that guild had prominent movie directors handle the 30-min. shows. Many came in over budget, most were poor, and the show was cancelled after one season.)

One producer, Gene Wang of *Philip Marlowe*, told us he avoids lavish production which would be lost on the TV screen. He also re-dresses sets so that they can be used repeatedly. He avoids footage by using a tighter story and narration. "It looks to the viewer as if we shot the footage and then did the narration. Actually the reverse is true," explained Wang. Dialog is kept to a bare essential, because under Screen Actors Guild regulations any actor who speaks even one line gets residuals. Scripts are therefore written so that lesser characters don't talk unless it's absolutely essential to the story. Sets are kept to a minimum. Occasionally Wang will borrow a lavish set used by a movie at Metro, where his series is filmed. He avoids using many extras. If, for instance, it's a big nightclub scene, the 2 or 3 characters in it indicate via dialog that the club isn't open yet, or it's after closing hour.

Walt Disney Productions last year filmed several *Zorro* episodes simultaneously, thereby saving considerably on sets & crew. Guy Williams, star of *Zorro*, told us at the time that it was confusing to memorize several scripts and rush from one set to another in this fast-paced operation. But it was done—and Disney saved money.

TV Innocents Abroad: American producers interested in filming TV shows overseas because they might be made more cheaply—should stay home. That's the advice of a Desilu Productions executive after working on a *Westinghouse Playhouse* film in Rome. Jack Aldworth, coordinator on the film—which starred Desilu Pres. Desi Arnaz—told us the 60-min. film originally had a 3-week shooting schedule and a \$125,000 budget. It took 4 weeks to shoot the film—and \$50,000 more than the budget allowed. The film, "Thunder in the Night," which will be telecast on CBS-TV Feb. 19, was shot at Cinema Espermantale.

Production expenses, explained Aldworth, are higher in Rome because they lack Hollywood efficiency. The studio wasn't properly equipped and, Aldworth told us, "It cost \$5 a sq. ft. to build a rush set; in Hollywood it would be \$2." Rome TV-film workers work "when they feel like it. Their attitude is that the sooner they finish the picture, the sooner they'll be laid off. So it's always *manana*. American technicians work hard, but the Italians just don't care," said the Desilu executive.

Lifting of the Japanese lid on foreign TV newsfilm last week is expected to be followed shortly by equally liberalized regulations on entertainment films. Currently, Japanese stations are prohibited from spending more than \$300 for a 30-min. U.S. TV-film show. Indications are that the dollar-control will be stretched to a \$450-\$600 limit this year, eventually go by the boards. As of Feb. 8, Japanese news media no longer were required to submit to the Japanese Finance Ministry applications for remittance of dollars to the U.S. to buy news & newsreels.

NEW YORK ROUNDUP

Expected sell-out by Jack Wrather of his holdings in ITC (Vol. 16:6 p5) became a reality last week. Under the deal's terms, Associated TV Ltd. of London, hitherto a 50% partner with Wrather in ITC, becomes full owner. ATV's Michael Nidorf will take over as ITC chmn., replacing Wrather who will become a director. Other new board members will include Leslie Harris, now in charge of ITC overseas film production, Morris Wright of Kuhn Loeb, and ITC Pres. Walter Kingsley. Wrather's officially stated reason for his bow-out was that "the growth of the activities of my own company, the Jack Wrather organization, made my ITC duties more & more taxing. It has always been my principle in business to only have financial interests in situations that I personally could be active in."

Star William Reynolds & producer Dick Bare of MGM-TV's *The Islanders* were injured in a plane crash in Jamaica, B.W.I. Feb. 12. They were flying in the area of Montego Bay, where location photography for the 60-min. series (tentatively scheduled for Sun. nights on ABC-TV this fall) has been done. Both were hospitalized at week's end. Their plane was a twin-engined Grumman amphibian, used in the series.

Screen Gems will make barter deals (exchange of rerun film series for time, rather than cash) an integral part of syndication operations. Telescreen Advertising, SG's barter subsidiary created last June, is being placed under the supervision of syndication dir. Robert Seidelman and syndication sales mgr. Stanley Dudelson. Charles Weigert and Sidney Barbet have resigned as operating heads of the Telescreen subsidiary.

Student-produced TV film for a Columbia U. TV-radio course is slated for spring telecast by WPIX N.Y. Operating with virtually no budget, 6 members of the graduate school of journalism, in cooperation with the N.Y. depts. of health & air pollution control, are filming "The Hidden Threats," a grim reminder of the city's rats, smoke and poison problems. The amateur producers are working with camera & tape recorder on location, editing and adding music in Columbia's TV studio.

NBC has sold exclusive rights to its news & public affairs shows to TCN Sydney and HSV Melbourne, Australia. The 3-year contracts call for 87 hours of programming a year, including the network's daily news service, *World Wide 60* and *Chet Huntley Reports*. Programs will be jet-flown from the West Coast.

Manhattan Productions Inc., new packaging outfit formed by ex-Goodson-Todman producer Frank Abrahams, is preparing for syndication 260 new cartoon episodes of *Winky Dink & You*, former CBS-TV children's show. The syndicated version will follow the original format of home participation with plastic tracing kits to be sold by stations in mail-order deals, and by toy stores.

Ziv TV's *Tombstone Territory* will be spotted in 8 markets by Studebaker and in 9 by Brown & Williamson tobacco. B&W also will sponsor Ziv's *This Man Dawson* in N.Y., Los Angeles, Baltimore, Pittsburgh & Louisville . . . Ziv TV International has opened dubbing studios in Rio de Janeiro for re-voicing series in Portuguese.

Tod Andrews will star in Derel Productions' new series, *Bellevue Is My Home* . . . Phil Dean Associates, TV-radio publicity firm, will move Feb. 15 to 2 W: 46th St.

HOLLYWOOD ROUNDUP

General Foods, whose sponsorship of *The Danny Thomas Show* on CBS-TV expires this season, is negotiating a new 3-year deal with Thomas. Involved in the discussions is the fate of a backlog of 215 Thomas films made over the past 7 years. Thomas wants to sell them as reruns, probably for daytime stripping. Negotiators say the likelihood of such a move seems "fairly promising."

Frank Sinatra, whose 3-yr. ABC-TV contract has expired, is also being courted by NBC-TV and CBS-TV. He, however, hasn't decided about his TV future. Associates tell us he will probably do a few specials. Sinatra still has commitments for 2 specials on ABC-TV this season, one to be telecast this week.

Revue Productions has named William Frye producer of special projects. Frye relinquishes his duties as exec. producer of Revue's *The Deputy* and *Johnny Staccato* to devote his time to new properties and produce 60-min. shows for various series, including *Ford Startime* . . . Crosby-Brown Productions has promoted Henry R. Flynn from gen. mgr. to vp-gen. mgr. and Peter Robeck to sales vp. Robeck has been mgr. of the firm's Eastern office.

Goodson-Todman and NBC-TV, in association with producers Al Lewis and Sid Dorfman, will roll the pilot of a new comedy series, *One Happy Family*, Feb. 19 . . . CBS-TV has set all of its regulars into its *Gunsmoke* series for next season . . . G-T also—in association with Fenady-Kershner-Kowalski and ABC-TV—will start production on the pilot of *The Yank* Feb. 26 at Paramount . . . TLG Productions has finished a video-taped pilot, *Figures & Fashion*.

Producer Ralph Levy has obtained his release from CBS Films, where he was to have produced a pilot. He joined Michel Productions as a producer and will produce in Europe the pilot of *Harry's Girls*, a joint venture of MGM-TV and Michel. The latter company is owned by Alan Jay Lerner.

J&M Productions, owned by Jack Benny, is preparing a pilot for a 30-min. situation comedy series entitled *Chuck*. The show will be filmed at Revue in March . . . The pilot of Screen Gems' *333 Montgomery Street* is being filmed in San Francisco. Gene Roddenberry is producer.

Ziv TV has signed Margaret Hayes to star in its *Time Out for Ginger* pilot . . . At the Hal Roach Studios, filming has resumed on *The Dennis O'Keefe Show* following a 7-week production hiatus.

Rod Taylor has been signed to star in *Hong Kong*, a new series planned by 20th Century-Fox Television. The pilot goes into production in March. William Self is exec. producer.

Alan Handley has been named producer-dir. for NBC-TV's "Annual Academy Awards Presentation," . . . Mildred Gusse is the new head of Screen Gems talent & casting dept.

Producer Herbert Hirschman of the *Perry Mason* series has asked CBS-TV for his release in order to form his own company & start production of several pilots.

AFTRA paid out \$506,000 in welfare benefit payments during 1959. The union now has total assets of \$7,249,977 in its pension fund and \$1,832,885 in the welfare fund.

Television Digest

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Personals: Richard L. Linkroom appointed NBC-TV special programs dir., succeeded as special programs sales dir. by Edwin S. Friendly Jr. . . . Robert D. Kasmire appointed corporate information coordinator, NBC . . . Stephen J. McCormick elected news & Washington operations vp, MBS; Joseph F. Keating named operations & programs vp; Norman Baer appointed news & special events dir. . . . Dan Bellus, ex-KFMB-TV & KFMB (Transcontinent stations), named ad & promotion dir., Transcontinent stations.

Patrick J. Winkler named standards & practices vp, RKO General stations . . . Stephen A. Flynn promoted from head of sales services to dir., station sales, station clearance & sales services, NBC-TV; Joseph Iaricci promoted from contract services mgr. to sales administration dir. . . . Dean Craig promoted to telesales mgr., NBC-TV Pacific div. production dept.; Gino Conte named production services mgr.; George Habib appointed mgr. of unit mgrs. . . . Alvin H. Perlmutter made program mgr., WRCA-TV N.Y.; Eleanor Riger named mgr., public affairs dept.

C. Tom Garten named vp-gen. mgr., WSAZ-TV & WSAZ Huntington-Charleston, W. Va., succeeding Lawrence H. (Bud) Rogers, named exec. vp, Taft Bestg. (Vol. 16:2 p16) . . . Harry R. Lapham, ex-WTRF-TV Wheeling, appointed sales promotion dir., WCAU-TV Philadelphia.

Richard J. Muller, ex-WNBC New Britain-Hartford, named news dir., KDKA-TV Pittsburgh . . . Roger Hudson named N.Y. TV sales mgr., McGavren TV; Ed Gardner appointed Chicago TV sales mgr. . . . Ira D. Beck named Latin America supervisor of UAA & UA-TV . . . H. J. Schlafly Jr., TelePrompTer engineering vp, named dir. of research & development div.; Edward Reveaux appointed vp for program & production div.; Nat C. Myers Jr. named vp for communications system div.—all new divisions . . . Everett G. Henry, ex-Office of Opinions & Review, succeeds William N. Krebs, retired, as chief of FCC's marine div.

Annenberg School of Communications at the U. of Pa. will add a multi-service communications center embracing TV-radio studios, book-film-tape-disc library and a 400-seat auditorium. Construction of the proposed \$1.6-million, 3-story structure (54,800 sq. ft.) will begin this spring, and occupancy will take place by Sept. 1961. Construction costs & early operating expenses of the school are being underwritten by the Annenberg Fund Inc. and the M. L. Annenberg Foundation, as a memorial to the late M. L. Annenberg. The school's educational program grants a master's degree in the communications arts.

Foreign

USIA'S FOREIGN TV REPORT: "TV abroad boomed in 1959," reported the U.S. Information Agency in its quarterly analysis of foreign TV. As of Jan. 1, it stated, stations had increased 349 to 1,088 (up 47%) and receivers rose nearly 10 million to 32,909,000 (up 40%). The report excludes U.S. territories, Canada and U.S. armed forces stations.

Of the new stations, 282 were added in the Free World, 67 in the Sino-Soviet bloc. Of the new sets, the Free World gained 7.2 million—rising to 26.8 million—while the Sino-Soviet bloc increased 2 million to 5.3 million.

Most of the gain in transmitting stations was in small satellites. Italy added 91, W. Germany 61, Japan 38.

There were 56 countries with TV—the following getting their first stations in 1959: Chile, Haiti, Honduras, Panama, Lebanon, Nigeria, New Zealand. Russia is estimated to have increased its set count from 2.6 million to 4 million, its stations from 91 to 136.

The United Kingdom led the foreign countries in receiver distribution with 10 million, followed by Japan with 4,288,000, USSR with 4 million, West Germany with 3.5 million, Italy with 1,666,400, France with 1.4 million.

TV in Japan: Nippon's TV sets now number 3,463,447 according to the official figures of Nihon Hoso Kyokai (NHK), the government TV network. This is the official figure, but many Japanese don't register their sets with NHK in order to avoid paying the 300-yen (360=\$1) per month viewing charge. Unofficial figures put the real figure well over 5,000,000.

With sets & stations skyrocketing, many viewers now claim they shouldn't have to pay the monthly charge because they don't watch NHK. Two years ago Japanese viewers had their choice of 3 network stations; now they've 6, including 2 of NHK's. One is educational. (The NHK charge for radio listening is 85 yen a month.)

One out of 5 Japanese families now own (or are buying on the installment plan) a TV set. Japan now has 87 TV stations (44 are NHK, 43 commercial). The government has given preliminary licenses for 10 more NHK stations & 11 commercial stations due to go on the air this year. NHK has applied for 10 additional stations and commercial companies for 73 more. And the boom goes on.

TV's value & growth as an ad medium are seen in these statistics from the Dentsu Advertising Agency:

Year	Radio	TV
1956	\$36,111,000	\$ 5,556,000
1957	41,667,000	16,667,000
1958	43,611,000	29,167,000

However, says the Japanese government: "The advent of the television age will not necessarily insure prosperity for all TV companies. The mushrooming of new TV stations in metropolitan centers is bound to entail bitter competition, while provincial stations will have a difficult time arousing the interest of advertising sponsors, and procuring equipment & operating funds."

NHK & Nihon Television Network (NTV), which were granted licenses for experimenting on color television late in 1957, have since carried out technical tests. NTV (first commercial network in Japan) applied for a permit to operate an "experimental station for practical application." It is telecasting programs in color every evening of a standard that's drawing favorable comment from experts.

Trade Report

FEBRUARY 15, 1960

2 NEW COMPONENTS EMERGE FROM LABS: Demonstrating the ever-decreasing lead-time between invention & production, factory output has been started on 2 new basic electron devices whose development in the labs was first announced less than a year ago. Both have intriguing TV possibilities.

Start of factory pilot production of tunnel diodes, announced last week by GE, probably opens biggest new field since introduction of the transistor. Advantages of the tiny new semiconductor device (Vol. 15:30 p16) make it look almost tailor-made—when prices come down—for battery portable TV. It is capable of higher oscillation frequency, lower noise, lower power requirements than transistor.

Pilot production prices of initial models are \$10 & \$12.50 each—down from lab-sample price of \$60 & \$75. As full-scale production is reached, prices are expected to drop far lower. RCA & General Transistor are now providing lab samples of tunnel diodes and are expected to announce pilot production soon. Also called the Esaki diode, after inventor Leo Esaki, Sony Co. semiconductor research chief, tunnel-diode pilot production is also expected next month by Sony.

As for the tunnel diode's TV applications, discussed by us last Aug. (Vol. 15:34 p15), a GE engineer told us last week that use in this field now looks "much more promising" but that "actual use [in TV] will depend on further cost reductions."

RCA started commercial production, meanwhile, of its first Nuvistor—a thimble-sized unit representing a breakthrough in tube technology. Initial price of this tiny, rugged low-power-consuming metal-ceramic tube is \$1.96 in a medium-mu triode version, principally for industrial applications.

TV & hi-fi uses for Nuvistor were suggested last March when RCA showed lab models (Vol. 15:11 p18). Pentode & beam-power tubes, due to be next Nuvistor types, may be ideally suited for these applications—but, again, price will have to come down before Nuvistor can compete with 50¢-\$1 tubes for TV applications. Nuvistors eventually will be priced competitively with standard receiving tubes, RCA said last spring—and when this happens, there's no doubt some TV makers will swing over to "Nuvistorized" models. This will mean much longer tube life, lower power requirements.

DO TRANSISTOR IMPORTS HURT U.S. DEFENSE? Even as newly available Japanese govt. figures placed 1959 radio exports to U.S. at 6 million sets—or 60% as high as domestic production of home & portable radios—the Electronic Industries Assn. last week told OCDM that semiconductor development & production capacity is lagging behind defense plans as result of low-priced Japanese competition.

OCDM's inquiry into whether defense readiness is being hampered by imported transistors—initiated at request of EIA—now enters investigatory stage. All comments have been filed, and the electronics div. of Commerce Dept.'s Business & Defense Services Administration has been assigned task of gathering data for OCDM's final consideration.

If OCDM finds Japanese imports a threat to U.S. security, it has power to recommend remedial action—in form of trade restrictions or agreements—to the President. It's expected within govt. that inquiry will be completed before year's end.

As filings came last week from EIA & AFL-CIO—the last to be submitted—paperwork box score stood this way: 15 statements from manufacturers and other groups backing EIA position, 3 opposing.

"There is already a lag in the development of germanium devices," EIA told OCDM in its final petition. "Companies no longer find it profitable to enter the germanium semiconductor field because of the threat of Japanese imports which has discouraged expansion in this area." Countering Japanese contentions that so-called "entertainment" transistors have little bearing on military readiness, EIA maintained that the consumer market finances research & development of military semiconductors, that heavy investments required for military semiconductor production facilities can be economically justified only by building them for mass output of consumer-product transistors.

Tracing growth of transistor imports & domestic output, EIA cited Japan's 1959 exports to the U.S. of some 25 million semiconductor devices (including those in finished products), valued at \$12.5 million—up from only 2,000 (at \$4,000) in 1956. On basis of Japanese production plans (200 million germanium consumer-type transistors per year), EIA estimated that at least 100 million units will be exported to this country annually, "to enable the Japanese to capture over two-thirds of the consumer-type transistor markets foreseen in the U.S. by 1962."

Domestically, 66% of U.S.-made transistors went into consumer products in 1958, said EIA, adding: "No industry will continue to expand production facilities or undertake costly research & development programs in the face of the inevitable loss of up to two-thirds of its unit markets."

Military requirements for transistors will multiply tenfold by fiscal 1965, EIA stated, quoting report of Electronic Production Resources Agency (EPRA). By 1964, EIA estimated, defense requirements will reach about 200 million transistors—about 2 1/3 times 1959 output and nearly 1 1/2 times estimated 1960 production. By that year, military will require some 72 million high-frequency germanium transistors, while 1959 deliveries totaled only about 2 1/2 million units. Even cold-war semiconductor capacity isn't yet in being, EIA argues—suppose there's a hot war?

Supporting briefs by U.S. semiconductor manufacturers testified that they would have to consider curtailing capital expenditures on transistor operations if imports continue to rise. Such statements came from Raytheon, Mallory, Industro Transistor, General Transistor, Rheem Semiconductor, Sylvania, CBS Electronics, Clevite Transistor Products and Tung-Sol. Other supporting statements were filed by Texas Instruments, Arvin, Radio Development & Research Corp., Sprague Electric, AFL-CIO.

Major opposition to EIA position was 119-page document submitted by Electronic Industries Assn. of Japan, Japan Electronics Export Promotion Assn. and Japan Machinery Exporters' Assn. Its principal points: (1) U.S. electronics industry has more than enough capacity to supply defense requirements. (2) Japanese semiconductor exports aren't displacing U.S. products so as to cause economic damage to U.S. industry—in fact, Japanese exports will taper off and fall as U.S. products improve & prices drop. (3) Military & non-military semiconductors represent separate markets and there is no identifiable economic relationship between the two. (4) Japan can make major contribution to U.S. mobilization by helping overcome shortage of trained personnel for research & development. (5) Japanese semiconductor progress is based on "2nd-hand technology" in form of research & development efforts conducted by U.S. industry; because Japan does not have big R&D budgets, it cannot compete with U.S. in military-type semiconductors.

Action to restrict semiconductor imports was also opposed by British-American Chamber of Commerce and the car-radio div. of the Robert Bosch Corp. (German Blaupunkt radio), Long Island City, N.Y.

TV-RADIO PRODUCTION: EIA statistics for week ended Feb. 5 (5th week of 1960):

	Jan. 29-Feb. 5	Preceding week	1959 week	'60 cumulative	'59 cumulative
TV	135,438	141,111	129,499	660,340	551,897
Total radio	379,076	383,424	290,190	1,731,836	1,406,081
auto radio	173,361	175,535	107,905	805,679	528,189

Sales of picture & receiving tubes in 1959 exceeded those of 1958 in both factory unit sales & factory price, but neither category set an all-time high. Here is the official 1959 picture & receiving tube summary, as released last week by EIA:

	TV Picture Tubes		Receiving Tubes	
	Units	Value	Units	Value
January	784,906	\$ 15,209,896	31,150,000	\$ 26,808,000
February	738,336	14,084,922	33,155,000	28,630,000
March	717,144	13,804,012	39,841,000	35,285,000
April	696,503	13,275,123	29,800,000	26,047,000
May	667,080	12,745,714	30,612,000	25,904,000
June	766,566	15,136,612	37,421,000	33,099,000
July	750,352	14,648,444	36,394,000	29,786,000
August	823,098	15,493,908	35,435,000	28,974,000
September	913,697	18,066,647	41,989,000	34,810,000
October	1,007,211	19,306,788	42,680,000	35,527,000
November	840,866	16,058,816	37,211,000	31,600,000
December	816,787	15,941,040	37,248,000	32,401,000
1959 Totals ..	9,522,546	\$183,771,922	432,936,000	\$368,872,000
1958 Totals ..	8,252,480	\$163,482,674	397,366,000	\$341,929,000

Legislation requiring all-channel TV-receivers—requested by FCC as a method of producing an audience for new-channel stations (Vol. 16:6 p20)—will be opposed by EIA. The manufacturers have informed Sen. Pastore (D-R.I.)—who said he would introduce the legislation at the request of FCC—that they want to testify in opposition whenever hearings are held. Last May, EIA decided on the position, authorizing Pres. David Hull and exec. vp James Secrest to take the necessary steps. Last week, they made it official in a letter to Pastore. EIA's basic position is that it's unfair to force the public to pay extra for something it can't use and possibly may not use in the future.

Raytheon & Compagnie-Generale de TSF have signed an agreement for mutual assistance in microwave-tube developments, reports *Wall St. Journal*. Raytheon's amplifier & the French concern's carcinotron electronic tubes are used in military & commercial radar.

Hoffman solar cells' minimum conversion efficiency guarantee has been upped to 10% from 9%.

1959 PHONO SALES: Last year was a disappointing year in phono sales only from the standpoint of over-grandiose predictions early in the year. Full-year 1959 EIA sales figures show more than 4.3 million units sold at the factory (exclusive of 85,711 record-player attachments), compared with slightly less than 4 million units (plus 124,000 record players) sold in 1958. In unit sales, 1959 was 2nd best year for phonos—1957 being best with about 4.7 million phonos sold.

But dollar-wise, 1959 was by far the biggest year for phono sales. Factory sales totaled an estimated \$370 million vs. \$263 million in 1958 and \$351 million in 1957—the increase due to higher per-unit average price.

EIA also released for the first time phono retail sales figures—which show a total of 4,397,857 units sold last year to the public as against 4,303,611 sold by factories. Here are the official EIA units sales figures (complete packages only; no components), which update the 11-month table printed here last week (Vol. 16:6 p19):

	Factory Sales		Retail Sales	
	Monaural	Stereo	Monaural	Stereo
January	184,147	177,336	231,429	159,214
February	164,873	188,750	171,127	166,477
March	119,075	168,117	139,577	140,075
April	47,153	125,111	94,226	118,197
May	33,356	89,827	70,228	82,765
June	44,976	152,900	66,979	100,982
July	44,591	158,668	82,742	124,979
August	65,179	277,545	98,132	198,926
September	102,399	377,785	132,686	257,857
October	139,579	456,471	152,248	343,428
November	167,879	455,582	183,774	469,048
December	154,574	407,744	229,989	592,772
1959 Totals	1,267,781	3,035,836	1,653,137	2,744,720
1958 Totals	2,867,606	1,104,924	Not compiled	Not compiled

EIA's NSRC Shuts Shop: As expected, the EIA-sponsored National Stereophonic Radio Committee went out of active business last week as a result of FCC refusal to reorganize it into a TASO-like all-industry group to evaluate & test stereo systems (Vol. 16:5 p2). In a letter to FCC Chmn. Doerfer, EIA Pres. D. R. Hull said that NSRC, formed just a year ago, couldn't complete its work because of FCC's decision—but that a committee organization would be maintained on a standby basis. Hull pointed out that RCA & CBS, which refused to join NSRC for anti-trust legal reasons, had indicated they would have joined in an all-industry effort under TASO-type auspices.

"White we are disappointed in the Commission's decision, we recognize the complexity of the problem and accept the Commission's judgment in the matter," Hull wrote Doerfer. "We are prepared to submit to the Commission prior to March 15 a report of the work of the NSRC in the field of FM stereo standards. The work of the committee on AM & TV stereo standards will be terminated, but the committee will be maintained on a standby basis for the present should the Commission decide later to call on EIA for assistance on AM stereo . . ."

Hull reported that a pro-tem chairman of the standby group would be named soon to replace GE's C. Graydon Lloyd, who resigned because of new company duties.

NSRC thus becomes inactive with some of its most important work on FM stereo systems yet undone—including field testing, which was never begun. The lack of an all-industry engineering coordinating group is expected to delay completion of the Commission's FM deliberation, making it unlikely that FM stereo broadcast standards will be established this year.

General Transistor plans to complete this year a 50,000 sq. ft. plant in Hicksville, N.Y.

Sarkes Tarzian's Expansion: Consumer electronics field is next big target of broadcaster-manufacturer Sarkes Tarzian Inc., currently exploring a number of proposed products and already at work on several. The privately-held company owns WTTV (Ch. 4) & radio WTTS Bloomington-Indianapolis, WPTA (Ch. 21) Ft. Wayne, and WFAM-TV (Ch. 18) Lafayette, all Indiana, and has just put new FM affiliates on air in Ft. Wayne & Lafayette.

The Bloomington, Ind. firm headed by former RCA engineer Sarkes Tarzian has a diversified electronics manufacturing operation including TV tuners (its biggest division), semiconductors, variable capacitors and broadcast equipment. Its expansion has seen the addition of a magnetic tape div., and a consumer products section within the broadcast equipment div.

A couple of the firm's new consumer products have been developed around its broadcast operations. A low-priced FM radio—designed to sell at low profit for \$19.95—had been developed to help increase the audience for Tarzian's own new FM stations, being offered over the air through cooperating retailers. This approach held so much promise, the firm believed, that it recently offered the low-priced FM sets to other FM station operators on a limited-time basis. In the first month, 10,000 sets were sold this way, according to gen. sales mgr. Biagio Presti. After the expiration of the station offer, the FM sets will be put into general consumer distribution at a higher price.

Sarkes Tarzian is exploring a similar approach to the sale of uhf converters. It has developed a single-channel transistorized converter at \$12.95 to win viewers for WFAM-TV, may eventually offer similar units nation-wide.

Among other consumer products being explored—but not definitely slated for production—are FM auto radios & tuners, home tape-recorders. One of Tarzian's older consumer products is a tunable indoor rabbit-ear antenna which lists at \$4.95.

The new magnetic tape div. will manufacture tape for audio use initially, later may expand into telemetering & computer tape as well as video tape.

Another Tarzian product with a unique slant is an FM tuner for TV receivers, which has been selling to manufacturers for about a year. When built into a TV set, it permits its use as an FM radio, using the fine-tuning knob as a radio tuning dial.

The broadcast equipment div. makes TV transmitters, camera chains, studio & microwave equipment, and has just developed the first heterodyne-type microwave relay system (the type used by AT&T) to be offered for private use. The first such unit—a 5-hop system—was recently sold to an unidentified station.

The semiconductor div. (formerly rectifier div.) manufactures rectifiers, silicon & selenium diodes and other semiconductor products. The air trimmer div. makes variable capacitors.

Below-cost pricing by companies to drive small retailers out of business would be prohibited under a bill (HR-10235) introduced by Chmn. Patman (D-Tex.) of the House Small Business Committee. He said the measure amending the FTC Act is intended to prevent big firms from making "loss leader" deals with retail chains & supermarkets to halt competition by independent stores. Identical bills (HR-10236-10240) were offered by Reps. Evins (D-Tenn.), Multer (D-N.Y.), Steed (D-Okla.), Roosevelt (D-Cal.), Garmatz (D-Md.). Patman said that need for the legislation had been demonstrated by his Committee's food industry hearings.

Trade Personals: Larry J. Konrath promoted to controller, Packard Bell home products div. . . . L. H. Orpin, ex-Stromberg-Carlson, appointed RCA defense electronic products planning mgr. . . . Murray Fiebert, ex-Pacific Mercury, appointed gen. mgr. of Harman-Kardon's new electronics systems div. (computers & data processing); Ian Shivack named data systems vp; Allen Chertoff named research & development vp.

Lee D. Webster, Ling-Altec vp, promoted to exec. vp and a dir.; James O. Weldon, pres. of subsidiary Continental Electronics Mfg. Co., also named Ling-Altec dir. . . . W. Furneaux named pres., Aerovox Canada . . . Ernest A. Wester named vp-treas., Servomechanisms.

Fred H. O'Kelley Jr. named mktg. mgr., Raytheon commercial apparatus & systems div., with responsibility also for microwave cooking mktg. dept. . . . Fred Womersley appointed distributor operations mgr., Philco Corp. of Canada; Herbert C. Bell named contract sales mgr.

Louis M. Robb named to new post of mkt. development mgr., GE receiving tube dept. . . . Milton J. McGovern named national sales dir., TV Shares Management Co., which manages investments of TV-Electronics Fund . . . W. Walter Jablon named pres., Mark Simpson Mfg. Co. succeeding Mrs. Miryam Simpson, now chmn. . . . R. Fred Meinicke named sales mgr., Amphenol-Borg . . . Charles L. Alden named to new post of merchandising supervisor, Minnesota Mining & Mfg. magnetic products div. . . . Dr. Donald A. Dunn named dir of new Eitel-McCullough research div.

Realignment of Philco's public relations staff under Robert Jones, corporate PR dir., results in these new posts: Kenneth E. Kefauver, consumer products div.; P. Bernard Fleming, govt. & industrial group; H. Clyde Baker, research div.; Steven Madelaine, Lansdale div.; Charles Krauss, N.Y. representative; Paul Riblett, community relations; Mark Lutz, employe relations; Joan Barthelmy, stockholder & financial relations.

RCA's David Sarnoff Awards for outstanding achievement in science & engineering in 1959 were awarded last week to Dr. Leon S. Nergaard, RCA Labs, for "basic & practical contributions to the science of microwave electron tubes & thermionic cathodes," and to Duane C. Brown, RCA Service Co., for "development of original & effective solutions to complex problems of missile & rocket trajectories at the Atlantic Missile Range."

RCA Chmn. David Sarnoff & his wife have established a charitable foundation to further various scientific, literary, religious and educational organizations. Also listed as board members of The David & Lizette Sarnoff Foundation: Wilbur H. Friedman, James J. Fuld and Klaus Eppler, all N.Y.C.

Capehart veterans Charles Ward, onetime Western regional mgr. of Capehart when it was an ITT div., and Lowell Wood, former Capehart distributor, have formed Capehart Pacific div. of GFO Distributing Corp. to handle distribution of new Capehart TV & hi-fi lines in the West.

Philco furloughed 500 production workers (mostly in TV dept.) Feb. 12. A company spokesman said the layoffs followed the "normal seasonal pattern."

Obituary

Milford S. Klinedinst, 49, ITT mktg. administrator, died Feb. 6 at his home in Ridgewood, N.J. Surviving are his wife and son.

Survey of tube & semiconductor production, consumption & trade—including imports & exports—in 9 European countries has been published by Commerce Dept. Prepared by electronics div. of Business & Defense Services Administration, *Electron Tubes & Semiconductors; Selected European Countries* contains descriptive text & statistical data for each country. It's the first of a series of 3 studies on tube & semiconductor trade in foreign countries and is available for 25¢ from the Superintendent of Documents, U.S. Govt. Printing Office, Washington 25.

Admiral's consumer electronics sales in Jan. were 39% higher than last year, Admiral Sales Corp. Pres. Carl E. Lantz reported last week, attributing the increase to popularity of 23-in. TV sets and to the impact of heavy ad campaign. He added that Admiral will soon answer Japanese transistor radio competition with "a new product [which] should help to slow down foreign exports."

"Music power rating," EIA's recommended standard for measuring output of hi-fi phono systems (Vol. 15:39 p15) has been approved by the manufacturer organization's standards committee. Copies of the standard, giving details of test conditions, definitions of terms and test procedure are available for 25¢ from EIA engineering dept., 11 W. 52 St., N.Y. 36.

Finance

Electronics Investment Corp., the mutual fund headed by Charles E. Salik, reports a 50% increase in total net assets and a 30% rise in net asset value per share during 1959. A summary of company activity as of Dec. 31 (1959 per-share value is adjusted for 4½¢-a-share capital gains distribution during the year):

	1959	1958
Total net assets	\$32,522,309	\$21,639,740
Net asset value per share	8.00	6.49
Shares outstanding	4,063,913	3,347,376
No. shareholders (approx.)	26,840	21,000

Siegler will merge with Magnetic Amplifiers Inc. on the basis of one share of Siegler for 3½ shares of Magnetic common, subject to approval of stockholders & boards. Involved are the exchange of some 122,000 shares of Siegler for Magnetic's 428,200 outstanding common. N.Y.C.-based Magnetic produces aviation & missile electronic equipment, employs some 200 in N.Y. & Cal. plants, scored 1959 sales of more than \$3 million. Siegler Pres. John G. Brooks said Magnetic probably would become a division.

Andrea Radio Corp. stock will be offered to the public under the terms of a stock registration filed with SEC covering 120,000 common shares and warrants for the purchase of 5,500 common shares. W. C. Langley & Co., N.Y., will buy the common shares from Pres. F. A. D. Andrea; the Langley firm and S. W. Muldowny will buy the warrants from the company, for public distribution.

Reports & comments available: Philco, review, Thompson & McKinnon, 2 Broadway, N.Y. 4 . . . Bendix Aviation, discussion, Reynolds & Co., 120 Broadway, N.Y. 5. . . . ACF Industries, review, Fahnstock & Co., 65 Broadway.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
AT&T	Q	\$0.82½	Apr. 11	Mar. 11
AB-PT	Q	.25	Mar. 15	Feb. 19
CBS Inc.	Q	.35	Mar. 11	Feb. 26
Cornell-Dubilier	—	.05	Mar. 11	Feb. 24
Fed. Pacific Elec.	Q	.20	Mar. 15	Mar. 1
GPE	—	.25	Mar. 15	Feb. 26
Siemens & Halske	—	14% cash,	subj. to Mar. 2 vote	
Times-Mirror	Q	.25	Mar. 14	Mar. 2

Republic Pictures Corp. had a sharp decline in revenues & earnings for the 1959 fiscal year ended Oct. 31, Chmn.-Pres. Victor M. Carter related last week. He forecast gross revenues of \$25-\$26 million vs. nearly \$33.5 million in fiscal 1958, earnings of 22¢-25¢ a common share compared with 54¢ a year ago (shares outstanding continued at 2,004,190). Carter pointed out, however, that 9 of Republic's 10 units are now showing a profit. "We expect to bring the last one into the black in the next 60 to 90 days," he added. He attributed the decline in revenue to tapering film-distribution activities, said Republic has no intention of going back into the movie-making business which it abandoned in 1957. Republic is exploring the financing of TV and theatrical films made by others and currently is negotiating 3 such transactions. The distribution of TV & theatrical films accounted for about 20% of Republic's fiscal-1959 gross revenue.

Muntz TV Inc. nearly tripled earnings on soaring sales in the 4 months ended Dec. 31. Chmn. Floyd G. Dana estimated that Muntz accounts for about 1% of total TV sales. He forecast that the Chicago concern's share-of-market would rise to 3% this year, when Muntz is slated to produce 160,000 TV sets. The daily output will be stepped up to 550 sets from 400 by fall. As we noted last month (Vol. 16:2 p18), Muntz TV is dropping stereo-only production and will concentrate on TV & TV-stereo combos, Pres. Wallace A. Keil confirmed. For 4 months ended Dec. 31:

	1959	1958
Sales	\$4,089,453	\$2,433,839
Net income	513,002	174,311
Per com. share (after pfd.)	43¢	14¢
Common shares	1,165,376	1,165,376

General Precision Equipment recorded a 13-fold increase in earnings on a surge in sales in the year ended Dec. 31:

	1959	1958
Net sales	\$215,588,430	\$168,333,316
Net income	4,198,199	304,267
Per com. share (after pfd.)	2.63	—
Common shares	1,126,625	1,125,810

For quarter ended Dec. 31:

Net sales	\$59,168,125	\$45,560,885
Net income (loss in 1958)	1,154,571	(611,345)
Per com. share (after pfd.)	43¢	14¢

Harman-Kardon, Westbury, N.Y., producer of hi-fi components & equipment, netted a moderate profit increase on a slight sales gain in the 6 months ended Dec. 31:

	1959	1958
Sales	\$2,191,215	\$2,180,190
Net income	98,594	85,620
Per common share	22¢	19¢
Common shares (1959) ..	455,000	455,000

Skiatron Electronics hearing before SEC on charges that it filed a faulty stock-registration statement (Vol. 16:5 p22) will resume this week in Washington. The hearing was scheduled to be continued Feb. 10, but SEC postponed it until Feb. 15 because of the illness of Morton Carlin of Judson Commercial Co., N.Y. factoring firm, who had been called to testify. Meanwhile, SEC announced a further suspension of trading in Skiatron common stock.

Sprague Electric Chmn. Robert C. Sprague has sold 32,000 previously authorized but unissued shares of common stock to 2 unidentified institutional investors, pursuant to the authority of the company's board, Mr. Sprague announced last week.

Two-for-one stock split and a dividend increase were projected by Motorola's board Feb. 12. The directors voted to recommend to the May 2 stockholders meeting a 100% stock distribution July 15 to holders of record June 30—one additional share for each one held, along with an increase in authorized common shares to 6 million from the present 2 million. The board also announced its "present intention, if earnings warrant," to declare a 25¢ quarterly post-split cash dividend on stock of record June 30, the equivalent of a 33% increase over the present dividend rate. Motorola is now paying 37½% quarterly.

Victoreen Instrument Co. has acquired Chicago electronic-components maker John E. Fast & Co. with the purchase of all outstanding stock for \$700,000. Victoreen Chmn.-Pres. David H. Cogan (onetime CBS-Columbia pres.) said Fast will operate as a subsidiary, with Louis Kopinski Sr. continuing as president. "The coordination of distribution & integration of Fast products with Victoreen's should result in an addition of approximately \$5 million a year to the company's sales volume," Cogan forecast. Cleveland-based Victoreen produces electronic components & instruments.

Zenith stock-trading privileges on an unlisted basis are sought in an SEC application by the Philadelphia-Baltimore Stock Exchange. The stock is listed now on N.Y. & Midwest Exchanges.

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CBS at Profit-Sales Peak: Reflecting overall healthy glow of both the broadcasting & electronics business, CBS Inc. racked up record sales & earnings in its fiscal year which closed Jan. 2, Chmn. William S. Paley & Pres. Frank Stanton reported last week. Consolidated net income for network, o&o, manufacturing and research operations gained 3% to lift CBS Inc. to the \$25-million profit plateau for the first time. Net sales rose 8% over the volume of the preceding 53-week fiscal.

Major gains were netted by CBS-TV, which consistently outbilled the other TV networks in each of 1959's first 11 months (Vol. 16:5 p13). The network's 11-month total dollar volume of \$242,404,016 was 7.8% ahead of its cumulative billings in Jan.-Nov. 1958.

For the 52-week 1959 fiscal year ended Jan. 2 (1958 per-share earnings adjusted to reflect a 3% stock dividend):

	1959	1958
Net sales	\$444,311,000	\$411,800,000
Net income	25,267,000	24,429,000
Per common share	3.11	3.01
Average common shares .	8,129,481	8,117,942

NAFI Corp., the automotive trim & seat-cushion firm which diversified into broadcasting through the purchase of KCOP Los Angeles, KPTV Portland and radio KXYZ Houston, last week entered into a contract to buy all the outstanding stock of Cris-Craft Corp. for \$40 million.

Cornell-Dubilier's Mergers: Old-line components maker Cornell-Dubilier Electric Corp. seemingly was moving in opposite directions last week: acquisition of one company—and merger with another.

The big South Plainfield, N.J. capacitor manufacturer purchased for an undisclosed sum the machinery, inventories and other assets of relay-maker Standard Electro Magnetics Inc., said it would lease the acquired company's Walkersville, Md. plant and operate it as a division. At the same time, Cornell-Dubilier was making rapid progress on the road to merger with Federal Pacific Electric Co. and a new status as a subsidiary of the Newark, N.J. manufacturer of electrical transmission & distribution equipment. Meanwhile, C-D reported sales & earnings were up sharply in 1960's first fiscal quarter ended Dec. 31.

The impending C-D marriage with Federal Pacific is not entirely unexpected. They've been holding hands for some time. Federal & the family of Pres. Thomas M. Cole own some 25% of C-D's outstanding common; the 2 firms are establishing a joint development lab in C-D's Norwood, Mass. plant and are at work on electrical relays & motor controls incorporating electronic parts.

Federal Pacific stockholders have approved the acquisition of C-D's 512,390 outstanding common, have created a new class of 500,000 shares of 5½% convertible 2nd preferred stock (\$23 par value) which will be offered for the C-D common on a share-for-share basis. To provide for the conversion, Federal's authorized common was increased to 3 million shares from 2.5. Federal has 1,441,534 common shares & 581,040 Class B outstanding.

C-D stockholders last week, in a move to facilitate the proposed acquisition, granted voting rights to the company's 8,059 outstanding preferred shares. Although C-D's preferred is not sought by Federal, the exchange for the common shares will be tax-free if Federal acquires 80% of the total of C-D's common & preferred. C-D Pres. Octave Blake has advised stockholders that the Blake interests will accept the offer for their 16% interest in C-D if the exchange is tax-free.

Federal Pacific, Cole forecast, will earn \$4.5-\$5 million on \$78-\$80 million sales in the 1960 fiscal year ending June 30, compared with fiscal-1959 earnings of \$2.3 million on \$62.7 million sales. If the C-D acquisition goes through, combined net profits "might be \$6 million on sales of about \$115 million" in the first full year, he said. Cole noted that his firm's products are almost entirely electro-mechanical with moving parts, hopes to develop replacements using electronic components. Cornell-Dubilier, in addition to its major components-production activities, is U.S. & Canadian distributor for Toshiba transistors (Vol. 15:34 p 17). Federal Pacific exec. vp & C-D dir. Frank H. Roby reports C-D likely will sell some \$1 million worth of the Japanese imports in the next year. (C-D last month acquired U.S. Dynamics Corp., Boston producer of semiconductors & silicon rectifiers.)

Cornell-Dubilier, for the first fiscal quarter ended Dec. 31:

	1960	1959
Sales	\$7,409,651	\$5,932,977
Net earnings	377,565	54,643
Per common share	72¢	9¢
Common shares (1960) ..	507,390	507,390

International Resistance Co. racked up record sales & earnings in 1959 and forecast that sales this year will rise 15%, barring a downswing in the electronics market. Chmn. Charles Weyl of the Philadelphia components producer estimated 1959 earnings at \$1.7-\$1.8 million (\$1.25-\$1.30 a common share) on sales of \$19-\$20 million. Profits in 1958 totaled \$504,268 (37¢) on \$13,744,000 sales.

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SPECIAL SUPPLEMENT

FEBRUARY 15, 1960

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"There is no such thing as an electronics industry . . ."

Investing in Applied Science

By GEORGE EDGAR, Research Dept., Carl M. Loeb, Rhoades & Co.

Edited by Mr. Edgar from an Extemporaneous Talk in St. Louis Under Auspices of A. G. Edwards & Sons,
Correspondent of Carl M. Loeb, Rhoades & Co.

A recent issue of *Newsweek*, devoted to the decade of the '60s, notes that there are 2 fundamental, dynamic forces in our economy. The first is the predictable growth of population; there will be 30 million new Americans over the next 10 years. The 2nd major force is the upgrading of consumer tastes. This upgrading, in the words of Sam Stedman [Loeb, Rhoades partner Samuel L. Stedman, described in Feb. *Fortune* as one of the 10 most influential men on Wall Street], means that there will be more people with more money to spend in more leisure time. As a result, where will they spend their money? They will spend it on the true growth industries: health, recreation, convenience and education.

The securities in these true growth categories are well known to you. They are the Polaroids, the Brunswick-Balkes, selected drugs such as Rexall, the Crowell-Colliers, the Grolier Societies, Diner's Club, Avon Products, and so forth. The area I am concerned with in this talk is new technology, which is also one of the truly valid growth areas.

But first, a few general comments about the stock market are in order.

It's a generally high market

There are differences of opinion at Carl M. Loeb, Rhoades, as there are in any investment firm. But, generally, we regard this market as being high. However, we argue that there is no such thing as a stock market. We have a market of stocks. Since we are in the business of selling securities, what we must do against this general background of high security prices is guide our clients into those issues that are relatively attractive.

Mr. Stedman's philosophy, as you well know, has always been emphasis on growth . . . true growth. There are 3 other ways of making money in the market: (1) Buying cyclical stocks at the right point in the cycle; (2) buying companies which are in the process of being rehabilitated; and (3) buying an undervalued, overlooked stock that eventually will be recognized by the market. Each approach has its merits and its followers. However, Mr. Stedman and I are oriented more to growth because you can be wrong in your timing, but if you stay with a growth stock you will be right much sooner.

Vindication of this thesis was seen in the recent sharp decline in Polaroid and other growth stocks as the result of Mr. Khrushchev's visit. You saw how quickly they re-

covered and went on to make new highs.

In a nutshell, over the long run we are bullish on consumer spending, we are bullish on inflation, and we are bullish on advanced technology. Now we come to the area of electronics.

Please consider these remarks very seriously. There are gross misconceptions about electronics in the investment community and, as a result, gross excesses are taking place in the market. People are going to be hurt again, as they were during the uranium bubble. To avoid these misconceptions and pitfalls, and to be able to recognize the correct road to investment success in "electronics," I shall offer a new concept, a new approach, a new method.

\$10 radios & \$2,000,000 computers

I will start by saying there is no such thing as an electronics industry. It is a myth. This is why: The engineer will tell you that electronics is any product built around a vacuum tube or its equivalent semiconductor device, such as a transistor. Using this definition, they say that electronics is a \$15-billion industry, that it is attractive, that it is dynamic. From the investment viewpoint, I say nonsense! This is not so!

If you look at this industry, you will see that it includes \$10 radios and \$2 million computers. How can you compare them? It includes 40¢ receiving tubes and \$10,000 microwave klystron tubes. It includes a company making a simple widget that goes on an obsolete bazooka. It will also, in the same category, include a highly sophisticated scientific group developing a new means of global communication using satellite relays. It includes radio and TV. Now we all know that radio and TV, as a business, is no different from refrigerators and waffle irons. Is there anything dynamic about it? Is there anything dynamic about receiving tubes? Is there anything dynamic about 2¢ paper capacitors that go into portable radios? Obviously not. So, you see, the electronics industry, according to the classical definition, includes large areas of business activity that are mundane and that are certainly un-dynamic.

What, then, are we looking for? I believe we are seeking growth. Growth comes from new products that create new markets. New products and new markets come from the fruits of applied science.

I believe you want to invest in the frontiers of science because it is science that is the basis of automation, it is

Companies Recommended by Mr. Edgar

(Firms cited are Mr. Edgar's recommendations only and are used for the purposes of illustration.)

Solid-state physics—

Investment-grade issues: Texas Instruments, Transistron.

Semi-investment issues: Fairchild Camera, International Rectifier, Philco.

Enterprising speculation: General Transistor.

Passive components—

Blue chip: Sprague Electric.

Valid speculation: Aerovox.

Microwave—

Investment grade: Varian Associates.

Semi-investment grade: Eitel-McCullough.

Microwave instruments—

Blue chip: Hewlett Packard.

Others: Polarad, FXR, Electro Instruments, Microwave Associates.

Electronic metals—Fansteel Metallurgical, Kawecki Chemical.

Data processing—Control Data Corp., Electronic Associates.

Data preparation—

Attractive issues: Friden, Farrington Mfg., General Time.

Speculative: Soroban Engineering, Digitronics.

Information technology—Itek.

Ultrasonics—Acoustica Associates, Branson.

Infrared—Barnes Engineering Co., Servo Corp. of America, Infrared Industries.

Magnetics—Indiana General Corp.

Nuclear energy—Nuclear of Chicago.

Closed-circuit & CATV—Jerrold Electronics.

Applied science—Ampex, High Voltage Engineering, Electronic Associates.

Speculative specialties—Hermes Electronics, C. G. S. Labs, Electro Instruments, Milgo Electronics, British Industries.

Standard conservative issues—RCA, Sprague Electric, Electronic Associates, Litton Industries, Texas Instruments, Ampex.

"Four great speculations"—Polaroid, Farrington, Fairchild Camera, Itek.

Attractive low-priced speculations—Hermes Electronics, FXR, Jerrold Electronics, CGS Labs, Barnes Engineering, General Transistor.

"A good, standard speculation"—Philco.

new approach is to consider the equity base (price times number of shares) and, other things equal, to favor the company with the smaller base. This is one of the most important concepts.

This new approach should not be considered the Golden Rule—there are many fine companies which will not qualify, such as IBM because of its large size, or RCA because of its widespread activities. In addition there are companies that make relatively mundane products but which have superlative managements. Therefore, treat this new approach only as a rough guide.

Virtue of small companies

While the greater potential lies in the smaller equity base, this does not mean that you indiscriminately should concentrate on small companies. Obviously the requirements of your customers must be recognized. A large company giving good exposure to a specific, attractive technology would be suitable for institutional and conservative clients. But, for the businessman and the intelligent speculator, a package of small companies usually is more desirable.

These, then, are the 3 steps to the new approach. I will be specific later.

There are 2 other broad considerations. They are that, as a general rule, the consumer market for scientific products is unattractive. There are certain exceptions, such as the drugs, and one great exception—Polaroid Corp. It is a great exception because Polaroid is one of the few companies that has a basic patent position.

The 2nd general rule is that it is better to invest in the basic component than in the end system. This is very important, so let me explain what I mean.

We all want to invest in missiles. We all know many missiles are being developed. But we can never be sure which one will finally go up. We are never sure which missile will be canceled, which will go ahead. But we do know one thing: no matter what missile goes up, it will use transistors, diodes, rectifiers, magnetic amplifiers, exotic fuels, new metals, complex test and tracking equipment, and so on. These are the basic building-blocks for any missile system. Therefore, we prefer to concentrate on basic components.

In other words, buying a basic, sophisticated component to take advantage of all of the exciting things happening in hundreds of new types of end equipments and systems is like buying the oil industry through Halliburton Oil Well Cementing. You cover the waterfront with one investment vehicle.

How science investing differs

In dealing with science we must change many of our classical investment rules because they simply do not apply. For example, the real asset of a good science company is brain power. So what difference does it make if it has a low book value? Therefore, one of the classical concepts that you must reject is slavish emphasis on book value.

Another problem in dealing with good science stocks is that they grow rapidly and have long-term validity, yet most investors—for some strange reason—feel compelled to sell on a double. When you find a good technical company, sound advice is to ride with it all the way. How many customers have come to you and cried bitter tears that they could have been rich if they had bought IBM 10 years ago? The truth of the matter is that they would have sold it out 10 times over. It is possible when you are dealing with true, dynamic growth to shoot for the 500% and 1,000% marks. So don't sell out on the first double.

Another classical predilection that we must dismiss is that of the dividend. A company that is growing fast cannot afford to pay significant cash dividends. The appearance of a significant cash dividend is often the sign of an unattractive stock.

Then there is the problem of the listed versus the unlisted. Our clients love listed stocks. They like to see the

the main arena of our conflict with Russia, it will be the mainspring of the tremendous future upheaval in our standard of living. So never again think in terms of electronics; think in terms of applied science.

There are many applied sciences. An example of a specific area of applied science is drugs. In the future when you think of space-age stocks and electronics stocks, I would ask you to use the analogy of the drug industry because the drug industry is based upon specific sciences, such as biology and chemistry, out of which come new products. In drugs you are not investing in products; you are investing in the brain power that can create the products. The same is true of all applied sciences.

Other examples of applied science are metallurgy, new concepts of photography, chemistry, optics, and physics. I am not competent to discuss all of these with you, but I can discuss photography and physics, so I will confine myself to these specific areas.

The new approach that you will hear today has 3 clear-cut steps: The first is to select the specific technologies that are attractive, which I will enumerate later. The 2nd is to select the companies that give you maximum exposure to the specific technologies. The 3rd aspect to this

prices dance on the tape or quoted in the daily newspapers. But, dynamic appreciation only too often occurs when a company graduates from the unlisted to the listed market. We, and our customers, must be aware of the great values and potentials that are among unlisted companies.

Another popular prejudice is the preference for large companies. Other things being equal, the small company in the right field, with the right management, will turn in much better investment results. Therefore, don't disregard small companies. A corollary of this, of course, is the known versus the unknown. Everybody likes to play a favorite which by definition already reflects an enthusiasm that probably has caused the price-earnings multiple to expand from 10 to 30 times earnings. You all know that we can make as much or more money from the recognition of a stock—as the complexion of its investment acceptance changes from white chip to red chip to blue chip—as from the growth of the company itself. Therefore, don't be biased against unknown companies.

Attitude toward high climbers

Investors have another problem in their reluctance to buy a stock that has risen sharply or which is selling at a historical high. Any time in the past 5 years when you bought Ampex it probably was selling at a historical high. But we still find people who say: "My goodness, look where the stock came from! How can you expect me to buy it now?" The important thing to consider is future potential, not history.

Another pitfall is the investor's penchant for diversified companies. There is nothing wrong with a specialized company, provided it is in an interesting area of specialization. For example, Ampex, Electronic Associates, and High Voltage Engineering are specialized companies. The correct application of our new method will often find us dealing with specialized companies. We can achieve diversification by buying a package of specialized companies.

Now that we have covered many generalities, we will get down to brass tacks.

I am going to discuss certain specific technologies that I think are attractive and suggest, to some extent, that you mold your thinking and investment program along these lines.

In the course of this discussion the names of many companies will be mentioned. However, this will be for illustrative purposes. I don't consider all of the companies attractive and in some cases I will so indicate. On the other hand there are many companies that qualify under our new formula, such as Haloid, which will not be mentioned because of time limitation. Keep in mind that it is a new philosophy that is being advocated here.

The first basic technology I recommend is solid-state physics. You all know what solid-state physics is, but you are not aware of it. A product of solid-state physics is the transistor. The trouble with most investors is that they think of the transistor as being an industry in itself. Solid-state physics (remember the analogy to drugs) is the science that created the transistor of which there are hundreds of different types. It also created diodes and rectifiers. In the future, it will give us tunnel diodes, thermoelectric generators, electronic refrigeration and electroluminescence (which means wall panels of built-in light).

Newsweek discusses something quite dramatic: thermoelectricity (the direct conversion of heat into electricity). This is also the principle of electronic refrigeration. These are things of the future. They will be tremendous new industries that will emerge out of solid-state physics. Therefore, you should not rush to the phone to sell your "transistor" stocks because a tunnel diode was discovered that is going to "replace transistors." The company that has solid-state physics technology will make the transistor . . . it will make the tunnel diode . . . some day it will make thermoelectric elements . . . and . . . some day it will make components for electronic refrigerators.

Solid-state physics is one of the basic new industries

of our age. From a commercial viewpoint, it was born only 5 years ago. It started with about \$35 million of sales in 1955. This year sales will be about \$350 million. I think sales will reach \$1 billion over the next 5 to 7 years in only those products presently being produced or soon to be introduced.

The interesting thing about scientific developments is that usually they do not replace anything. You heard that the transistor would replace the vacuum receiving tube. Vacuum-tube sales will be higher this year than they have ever been in the past, principally because the market for industrial and specialty tubes is growing rapidly. By the same token I believe that when the tunnel diode becomes a commercial product in three years, transistor sales will still continue to rise. Basic technologies create products that never were possible with the old products. Computers that we use today could not have been designed around vacuum tubes. So the new products of science generally do not replace anything. They primarily create new markets. This is the essence of growth.

A curious thing about solid-state physics, and the other technologies that we will mention, is that when you count the number of companies that provide meaningful investment exposure, you find a frighteningly small number of eligible vehicles.

For example, we think solid-state physics is an attractive business, and it is. Now RCA makes transistors and so does Texas Instruments. Two years ago when you bought Texas Instruments, you bought more transistors in every dollar of investment than you did in RCA simply because RCA also made a lot of radios and TV sets and things that had nothing to do with transistors. Other things being equal, therefore, Texas Instruments gave you better exposure to that specific development.

There are only 6 established companies that really give you meaningful exposure to solid-state physics. General Electric is a big producer of semiconductor devices (the term "semiconductor" is synonymous with solid-state physics), but you don't get enough of it in GE. The same is true of Westinghouse, Raytheon, RCA, Hoffman, Clevite, and so on.

Half-dozen in solid-state

The 6 meaningful investment vehicles in solid-state physics, in their order of size (equity base), are Texas Instruments, Transitron, Philco, Fairchild Camera, International Rectifier, and General Transistor.

Among these 6 you will find a stock for every appetite—from the conservative investor to the enterprising businessman and the intelligent speculator. Now let us look at this list of companies.

The first startling aspect about this list is the wide range of values that the companies command in the market—that is, their market price times the total number of shares outstanding. The present market values of these companies are, roughly: Texas Instruments \$700 million, Transitron \$350 million, Philco \$150 million, Fairchild Camera \$140 million, International Rectifier \$30 million and General Transistor \$22 million. Immediately we can see that the investment-grade issues will be at the higher end of the size ladder, because safety generally increases with larger size, while the speculations with greater potential will be at the lower end. After all, other things being equal, it is easier for a \$22-million or a \$30-million company to double in value than it is for a \$700-million or \$350-million company.

The second important statistic to consider is the total volume of business done by each company and the percentage that comes from semiconductors. Texas Instruments, whose revenues are approaching \$250 million, finds only about 30% of its sales in the semiconductor area. By the end of 1960, Fairchild Camera will have about 50% of its projected \$65-million volume in semiconductors. International Rectifier, whose sales are approaching \$15 million, finds about 60% of its business in semiconductors.

Philco will have a much smaller ratio, but I would like to discuss this company later on as a special situation. Transistor, doing a business of \$50 million, and General Transistor, with sales currently at the rate of about \$12 million, are the only 2 in the list whose business is virtually entirely devoted to semiconductors.

Therefore we not only find great differences in market size and dollar volume, but the relative proportion of semiconductor sales differs widely. Both factors are key in determining the quality of the investment, ranging from blue chip to intelligent speculation, and the degree of exposure to solid-state physics.

This type of analysis is essential in all of the other specific technologies.

My choices for investment-grade issues, where we must give up some dynamism in order to maximize safety, are Texas Instruments and Transistor, in that order. The semi-investment or red-chip issues are Fairchild Camera which, size for size, probably has the best technical group in the industry, International Rectifier and Philco. The enterprising speculation is General Transistor.

Strictly speaking, not all of these companies are directly competitive. There are many different aspects to the semiconductor industry. There are signal devices and power devices. There are germanium and silicon devices; grown junction, acid-etch and diffused devices, and so on. Semiconductor products are not like light bulbs that you take out of one socket and put into another. They are very unique gadgets. No company makes all of these products. Also, the art has so much room for advancement that widespread, early standardization is unlikely. Therefore, don't pay too much attention to the problem of competition for the next few years.

Market for passive components

The next area that is attractive is passive components. Semiconductor devices such as transistors or diodes are active components; they *do* something. These active devices need associated passive components, such as capacitors, that *control something*. The new active devices have created a market for new passive devices. The leading company in new passive components is Sprague Electric. It is a blue chip that has broken out of its 5-year plateau. I consider the stock cheap. In addition to making advanced passive devices, it is developing a semiconductor business under Philco license.

A valid speculation in passive components is Aerovox.

The 3rd attractive technology is microwave. In the *Newsweek* article referred to previously, Dr. Stephens of Stanford Research Institute was quoted as saying that the '60s would be the decade of microwave.

Microwave is not a specific equipment. It is not radar. It is not a relay station. It is a section of the radio spectrum that starts where TV leaves off and ends where infrared begins. It is high frequency, and high frequency has certain properties that make it useful in a broad range of different applications, as, for example, missile guidance, computers, radar, satellites, telemetry, tropospheric communications, and even electronic cooking. These are all specific applications that come out of the basic technology of microwave.

I told you before that we prefer to stress components. We tend to avoid the systems company. In microwave technology, we have a very convenient component. It is the microwave tube. It's hard to make and there are only 2 companies that give you meaningful exposure to it. They are Varian Associates and Eitel-McCullough. These are not the only 2 companies in the industry. Bendix makes microwave tubes; so do RCA, GE, Raytheon, Westinghouse, Sperry Rand and Litton. However, you get the most exposure to microwave tubes per dollar of investment from Varian and Eitel-McCullough.

Because of its larger size, broader technical base and longer seasoning, Varian is the investment-grade issue. Eitel-McCullough, which is somewhat statistically cheaper

but more speculative, is the semi-investment grade issue.

There is another area of microwave that is attractive—microwave instruments and test equipment. Here again, you find a very small number of eligible companies. They are Hewlett Packard, the giant and blue chip of the microwave instrument industry, and Polarad (not Polaroid), and FXR, which particularly appeal to me. Another excellent company is Electro Instruments. And the last in that small group is Microwave Associates. I must mention this fine company because it fits into the group. However, I feel that the stock around 28 is extremely high. On any significant reaction it deserves accumulation in speculative accounts.

In the areas of new "electronic" metals, there are only 2 companies: Fansteel Metallurgical and Kawecki Chemical. This is why Kawecki has been so active and strong lately. It has few shares, a small equity base, giving you maximum exposure to new metals, particularly tantalum. Tantalum is growing parallel with semiconductors because they are used together. They are "kissing cousins." Kawecki is by far the most interesting speculation. In the field of data processing, you have giants such as IBM and National Cash Register. I am not very interested in that group because the companies are so large. I don't mean to say that I would sell IBM out of a portfolio. It is a magnificent company. However, even among the giants we find 2 small companies that have unique positions and that merit a place in a representative science portfolio. They are Control Data Corp., which probably has the most advanced large-scale computer on the market today, bar none, and Electronic Associates which, though catering to the analog computer field, has captured 65% of the market.

There is another area of the data processing industry of which most people are unaware—data preparation or data handling. Our computers calculate with the speed of light, but we bring information to them on ox-carts, meaning that we hire batteries of girls, looking at original invoices, who manually prepare punched cards. This is the bottleneck. Therefore, this is the area to investigate. Data handling, as a market, some day will be as large as data processing, which currently is about \$750 million annually. The companies in this field that attract me are Friden Calculators, Farrington Mfg., and General Time. Two specialties that should not be bought indiscriminately, because they are very small and speculative, should appeal to the man who can take the risk. They are Soroban Engineering and Digitronics.

Exciting development at Farrington

Let me extract one company from this list—Farrington. Farrington makes a machine that reads! It will optically read an invoice or page of text and reduce it to computer language. The Air Force has a Farrington machine that reads technical Russian literature. It is hooked into an IBM computer and out comes the equivalent English. The Post Office has a Farrington machine that reads the addresses on your mail and routes letters automatically. American Telephone has several Farrington machines that prepare and read your dividend checks. Other blue chip users include *Reader's Digest*, National Biscuit, First National City Bank, Bankers Trust, Standard Oil of California, and Standard Oil of Indiana. Not bad for a beginning, eh? This is one of the most exciting new developments in office automation and this company may have a monopoly position. Potentially, it has a bigger market 5 years from now than Ampex had 5 years ago. It is a risky stock. It sells in the market for about \$40 million and has only about 30 installations in the field. It will lose money this year; it may break even next year. But think of the potential 5 years from now if this company has one-half of the market in automatic reading equipment! This market probably exceeds 15,000 machines at a yearly rental of \$20,000 each plus another \$50,000 per machine in related income from credit cards, embossing services and point-of-sale im printers.

There is a new specialized area of data processing called information technology. Modern society faces greater danger from being buried under a mountain of red tape than it does from the radiation of strontium 90. We solved only one-half of the data processing problem with our electronic business computers, insofar as they only handle arithmetic. But there is another aspect of paper work that these computers cannot control; that is the actual original document, such as a letter, engineering drawing, photograph, map, etc. We have not yet perfected a way to process automatically this kind of "graphic" information. But we will, and when we do, a new industry will arise that is called information technology.

Billion-dollar information-technology

Huge industrial corporations find that they design the same machine as many as 6 times a year, simply because they do not know that it has already been designed somewhere in another of their plants and the forgotten blueprints are gathering dust in the files. In the future, such companies will punch the parameters of a machine, such as a transformer, into this computer and out will come microfilm with the complete engineering drawings. This is one of the most important new industries. IBM is working on it and so are RCA, Thompson Ramo, Eastman Kodak, Magnavox and Itek. But Itek gives you maximum exposure because the bulk of that company's future activities will be in this new industry which will not enter a commercial phase for 3-5 years. But information technology will be a billion-dollar industry in the future. Itek has been financed by the Rockefellers and it has one of the most outstanding technical groups in the field. It represents a brilliant long-term speculation.

Photography is an applied science, and here we find our dear Polaroid. There is no need to elaborate further on this magnificent growth company. With less than 2 million 60-second cameras in use, and color, small cameras and industrial applications still to come, the surface has hardly been scratched. We consider Polaroid one of the great 10-year growth stocks.

Again in *Newsweek* you have read that the housewife of the future will wash her dishes and clothes with silent sound, or ultrasonics. Ultrasonics is a specific technology and only 3 companies give you maximum exposure to it: Acoustica Associates, Branson, and Narda Ultrasonics. I prefer Acoustica, but Branson is also valid.

Another specific technology that should interest the enterprising investor is infrared. Infrared begins where microwave leaves off and ends where visible light begins. It will have tremendous future application in the laboratory for analytical instruments, in the industrial plant for process control, along railroad tracks to spot hot boxes as trains pass by, and for space communication and anti-missile systems. Three small companies provide meaningful access—Barnes Engineering, Servo Corp. of America, and Infrared Industries. My clear choice is Barnes. It has a little over 300,000 shares outstanding and is earning about a dollar a share. At 25 times earnings the stock makes sense because the company may be on the threshold of a great upheaval. Perkin-Elmer, Electronic Corp of America, and Baird-Atomics also have stakes in the field, but I do not consider them appropriate vehicles at this time.

Another attractive specific technology is magnetics. There have been several exciting breakthroughs in the technology which have given this field a dynamic future. New types of ceramic magnets that are a magnitude stronger than conventional metal magnets, will create a revolution in the design of electric motors, and, possibly, automobile power accessories. Ferrite magnetic cores and magnetic drums are the heart of data processing memory systems. The most interesting and strongest company in the field, which also happens to be an investment-grade issue in my opinion, is Indiana General, which is slated to go on the Big Board soon.

In applied science there are 3 gems, 3 beautiful com-

panies that stand by themselves. They are so great, so strong technically, that they virtually are the entire industry within themselves. There is nobody within sight of them. They are: Ampex in the field of magnetic recording, GE notwithstanding; High Voltage Engineering in the field of synthetic radiation and ion propulsion (the space craft of the future may be propelled by atomic particles generated from synthetic radiation generators); and Electronic Associates in the field of general-purpose analog computers.

There are a few small specialties which must be treated carefully. They are not suitable for average accounts, but they are extremely interesting because their small size makes them potentially explosive should they encounter even moderate success. They are: Hermes Electronics, selling around 10. Included in this company's extraordinary technical staff are 3 Nobel prize winners who, related to the price, can be bought for \$3.33 apiece! For those who like low-priced speculations, this stock has real validity. C.G.S. Laboratories is a very small company. While its backlog is low, it has a strong technical group and some interesting proprietary products. Three hundred thousand shares, selling for \$10, means only a \$3-million equity base. There are the ingredients of a brilliant speculation. I would also like to mention, as being very interesting, Electro Instruments, Milgo Electronics, and British Industries.

There probably are a number of other specific attractive technologies that deserve a place in this new approach, but there is the problem of space limitation. However, I do want to mention 2 areas that have been omitted deliberately: The first is micro-modules or "minitronics," which has attracted the fancy of the market. Under this concept, an entire electronic circuit can be compressed into the space of a miniature device that now performs only one function. I think this development is overrated because it probably will be uneconomic for many years and, in the meantime, will find application only in such places as satellites where space and weight are compelling considerations. However, this whole subject is academic for the investor who has a position in solid-state physics because semiconductor companies are spearheading developments in this new field.

Another specific technology that does not appear relatively interesting is nuclear energy. The huge capital resources required in this business permit only the industrial giants to participate in the field, so the investor finds himself bumping up against the law of growth which says that big things do not display exponential growth. Radiation measurement and control instrumentation in nuclear applications is an extremely competitive field and a superbly managed, highly successful company like Nuclear of Chicago is the exception rather than the rule.

Over-the-counter list to be issued

Carl M. Loeb, Rhoades & Co. will issue shortly a list of over-the-counter securities which, in the electronics group, will include Dictaphone Corp., Hewlett Packard, International Rectifier, Philips' Lamp, Polarad Electronics, Sprague Elec., FXR, Itek and Thomas & Betts. There will be paragraphs on each of these companies. You will notice there has been some overlapping with my remarks.

Let us now go somewhat outside of the portfolio that arises from my approach. After all, we are dealing with human beings and they are not going to buy this new approach overnight. If they do partially, do not let them buy one stock. Say: "I want you to buy a package." These are specialized companies. There is always a risk in a specialized company, but you mitigate the risk by investing in several basic technologies or several specialized companies.

The standard conservative issues that we like are RCA, Sprague Electric and Electronic Associates. There are also the other acceptable blue chips: Litton Industries, Texas Instruments and Ampex. I may mention the same stock in different lists, but I am sure I don't have to explain that.

I consider particularly interesting as a semi-investment issue Philco Corp. I believe that Philco this year could earn \$1 per share from its solid-state physics business alone, which would by itself justify the present price of the stock. You get everything else for nothing. That is the concept here. I don't know what everything else is worth; I don't know the value of the white goods business and the defense business and the computer business. But I do know that last year Philco generated \$1.50 per share out of those businesses and I do know that management is being improved. Philco strikes me as a good, standard speculation.

Closed-circuit television for industry, military installations and schools, and subscription television via cable, are two impending new markets of great promise. Maximum exposure is best achieved through Jerrold Electronics which, despite its \$10-million size, is the strongest factor in the sophisticated business of distributing TV and FM signals over complicated coaxial networks. Here, again, we find one of the few really valid low-priced issues. The shares, around 8, earn about 35¢ on a fully converted basis and have a cash flow of about 50¢ per share. There is an interesting little specialty which I mention with some reluctance because there are only 88,000 shares in floating supply out of a total capitalization of 425,000 shares. Therefore, it must be treated judiciously. I don't know whether this has long-term validity because we have not checked it out yet. But we will. The company is Howard Sams. It's a publishing company, but it specializes in the publishing of technical material for the electronics industry. Its growth record is excellent and the concept of its business is intriguing. It may be a way of buying the electronics industry for 12 to 15 times current earnings. This fits into the concept of a Grolier Society and Crowell-Collier. While we have not yet checked it out, I did want to give you some insight into what we are thinking about.

If you were to ask me to select 4 great speculations with moderate risk but really extraordinary long-term appreciation potential, I would choose Polaroid, Farrington, Fairchild Camera and Itek. A package of low-priced attractive speculations would be Hermes Electronics, FXR, Jerrold Electronics, CGS Laboratories, Barnes Engineering and General Transistor.

It is obvious that the defense program is an important prop behind many of the stocks I have mentioned. You all have your own opinions about where the defense program is going. If you recall, when Khrushchev visited America the electronics group broke sharply. When other people in the Street said "sell out your defense stocks," we sent a wire to all our correspondents saying that they are going to come back. That's just what happened. I believe that the defense program will continue a long time. I believe that if it changes it will shift into the more sophisticated areas of new technology, the ones that I mentioned. I believe that if we do have an agreement with the Soviet Union, there will be a tremendous market for the control equipment necessary to police the peace. I also believe that if there is a real rapprochement on the military front with Russia, there will be a tremendous economic and technical competition with the Soviet Union, and that competition again will be in the laboratory and will be in these areas of advanced science.

Research and development depends upon money. It has been estimated that research and development expenditures have increased tenfold over the last 15 years and currently are about \$10 billion annually, of which only 5% represents pure research. This great increase explains the exploding importance of applied science and the acceleration of new discovery in our time. However, we must be aware that in the scientific competition with Russia one dollar of research in our country is considerably less than the equivalent dollar spent by the Russians. In any specific technology in our country there are many companies that compete with each other, that keep secrets from each other and, therefore, that duplicate, several times over, research programs leading to new or improved products. On the other hand, the highly centralized research and development in the Soviet Union avoids duplication. Therefore Russia probably realizes much more from fewer research dollars than we do. This is one of the key reasons that our own R & D programs have been so inadequate, and it is also the powerful argument for ever increasing expenditures that will find their way into the basic technologies. This is the fertile ground in which well-planted dollars should grow vigorously.

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NEW GOVT. ETV GRANTS to go to 6 colleges & universities for research projects in \$3-million audio-visual program under National Defense Education Act (p. 8).

Stations

COMPLETE AM-FM STATION DATA provided by our 1960 radio directory, now in mails. All North American stations covered (p. 2).

STORER PROGRAM MANUAL offered to all stations on first-come basis. Govt. & Storer procedures & requirements covered in 9-section, 150-page document (p. 13).

Auxiliary Services

STATIONS VS. CATV ON THE HILL—Lobbying by both sides, with Senators pushing for House action on Senate-passed booster bill (p. 3). Dept. (p. 24).

Manufacturing & Distribution

"MUSIC POWER RATING"—EIA's standard measurement for hi fi—wins acclaim from most manufacturers (p. 17).

TV TRENDS for spring & summer lines: General price increases, industry-wide adoption of 19-in. tube for portables & table models, demise of 21-in. set (p. 17).

RCA's SARNOFF & BURNS outline areas of growth for company & industry. Company's 1959 sales totaled record \$1.395 billion, profits exceeded \$40 million (pp. 19 & 21).

MORE RADIO IMPORTS for brand-name merchandising. Packard Bell signs 15,000-a-month deal. Admiral counters with U.S.-made shirt-pocket 7-transistor at \$29.95 (p. 20).

82 MILLION TRANSISTORS sold by U.S. manufacturers last year at \$113 million, nearly double 1958's factory value. More than 20 million more imported from Japan (p. 20).

Congress

DISC JOCKEY "SQUIRCHING" is charged at House payola hearings by Oren Harris, who says witnesses have been "retreating or drawing back" from truth (p. 3).

Networks

CENTRAL-AMERICAN TV NETWORK, with ABC-TV as 51% owner & U.S. sales agent, to join together 5 countries (p. 9).

1959 WAS 10.7% AHEAD; network-TV's gross time billings rose to \$627,311,530 from \$566,590,401 in 1958; Dec.-1959's business was 8.8% better than Dec. 1958 (p. 10).

Other Departments

PROGRAMMING (p. 11). **ADVERTISING** (p. 15). **PERSONALS** (p. 16). **FOREIGN** (p. 16). **FINANCE** (p. 21).

FCC PONDERES FREE DISCS & RECORD HOPS: Free records & record hops are among more troublesome questions FCC is considering as part of its payola-plugola problems. Current thinking at Commission is that Communications Act forces it to require identification of those giving stations or employes anything of value.

Literal reading of the law, according to FCC attorneys, would require that each free record be announced as "supplied by so-&-so" at time of playing. However, they think that some all-inclusive announcement every 15 min. would pass muster as "reasonable." Something like: "Records in the following program were supplied by Blank Record Co." Of course, exact language would be up to stations.

Record hops present similar problem. FCC legalists don't see how they can avoid requiring announcement identifying those contributing to & benefiting from record hops. Though some at FCC regard foregoing as hair-splitting, they believe remedy rests solely in amendment of Communications Act.

SAG'S 60-DAY EXTENSION: TV's film makers, struck by Writers Guild of America since Jan. 16, got unexpected break from another quarter last week. Powerful Screen Actors Guild, whose contract with Alliance of Television Film Producers doesn't expire until March 31, offered Alliance a 2-month extension of its contract. SAG negotiators must get approval from their board tonight (22), considered a formality.

Producers understandably breathed sigh of relief because it's actors' union which would shut down production if it should strike. SAG's move surprised many because there appeared no reason for it.

Informed sources attributed the action to 2 motives: (1) SAG wants time to settle question of proposed merger with AFTRA, and its schedule is already crowded by prolonged negotiations with the major movie studios on the contract which expired Jan. 31.

(2) SAG strategists don't want their demands to be too closely allied to those of striking WGA, because they think this would force their hand in negotiation.

One thing remained abundantly clear in this development. WGA, which had assured its members SAG would call a strike and thus support the writers, was on a limb. If SAG board approves the extension, it leaves WGA with no hope of support from its sister union in the near future. (For details, see p. 5.)

AIRBORNE ETV DELAYED: That \$7-million Stratovision experiment with educational TV, planned by Midwest Council on Airborne TV Instruction (Vol. 15:42 et seq.), won't get off the ground by the start of school next fall. The target now is midwinter. Reason: simply too tight a schedule for everyone.

Another change: No ground-to-air transmission. Instead, video-tape recorders will be carried aloft, and all transmissions will be air-to-ground. It was decided that the ground-to-air transmissions would be costly, troublesome, unnecessary, likely to produce interference. The plan is to use a DC-7 plane orbiting in a 10-mile circle 23,000 ft. above Montpelier, Ind., 140 miles from Purdue U., where the activities are centered. Uhf will be employed—Ch. 41, 47, 53, & 59 from the planes.

COMPLETE AM-FM STATION DATA: Our 1960 Radio Station Directory is off presses and into mails to all full-service subscribers, consolidating all the AM & FM additions & changes reported during 1959 in our weekly AM-FM Addenda service.

The 230-page volume (up from last year's 202 pages) covers all North American countries. It's divided into 7 parts: AM & FM stations by state & city, AMs by frequency, FMs by frequency, AM & FM applications by state & city, AM & FM applications by frequency, AM & FM stations by call letters, FCC type-accepted transmitters & monitors.

For each station, data includes: Licensee name & address, management & engineering executives, technical facilities, network affiliation.

Radio growth in other North American countries is about at a standstill, compared with U.S. development. U.S. license & CP total rose during year from 3,423 to 3,527 for AM, 686 to 839 for FM. Canadian AMs went from 231 to 235, FMs from 32 to 33. Mexican AMs increased from 500 to 506, FMs from 1 to 4. Cuba was unchanged at 156 AMs, 5 FMs.

Extra copies are \$7.50 each, \$5 each for 3 or more, available from us at Box 700, Radnor, Pa.

FCC JOGS UNBUILT UHFS: Uhf CP-holders who have been waiting for someone to do something to give them a reason to build have been told to turn in their CPs—or give FCC good reason for being permitted to keep them.

There are 113 such grantees, 54 of which have applications for "extension of station construction completion dates." The 54 are being hit with "make up your mind" letters now. Balance will be queried as their applications come up.

Each grantee is entitled to oral argument if he wants it, FCC said. If full evidentiary hearing is requested instead, request may or may not be granted—depending on detailed facts alleged in each case. CP-holders are given 30 days to reply. Some of the grants date back to 1952. Said Commission, in part:

"The Commission has carefully considered the statement submitted with your application. It appears therefrom that delay in construction has been due not to any difficulty in the procurement of equipment or to an inability to complete construction because of reasons beyond your control, but rather to your voluntary decision to postpone construction because of your belief that the proposed station could not succeed financially under present economic conditions. On this basis, the Commission is unable to find that you have been diligent in proceeding with the construction of the facility authorized in your permit, or that you have been prevented from completing construction by causes not under your control. Therefore, the Commission has concluded that a grant of your application would not be warranted.

"You are hereby advised that unless you inform the Commission within thirty (30) days from the date of this letter that you desire to prosecute your application further, said application will be dismissed, your construction permit will be cancelled and your call letters deleted."

STATIONS VS. CATV ON THE HILL: Jockeying & lobbying were going great guns in Congress last week, as Western stations and CATV operators did their utmost to affect CATV & booster legislation. NAB's CATV committee met, promptly sought to prod Rep. Harris (D-Ark.) into advancing the Senate-passed pro-booster bill (Vol. 15:37 p3). At same time, committee members urged their Senators to tighten & force through the CATV-control bill (Vol. 15:36 p1).

CATV operators meanwhile, through NCTA, were attempting to persuade Senate Commerce Committee members to tone CATV bill down. Both sides were dubious about getting any action during debate on civil rights, or even during this session. It was difficult to get judgments about possibility of action on bills. However, Sen. McGee (D-Wyo.), one of staunchest pro-booster & anti-CATV members of Commerce Committee, had this to offer:

"I'm a little more optimistic about action on the booster bill in the House. As for the CATV bill, I'm hoping for action during a respite in the civil rights debate—or after it, by March 1. We have a very fair CATV bill, and the CATV people had agreed to it. Now they've backed off and are trying to go around the Committee. It's a breaking of trust."

Sen. Allott (R-Colo.), in a letter to Harris, urged action on booster bill, hadn't received reply by week's end.

Congress

DISC JOCKEYS ARE 'SQUIRCHING': The House Commerce Legislative Oversight Subcommittee, which helped put "payola" into common American usage and has learned what "freebies," "lay-on," "hype" and "break-out" mean to disc jockeys, added "squirching" to its glossary of broadcasting probe terms last week.

The new word, derived from the hillbilly patois of his home state, was put into the Oversighters' record by Chmn. Harris (D-Ark.). He used it to describe what witnesses were doing as the Subcommittee plodded through the 2nd week of hearings on payola practices, which had first been scheduled for only one week.

In monotonous succession, Boston area record distributors & jockeys took turns on the stand to admit that money had been paid out by the former & received by the latter. But almost without exception, the witnesses insisted that the money wasn't payola for popularizing particular platters on the air.

As Arnold (Woo Woo) Ginsburg of radio WMEX Boston put it characteristically, \$4,000 he took in during the past 3 years from record firms was for "goodwill" & "tokens of appreciation"—not for on-air promotion of favored music.

"If you & the rest think we are going to swallow this as though it was just an incident, then you must think we're pretty naive, too," Harris told Ginsburg heatedly, protesting "all this reluctance, this squirching back on the facts." Interpreting the word later for reporters, Harris said it meant that the witnesses had been "retreating or drawing back" from telling the full truth.

Harris also suggested a big reason for the "squirching"—the knowledge that FCC could take away station licenses overnight. He didn't say so, but radio licenses in all 6 New England states will be up for renewal April 1, and it could be presumed that FCC will tell several of the licensees that renewal hearings seem to be indicated.

The Subcommittee got so bogged down in Boston testimony last week that it didn't have time before recessing

its hearing to get back to Miami Beach and the most exciting item on its agenda—a fun-&-frolic convention there last May, when record manufacturers picked up more than \$100,000 worth of tabs (Vol. 16:7 p6).

Jack L. Sandler, gen. mgr. of Storz Stations' WQAM Miami and vp of the radio chain which was official host at the convention, was served with a Subcommittee subpoena to produce a list of persons who attended it. But the Oversighters didn't get around to calling him, and testimony about the affair—to which girls were reported flown from N.Y. & Chicago—was put off, probably until mid-March.

Meanwhile, the liveliest incident at last week's hearings was provided by Harry Weiss, promotion man for Boston's Music Suppliers Inc. He threw a green, paper-covered book at UPI photographer E. Ed Alley and lunged at the cameraman in an effort to prevent him from taking a picture of the firm's Pres.-treas. Harry Carter. A Subcommittee staffer had to break it up, and the picture was taken anyway.

Record Labeled 'Hit' Before Going On Sale

On the stand later, Weiss swore that it was part of his job to contact Boston jockeys, but that he was unaware of any payola passed out to them by his company, although other testimony indicated \$27,121 had been paid. He also testified that he used letterheads of radios WBZ, WBOS and WHIL to submit his own entries for "top 10" record popularity polls conducted by *Cash Box*.

Pleading poor health, Carter was excused from testifying in public, but the Subcommittee questioned him in a closed session, then released a transcript. In answer to questions put to him by Subcommittee counsel Robert W. Lishman, Carter conceded that his firm had managed to promote "Growing Love" on radio as a hit before the record was put on sale. It turned out to be a flop, Carter said.

Another witness heard in private was Pres. Samuel H. Clark of AB-PT's subsidiary Am-Par Record Corp., who also pleaded ill health. A former co-owner with Carter of Music Suppliers, he was asked by Harris whether ABC-TV's Dick Clark (no relation to Samuel) plugged Am-Par products on *American Bandstand*. Lishman noted

that 9 Am-Par records were played 30 times in a one-month period last fall. But Clark insisted that neither jockey Clark nor "any other disc jockey of his size or importance" would play records before they became hits. Clark also conceded that before he left the Boston firm in 1955 he made an "imprudent" agreement with Music Suppliers by which he was to be paid \$208 per month for 20 years, although his AB-PT contract required him to dispose of any interest in other record companies.

In still another transcript of private testimony made public by the Subcommittee, ex-WBZ Boston jockey Norman Prescott was disclosed to have testified Feb. 8 that in 3 years he collected \$9,955 from Music Suppliers, Dumont Record Distributing Corp., Mutual Distributors Inc. and Records Inc. He said he finally walked out of WBZ last July because: "I was ashamed of myself. I was ashamed of the industry." The first witness to admit that the payments were payola, he said the practice is nationwide.

No Payola — Just Testola

In public testimony, Pres. Harry Dumont of Dumont Record Distributing Corp., acknowledged that he had paid at least \$8,830 to a dozen Boston jockeys & station librarians in 1958-59. But he maintained the payments were gifts for "testing" records & for "consideration in listening to my new releases for air play." He rejected suggestions by Lishman that he had agreed with the recipients to back up "concocted" & "fabricated" stories to explain the payments. In other testimony:

Maxwell Richmond, pres. of WMEX and radios WPGC Morningside, Md. & KBMI Henderson, Nev., said WMEX had been paid \$1,400 in 3 months in a deal with Records Inc. It was the first admission at the hearings that a station itself—as well as employees—had benefited from such payments. But Richmond said the money wasn't payola. It went to help defray costs of mailing out free records to listeners, he insisted.

Melvin Miller, WMEX jockey, said he had received \$450 from 5 record firms as "goodwill gifts."

Joe Smith, WILD jockey, offered a new twist. He said he collected royalties ranging from 1¢ to 5¢ from Coed & Dale record firms for every disc they sold in the Boston area, making \$700 on the Coed deal and \$450 on the Dale arrangement. Lishman brought out that ABC-TV's headliner Clark had had a financial interest in copyrights on one Coed record. Smith also acknowledged receiving about \$7,700 from other record manufacturers & distributors. But he said none of the deals influenced his choice of records on his WILD show.

Gordon J. Dinerstein, vp of Music Suppliers, said his company stopped "goodwill" payments to jockeys last Dec. after the Oversighters started their payola probe. But payola wasn't involved, he swore.

"I do not believe you," Rep. Moss (D-Cal.) told Dinerstein. And Harris broke in: "Public indignation is such that the American public is not going to stand for that kind of practice."

Conflict-of-interest laws governing conduct of govt. officials & employees need "substantial strengthening," Asst. Comptroller General Frank H. Weitzel testified last week. One of the first witnesses to appear in a series of hearings by the House Judiciary Anti-Trust Subcommittee headed by Rep. Celler (D-N.Y.), he said "constant & unwavering vigilance" by administrators of federal agencies was the best insurance against wrongdoing. But loopholes in laws should be closed to avoid "mischief," Weitzel added.

The FCC

In St. Louis Ch. 2 "influence" proceeding (Vol. 16:5 p6), FCC's office of the general counsel filed its brief last week, concluding that no applicant or Commissioner should be disqualified, but that "a comparative demerit" should be assessed against KTVI (Ch. 2) "in the event that further licensing proceedings are held to be necessary by the Commission." The Commission attorneys asserted that there were "significant *ex parte* contacts by proponents" and that the proceedings should be set aside. The brief was signed by Edgar W. Holtz, James T. Brennan & Joel Rosenbloom. Deadline for the filing is Feb. 23, and the other parties are expected to file then.

Vigorous defense of FCC was written last week by Dartmouth govt. Professor Elmer E. Smead in a letter to the *N.Y. Times*, which had suggested editorially that some Commission members are men of "low quality." Author of *Freedom of Speech by Radio & TV* and a witness at FCC's recent hearings on programming & powers (Vol. 15:51 p4), Smead said the editorial opinion was "a perfect example of the devil theory of govt." Citing FCC's complex problems & referring to the hearings, he went on: "In this instance, the charge is baseless. The Commission is not negligent. In fact, it is providing a constructive leadership for the entire industry, and it is acting in a statesmanlike fashion."

Grand Rapids-Kalamazoo drop-in proposal, in which the FCC plans to assign either Ch. 13 or Ch. 11 to the area (Vol. 16:5 p1), was modified by the Commission last week to provide that Ch. 6 (instead of Ch. 3) would be substituted for Ch. 9 in Alpena, Mich. The reason, FCC said, is that Ch. 6 would offer less interference to Canadian stations. The Commission also: (1) Denied a request by Blythe TV Co. for the assignment of Ch. 25 to Blythe, Cal., on the grounds that it would conflict with the assignment of Ch. 25 in Sonora, Mex. (2) Dismissed without prejudice the petition of J. Patrick Beacom for the assignment of Ch. 14 or Ch. 15 to Ft. Pierce, Fla.

Protest against station ownership of BMI, by the American Guild of Authors & Composers (Vol. 16:2 p6), was turned down by the FCC on procedural grounds. However, the Commission announcement said: "The Commission stated it will consider all information brought to its attention which bears on the qualifications of broadcast licensees and, accordingly, the matters set forth in the pleading will be studied to determine what action, if any, is warranted." AGAC said 563 stations spurn non-BMI music.

Another protest against a microwave to serve a CATV system has been granted by FCC—that of KLIX-TV Twin Falls, Ida. against CPs authorized to Idaho Microwave Inc., which planned to feed a Twin Falls CATV system with the signals of KSL-TV, KCPX-TV & KUTV Salt Lake City. A hearing will be conducted.

Top-level TV conference of NAB, network and advertising organization executives with the Senate Commerce Committee, scheduled for Feb. 19 (Vol. 16:7 p4), was postponed last week by Chmn. Magnuson (D-Wash.) until March 1. The session was put off because several Committee members couldn't be on hand for it and others didn't want to leave the Senate floor during the civil rights debate which started last week. The March 1 conference will be held at the same time & place: 10:30 a.m., New Senate Office Bldg., Room 5110.

Film & Tape

More about

SAG CONSIDERS WHILE WGA STRIKES: Responsible sources at WGA and the Alliance of Television Producers agreed last week that their prolonged negotiations had boiled down to one key issue—the question of overseas residuals on telefilms. WGA was confident that if this could be settled, the other issues (such as increased minimums, pay TV and residuals in perpetuity) could be resolved. In fact, the overseas issue is the only one being discussed now. WGA seeks 4% of the foreign gross. But the Alliance remained as adamant in its refusal to grant such residuals as WGA was in its demands for them. Neither side expressed confidence of an early settlement.

WGA will have a membership meeting Wed. night (24) to update writers on the status of negotiations in TV & movies. There has been no progress on negotiations with the majors—they are deadlocked over the issue of post-1948 movies sold to TV—but WGA has signed 6 more independent movie companies, including Harris-Kubrick Pictures and 2 companies headed by Richard Widmark.

SAG's conflict with the major studios—also on the issue of post-1948's—remained unresolved, but a strike did not appear imminent, although the Guild's contract with the majors expired Jan. 31, and membership has voted authorization for such a strike. The vote (largest in SAG history) was 5,899 for, 1,199 against.

Pension Fund Seen as Solution

SAG executives met with a group of actors at Tony Curtis' home last week, to say they seek a compromise. David Niven, who chaired the meeting, told us later: "The post-1948s are part of the actors' soft underbelly. We all worry about the future. I've been lucky, but many actors who are seen over & over again in old movies on TV suffer from it." Niven expressed his belief that the solution lies in a "generous" pension fund for actors, a belief shared by SAG. The studios have indicated willingness to grant such a fund, but the terms have yet to be settled.

Strangely, two virtually identical solutions for a pension-welfare fund (both entitled "a way out") were offered last week, one by *Variety*, the other by independent producer Richard Sokolove. Both suggested that the impasse could be destroyed by creation of a pension-welfare fund, with the majors to contribute 5% of the original cast costs of the post-1948 movies. The Sokolove plan was offered to the majors before the *Variety* plan appeared in print, but studios were cool to it, repeating their intent not to give the guilds any part of post-1948 revenue.

SAG leaders told us that if they give in on the residual issue they'll have to return \$600,000 in post-1948 money already collected from independents. (Independents have paid SAG this money under the so-called "Monogram Plan," which called for producers to give actors 15% of their original salary in post-1948 movies sold to TV. Warners and RKO have made separate post-1948 deals, Warner on a few of its pictures, RKO on its entire backlog. Altogether the Guild has collected about \$1.5 million in post-1948 movie residuals. The Monogram plan is based on the Aug. 1, 1948 stopgap clause.)

Meanwhile, SAG seeks to avert a future "post-1948" crisis—in its current contract demands the Guild wants a clause allowing actors appearing in post-1960 movies to make deals for extra pay when such movies appear on TV.

Ampex's Road Show: The latest symposium—in Washington Feb. 15-16 and 3rd of the series—gave station executives from the East & Southeast opportunity to tell how they use the VTR. Ampex people enjoyed their enthusiasm, of course, but they keep looking over their shoulders at slow-to-start but huge RCA, now stepping up production to catch up with a reported backlog of 100 orders. The competition will come to a peak at the April 3-6 NAB convention in Chicago, where it is reported RCA will use the slogan "I'm glad I waited for RCA." Ampex is countering with "I'm not a waiter. I'm an operator."

The symposium (idea of sales development mgr. Robert Day) held its first session in San Francisco Feb. 2-3 (Vol. 16:6 p15), its 2nd in Chicago Feb. 8-9. Day believes a 4th may be necessary—probably in Dallas. Because of the heavy interest by the military in Washington, he's considering a special showing for them. He reports that 600 VTRs have been sold, that 170 stations are equipped, that Ampex now offers 30-day delivery. The price is still \$52,950—unchanged since last year's NAB convention. Day placed heavy emphasis on the development of inter-sync, stating that it makes tape as flexible as any other program source (Vol. 16:4 p10). Production models, available by Sept., will sell for "under \$4,000."

Topics for each symposium meeting have been the same. All sessions have been taped, and Ampex will offer them to the industry by NAB convention time. Last week's speakers described at length how video tape drastically cuts overtime manpower, makes best use of local talent & programming material, increases local sales, improves quality of programs & commercials, removes "panic period" deadline pressures.

For example, Lawrence M. Carino, gen. mgr. of WWL-TV New Orleans, stated that VTR eliminates about \$20,000 annually in overtime manpower, that it earned the station \$30,000 from Gov. Davis's campaign. "We call the machine Old Sunshine," he said. WWL-TV has 2 recorders, is considering a 3rd to go in a remote truck.

Merl L. Galusha, mgr. of programming & technical operations of WRGB Schenectady, reported that his station now offers live-quality Sat. & Sun. programming without prohibitive manpower costs, that local money, once spent on syndicated film, is now flowing to the station in the form of locally-produced spots. "A local sponsor who wants a particular personality to sell for him can use him day & night," he said. He looked forward to "cracking the local dept. store business." Another use: GE, which owns WRGB, produced a 20-min. training tape (to be transferred to film) in 10 hours—"compared with 10 days required to shoot it on film."

The other speakers: Leroy Kilpatrick, operations vp of WSAZ-TV Huntington, W.Va., on "Efficient Scheduling of Crews & Equipment with VTR"; Lew Klein, program mgr. of WFIL-TV Philadelphia, on "Successful VTR Operating Policies"; Olin Terry, production mgr. of KFJZ-TV Ft. Worth, on "Production Techniques with VTR"; Carl Bergquist, program operations mgr. of WFLA-TV Tampa, on "One Machine Operation with VTR"; Eldon Brown, Ampex, on "Methods, Maintenance, Materials"; Joseph Roizen, Ampex, on "New Products & Techniques from Ampex"; Charles Anderson, Ampex, on "Design Philosophy & Future Prospects"; Jack Nettlich, Ampex, on "The Marconi Mark IV TV Camera."

Britain is a buyer's market for U.S.-made telefilms, CBS Films' Robert M. Baruch, international sales dir., warned an RTES audience in N.Y. Feb. 16. Most of the money made by U.S. firms in the international telefilm market involves filmed-in-Britain shows that avoid the TV quota ceilings placed on non-British film product (14% on commercial TV channels, about 10% on BBC-TV), he stated. For the average U.S.-filmed show, it's a case of "waiting in line," unless the show is "the best available," said Baruch.

MPI's Anti-TV Move: The keep-new-movies-off-TV plans of an exhibitor-oriented group seeking to buy TV & theatrical re-issue rights of post-1948 movies have aroused "considerable interest" among several banks & underwriters, Ben Marcus, spokesman for Motion Picture Investors Inc., told us Feb. 18. Marcus, who heads Allied Theatre Owners of Wisconsin, said "exhibitors are 100% behind the plan" to raise \$30 million for the purchase of post-1948 films with theatrical re-issue potential. He plans to meet with Walter Reade Jr., pres. of MPI and of Walter Reade Theatres, within the next 2 weeks to "proceed according to the original idea of purchasing the post-1948s." MPI hopes to raise \$25 million from underwriters, \$2 million from exhibitors and \$3 million from public subscription. There's been no reaction to MPI yet from film distributors.

The MPI move is not unlike the campaign by Britain's Film Industry Defense Organization, known in Britain as FIDO, which has attempted to block the sale of postwar films to TV through purchase of rights from a fund supplied by exhibitor donations and a small percentage of every movie ticket sale. FIDO recently got a jolt, however, when Associated-Rediffusion bought a package of 55 post-1948 films from Romulus Films and Independent Film Distributors Ltd. by simply buying both companies last month for about \$1.3 million.

ITC sales are continuing during the transition period in which control of the firm is passing to Associated TV Ltd. of London. *Interpol Calling* is now being launched in U.S. & overseas syndication, despite initial name-similarity problems (with the Danzigers' *Man from Interpol* on NBC-TV). In the market abroad, ITC has sold *Interpol Calling*, *Susie* and a 2nd year of *Lone Ranger* to TV outlets in Puerto Rico, and has had renewals there on 6 series for a total gross of \$110,000. An ITC branch office, with William Clapham named mgr., has been opened in Montreal, and a sale of the *Fury* series has been made to CBC for telecasting on both its English & French-language networks. General Foods, sponsor of the series in the U.S., has signed as co-sponsor for the Canadian *Fury* telecasts.

Last year's volume of Hollywood feature films, passed by that industry's Production Code Administration, was the lowest since the advent of TV—223. It compares with the peak figure for the decade of 432—in 1951. That figure dropped off in succeeding years to 368 in 1952, 354 in 1953, 303 in 1954. The drop was halted in 1955 by a tiny move back up to 305. This bullish movement remained a trend for two more years (337 in 1956 and 380 in 1957) but the industry started down again in 1958, with 287.

Ampex of Canada Ltd., a new affiliate of Ampex International S.A. (Fribourg, Switzerland), wholly-owned subsidiary of the Ampex Corp., has been formed to market all Ampex tape recording products in Canada. Marketing of Ampex video products will be conducted from the company's hq at 1458 Kipling Ave. N., Rexdale, Ont. Digital & analog data recorders will be marketed by a branch office in the Commonwealth Bldg., Ottawa.

TV Westerns go too far, believes Sen. Murray (D-Mont.). In the *Congressional Record* he inserted a "telling commentary" by publisher Don Coe of the Plains, Mont. *Plainsman* on such shows. "It's getting to be more than we can swallow," Coe wrote in his column "One Man's Opinion," reviewing recent Westerns. Cited was one episode in which "the bad guy" proposed to finish off a wounded "good guy" because "it's the Christian thing to do."

Icy Reaction to Producer Demands: Hollywood executives reacted negatively to demands of the Television Producers Guild, presented last week. Main proposals: Residuals (from \$100 to \$800 an episode depending on budget & film length) and recognition of TPG as a bargaining agency (Vol. 16:6 p16). The executives we checked opined that TPG is not a labor negotiating group because its members are part of management. And the Alliance of Television Film Producers, which has been given the demands, did not comment.

Expansion of TV-film residual system to new areas (as sought by Writers Guild of America) would prompt other unions & guilds to demand slices of the pie. This could seriously affect the survival of the TV-film syndication business. So said Alliance of Television Film Producers Pres. Richard W. Jencks last week to the Hollywood Ad Club. Jencks didn't name the areas, but obviously meant overseas distribution. He said that in 1959 over 2,000 TV films were produced in Hollywood, as compared to over 200 movies, and estimated that two-thirds of show business employment there is in TV. Asserting that TV films have never received their proper recognition, Jencks elaborated that they are still smothered by the image of the movie industry and overshadowed by the publicity given to live network shows. He pointed out that TV films don't need the kind of publicity delivered for movies & TV spectaculars. He predicted that this decade will see "ever greater freedom & variety in the creation of popular entertainment, prepared for an increasingly sophisticated mass audience."

Musicians Guild of America and the Assn. of Motion Picture Producers have signed a revised contract providing for a 400% increase in the minimum use of musicians for TV films produced by the major movie studios. The contract is expected to boost earnings of musicians working in TV at the majors by \$1 million this year. All the majors except Universal-International now have TV operations.

Senate probe of foreign-made sound tracks used in U.S. TV films, as proposed last year by Sen. Morse (D-Ore.) following AFM protests against the practice (Vol. 15:23 p3), has been demanded by the AFL-CIO exec. council. Meeting in Bal Harbour, Fla., the council endorsed a resolution from the musicians' union which said an investigation would uncover "retrogressive, job-destroying" effects of imported canned music. The council also approved a NABET resolution warning that employment of U.S. TV workers is menaced by production of TV shows abroad through use of video tape.

Use of live & domestically-recorded music in American TV films was endorsed last week by the Cal. Democratic Council when it adopted an AFM-introduced resolution. The Democrats, meeting at Fresno, also supported a resolution introduced in the Senate by Sen. Morse (D-Ore.) calling for a Congressional probe of "runaway" music soundtracks—i.e., canned abroad & used in U.S. TV films.

Four Star Television is reactivating its *Four Star Playhouse* series of several seasons ago, this time with 6 stars. The lineup will include Four Star owners Dick Powell, David Niven and Charles Boyer of the original series, and negotiations are under way to add Joan Crawford, Lana Turner and Lauren Bacall. Talks are now being held with an agency regarding the series for next fall.

NEW YORK ROUNDUP

Guild Films' merger with Vic Tanny's health-club chain lacks only Guild stockholders' approval to be complete, state Guild Pres. John J. Cole and Tanny. The latter will become the largest single shareholder of the muscles-&-movies combination as well as chmn. & chief executive officer, operating from the West Coast. Cole will continue to head N.Y. film-sales operations. Tanny is a heavy TV spot user, and Guild has lately been bartering many telefilm properties for unsold station time, of which it now has a sizeable backlog.

Ed Sullivan's Sylvan Productions has completed a 30-min. pilot of a projected dramatic anthology series to star Sullivan as host-narrator. It is titled *Win, Lose or Draw*. CBS-TV has backed the project financially . . . Another columnist, Bob Considine, may also have a TV show next season. He's been signed by Pathe News to host a 39-episode, 30-min. series titled *Men of Destiny* and based on old film footage picturing Thomas Edison, Theodore Roosevelt, Joseph Stalin, others . . . Tony Randall has been signed by the Billy Friedberg-Neil Simon production team to star in a Western situation-comedy series, *The Drumbeaters*, about a press agent in the 1870s. CBS-TV is considering the series for the fall.

Medium-priced TV movies play an important role in station film-programming by acting as a balance to high-priced, star-heavy feature films, said Atlantic TV Inc. Pres. Alfred H. Morton Feb. 19. Explained Morton, one-time NBC vp for o&o stations: "Station buyers should not fall into the trap which Hollywood experienced over the years—buying pictures for critical acclaim and not for box-office response. Particularly during rating months, the cost-per-rating point (of feature films to the station) becomes an important factor to cost-conscious film programmers."

International Productions Inc., in association with WKAQ-TV Telemundo, San Juan, P.R., is syndicating a 39-wk. 30-min. tape series, *Showtime in Puerto Rico*, designed specifically for U.S. Spanish-speaking markets, such as N.Y., Los Angeles & Miami. Puerto Rican TV talent will be employed in the bi-lingual series.

United Artists Associated 1959 sales exceeded \$10 million, according to Pres. Eliot Hyman. The figure covers leases to TV stations of UA's features, cartoons and other film product . . . ABC Films Pres. Henry Plitt has reported that gross billings for 1959 domestic & foreign sales were up 42.9% over 1958.

Ira D. Beck has been named supervisor for Latin America of United Artists Associated & UA-TV . . . Harold Schaffel has been appointed administrative coordinator of Screen Gems' business affairs dept. . . . John Houseman & Vincent Minnelli will direct the 32nd annual "Oscar" presentations, NBC-TV, April 4.

Joe Franklin's *Memory Lane*, a WABC-TV N.Y. 60-min. daytime blend of personality interviews & ancient silent movies, scored a major regional sale last week, with La Rosa Spaghetti signing for a daily 15-min., Mon.-Fri. segment on an 18-wk. contract.

ABC Films has sold a French-dubbed version of ABC-TV's *John Gunther's High Road* to the CBC French-language network. Procter & Gamble of Canada Ltd. will sponsor the series, retitled *Decouvertes* ("Discoveries").

HOLLYWOOD ROUNDUP

Producer Herbert B. Swope Jr. has sued 20th Century-Fox Television for \$55,066.67 in salary. He claims the studio fired him Jan. 20, although his contract, by which he receives \$1,400 a week, runs until Oct. 23. He says he was in the midst of negotiations for settlement of his contract when the studio dismissed him, giving the Writers Guild of America strike as its reason. But production is proceeding normally despite the strike, alleges Swope. He produced *5 Fingers*, which was canceled last Dec.

John Robinson, producer of Four Star Television's *Wanted—Dead Or Alive*, has resigned to form his own TV company, Libra Ltd. Robert Ginter, Malcolm Stuart and Harry Wainwright are associated with him. Robinson finishes the final segment of *Wanted* this week . . . Terance De Marney, regular in Four Star's Johnny Ringo series, has left the show, the second regular to pull out. Karen Sharpe got her release 2 weeks ago. Both believed their roles too small . . . NT&T's annual stockholders meeting will be held March 15 in Los Angeles.

Voli Productions, just formed by Gene Kelly, will produce a new comedy-adventure series, *An American in Paris*, starring Van Johnson. The pilot is being filmed this week in Paris, with Kelly as producer . . . Desilu Productions is filming for ABC-TV the pilot of *Harrigan & Son*, starring Pat O'Brien. Cy Howard is producer . . . News Limited of Australia has opened a Hollywood news bureau to cover TV. Nona Teller is in charge.

Paramount Television Productions has taped a 30-min. pilot of a new series, *Celebration at Ciro's*, about the Hollywood nightclub. Ciro's owner, Frank Sennes, is exec. producer . . . Goodson-Todman, in association with Fenady-Kershner-Kowalski, plan to make a pilot for *Las Vegas Beat* in that Nevada town . . . G-T and Fenady-Kershner-Kowalski have signed James Drury to star in another pilot, *The Yank*.

General Foods has bought a comedy series, the tentatively titled *Andy Griffith Show* for next season, in a deal for 32 first-runs and 7 reruns. The pilot was made by Griffith's Griffink Corp., in partnership with Danny Thomas, Sheldon Leonard and Louis Edelman, and was seen on Thomas' CBS-TV show last week . . . General Foods, meanwhile, has renewed the Thomas show for next season.

ITC, which recently sold out to ATV (Vol. 16:7 p17), is paring its personnel of 30 in Hollywood. All but about a dozen are leaving the company, among them Ted Rogers, dir. of programming & production, and Bud Kay, chief story editor. Phillips Wyly remains as production administrator. ITC still plans to film 11 more *Best of the Post* episodes, to bring that series to 39—also *Frontier Correspondent*.

The Directors Guild of America voted Desilu Productions' *The Untouchables*, directed by Phil Karlson, the most outstanding directorial achievement of the year at its annual awards dinner.

To aid study of the proposed merger of SAG & AFTRA (Vol. 16:2 & 3), Screen Actors Guild last week sent copies of the David L. Cole report to its members.

Crosby-Brown Productions has sold *The Pioneers*, syndicated version of *Death Valley Days*, in 10 markets, including KCOP Los Angeles and WPIX N.Y.

Educational Television

NEW GOVT. ETV GRANTS: Six colleges & universities share federal funds to finance educational TV research projects in a new batch of grants awarded by U.S. education Comr. Lawrence G. Derthick for audio-visual teaching studies under Title VII of the National Defense Education Act.

Following advisory-committee screening of applications received last fall for awards in the \$3 million audio-visual research program for fiscal 1960 (Vol. 15:45 p23), Derthick approved these ETV-related proposals:

Stanford U., Palo Alto (with Denver public schools): Four-year research "on the context of instructional TV."

Florence (Ala.) State College: State ETV network experimentation in eradication of adult illiteracy.

Florida State U., Tallahassee: Experimental analysis of effects of varying techniques on student tests in a study program basic to TV teaching.

Ohio U., Athens: Investigation of uses of film to improve TV teacher training.

U. of Chicago: Complementary uses of audio-visual media by teaching staffs.

U. of Tex., Austin: Study of TV's effectiveness in in-service education of elementary mathematics teachers.

Amounts of the individual grants weren't reported by Derthick, some being subject to further negotiation with the institutions involved. Also subject to final negotiations were additional contracts for audio-visual educational conferences, tentatively awarded to the National Education Assn., Washington; Portland (Ore.) State College; Sacramento State College; American U., Washington; University Film Foundation, Ames, Ia.; U. of Colo., Boulder.

Earlier, Derthick announced a new mass-media research program of small govt. grants (\$2,500 or less) to graduate students & teachers for study of audio-visual techniques. He said \$300,000 will be available to finance these grants to June 30. "This program will provide an unusual opportunity for promising young researchers to engage in exploratory studies," Derthick said.

The Office of Education also announced another by-product of the National Defense Education Act—publication of a 90-page manual for school administrators. Titled "Improving Instruction—Budgeting Your Audio-Visual Program," it's available free from the Audio-Visual Center, Indiana U., Bloomington, Ind.

Eight new uhf ETV channel assignments have been made by FCC for Alabama—in addition to its present 3 vhf & 4 uhf—to enable the state to establish a 2-program network. The following allocations were made: Ch. 29 Andalusia, Ch. 48 Birmingham, Ch. 18 Demopolis, Ch. 19 Dothan, Ch. 21 Florence (shifting it from Gadsden), Ch. 24 Munford, Ch. 22 Opelika, Ch. 14 Tuscaloosa. In the process, commercial Ch. 77 was substituted for Ch. 14 in Clanton, commercial Ch. 75 for Ch. 24 in Sylacauga. The Alabama Educational TV Commission now operates WAIQ (Ch. 2) Andalusia, WBIQ (Ch. 10) Birmingham, WCIQ (Ch. 7) Munford. The Commission also started rule-making to shift the educational in Kalamazoo from Ch. 74 to Ch. 46.

FCC needs "corrective action" to remedy its "completely indefensible" attitude toward educational TV, according to exec. secy. Edgar Fuller of the Council of Chief State School Officers. In Atlantic City for a meeting of the American Assn. of School Administrators, he maintained that FCC "has gone completely commercial," that "its policies on educational TV are not in the public interest." Until recently, Fuller said, FCC gave priority to ETV applicants for 3rd channels in cities where 2 commercial stations already were on the air, but now commercial applicants are getting the nod.

Ford Foundation Grants: The Ford Foundation announced educational TV grants totaling \$1,603,420 last week—over half of this going to universities in the U.S. Of this sum, \$73,640 is part of an appropriation earmarked for "further development of direct instruction by TV and for activating educational-TV channels." It was awarded as follows: U. of Me., \$20,500 for activation of an ETV channel in Orono; Western Mich. U., \$18,000 for exchange of TV college courses among 11 colleges & universities; Fla. Educational TV Commission, \$10,140 for development of ETV service for schools & colleges; Western Interstate Commission for Higher Education, \$25,000 for ETV cooperation in 13 Western states.

A grant of \$500,000 (one of the 2 largest) went to National Educational TV & Radio Center for radio broadcast exchange between the U.S. and other countries. Under this grant, the Bestg. Foundation of America (Ford grantee since 1958 and programmer of English language news analyses, scientific & cultural talks and programs prepared by foreign broadcasting organizations) will combine operations with the new International Exchange Div. of NET. The other \$500,000 grant was awarded to Purdue Research Foundation for the Midwest Council on Airborne TV Instruction's experiment (Vol. 15:42 et seq.). This is the first major grant from the \$4.5 million appropriation approved by the Foundation last year. An additional grant of \$23,000 for the airborne ETV project was given to the National Bureau of Standards.

The U. of Texas received \$139,220 for an 11-college network series of TV courses; a grant of \$350,000 went to the National Education Assn. for completing studies on the use of the staff in secondary schools, and a Foundation-administered study on the prospects for ETV in secondary schools in India received \$17,560.

Short-spaced Ch. 9 CP—185.6 miles instead of 190—was granted by FCC last week for an ETV station in Savannah, to the Georgia State Board of Education. Reason for mileage cut was that a site meeting minimum spacing requirements couldn't be found without creating an air-navigation hazard. The ETV grantee agreed to accept any interference resulting from the operation of WTVM Columbus when it switches from Ch. 28 to Ch. 9, and WTVM said it would offer no objection to the grant. The authorization was made over the objections of the Assn. of Maximum Service Telecasters and adjacent channel WALB-TV (Ch. 10) Albany. No Commissioners dissented. The Commission concluded that the slight mileage cut was justified because it would produce a new station.

Postgraduate psychiatry course for general practitioners is being offered for credit by Wayne State U. via educational WTVS Detroit. The course, believed to be the first educational TV offering of its kind, embraces 50-min. lectures telecast weekly for 16 weeks, required reading, meetings of students & instructors for demonstrations & discussions. The course, taught by dept. of psychiatry faculty of the WSU college of medicine, will be accredited by both the college & the American Academy of General Practice.

FM educational network was inaugurated on an experimental basis last weekend with New York's municipally owned WNYC-FM as the originating outlet. Participating are Centenary College's WNTI Hackettstown, N.J.; WGPA Bethlehem, Pa.; WPPA-FM Pottsville, Pa.; and Penn State's WDFM University Park. Hours will be 5-6 p.m. weekdays & 3-7 p.m. Sundays.

Blow to ETV has been delivered in Washington by D.C. School Supt. Carl F. Hansen, who announced that the Capital's schools would stop using *Time for Science* after this term and won't support a foreign language course proposed by the Greater Washington Educational TV Assn. Hansen said the science program for 5th & 6th graders on WTTG didn't fit in with the schools' regular course and that it disrupted classroom routine. Other school officials indicated they had become disenchanted with ETV because it took up too much time, made pupils restive & inattentive, failed to get cooperation of classroom teachers. GWETA Pres. Mrs. Edmund D. Campbell was dismayed by the setback, but reported after a closed meeting with representatives of 14 other school systems of the area that they will keep *Time for Science* on the air. They'll meet again April 4 to decide whether to add the language course to the classroom TV schedule.

Weekly ETV audience of 750,000 viewers is claimed by educational WTTW Chicago, owned by the Chicago ETV Assn. Dr. John W. Taylor, exec. dir., reports the Ch. 11 station has telecast 17,000 programs of a general adult nature since its debut in 1955, that 20,000 students have taken its ETV college courses for credit, 50,000 others without credit. WTTW now offers 10 courses through its TV college, under the auspices of the Chicago City Junior College. Dr. Taylor, in a televised report to "citizen-stockholders," said the station has proposed an increase in operating budget to \$808,000 from last year's \$750,000, pointed out that in the past the station had raised some two-thirds of the budget through its own efforts (the balance from the public). Chief sources of revenue: producing ETV programs for the National ETV & Radio Center, the Chicago Board of Education; doing production, program and recording work for other organizations.

National ETV & Radio Center will offer video-tape facilities of all its 44 affiliated educational TV stations to Presidential candidates in the campaign this year, Pres. John F. White announced recently. In Washington for a quarterly meeting of NET directors at the Statler Hilton Hotel, he said Republican & Democratic nominees for the White House would be welcomed on all ETV outlets—and that any candidates of minor parties will be offered ETV time, too. Prospects for ETV legislation in Congress were discussed at a dinner prior to NET's Feb. 13 board meeting. Invited guests included Reps. Bennett (R-Mich.) & Avery (R-Kan.) of the Commerce Committee, Rep. Elliott (D-Ala.) of the Education & Labor Committee, and FCC Comrs. Ford, Cross, Hyde, Lee.

In-school ETV in N.Y. is reaching a record 494,370 public-school children weekly via WPIX Mon.-Fri. telecasts of the Regents ETV Project, reports the State Education Dept. In the 6 months ended Dec. 31, the audience increased 65% from the approximate 304,000 viewers in June. In the 16 months the Regents ETV Project has been telecast by Ch. 11, the initial weekly audience of 20,000 increased more than 1,471%. The figures relate only to N.Y. public-school viewers and do not include N.J., Conn. and Pa. public schools and N.Y. parochial & private schools which are known to use the WPIX programs to supplement their regular curricula. The ETV project reaches 16,479 classes weekly.

Tele-course in "Beginning Spanish" by Mich. State U. debuted last week (15) over WJIM-TV Lansing. The 4-credit course will be televised 7-7:30 a.m. Mon.-Fri. for 15 weeks. Tele-course in "Beginning Russian" is slated for fall presentation.

Networks

ABC-TV's Latin Network: First Central American TV network, initially joining 5 TV outlets in 5 countries, will go into operation in "about 6 or 8 weeks," according to ABC-TV, 51% owner. The first presentation about the new Central American TV Network (CATVN) was made Feb. 19 to a N.Y. audience of agency men & newsmen, with AB-PT Pres. Leonard H. Goldenson serving as host.

The private stations affiliated with the network will own 49% interest, it was explained by ABC international div. vp Donald Coyle. Interconnection of the stations will be by off-the-air pickup—possible because the transmitters are all located on mountain peaks and because of the short distances between Central American capitals.

Stations in the network will be YSEB-TV (Ch. 8) San Salvador, El Salvador; YNSA-TV (Ch. 8) Managua, Nicaragua; HRTG-TV (Ch. 5) Tegucigalpa, Honduras; TG-BOL-TV (Ch. 3) Guatemala City; Televisora de Costa Rica (Ch. 5) San Jose (in which ABC holds minority ownership). All except Costa Rica outlet are on air now.

Facts about CATVN presented to the admen: (1) ABC-TV in N.Y. will act as sales agent. (2) The network will have an initial circulation of some 50,000 sets, although 17-in. sets "at half of the U.S. price" will be made available, some on the basis of coin-box installment buying. (3) Program segments or spot adjacencies will be available to U.S. advertisers marketing products in Central America. (4) A Class-A hour on CATVN will be priced initially at \$575. (5) The market potential of the area is sizable, with a fast-growing population currently estimated at 12 million. (6) There will be program interchanges between the stations in the network, and between the network & ABC-TV via film.

Outlets in Panama are expected to join the network later. The area covered by the network imported \$125 million in goods from the U.S. in 1957, last year for which statistics are available.

NBC's KTVU Offer: A formal offer was finally made by NBC to KTVU Oakland-San Francisco on Feb. 19, we were told late last week by a station spokesman. Details of the offer, latest step in NBC's plans to acquire an o&o outlet in the Golden Gate City (Vol. 16:7 p10), were not disclosed by the station, nor by NBC in N.Y. The offer was being considered—but not yet accepted—by KTVU.

Within the next 10 days, KTVU dirs. representing 100% stock ownership will meet to consider the NBC offer and "possibly to arrive at a selling price." Stockholders are Ward D. Ingram (25.005%), William D. Pabst (25.005%), Harry R. Lubcke (.25%), Edwin D. Pauley (25.005%), Stoddard P. Johnston (4.945%) & Willet H. Brown (19.79%). Pauley is currently vacationing in Mexico and was "unaware of NBC's offer," KTVU said.

Other San Francisco sources told us, meanwhile, that another offer was being made to *Chronicle*-owned KRON-TV by NBC. (KRON-TV's price is reportedly \$16 million.) "No comment," however, were the reactions of KRON-TV gen. mgr. Harold P. See in San Francisco, and by NBC press dept. & station-relations officials in N.Y.

Annual ABC-TV Cellomatic presentation covering the network's programming plans for the 1960-61 season is scheduled for Feb. 24 in N.Y. at the Waldorf-Astoria's grand ballroom, 9:15 a.m. It will be repeated Feb. 29 in Chicago and March 2 in Detroit.

TV Prospect List: Where will TV advertising money come from for the spring & summer seasons? The answer may well be in a TV prospect list we saw in N.Y. last week. This list, prepared by one of the networks, covers 48 advertisers in 11 categories currently spending a total of more than \$50 million annually for advertising (including TV), much of it concentrated during the Father's Day-Mother's Day-graduation-bridal season and much of it in non-TV media. The list:

APPLIANCES, RADIOS	
Admiral	RCA Whirlpool
Carrier	Sunbeam
GE	Sylvania
Philco	Westinghouse
RCA	
BOOKS	
Book-of-the-Month Club	Doubleday
CAMERAS	
Eastman Kodak	Polaroid
GIFTS, JEWELRY, WRITING SUPPLIES	
Avon Products	Parker Pen
Bulova	Sheaffer, W. A.
De Beers Consolidated	Speidel
Eversharp	U.S. Time
GENERAL	
Cluett, Peabody	Kaysar Roth
Florist Telegraph Delivery	
LUGGAGE	
Shwayder Bros. (Samsonite)	
OUTBOARD MOTORS	
Outboard Marine	
SMOKERS SUPPLIES	
ASR Products	General Cigar
Consolidated Cigar	
SHAVING SUPPLIES	
Gillette	Shulton
Mennen	Sunbeam
North American Phillips	Yardley of London
Schick	
TRAVEL	
American Airlines	National Airlines
British Overseas	Pan American World Airways
Greyhound	Trans World Airlines
Hertz	United Airlines
TYPEWRITERS	
Royal McBee	Sperry Rand
Smith-Corona Marchant	Underwood

When ABC-TV asked MGM-TV if it could have its new 60-min. series, *The Islanders*, ready for an April air start, the answer was no. MGM-TV, aside from the lack-of-time reason, prefers to begin the series next fall, rather than in the spring when seasonal viewer habits have already been established. MGM-TV sources told us last week that star William Reynolds & director Richard Bare are recovering from their plane crash in Jamaica (Vol. 16:7 p17). They had gone there for added footage for the pilot.

Jack Paar was the nation's most widely discussed TV personality even in the week before he left the show (Jan. 29-Feb. 4), reports Sindlinger & Company.

NETWORK SALES ACTIVITY

ABC-TV

Jubilee, U.S.A., Sat., 10-10:30 p.m.; Bronco-Sugarfoot, Tues., 7:30-8:30 p.m., Bourbon St. Beat, Mon., 8:30-9:30 p.m., Alaskans, Sun., 9:30-10:30 p.m., participations, effective July 2. Polk Miller Products (N. W. Ayer)

American Bandstand, Mon.-Fri., 4-5:30 p.m., participations, effective July 1. Nucoa Margarine (Dancer-Fitzgerald-Sample), Borden Foods (D-F-S) & Elgin National Watch Co. (J. Walter Thompson)

Network Television Billings

December 1959 and January-December 1959
(For Nov. report, see TELEVISION DIGEST, Vol. 16:5 p13)

1959 Was 10.7% Ahead: Network TV's gross-time billings rose to \$627,311,530 in 1959, a healthy 10.7% gain over 1958's \$566,590,401 business, reports TvB. The year closed strongly. The Dec. volume of \$58,669,469 was 1959's 2nd highest monthly total (topped only by Oct.'s \$59,030,752). It was also 8.8% higher than Dec. 1958's \$53,938,821.

Each of the 3 networks scored 1959-over-1958 gains. Way-out leader in dollar billings was CBS with \$266,355,269, up 7.5% over the preceding year's \$247,782,734. NBC chipped a bit of CBS's lead with a 9% gain over its 1958 billings. ABC racked up the biggest percentage gain with a 22% climb.

	NETWORK TELEVISION			Jan.-Dec. 1959	Jan.-Dec. 1958	% change
	Dec. 1959	Dec. 1958	% change			
ABC	\$13,280,610	\$10,466,104	+26.9	\$125,665,324	\$103,016,938	+22.0
CBS	23,935,048	22,836,275	+ 4.8	266,355,269	247,782,734	+ 7.5
NBC	21,453,811	20,636,442	+ 4.0	235,290,937	215,790,729	+ 9.0
Total	\$58,669,469	\$53,938,821	+ 8.8	\$627,311,530	\$566,590,401	+10.7

	1959 NETWORK TELEVISION TOTALS BY MONTHS			
	ABC	CBS	NBC	Total
January	\$10,647,078	\$22,129,248	\$19,299,853	\$52,076,179
February	10,024,460	20,806,220	18,053,828	48,884,508
March	11,565,031	23,265,395	20,728,315	55,558,741
April	10,309,263	22,077,285	19,739,816	52,126,364
May	9,946,570	22,298,271	19,674,494	51,919,335
June	8,930,114	21,171,128	17,984,845	48,086,087
July	8,391,470	21,269,782	17,883,111	47,544,363
August	8,205,520	21,137,261	17,298,527	46,641,308
September	8,724,938	21,196,220	18,525,685	48,446,843
October	12,537,020	23,610,441	22,883,291	59,030,752
November	13,103,250	23,458,970	21,765,361	58,327,581
December	13,280,610	23,935,048	21,453,811	58,669,469

Note: Figures revised as of Feb. 10, 1960. These figures do not represent actual revenues inasmuch as the networks do not divulge their actual net dollar incomes. The figures are compiled by Broadcast Advertisers Reports (BAR) and Leading National Advertisers (LNA) for TV Bureau of Advertising (TvB) on basis of one-time network rates or before frequency or cash discounts.

Back Goes Jack: With the announcement that Jack Paar would be back as star of the network's late-night participation strip March 7, following a 3-wk. vacation, NBC-TV's guess that the walkout would blow over (Vol. 16:7 p8) proved correct. "Bob Sarnoff & I are delighted," said NBC Pres. Robert E. Kintner, following a Feb. 15 letter from Paar to NBC in which he stated he was "fully aware" of his contractual obligations (until 1962, at an annual salary of about \$200,000 and not at \$500,000 as widely reported).

Inasmuch as Paar's contract allows him approximately the amount of time he has been absent from his show as vacation, and since there was no flurry of sponsor cancellations, the crisis last week seemed to have passed. The network told us late last week that there will be no change in NBC's attitude toward material used on Paar's show. "He'll be subject to network rules & regulations, just like everybody else," said a spokesman.

NBC termed its Boca Raton meeting (Feb. 15-16) for its Affiliates Board "harmonious." The stations expressed approval of NBC-TV summer program plans (in particular, the Roncom Productions plan to slot two 30-min. shows in place of the 60-min. Perry Como Show), the network's projected fall TV schedule (including the network's present plans to lead off each evening with 60-min. film shows); a 26-program list of projects in the hopper of programs & talent vp David Levy, the convention-election plans of NBC News vp William R. McAndrew, and the network's handling of the Jack Paar walkout.

Stanton vs. Govt. Program Control: Govt. control of TV program content would represent "imaginary short-term gains at the price of real long-term loss," said CBS Inc. Pres. Dr. Frank Stanton in N.Y. Feb. 18 as he received the annual Advertising Gold Medal Award presented by Vision Inc.-owned *Printers' Ink*. "The govt. is no more competent to dictate the contents of a medium that has technical limitations (*i.e.*, the spectrum) on the number of its outlets than it is to dictate to those that have economic limitations," added Stanton, who said it would be an easy step from Washington control of programming to a point where the govt. "also tells the only newspaper in town what it must print."

"A society that sees one more Indian bite the dust on TV is far safer than a society that sees one iota of its freedom of expression given up to its govt.," said Stanton. "This whole theory of benevolent censorship—anticipatory or by way of review—is mischievous doctrine. There is no conceivable way that it can be limited in degree or in nature... the road to Utopia is hard & rocky & uncharted."

High-level congratulations on his award were sent to Dr. Stanton in letter form from President Eisenhower. "This honor recognizes your leadership in a rapidly expanding field of mass communications... You have clearly discerned from the beginning the potentials for good that [the broadcasting industry] possesses, and you have accepted the responsibilities commensurate with those potentials," the President stated.

No Election-Eve Monopolies: Multi-network political simulcasts by a single party will not be accepted by CBS, the network's editorial board ruled on Feb. 18. The anti-monopoly policy was formulated "to avoid the dangers of such saturation purchases during political campaigns as would significantly diminish the choice by the viewing or listening public among programs." The ruling, however, would apply only to paid political programs and not to simultaneous broadcasts of "events of clear national or local significance."

CBS affiliates were informed of the new policy ruling Feb. 17 via closed-circuitcast in which Carl Ward, CBS-TV affiliate relations vp, explained the network's reasoning thus: "Last summer the Democratic National Committee ordered the 11 p.m.-midnight hour Nov. 7, 1960 (the night before the election) for political programming. Some time later, a similar order was placed by the Republican National Committee." The network subsequently learned that both political parties also ordered the same time period on ABC-TV & NBC-TV, he told the stations. Both committees were informed of CBS's decision Feb. 17.

No moves of a similar anti-monopoly nature are planned by NBC & ABC, we were told late last week. However, both networks have been studying the CBS move and may establish some ceiling on the amount of TV-radio time that may be sold to the major political parties as the election race nears the finish line.

Democratic National Chmn. Paul M. Butler objected promptly & vigorously to the CBS statement, said that the policy would permit the use of networks for White House messages which "often include direct or indirect political overtones." Said he: "We consider your policy to be illegal, unjust and discriminatory to the Democratic Party." He asserted that he would complain to FCC & Congress.

First Canadian FM network will be established in April by CBC, linking stations in Montreal, Toronto & Ottawa.

Programming

Nets Prefer Own Public-Affairs Shows: News & informational specials are growing closer in both style & budget to entertainment specials, but there's little or no room for the outside package producer in this field. Programs of this type, networks insist, are best done in their shops.

The tightest control is being exercised by CBS-TV, which will probably have the largest number of public-affairs specials & series on the air next season—but the smallest percentage of non-network-produced shows of this category. NBC-TV & ABC-TV are more willing to talk about outside packages, particularly in the news-feature area, but there are signs that most doors will be closed to non-network producers eager to ride affairs.

The stiffening public-affairs policy applies to advertisers as well. Currently making the rounds of the 3 networks, for example, is a well-produced film documentary on missiles, done by David Wolper and optioned by Shulton Inc. No network has been willing to clear time, although officials who've seen it, admit it's a good job.

Irving Gitlin, CBS News creative projects, a top executive in the public-affairs field, expressed this attitude toward the sponsor's role in news specials: "I feel sponsors should have no participation in this kind of programming, as they do with entertainment programming. We are speaking of reportage, not entertainment. There's no position here for the sponsor to say 'You don't see that idea correctly. Here's how it should be done.'"

Sponsor's 'Rights' Are Outlined

Gitlin doesn't have in mind British-style magazine-concept TV buying of what he calls "actuality" shows. "A sponsor is primarily buying concepts & personal reputations in this field," he explained. "He's right in asking for the track records of producers, an idea of the show's format, and the subjects to be treated. He will often have a choice of time periods, and can cancel if he doesn't like the show. It shouldn't be a blind buy."

There's little doubt also that CBS News thinking—and program budgeting—is headed toward popularizing the appeal of public-affairs shows. On Gitlin's own drawing boards are such projects as:

(1) "William Holden's Hong Kong," a 60-min. location-filmed special for the daytime *Woman* series that will star Hong Kongophile Holden as host-narrator. It will probably be repeated later in a night-time CBS-TV slot.

(2) *The Desperate Years*, a 30-min. weekly series in dramatic form that will deal with the American Civil War "in a scrupulously accurate manner." It is tentatively slated for launching this fall. Material for the series will be drawn from the works of Bruce Catton.

(3) An untitled series of 6 prime-time specials dealing with the latest advances in medical research. (Note: Screen Gems is currently launching a 60-min. taped medical public-affairs show, but is aiming it at local-level syndication purchasers.)

(4) *Tomorrow*, a series of 6 informational specials, tentatively program-budgeted at \$150,000 each, done in conjunction with MIT, and due to be sponsored by American Machine & Foundry.

(5) A 39-week, 30-min. weekly documentary series dealing with outer-space research.

(6) *U.S.A.*, a 30-min. weekly show that will put a focus on human problems ("such as following a family—with new camera techniques—through some kind of real-life crisis").

What's the great secret in public-affairs programming? "It's having a good producer-director who's in firm control of a special or a series, and who has a point of view about the material and isn't simply trying to cover it," said Gitlin. Wouldn't a policy of network-only production create its own shortage of program ideas? "No," Gitlin told us. "I could fill up the whole day & night CBS-TV schedule—if they'd let me."

* * *

Networks are going at public-affairs programming wrong, believes Tom McDermott, vp of Four Star Television, and that's why such shows have failed to attract

audiences. Said the ex-Benton & Bowles executive: "They take these things from people basically in the entertainment field and put them in the hands of public-affairs men—people who have been newsmen or college professors—who cannot present dramatic shows with the necessary impact & entertainment values. When I saw NBC-TV's public affairs show on Cuba's Castro, I said there go *Have Gun—Will Travel* and *Gunsmoke* ratings right up to the roof. They took one of the more important events of our times and made it come off as a dull travelogue." McDermott believes present public-service shows lack a point of view, an air of excitement which would attract viewers, and interesting presentations. Four Star has obtained the rights to Justice Douglas's book, *Almanac of Living*, and is planning it as a 60-min. Americana dramatic series. The company owns several other properties in the public-service category, but, said McDermott candidly, "I don't think the market will buy these. They want situation comedy, dramatic and the other such shows which they have come to expect from us."

More syndicated sports telefilms is one result of the current trend of telefilm distributors away from the action-adventure-crime formulas on which most syndicated shows are based. Ziv TV's latest local-level show, launched in station sales Feb. 15, is *Home Run Derby*, a 30-min. film series featuring leading major-league power hitters in a continuing homer contest involving \$250,000 in prizes for the season. Air dates for the Ziv series will coincide with the start of Big League baseball in April. And in Chicago, Peter De Met Productions has racked up syndication sales in 78 markets within 5 weeks for its filmed 60-min. *National Football League Presents* package covering 26 pro football games held in the 1959 season. De Met, who distributes through World-Wide TV Sales Co., is now blue-printing a syndicated horse-racing show.

Mass-appeal TV religious show is planned by script-writer-author (*The 13th Apostle*) Eugene Vale & 20th Century-Fox TV as a 39-episode, 30-min. telefilm series. The pilot episode will go before TCF-TV cameras "as soon as the WGA strike is over." Vale told us last week that "in view of the many recent attacks on TV, network reception to the idea is very good." The untitled project is "not a public-affairs show, in the usual sense," he said. Rather, it will be "a dramatic series with a non-clerical leading character & a family appeal." Previous religious shows, Vale indicated, have suffered from "a tendency of writers to write in an obscure form with specialized appeal." There'll be no Ben Hur-type flashbacks, said Vale, who will supervise creation & development of his project. "I don't intend to create an impression that religion existed only in Biblical times."

FCC members were impressed last week by the unique National Grass Roots Opera Co., the "house" company of WRAL-TV Raleigh. Commissioners and other guests witnessed a video-taped presentation in Washington, through facilities of WTTG, of Donizetti's "Don Pasquale," featuring singers who are full-time or part-time employees of the station. For example, the tenor is David Witherspoon, promotion & publicity dir. The group has received kudos all over the U.S., where it has been heard by some 600,000 people, according to Pres. A. J. Fletcher. WRAL-TV is offering copies of the tape to other stations at a small fee. WTTG supplied playback facilities for last week's presentation in Washington.

TV censorship mystery boiled up last week over a report that a protest by the National Council of Churches caused NBC to scuttle a TV play about an adulterous minister. George A. Heimrich, West Coast representative of the Council's Bcstg. & Film Commission, said he was approached by NBC for script approval and that he warned NBC that his committee (predominantly clergymen) would "jump all over" the network if it went through with the play. A surprised NBC issued a statement that it had never submitted a script to Heimrich for approval, that it does not submit scripts for approval to the Council "or any other outside group," that it "has no knowledge of the cancellation of any TV play on its facilities involving a Protestant minister who commits adultery." No less surprised was the Rev. Dr. Everett C. Parker, head of a special committee of the Bcstg. & Film Commission that is studying the operation of Heimrich's office. "Astounded" at the "censorship operation on behalf of the National Council [of Churches]," Parker declared: "Certainly Mr. Heimrich does not speak for the National Council nor for the committee which is studying the function of his office."

USIA's overseas programs, including Voice of America & TV operations, will be evaluated by a 9-member committee appointed by President Eisenhower. Members are Bridgeport, Conn. lawyer Mansfield D. Sprague, chmn.; C. D. Jackson, former special White House asst.; Philip D. Reed, retired GE chmn.; Under Secy. of State Livingston T. Merchant; USIA Dir. George V. Allen; CIA Dir. Allen W. Dulles; Gordon Gray, special asst. to the President for national security affairs; Karl G. Harr Jr., special asst. to the President for security operations coordination; Asst. Defense Secy. John H. Erwin II.

Demands for equal time to air labor's side of the Kohler strike case have been served on Metropolitan's WTTG Washington & 5 other stations by the United Automobile Workers, following FCC's rebuke to WTTG for its handling of the story (Vol. 16:1 p11). Citing FCC's criticism of failure by WTTG to identify the National Assn. of Mfrs. as the distributor of kines of Senate hearings on the strike, the UAW asked for "an equal opportunity at an early date" to give its views. In addition to WTTG, stations receiving the demand (all named as carrying the NAM-supplied film) were WNEW-TV N.Y.; KMOT Minot, N.D.; KSTP-TV St. Paul-Minneapolis; WDAY-TV Fargo, N.D.; KFYR-TV Bismarck, N.D.

Local public-service documentary found a one-time sponsor last week when WFIL-TV Philadelphia sold the second episode of its *Eyewitness* series to Sun Oil Co. Sun will forego its commercials on the Feb. 27 show, "The Day Your Heart Stops," giving the time to the Southeastern Pennsylvania chapter of the American Heart Assn. Copy will take note of February as Heart Month and of the following day as Heart Sunday.

Canon 35 progress report was slated for delivery by study committee Chmn. Whitney North Seymour before the National Conference of Bar Presidents Feb. 21 at Chicago's Edgewater Beach Hotel. The meeting (through Feb. 23) is being held with the American Bar Committee. Seymour's report was to review his meetings with media executives and attempts to obtain financing from foundations for a "study in depth" of the problem of TV-radio coverage of court proceedings.

Voice of America has started a new 20-min. program series in which U.S. college students discuss campus issues. Topic of initial broadcast: "Should University Publications Be Allowed Unrestricted Freedom of Expression?"

Stations

Storer Program Manual: Demand for Storer's *Operating Manual* was so great (200 requests following our report in Vol. 15:44 p8) that the company has excerpted material for general distribution in a new *Storer Program Manual*. Copies are available to all stations on a first-come basis.

The 150-page loose-leaf document may be the first of its kind. NAB has covered much of the same material in various brochures but doesn't have them pulled together in one document. And, of course, other major broadcasters have made internal distribution of operating rules.

Some of the material is of general application, some of it Storer's interpretation & policy. The 9 chapter headings: Program Review Instructions, Storer Program Objectives & Controls, FCC Program Requirements, Copyrights, Property & Personal Rights, FCC Application, Complaint & Citation Procedures, NAB Program Codes, Federal Acts & FCC Rules, FCC Policy Statements, FCC & Storer Forms.

The manual was prepared by vp-secy. John E. McCoy, formerly a top FCC attorney who, among other things, headed TV & FM sections and prepared Commission renewal forms. Copies are available from McCoy at 1177 Kane Concourse, Miami Beach, Fla.

Industry image at station level has been introduced by WNDU-TV South Bend, Ind., U. of Notre Dame-owned station. A series of 5-min. TV programs "designed to give the South Bend TV audience a clearer & more comprehensive view of TV and what the TV industry is trying to accomplish" has been inaugurated. "Communication to the audience of the intents & purposes of a local TV station might help ease the rather sensitive position occupied by all TV today," gen. mgr. W. Thomas Hamilton said. The programs, hosted by Hamilton, will cover advertising & general welfare, broadcasting in the public interest, freedom under broadcast license, careers in TV, the TV Code and the TV generation. The WNDU-TV series is based on a general outline of similar programs recently suggested to stations by TvB.

WVET-TV Rochester, now sharing Ch. 10 with WHEC-TV, has proposed to FCC that Ch. 13 be allocated to Rochester and that it share the new channel with the Rochester area Educational TV Assn. WVET-TV said that it would absorb all costs—about \$500,000—of building & maintaining the ETV transmission facilities. Sharing both channels would give WVET-TV full-time operation.

Option to purchase 50% of WJPB-TV (Ch. 5) Weston W.Va. from J. Patrick Beacom for \$100,000 was exercised recently by Thomas P. Johnson & George W. Eby, owners of off-air WENS (Ch. 22) Pittsburgh, and FCC has approved the deal. The agreement was made when WENS dropped its competing application for the Weston channel.

Midnight Sun Bestg. Co.'s TV-radio holdings are being sold for \$1.2 million to All-Alaska Bestrs. Inc., headed by Randall D. Jansen & Edward W. Christiansen (½ each), principals of the CATV system in Ketchikan. The stations are KFAR-TV (Ch. 2) & KFAR Fairbanks, KENI-TV (Ch. 2) & KENI Anchorage and radio KTKN Ketchikan.

M. Robert Rogers, ex-pres. of radio WGMS Washington, heads a group buying Valley Forge Distribution Co., beer wholesaler, from Mrs. Carita Blum Sandler, who is a radio applicant for Laurel, Md. The price wasn't disclosed, but the firm has an estimated net worth of \$1.75 million.

Broadcast engineering conference papers scheduled for sessions in conjunction with NAB's 38th annual convention in Chicago April 3-6 include April 4—"The Present Status of Stereophonic Broadcasting," C. G. Lloyd, GE; "Sine Squared Pulses for System Analysis," Ralph Kennedy, NBC; "Improving Picture Quality Through Phase Equalization," R. S. Jose, RCA; "Automatic Logging of Operating Parameters in Lieu of a Manual Log for AM-FM & TV Stations," Granville Klink Jr., WTOP Washington; "A New Approach to Balanced Audio Levels," Robert B. Monroe, CBS-TV. April 5—"Effects of Tower Lighting & Isolation Circuits upon the Resistance of Various AM Towers," Vir N. James, consulting radio engineer; "Tunnel Diodes," Eric Gottlieb, GE; "Recent FCC Rule Changes," James E. Barr, FCC; "Determining the Operational Patterns of Directional TV Antennas," Dr. Frank G. Kear, Kear & Kennedy; "Constant Level Program Amplifier," John Birch & Charles King, Gates; "The Folded Unipole Antenna for Broadcast," John B. Mullaney, consulting engineer; "Experimental Operation of a Co-Channel Supplemental Transmitter to Provide Coverage Fill-In," Daniel H. Smith, WTEN Albany; "Manifestations of the Special Law of Electron Eccentricity in Broadcast Equipment," John W. Wentworth, RCA. April 6—"TV Automation," F. R. McNicol, RCA; "Aural Program Automation Techniques," Paul Schafer, Schafer Custom Engineering; "Maintenance, Key to Minimizing Video Tape Recorder Operational Costs," Joe Roizen, Ampex; "Video Tape Recording Interchangeability Requirements," K. B. Benson, CBS-TV; "Integration of Video Tape with Live & Film Programs," A. W. Malang & M. C. Worster, ABC; "The New IRE Roll-Off as Related to the Broadcaster," G. Edward Hamilton, ABC; "Improvements in TV Cameras," John H. Roe, RCA.

Small-town TV enthusiast Bill Daniels, who recently sold part of his CATV holdings—Rawlins, Wyo. & Farmington, N.M. (Vol. 16:6 p5)—believes in all kinds of community TV. Already an applicant for regular stations in Lamar, Colo. & Gallup, N.M., he's shooting for a full bag of 5 vhf's through his Televents Inc. "We will see the day," he said, "when each city with over 6,000 population will have its own small TV station." He expects to lose initially, but is confident TV will repeat radio history.

Live demonstrations of GE's low-light image orthicon TV camera tube (Vol. 15:49 p8) will be conducted by GE engineers in about 25 broadcast stations throughout the country. Showings are scheduled this month in Milwaukee, Columbia, S.C., Minneapolis, Winston-Salem, Atlanta, New Orleans and Boston; for March, in St. Louis, Indianapolis, Pittsburgh, Detroit, Buffalo, Miami, Tampa, Jacksonville, Los Angeles, San Francisco, Seattle, Houston, Dallas and Oklahoma City; for April, Denver, Baltimore, Washington.

New Zoomar lens designed for 4½-in. image orthicon cameras has been developed and delivery of the initial unit has already been made. The new model 88 is designed to be interchangeable on all 4½-in. cameras and engages with the remote iris control in all ranges. It has a range of 2½ to 72 inches.

Add equipment exhibitors at NAB's April 3-6 Chicago convention (Vol. 16:7 p13): Standard Electronics, Bauer Electronics, Cellomatic. Another scheduled exhibitor—Nems-Clarke—has withdrawn from the list.

KTTV Los Angeles has acquired a \$150,000 mobile tape unit, which mounts an Ampex videotape recorder, 2 RCA cameras, a special effects unit and a film & slide chain.

Ticklish clash between government & privately-owned TV stations is developing in Edmonton, capital of Alberta and northern oil center. The city is now served by privately-owned CFRN-TV, carrying CBC programs, but that network announces its intention to apply to the Board of Broadcast Governors for a TV license in competition with other applicants. Applications close April 29 and the BBG hearings will take place in Edmonton May 11. List of applicants includes Edmonton Video Co., headed by R. A. Milner and Gerry Gaetz, vp & gen. mgr. radio CJCA; Northwest Television Co. Ltd., formed by radio CHED; Mayfair Bestg. Co. Ltd., headed by Alex Starko & associates; and North Gate Broadcasting Company Ltd., formed by Dr. Charles Allard & associates. If CBC wins application, CFRN-TV could lose its present CBC affiliation, causing a major upheaval in programming. CBC also announced it would not apply for TV license in Calgary, 200 miles south of Edmonton and the southern oil industry capital. Hearings there for a new TV outlet are scheduled for May 16. Closing date for applications is Feb. 29.

Board of Broadcast Governors has announced its intention to exercise the right of censorship & alteration of Canadian TV & radio promotion programs (to knock out promotions that create public nuisances & traffic tie-ups such as large crowds directed to areas in search of hidden treasures). Submissions on amendments to regulations will be heard by BBG in Montreal March 7 when 4 applications will also be heard for a French-language channel and 3 applications for an English-language channel (Vol: 16:2 p9). Another amendment to regulations will insert altered requirements to earn the program-approval appellation of "basically Canadian in content & character"—needed to qualify for 55% Canadian content in over-all programming. The new regulation requires films or reproductions to be made by a Canadian citizen, or by a company incorporated under Canadian law and having a majority of Canadian citizens as directors.

National Council of Broadcast Unions has been formed by the Canada-wide Canadian Labor Congress. The Council will co-ordinate the activities of CLC-affiliated unions in the TV, radio and film production industries on labor-management relations and "special problems." The founding unions of the Council: Canadian Council of Authors & Artists, National Assn. of Broadcast Employees & Technicians, International Alliance of Theatrical Stage Employees, and Canadian Wire Service Guild. Other CLC affiliates will be invited to join the Council.

Voice of Democracy winners from all states and D.C. have been announced. Judges in the 13th annual script-writing contest, co-sponsored by NAB & EIA with VFW cooperation, included FCC Chmn. Doerfer, Chmn. Magnuson (D-Wash.) of the Senate Commerce Committee, ABC vp John Daly. The top winner of a \$1,500 college scholarship will be announced at an awards luncheon Feb. 24 in Washington's Statler-Hilton Hotel, where Rep. Inouye (D-Hawaii) will be the principal speaker.

New international station (making it the 4th privately operated in the U.S.) has been granted in Dallas to Global Bestg. Co. (Albert L. Crain & S. Lee Braxton). The grantee proposes to transmit to British Guiana, Columbia, Ecuador, Venezuela, Surinam, Peru, Bolivia & Brazil. The other grants are WRUL Scituate, Mass., KGEI Belmont, Cal. and Crosley's experimental KQ2XAU Cincinnati. These are in addition to the 42 Voice of America transmitters.

WTMJ-TV & WTMJ Milwaukee raised \$4,648 for the March of Dimes in January.

Another payola complaint, charging 2 affiliated Mid-western record distributing companies with paying unnamed TV & radio disc jockeys for "exposure" of music, has been filed by FTC. Named in the case—43rd since FTC started its anti-payola drive (Vol. 16:7 p13)—were Garmisa Distributing Co. Inc., 2011 S. Michigan Ave., Chicago; Garmisa Inc. of Wis., 1907 W. Vliet St., Milwaukee; Pres. Leonard Garmisa & vp Edward Yalowitz of both firms, and treas. Myron J. Schulz of the Milwaukee company. Meanwhile 2 affiliated Chicago distributors, cited earlier by FTC for payola, demanded dismissal of the complaint against them. James H. Martin Inc., 2419 S. Michigan Ave.; Music Distributors Inc., 1343 S. Michigan Ave., and sole owner-Pres. James H. Martin said "the alleged practice" isn't deceptive or an unfair method of competition under the Federal Trade Commission Act. In another development, FTC & FCC exchanged letters formalizing a reciprocal arrangement by which FTC staffers will have full access to FCC's own payola investigation files (Vol. 16:6 p3)—and *vice versa*. The liaison agreement provided that information "made available by either agency to the other, and which is not a matter of public record, shall be solely for the internal use of the recipient thereof and shall not be made public without the consent of the agency furnishing the information."

Broadcasting's future was outlined this way by NAB organizational services mgr. Frederick H. Garrigus in a series of "educated guesses" for the Philadelphia chapter of American Women in Radio & TV: (1) "The same wide variety of programming." (2) "A considerably more cautious approach [to actions which might] indicate any moral lapses or downright dishonest action." (3) More "public interest, educational and world affairs programs." (4) Continuing "interest & support" of viewers & listeners. (5) "Considerably fewer commercials of questionable good taste." (6) "A more careful & thoughtful consideration" of meaning of "public interest, convenience and necessity."

"Radio at its best" is provided by Metropolitan's WNEW N.Y., Rep. Lindsay (R-N.Y.) told the House in a speech congratulating the station for winning the 1959 Brotherhood Award of the National Conference of Christians & Jews. He said WNEW "has consistently & conspicuously set the highest standards of morality & decency."

WSPA-TV & WSPA Spartanburg, S.C. simulcast a 30th birthday party for the radio station Feb. 17. The 90-min. show recreated the format of the station's 3-hour debut, with many of the original participants on hand. WSPA was the first AM & FM in South Carolina.

Capital Cities Bestg. Corp. (formerly Capital Cities TV Corp.) has moved its N.Y. offices to 24 E. 51st St. Capital Cities operates WTEN & radio WROW Albany with satellite WCDC Adams, Mass.; WTVD Durham, N.C.; WPRO-TV & WPRO Providence, R.I.

KNBS-TV (Ch. 22) Walla Walla, Wash. has affiliated with ABC-TV, station gen. mgr. Warren Grey and Robert Coe, ABC-TV station relations dir., have announced. The network's primary affiliates now total 100.

State Bestg. Assns. are expected to set record attendance with at least 45 of the 48 association heads at NAB's 5th annual conference for the presidents, Feb. 24-25 in Washington's Shoreham Hotel (Vol. 16:7 p8).

WGN Inc. Chicago racked up record TV-radio billings in 1959. WGN-TV business rose 29.1% over the 1958 gross; WGN gained 31.7%. Ward L. Quaal, vp-gen. mgr. of the Chicago Tribune-owned outlets, sees record billings for '60.

Advertising

Denials of FTC charges that TV commercials misrepresented Palmolive Rapid Shave cream and Pepsodent toothpaste (Vol. 16:3 p8) were filed formally with the agency last week by Colgate-Palmolive Co., Lever Bros. Co. and their ad agencies. Colgate-Palmolive & Ted Bates, which protested FTC's complaint in newspaper ads last month (Vol. 16:5 p10), said there was no deception in commercials demonstrating a sandpaper-shaving test, that a mock-up was used "because of technical problems in the TV process which made it unfeasible to use sandpaper." Moreover, they said, the commercials had been discontinued. Lever Bros. and Foote, Cone & Belding said the challenged Pepsodent commercials, demonstrating the removal of tobacco stains from teeth, didn't mislead or deceive the public. In any event, the agency added, the commercials were presented "in good faith & with due care, in reliance upon adequate & responsible information with respect thereto." FTC was asked to dismiss both complaints.

Govt. indictments of ad media "might possibly be indictments of the society in which the media are performing," Donald H. McGannon, pres., Westinghouse Bestg. Co. & Chmn., NAB Code Review Board, told the Harvard Business School Club of Pittsburgh. "Is our economy and indeed our whole social system," he asked, "being too largely influenced by 'other forces,' notably the all-seeing eye of government?" Elsewhere on the TV image front, TIO dir. Lou Hausman attempted to define TV's function "in our democratic society." He told the Broadcast Advertising Club of Chicago that "TV's usefulness is its virtually universal acceptance & use." It will, he said, "never completely satisfy every special interest group."

Public relations men should "put themselves on the side of truth" to help ad clients stay out of trouble with FTC, Chmn. Earl W. Kintner told the N.Y. chapter of the Public Relations Society of America. Discussing the "crisis of confidence" brought on by broadcasting's quiz & payola scandals, he said "The public-relations advisor must point out that to so conduct one's business [as] to invite an FTC complaint is a mistake." Kintner called on PRSA members to "use your initiative & creativeness to keep your clients away from the borderline and on the safe side of truthful representations."

Complaints against advertising have risen about 40-fold since the payola disclosures, said *Wall St. Journal* Chmn. Robert M. Feemster last week, accepting the Indianapolis Advertising Club "Torch of Truth" award. However, he said: "The benefits of advertising should not be overlooked at a time when too many of our citizens are exercising panic-button-type alarm over some disclosures which are not typical by any means of the whole industry."

FTC Chmn. Earl W. Kintner, who has galvanized the advertising-policing agency into drives against deceptive TV commercials and payola practices since his promotion to the job last year, has been nominated by President Eisenhower for a full 7-year term starting in Sept. He is now serving out the unexpired term of John Gwynne, who retired.

New Ban TV commercials are being kept under wraps until April 1, when the revised deodorant spots are expected to hit network & spot channels, said Bristol-Myers' agency Ogilvy, Benson & Mather last week. Storyboard revisions of the Greek statue commercials were approved by NAB Code Review Board earlier this month (Vol. 16:5).

Bulova is returning to the radio time-break spots it used more than a decade ago, plus a heavy print-media campaign (magazines, Sunday supplements). The move completes a cycle for the watch firm. In 1949, Bulova cancelled radio spending in major markets, shifted to then-new TV, and virtually created the now-familiar 10-sec. ID spots. As TV grew, spot money was shifted to various types of TV network programming (participations, comedy, etc.). A similar TV-to-radio switch was also made last week by Hamilton Watch Co., at one time a fairly heavy radio user and more recently active seasonally in TV. On April 24, Hamilton will launch a 6-wk., 50-market spot radio drive built around one-min. announcements slotted in good-music programs on 75 AM & FM stations. But there will still be watch-firm footprints in the sands of TV time this season, despite the Bulova-Hamilton fade-out. Timex, which has gained short-term sales spurts as high as 300% in the wake of its jazz & musical specials, plans more of the same, most recently signing a forthcoming circus special on ABC-TV. And such watch concerns as Benrus, Elgin, Gruen, Longines-Wittnauer, Tissot, and the Watchmakers of Switzerland use network and/or spot TV in their current national or dealer co-op ad campaigns.

Pepsi-Cola spot TV is expected to hit \$4 million this year, a \$500,000 jump over 1959, we're told. The soft-drink firm's overall ad budget will jump to \$32 million this year, as compared with \$28 million last year. The parent company will continue a down-the-middle, co-op split of the total ad budget with local bottlers. Also stepped up will be network radio spending, expected to hit \$1.5 million this year. Kenyon & Eckhardt handles the account for the parent company & local distributors.

Best TV commercials, as singled out by the Hollywood Ad Club in its broadcast producers awards, included, for one-min. live, Bell & Howell (McCann-Erickson, producer Jerry Fairbanks); over one-min. live, Dodge Div., Chrysler Corp. (Grant Advertising, producer ABC); animated one-min., Calo Pet Food, (Foote, Cone & Belding, producer Cascade Pictures of Cal.).

New rep: WANE-TV Fort Wayne to H-R Television Feb. 1 from Petry.

In Other Media: Newspaper circulation has gained 43% since 1940 compared with a 24% increase in the adult population, reports the American Assn. of Newspaper Reps in a Feb. 6 *Editor & Publisher* article, refuting claims of newspaper atrophy. Other AANR findings: The average of 95 million daily-adult-newspaper-readers in 1956 increased to 102 million in 1958 and to more than 106 million in the first 9 months of last year. From 1957 through 1959's first 10 months, total hours spent reading U.S. dailies increased 20%. From 1956 to 1959, number of adult readers rose 11% vs. the 3% circulation increase.

Ad People: Walter T. Sattler, ex-BBDO, named Warwick & Legler vp . . . Dr. Arno H. Johnson, vp-research dir. of J. Walter Thompson and Advertising Research Foundation chmn., elected a dir., Advertising Federation of America . . . Russell Eller, Sunkist Growers' ad mgr., named "Advertising Citizen of 1959" by Western States Advertising Agencies Assn. in Los Angeles . . . Walter M. Swertfager resigns as senior vp., Lennen & Newell, after 13 years with the agency . . . Gerald D. Roscoe, ex-Bresnick Co., Boston, joins Donahue & Coe as vp & account supervisor.

Television Digest

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Personals: Andre D. Gebstaedt, former ad mgr. of J. Arthur Rank Organization, joins ABC-TV as ad mgr., reporting to ad dir. Dean Linger . . . Robert H. Salk named secy., Corinthian Bcstg. Corp., and continuing as programming dir. . . . Donn Colee, ex-WLOF-TV Orlando, Fla., named gen. mgr. of Metropolitan's WTVH Peoria, Ill.; his wife Lee Colee appointed sales dir. . . . David A. Bader, ex-Atlantic TV, named pres.-managing dir., Durham Telefilms (521 Fifth Ave., N.Y.), a new wholly-owned TV production & distribution subsidiary of Consolidated Durham Mines & Resources of Toronto . . . Ed Benham, chief engineer of KTTV Los Angeles, named SMPTE educational committee chmn.

Arthur Hamilton, station mgr. of radio WRCA N.Y., and Vincent Mitchell, mgr. of NBC-TV advance facility planning, appointed dir. and traffic mgr. of NBC political bcstg. unit, headed by vp William S. Hedges . . . Gus Vanderheyden promoted to local sales mgr. of Notre Dame's WNDU-TV South Bend . . . Jay Hoffer, ex-ABC-TV, named mgr., radio KRAK Stockton-Sacramento, Cal. . . . Martin Mills, ex-Keystone Bcstg. System & Biow Adv., joins Meeker Co. as dir. of research . . . John D. Stebbins, ex-Bolling Co., Chicago, joins Washington office of broker Hamilton-Landis & Associates . . . Basil J. Mezines promoted to asst. to FTC exec. dir. Harry A. Babcock.

Charles E. Tamm, ex-WHYN-TV & WHYN Springfield-Holyoke, Mass., appointed chief engineer, WENH-TV Durham, N.H. . . . Ann Mar, ex-J. Walter Thompson, named national sales coordinator, WBAL-TV Baltimore.

James E. Greeley, Washington TV-radio attorney, and the N.Y. firm of Spear & Hill form Spear, Hill & Greeley, with offices at 60 E. 42nd St., N.Y., and 821 15th St. N.W., Washington. Greeley & Thomas W. Hill Jr. are former members of RCA-NBC counsel Cahill, Gordon, Reindel & Ohl, leaving in 1958. Harvey M. Spear had his own practice before joining Hill. Greeley will continue to concentrate on TV-radio. Much of the Spear & Hill work is among investment bankers & transportation firms, including those controlled by industrialist O. Roy Chalk.

Meetings this week: RTES timebuying-selling seminar (Feb. 23). Dick Clark will speak on the teen-age market. Hotel Lexington, N.Y. . . . Fifth Annual conference of state bcstrs. assns. presidents (24-25), Shoreham, Washington.

Divorce has been granted to Mrs. George B. Storer from the chmn. -pres. of Storer Bcstg. Co., in Wauchula, Fla.

Foreign

Marconi outbid 8 competitors—including 2 unnamed U.S. firms—with a \$1.78-million proposal for installing an external radio broadcasting system at Tema, Ghana, according to the Commerce Dept.'s *Foreign Commerce Weekly*. Total cost of the project, scheduled for completion early in 1961, will be 25% under the Ghana govt.'s budget for the project.

Netherlands TV homes now total 16% of households in that country, the U.S. Embassy there reports. Stimulated by a 13% cut by Philips in the price of its sets, sales of receivers last year exceeded 500,000 vs. 391,000 in 1958 and 291,000 in 1957. The Netherlands govt. is negotiating with the Independent TV Exploitation Co. (CTEM) and Netherlands TV Foundation (NTS) to introduce TV commercials.

Ecuador's TV regulations, established by the govt. for all applicants for operations there, provide for U.S. broadcasting standards, facilities of more than 250 watts, employment of at least 75% Ecuadoran personnel, financial guarantees of 50,000 sucres (about \$3,000). Licenses will be granted only to Ecuadoran firms, but non-Ecuadorans may participate in them.

Mail-order radio business has reached Kenya, Tanganyika and Uganda, where 12,000 Africans are on the initial mailing list of a new firm set up in Nairobi. It's already "paying good dividends" from mail orders placed from a catalogue (printed in Swahili & English) which lists everything from radio sets to kerosene lamps, according to the Commerce Dept.'s *Foreign Commerce Weekly*.

Australia's commercial TV service is being reviewed for major expansion. The Australian Bcstg. Control Board has begun public hearings on applications for commercial service in the federal capital of Canberra and in 12 provincial areas in 4 states—New South Wales (4), Victoria (4), Queensland (3), Tasmania (1).

ETV in Chile has been started on an experimental basis by universities in Santiago & Valparaiso—but commercial TV development there won't come soon, the USIA reported from Santiago. Few TV sets are available in Chile, and to conserve resources, the govt. isn't issuing import authorizations for commercial equipment or receivers.

Communist bloc broadcasts increased 15% from 2,350 hours weekly in Jan. 1959 to 2,921 at the end of the year, reports USIA. Competing with the Soviet-Sino propaganda on the air, USIA's Voice of America broadcast 609 hours weekly in 37 languages. Biggest 1959 increase in Communist radio output was in the Near East, South Asia and Africa—up 50%.

Ethiopia invites bids until June 9 for the installation of a radio system & the training of personnel. Equipment includes one 50-kw, one 10-kw and 9 one- or 2-kw medium-wave transmitters, antennas, spare parts, etc. Information is available from consulting engineer George P. Adair, 1610 I St. N.W., Washington, D.C.

First privately-owned long-distance microwave for TV in England has been built by Pye Ltd. for commercial programmer ATV. Spanning 135 miles from Birmingham to London, it was designed to enable ATV's London management to watch rehearsals originating in Birmingham and to let London advertisers view programs from Birmingham.

"Dial 999," Scotland Yard mystery series, produced by Towers of London, is now in Paris to be dubbed into French for the CBC French-Canadian network.

Trade Report

FEBRUARY 22, 1960

ACCLAIM FOR 'MUSIC POWER RATING': One part of EIA's stereo de-confusion drive—a standard measurement of amplifier power—probably will be put to work soon by most or all major package-hi-fi manufacturers. A survey last week showed that those which haven't definitely decided to conform to the new standards are prepared to go along "if the others do."

EIA's "Music Power Rating" (MPR) was approved last Sept. after a committee from all major hi-fi makers agreed on the standard (Vol. 15:39 p15). Its purpose is to make amplifier power-output ad claims of all manufacturers directly comparable—along same lines as auto horsepower ratings. The standards & test techniques have now been circulated to all manufacturers.

Many package-hi-fi makers now use "peak power" ratings in their ad claims. These can be more than twice as high as a measurement of "continuous power." MPR is somewhat greater than continuous power, but considerably lower than peak power. It's roughly defined as maximum power output of an amplifier (within limit of 5% distortion) during first surge of music. Similar measurement has been adopted by Institute of Hi-Fi Mfrs. (and virtually all component hi-fi makers), except that distortion tolerance is much stricter—one-half of one percent—and amount of distortion must be stated in ad claims.

Our survey indicated most manufacturers welcome the new EIA standard and will switch over as soon as possible, or at least by the time 1961 stereo models come out. Some of the important manufacturers (examples: Admiral, RCA) answered equivocally, but are expected to go along. Magnavox officials were unavailable for comment. Here's roundup of responses:

Zenith will go along with MPR "right away," says mktg. exec. vp Leonard C. Truesdell. "This is very similar to the way we've been measuring our power anyway, and we expect to have to change only the rating of one portable model. We will switch to EIA's approved terminology exclusively in our June line."

RCA had no official comment, but informally it was understood that the company expects to adopt the MPR system if majority of other important hi-fi manufacturers do.

Admiral, not a member of EIA but represented on the committee which formulated the MPR standard, says it plans "nothing immediate, pending a study by our sales & advertising departments."

Motorola is "prepared to go all-out" for the MPR standard, consumer products exec. vp Edward R. Taylor said. He praised EIA for "trying to get common understandable terms for the whole industry."

Philco will adopt MPR as soon as possible—in June models or earlier.

Columbia Phonograph dept. is "fully in accord with the standards and will use them in any future advertising which mentions amplifier power," according to vp-gen. mgr. James J. Shallow. He pointed out, however, that Columbia has avoided making any power claims for more than a year because of the confused measurement situation.

Sylvania will incorporate the new standard in advertising "as soon as it is feasible to do so without obsoleting otherwise current material." Sylvania Home Electronics Pres. Robert L. Shaw expressed a common industry fear when he told us: "If all manufacturers don't support the standards, those who do might find themselves at a competitive disadvantage." Sylvania currently uses peak power ratings.

Hoffman and Packard Bell, leading West Coast producers, told us they will adopt the MPR standard.

TV TRENDS—HIGHER PRICES, DEMISE OF 21-in.: What will the "new-model" derby bring this spring & summer? Although designs & policies for "1961" lines are fairly well frozen now, and some spring portable drop-in lines are already in production, manufacturers are understandably reluctant to talk about plans. Informal conversations & public statements, when combined, add up to these trends:

TV set prices will rise—not sharply, but subtly—with most increases concentrated on popular 23-in.

models. First 19-in. sets will appear next month, in portable versions. Later, the increased emphasis on 23-in., together with introduction of 19-in. table model, will spell beginning of end of 8-year reign of 21-in. set.

Nobody wants to be pinned down on pricing, but set makers' formal & informal statements indicate something's got to give—and preparations are being made for increases in general price levels. Examples:

From RCA: "While we have not decided on prices for the new line this year, there is a strong possibility that all prices will be increased somewhat due to rising costs & the need for improved profit margins" at all distribution levels.

From Hoffman: "It appears to us that, based on higher labor costs expected this year, there is a very good chance prices will go higher." (Consumer products vp Ray B. Cox)

From Packard Bell: "Prices are expected to move up because of the rise in costs of tubes & labor, [even though] the industry will try to hold the line." (Home products vp K. R. Johnson)

From Motorola: "We're doing everything possible to maintain the present price level to distributors. We're keeping costs down as much as possible, but we also expect to assure the distributor & dealer a fair profit. We don't look for any major rises."



First 19-in. square-corner-tube portables are now in production. Although nobody's announcing any dates, it's our educated guess that Admiral will be first to introduce them—next month. Although Admiral officials won't comment, it's good bet the company will use 19-in. tube without bonded-on implosion plate in its portables. These tubes are in quantity production now, while there's only pilot output of bonded tubes.

The 19-in. situation is likely to boil down to this: Portables will use the non-bonded tube, which is almost as cheap & almost as lightweight as the 17-in.; table models will use bonded-shield & non-bonded tubes.

Sylvania probably will be first with a bonded-shield 19-in. table model, possibly in April—although the company will only say "before midyear." Sylvania Home Electronics Pres. Robert L. Shaw told us: "I don't foresee it replacing either the 17-in. portable or the 23-in. table model. The 19-in. table model should replace the 21-in. table model as we know it today and probably will be priced between the 17- & the 21-in."

Who else will have 19-in. sets this spring & summer? Just about everybody—dividing up between bonded-shield & non-bonded approaches.

The 23-in. set will completely steal spotlight from 21-in. this year—except in a couple of lines. Last year's holdouts will swing toward the square-corner approach. Experience with the new shape has been good, by & large, when backed by aggressive campaigns. RCA, for example says "sales indicate the 23-in. will outsell the 21-in. models despite higher prices."

How about completely new TV products this year? Most manufacturers are mum. But don't expect too much that's radical—witness Philco's experience with its now-discontinued separate-screen Predicta.

One exception is the battery portable. You'll probably see a few, and they won't necessarily be Japanese, either (Vol. 16:4 p15). Only manufacturer willing to tip its hand is Emerson, whose long-awaited transistor set turns out to be a 10-in. model (vs. the Japanese 8-in., Philco's 2-in. magnifying-reflex Safari). Pres. Benjamin Abrams told stockholders meeting last week that production will begin in April on the direct-view set, designed to retail at about \$250 (competitive with Philco and anticipated Japanese set prices). It will weigh 28 lb. and operate from rechargeable batteries. The 17-in model promised last summer is still in lab.

TV-RADIO PRODUCTION: EIA statistics for week ended Feb. 12 (6th week of 1960):

	Feb. 5-12	Preceding week	1959 week	'60 cumulative	'59 cumulative
TV	129,510	135,438	98,841	789,850	684,516
Total radio	358,817	379,076	211,545	2,090,653	1,693,849
auto radio	141,871	173,361	68,874	947,550	635,052

Fair trade study to determine economic effects of state price-fixing laws on small firms is being undertaken by the Small Business Administration. Plans for the survey, which will cover such factors as profit rates, inventory turnover, etc., in fair-trade & non-fair-trade areas, were outlined at a House Appropriations Subcommittee hearing.

RCA has been awarded a \$474,831,000 Air Force contract for work on the Ballistic Missile Early Warning System. RCA has been working on the radar-network project for more than a year and the award, in effect, formalizes & defines the contract. The award to RCA increases the Air Force investment in BMEWS to more than \$700 million.

RCA'S HOME-ELECTRONICS PLANS: Despite RCA's increasing emphasis on commercial & industrial electronics (see p. 21), Chmn. David Sarnoff & Pres. John L. Burns last week made it clear that the world's biggest electronics company does not consider consumer electronics a "stepchild" in any sense of the word. In fact, Gen. Sarnoff told a Feb. 17 dinner of the N.Y. Society of Security Analysts, the "earnings crest" of the consumer electronics field is not yet in sight.

U.S. broadcasting & consumer-electronic products together grossed \$6 billion last year, he said—more than 40% of the electronics industry's total volume. He predicted a rise to \$8 billion by 1965. Last year, he said, RCA's business was 54% entertainment products & services, 46% non-entertainment.

With record sales in 1959 and healthily improved earnings, the impression given by RCA's speakers at the dinner was one of extreme confidence & solidity—marked by their willingness to answer all but the most highly competitive questions frankly & openly.

For example: We asked Pres. Burns, following the meeting, whether RCA had lost its No. 1 standing in TV set sales in 1959. He replied that if color sets were included, RCA was still first, but in b&w sets it was "*comme ci, comme ca*"—meaning presumably that Zenith & RCA were neck & neck. He explained that RCA had lost nearly 2 months last year by being late with new models as a result of the changeover in management of its TV receiver operation.

Other highlights of the RCA presentation to the Security Analysts, at which Burns & other RCA officials answered questions from the audience:

Sarnoff Projects Doubled Color Output

Color TV: This subject drew greatest amount of questioning from the audience of investment specialists. Gen. Sarnoff, in his address, reiterated that RCA earned a profit on color TV sets last year and stated: "It is our present intent to double color-receiver production in 1960." Later, in answer to a question, consumer-products exec. vp P. J. Casella estimated 1960 color set production would be 50-60% higher than 1959, with sales up about 45%. Questioned about the inconsistency between Gen. Sarnoff's & Casella's remarks, Burns replied that it was easier for Gen. Sarnoff or himself to make the higher prediction—because Casella was responsible for production & sales.

Burns said that RCA's manufacturing & broadcasting operations together are not yet realizing a profit from color (due to NBC's absorption of many color telecasting costs), "but this year looks like it will be pretty close to break-even." NBC Pres. Robert W. Sarnoff said more advertisers were insisting on color commercials, but declined to guess when the color "advertising breakthrough" would come—the point where NBC could start charging full premium for color.

Color discussion was concluded when the inevitable question came from the audience: "How many color sets did RCA produce last year and how many will it make this year?" Quipped Burns: "I'm going to let Pat Casella evade that question." He did.

Radio: "We sold more radios last year than any other year since we opened for business," said Sarnoff. Casella filled in the figures for RCA's big 1959 and projected a bigger 1960: The company's radio sales last year were 38% above those of 1958, and 1960 is expected to be 40-42% better than last year.

Foreign competition: "It's formidable in certain areas,"

said Burns. "But this is the fastest-growing industry and there's room for all. RCA is not concerned at this stage with foreign competition." Echoed group exec. vp W. W. Watts, pointing to RCA's success in the radio & transistor field: "I don't know how we can complain about foreign competition. We welcome it and . . . can compete with it."

Transistors: RCA claimed the No. 1 industry position in entertainment-type transistors and said it was now emphasizing development of transistors in the computer & military fields. Said Watts: "We're doing as well if not better in percentage of the market in the entertainment transistor field than we have traditionally done in the vacuum tube field, in which we are the leader."

Recording tape: RCA has been making tape on an experimental basis for several years, said Burns, and plans to begin commercial manufacture of recording tape—including video tape—in about a year.

Patent practices: Answering a question, Burns conceded that there has been a decline in revenue due to the consent decree which ended RCA's role as official patent-keeper to the industry. There has been "considerable loss" of revenue in the domestic patent field, he said, offset somewhat by "growth in the foreign field." He added that RCA has cut down its patent organization, and no longer offers its lab facilities to the industry at large.

Emerson's Year: Last year was the 4th in the row during which Emerson showed a marked improvement in sales & profits, Pres. Benjamin Abrams told the stockholders' meeting last week in N.Y. He projected a 20% sales increase for 1960 and said company's 1959 TV sales—50% of which were in the portable category—were 20% higher than 1958. Radio sales were up 18%, Du Mont div. sales up 38%.

He reiterated that both the Emerson & Du Mont lines would feature color sets next fall, but added he didn't expect to realize a profit from color for 2 or 3 years.

Abrams revealed that Emerson's recent settlement of the FM patent suit brought by the widow of Major Edwin H. Armstrong (Vol. 16:6 p21) involves the payment of \$475,000 to Mrs. Armstrong over a period of 11 years. He also announced that Emerson would convert its govt. & industrial electronics div. into a new wholly owned subsidiary, possibly eventually seeking some public financing. The division's current backlog is about \$20 million. Emerson's reports on battery TV and its Japanese transistor radio imports will be found on pp. 18 & 20.

Edison radio-amateur award for 1959 will be presented Feb. 25 at a GE-sponsored banquet in Washington's Sheraton-Carlton Hotel to Walter Ermer Sr., 51, who operates W8AEU at his Cleveland home. He was selected from among more than 30 candidates for organizing & directing a 300-member voluntary emergency radio communications corps which served Cleveland on 23 occasions last year in floods, lost-children searches, etc. Judges were FCC Comr. Hyde, Robert Edson of the Red Cross, American Radio Relay League vp E. C. Handy.

Another "loss-leader" bill, amending the Federal Trade Commission Act to prohibit big retailers from putting small competitors out of business by pricing products below cost, has been introduced by Rep. Johnson (D-Md.). His measure (HR-10499) is similar to legislation proposed by House Small Business Committee Chmn. Patman (D-Tex.) and others (Vol. 16:7 p21).

Hoffman Electronics has changed the name of its laboratories div. to military products div.

MORE RADIO IMPORTS: Schism among radio manufacturers on the subject of Japanese imports continues to be as sharp as ever. Among the latest developments: Packard Bell joined the importers in a 10-year deal with a Japanese radio manufacturer, while Admiral came out with a powerful new all-American weapon against imports—a 7-transistor shirt-pocket radio to list at \$29.95.

Packard Bell's arrangement provides for initial shipments of 5,000 transistor radios a month, increasing to 15,000 in June. The sets will be sold in the U.S. under the Packard Bell name.

Admiral's new pocket set, with 7 transistors and 2 germanium diodes, will be merchandised as "guaranteed world's most powerful transistor radio for its size" and is the latest move by Admiral to compete with imports in both price & quality. The new set is smaller than the 7-transistor radio introduced by Admiral last fall at \$29.95.

Emerson is importing about 15,000 Japanese radios a month for sale under the Jefferson-Travis label, Pres. Benjamin Abrams told the company's stockholders meeting last week in N.Y. "We will increase this figure if demand is good," he said, "or we will decrease it if we find we can produce a similar model at a competitive price."

Japanese radio exports to the U.S. (including some items which were re-shipped to Latin American markets) totaled more than 6 million sets last year, up from 2.5 million in 1958. Of the 1959 exports, nearly 4 million had 3 or more transistors, about 1.6 million were in the "toy" category (one or 2 transistors) and less than 500,000 were tube.

Red China has begun production of TV sets, according to the New China News Agency, which reported recently that the Shanghai Radio Factory is now producing an 18-tube set. "The TV receiver is of a good appearance, excellent clarity & stability of image and pleasant tone," said the agency. "It can receive programs on 5 frequencies. All its electronic tubes are made in China. The image tubes & crystal tubes [sic] are imported."

Canadian TV Slips: Canada's TV industry wound up 1959 on the downgrade. Distributor sales to dealers during the year sagged to 405,965 units from 430,980 in the preceding year, reports the EIA of Canada. Paradoxically, 1959-over-1958 sales gains (even if small) were racked up by portables, consoles, 3-way combos. Principal contributor to the overall decline: table TV, which slumped some 25%. Indicative of Canada's more rough than ready TV market, Sylvania Electric Ltd. last year gave up the ghost, dropping TV production in favor of other products because "the outlook for the next 10 years does not indicate a sharp upturn in consumer demand for TV sets" (Vol. 15:45 p20).

The breakdown of total 1959 sales (corresponding 1958 figures in parentheses): portables, 67,979 (65,838); table models, 107,757 (135,739); consoles, 215,872 (215,504); combinations, 14,357 (13,899).

Even more grim was the Dec.-1959 vs. Dec.-1958 performance. All product types except combos ran behind the year-ago pace—and combos just barely made it into the winner's circle. Breakdown of Dec. 1959 vs. Dec. 1958 sales: portables, 4,350 (6,048); table models, 8,852 (13,509); consoles, 17,429 (19,656); combos, 1,577 (1,455).

RCA Frequency Bureau has moved its N.Y. office to 3 Hanover Sq., N.Y. 4.

82 Million Transistors: Transistor factory sales continued their rapid expansion in 1959. EIA reports that more than 82 million were sold, at a factory value of nearly \$113 million. Thus 1959 saw 75% more transistors sold at almost double the value of 1958's output. Transistor production rose from 1.3 million (at \$5.1 million) in 1954 to 3.6 million (\$12.3 million) in 1955, 12.8 million (\$37.4 million) in 1956 and 28.7 million (\$69.7 million) in 1957.

In addition to the 82 million domestically produced transistors last year, more than 20 million transistors were imported into the U.S. from Japan, all but about 2.4 million of them in end equipment—mostly portable radios. Here are the EIA figures of 1959 & 1958 monthly factory transistor sales:

	1959		1958	
	Units	Dollars	Units	Dollars
January	5,195,317	13,243,224	2,955,247	6,704,383
February	5,393,377	14,550,056	3,106,708	6,806,562
March	6,310,286	18,117,560	2,976,843	6,795,427
April	5,906,736	16,864,049	2,856,234	7,025,547
May	6,358,097	19,007,293	2,999,198	7,250,824
June	6,934,213	18,031,593	3,558,094	8,262,343
July	6,030,265	15,618,315	2,631,894	6,598,762
August	7,129,696	18,054,138	4,226,616	9,975,985
September	8,652,526	20,851,290	5,076,443	10,810,412
October	8,710,913	22,109,748	5,594,856	13,461,857
November	7,846,500	22,742,525	5,440,981	12,441,759
December	7,826,194	22,819,931	5,627,700	16,595,616
TOTALS	82,294,120	\$222,009,722	47,050,814	\$112,729,427

Trade Personals: Henry C. Gammell named vp & operations mgr., Motorola International S.A. . . . Edward Diamond promoted from secy.-gen. counsel to vp-counsel, Stromberg-Carlson . . . Louis M. Robb, former distributor sales administrator, appointed to new position of mgr. of mkt. development, GE receiving tube dept. . . . Ralph W. Peverley, chemical consultant of investment bankers Carl M. Loeb, Rhoades & Co., elected to board of Audio Devices (records & tape) . . . Charles J. Starner named mgr., high power design projects, RCA best. & TV equipment div.

Robert E. Lewis, Sylvania president, has been elected a trustee of Brooklyn Polytechnic Institute; Terry P. Cunningham named ad production dir., Edward L. Slater, ad dir., Sylvania; Richard C. Tonner appointed product line mgr., germanium drift & power transistors, Sylvania semiconductor div.; Dean M. Unger named product line mgr., germanium mesa transistors, same div. . . . G. Emerson Pray, ex-Dresser Industries, elected Ling-Altec vp for military contracts activities . . . R. V. Meraldi named management engineering mgr., RCA defense electronic products.

Donald S. Parris, dir., electronics div., Business & Defense Services Administration, receives Commerce Dept.'s Meritorious Service Award for "extremely competent performance of official duties for more than 20 years."

New electronics studies by Defense Dept. specialists include *Development of a Ruggedized Vidicon & Deflection Components and Design for Ease of Maintenance*, 2nd Symposium on Electronics Maintenance. They are available from the Office of Technical Services, Business & Defense Service Administration, Commerce Dept., the first (PB 161082) for \$1, the other (PB 161107) for \$3.50.

New publication devoted to new-product releases: *What's New in Electronics*, bi-monthly, controlled circulation, by Parks Publishing Co., 56 E. Walton Pl., Chicago, beginning March 10.

Harman-Kardon, manufacturer of hi-fi components, is now producing a low-cost FM tuner circuit for TV, radio & phono manufacturers.

Jerrold has reduced the dealer cost of its TV Receptor indoor antenna to \$2.40 from \$3.97.

Three federal grand juries in Philadelphia are investigating alleged price-fixing, bid-rigging and other anti-trust violations in the electrical equipment industry. Two groups of criminal indictments were handed up last week. The first batch charged the companies with allocating govt. & private business among themselves by deciding which would submit the low bid, and in some cases agreeing to simultaneous price increases. These manufacturers of power switchgear assemblies & circuit breakers used in the generation & transmission of electricity were indicted, along with company officers: GE, Westinghouse, Allis-Chalmers, I-T-E Circuit Breaker, Federal Pacific Electric Co. Second group of indictments charged price-fixing conspiracy in bushings, lightning arrestors, insulators and open-fuse cutouts, all used by electric utilities. Named in these charges were GE, Westinghouse, Lapp Insulator, Ohio Brass Co., McGraw-Edison, H. K. Porter Co., Hubbard & Co., Joslyn Mfg. & Supply Co., Porcelain Insulator Corp., I-T-E Circuit Breaker, A. B. Chance Co., Southern States Equipment Corp.

Transistorized remote-control amplifier for TV sets was announced last week by Admiral and presumably will be incorporated in some of the company's 1961-model sets. The 7-transistor chassis, marking the first extensive use of transistors in TV receivers, replaces the tube-type amplifier now used for wireless remote units in Admiral and other brand sets. Principal advantages: The set is always ready for instantaneous remote operation without the necessity of the operator going near the set (the power for the transistor unit is never turned off; Admiral says it costs only a few cents a year); smaller size; no warm-up period; no heat; longer life. The hand unit is unchanged, using the ultrasonic "tuning-fork" principle.

Admiral has doubled its field merchandising staff in a step-up of marketing operations, reports Admiral Sales Corp. gen. sales mgr. R. J. Bambery. John F. Geisel & Wallace M. Obermoeller have been named field merchandising specialists for major appliances. John F. Daly (ex-Motorola) & William R. Kuzelka (ex-Procter & Gamble) have been appointed for electronic-products merchandising. All report to Chicago-based field merchandising supervisor Larry L. Malin.

Philco International Corp. has acquired a "substantial" minority interest in Mexican manufacturer Cia. Mercantil Internacional, S.A., Mexico City. The Mexican concern produces & sells Bendix washers in Mexico under license from a Swiss subsidiary of Philco. Cia. Mercantil Internacional began distributing Bendix washers in 1940.

Reeves Soundcraft Corp. has purchased the disc-manufacturing facilities & inventories of Siegler's Bogen-Presto div. for an undisclosed cash sum. Reeves exec. vp Frank B. Rogers Jr. said the purchase price would be paid over the next 3 years. He forecast that profits from the acquisition would cover the price. N.Y.-based Reeves produces magnetic recording tape & blank disc records.

GE had record TV sales in January. TV receiver dept. sales mgr. Joseph F. Effinger said the gains were made across the board in all GE markets, attributed the results to "solid merchandising plans for the entire product line."

Sylvania will build a research & development center for electron tubes at Emporium, Pa. The first stage of construction is to be completed this year, the balance by 1963, said Sylvania Electronic Tubes Pres. Matthew Burns.

Hoffman Electronics' TV receiver sales in Jan. were 33% higher than in Jan. 1959.

Finance

SARNOFF SEES \$25 BILLION BY 1965: "You ain't seen nothing yet," RCA Chmn. Brig Gen. David Sarnoff figuratively told the N.Y. Society of Security Analysts last week in a bubbling-with-optimism analysis of the electronics industry's growth pattern. Never one to pull his prediction punches, Sarnoff foresaw:

Today's \$14-billion electronics industry will grow to a \$25-billion annual volume by 1965.

Pacemaker of electronics' expansion will be commercial & industrial business—the "3 Cs" of computers, controls and communications—which will surge 250% to a \$7-billion-a-year business from today's \$2 billion volume.

Home-entertainment electronics will increase to \$8 billion from \$6 billion, "with their earnings crest still ahead." (See p. 19 for RCA leaders' analysis of home electronics.)

RCA will parallel industry growth. Its 1959 sales set a record—19% ahead of 1958—and profits rose 30%. Its forecasts for 1960: minimum increases of 10% in earnings, 10%-12% in sales.

Electronic-equipment servicing "is the fastest growing element in the industry. RCA employs almost as many people to service electronic equipment today as it mustered in the entire company before World War II," Sarnoff said.

Electronics' share of the defense budget will increase to more than 20% from 16% today. This represents a dollar volume of some \$10 billion.

In charting the scope & nature of electronics growth, Sarnoff noted that RCA was undergoing a "fundamental alteration" in character. "At the decade's start," he said, "we were dominantly an entertainment company, with only 12% of our business in non-entertainment fields. Last year, the proportion was 54% entertainment, 46% non-entertainment; and I expect this corporate mutation to continue on an accelerated basis."

'Money in the Bank' Computer Losses

Reflecting the broadened character of mutated RCA, the corporation is hinging a large part of its future on a heavy investment in the electronic-brain business. Sarnoff told the analysts that the computer business may reach \$1 billion this year, and more than double—to \$2½ billion—by 1965. "What must be spent, we are spending to establish RCA as a major participant in this still-formative industry," he said, noting significantly that RCA in 1959 "incurred what I call 'money in the bank' losses in data processing, and the losses will continue in 1960." He pointed out that dogged newcomer RCA last week opened an Electronic Systems Center in Wall St., is installing one in Washington, and will add 3 additional data-processing centers for business & industry before year's end.

In an expansive & confident mood, Sarnoff quipped that he was no newcomer to Wall St. He told the Society, meeting in its new quarters at 15 William St., that his own long career in electronics began just a few doors away, at 27 William St., onetime N.Y. office of Marconi Wireless Co.

Asked about his own investment in RCA's future, Sarnoff gave the analysts a "scoop." He had just exercised his option, he said, to purchase 20,000 shares of RCA (at about \$50 a share) to increase his holdings to 25,000 shares. (RCA closed Feb. 19 at 64½.)

In the Q-&-A session that followed Sarnoff's address, various RCA executives noted: RCA's investment in data-processing is "tremendous" but still undisclosed; the break-

even point for RCA's burgeoning computer business is 2-4 years; no external financing for RCA's data-processing activities are required now, but outside money may be needed for the long haul.

"RCA is & always has been research-oriented," Sarnoff declared. "And it has not hesitated to blaze the trail with new products & new services. We do not wish to hide or to deny these facts. They account, in the largest measure, for the growth of our business, over the past 40 years, from one million to one-and-a-half billion dollars a year."

Sarnoff supported his point with a preliminary report of RCA's 1959 performance:

	1959	1958
Sales	\$1,395,000,000	\$1,176,094,398
Net profit	40,100,000	30,941,749
Per common share ...	2.65	2.01

Collins Radio has submitted an SEC registration (File 2-16135) for \$12 million of convertible subordinated debentures due 1980, to be offered for public sale by underwriters headed by Kidder, Peabody & Co. and White, Weld & Co. Interest & conversion rates, price and underwriting terms are to be supplied by the company in an amendment to the SEC registration. Initially, part of the proceeds would be used to reduce bank loans, including payment of \$4.5 million in 5¼% demand notes. Collins said recent expenditures included a \$1.6-million investment in Texiacal Inc., a real estate subsidiary, to finance new construction. Recently budgeted was \$4.5 million for machine tools & other equipment. Collins Chmn.-Pres. Arthur A. Collins & his family hold 170,000 shares (27.57%) of 1,935,749 common shares outstanding.

Houston Fearless Corp., Los Angeles producer of TV-studio, film-processing, microwave and other equipment, reports completion of negotiations for the acquisition of 2 Cal. concerns: Torrance-based Horkey-Moore Associates, engineering & manufacturing company (1959 sales of nearly \$3 million), and Western Surgical Co., Ltd., Los Angeles maker of medical equipment (1959 sales of about \$7 million). Houston Fearless Chmn. Noah Dietrich noted that other acquisitions are in "stages of negotiations."

Audio Devices Inc. stockholders have approved the sale of the magnetic-tape maker's silicon rectifier div. to Lark Corp. of Chicago for \$425,000. Audio Devices, in a proxy statement, said that the rectifier division formed in 1957 "has incurred losses in its operations since it was created." In the 9 months ended Sept. 30, the rectifier operation lost \$425,495; sales totaled \$289,453. In the same period, the concern had pre-tax earnings of \$360,279 on magnetic-tape sales of \$3,855,733.

Keystone Electronics Co. Inc., Newark maker of special-purpose tubes & other electronic components, will offer 200,000 common stock shares for public sale at \$3 per share, according to an SEC registration statement (File 2-16115). An underwriting group for the offering (133,334 shares by the company, 66,666 by present holders) is headed by J. A. Winston & Co. Inc. and Netherlands Securities Inc.

Allied Artists Pictures reports a sevenfold increase in net income on a substantial sales rise for 26 weeks ended Dec. 26:

	1959	1958
Gross income	\$9,035,088	\$7,431,772
Net income	846,000	120,000
Per common share	92¢	11¢
Common shares	893,832	878,256

GE Hits Sales-Profit Peak: GE's 1959 sales & earnings were the best ever, Chmn. Ralph J. Cordiner reported last week. Profits rose 15% over the 1958 level and were 13% ahead of the previous high of \$247,851,871 (\$2.84 a share) set in 1957. Sales climbed 6% in 1959 over 1958 and edged slightly ahead of the heretofore record volume of \$4,335,664,061 achieved in 1957. Cordiner noted that GE's 1959 earnings-to-sales ratio was 6.4%, a "gratifying" increase over 1958's 5.9% ratio.

Principal contributor to GE's record performance last year was the components & materials group, which accounted for 27% of total sales and showed the greatest increase since 1958 of 4 major product groups. Transistors, other semiconductors, computers and other products of the "newer electronic technologies" were among the products having the fastest rate of growth, Cordiner said. Consumer products accounted for 26% of sales, defense products 25%, electrical apparatus 22%. Preliminary report for the year ended Dec. 31:

	1959	1958
Sales & services	\$4,349,508,529	\$4,120,769,801
Net income	280,242,123	242,942,533
Per common share ...	3.19	2.78
Average com. shares .	87,925,923	87,515,284

Crowell-Collier Publishing Co. reports 1960 sales & earnings of its radio & book divs. running well ahead of the 1959 pace. Chmn. Wilton D. Cole estimates that some \$2.3 million of Crowell-Collier's \$35-million-plus 1959 volume came from profit-making radio KFWB Los Angeles. Radios KDWB Minneapolis-St. Paul and KEWB San Francisco-Oakland showed a combined loss approximating \$450,000. Cole said the company may eventually buy TV stations but its current interest is confined to radio. "We intend to expand further through acquisitions of radio stations in major markets when they become available," he said.

Wall Street rumor, neither confirmed nor denied by principals, last week had Glen Alden Corp. merging with NAFI Corp., owner of KCOP Los Angeles, KPTV Portland and radio KXYZ Houston. Glen Alden Chmn.-Pres. A. A. List said his company is discussing merger with 3 manufacturing firms. Glen Alden, one of the nation's top 2 producers of hard coal, also has interests in theater operations, textiles, leather, oil & gas properties and auto parts.

Industro Transistor Corp. reports a net income of \$188,131 (35¢ a share) for the 6 months ended Dec. 31. Figures for the same year-ago period are not available.

Reports & comments available: RCA, discussion, A. M. Kidder & Co., 1 Wall St., N.Y. 5, profile in Feb. 15 *Forbes* . . . Magnavox, report, Goodbody & Co., 2 Broadway, N.Y. 4 . . . Allied Radio, review, Woodward-Elwood & Co., 840 Rand Tower, Minneapolis 2 . . . Electronics Industry, report, Merrill Lynch, Pierce, Fenner & Smith, 1422 Chestnut St., Philadelphia 2.

Common Stock Dividends

<i>Corporation</i>	<i>Period</i>	<i>Amt.</i>	<i>Payable</i>	<i>Stk. of Record</i>
Balto. Radio (WFBR)	Q	\$0.10	Mar. 1	Feb. 15
Consol. Electronics ..	—	.25	Apr. 1	Mar. 15
Famous Players Can.	Q	.37½	Mar. 11	Feb. 24
GE Canada	Q	2.00	Apr. 1	Mar. 15
Hazeltine	Q	.20	Mar. 15	Feb. 29
Meredith Publishing ..	Q	.45	Mar. 10	Feb. 26
Sprague Electric	Q	.30	Mar. 14	Feb. 29
Thomp.-Ramo-Woold..	Q	.35	Mar. 15	Feb. 29
Time Inc.	—	.75	Mar. 10	Feb. 26

Amphenol-Borg Electronics Corp. scored record sales in 1959 with a 21.6% gain over the 1958 volume. Net income rose 28.4%, making 1959 the company's 2nd-highest profit year, topped only by 1957's income. Chmn. Arthur J. Schmitt noted that 1959 earnings of the components producer would have been higher but for consolidation expenses involving its Broadview, Ill. office-plant & Danbury, Conn. plant. The 1959 plant & equipment spending topped \$4.6 million. Schmitt forecast a 15%-20% sales gain in 1960, said earnings will reflect the increased volume, elimination of non-recurring expenses, and the advantages of the concern's new facilities. The 1959 preliminary report consolidates for the first time the earnings of wholly-owned subsidiary Amphenol (Great Britain) Ltd. and the company's equity in the undistributed earnings of a 50% owned affiliate. (The 1958 report is adjusted to reflect the consolidation, for comparative purposes.)

Preliminary report for the year ended Dec. 31:

	1959	1958
Net sales	\$56,451,533	\$46,430,851
Net income	2,926,605	2,279,434
Per common share	2.50	1.96
Common shares	1,172,044	1,163,210

Arvin Industries reports substantially better sales & earnings for 1959 despite a poorer 4th quarter due to the steel strike. Per-share results for 1958 in the table below have been adjusted to reflect a 25% stock dividend paid last April. Arvin's results for 1959 (fiscal year ended Jan. 3, 1960) vs. 1958 (ended Dec. 28):

	1959	1958
Net sales	\$66,174,567	\$54,015,225
Net income	2,031,058	1,487,878
Per common share	1.80	1.32
Common shares	1,129,709	899,225
For 3 months ended Jan. 3:		
Net sales	\$15,571,237	\$18,140,207
Net income	344,606	918,341
Per common share	31¢	81¢

Tung-Sol Electric reports record sales in 1959, with earnings slightly higher than 1958. The company explained that earnings didn't match the sales rise because the prices of products did not keep pace with costs, because start-up expenses on several new products were heavy, and inventories increased due to maintaining production during the steel strike. The preliminary report for the year ended Dec. 31:

	1959	1958
Total sales	\$72,345,248	\$59,809,166
Net income	2,712,552	2,643,842
Per common share	2.70	2.67
Common shares	924,321	896,067

Federal Pacific Electric Co., Newark, N.J. electrical equipment concern which is talking merger with Cornell-Dubilier (Vol. 16:7 p24), posted strong sales & earnings gains in the 6 months ended Dec. 31. (Common shares listed do not include 581,040 shares of Class B common in 1959 & 590,540 shares in 1958 which are not eligible for dividends):

	1959	1958
Net sales	\$36,931,369	\$27,788,192
Net income	2,052,390	1,347,150
Per com. share (after pfd.)	1.39	1.07
Common shares	1,441,534	1,202,379

Gabriel Co. sales increased last year over 1958, while earnings dropped slightly:

	1959	1958
Net sales	\$28,836,253	\$22,825,684
Net income	536,906	545,066
Per com. share (after pfd.)	77¢	80¢
Common shares	675,838	661,038

Skiatron Case Needs End: SEC attorneys put Skiatron Electronics & TV Pres. Arthur Levey & gen. counsel Kurt Widder on the stand last week for prolonged questioning about stock deals, then prepared to wind up hearings on their charges that the company submitted misleading information in an SEC registration statement (Vol. 16:4 p20).

The 3rd week of the proceedings, which could bring an SEC stop order suspending the stock-offering statement, was spent by the SEC lawyers retracing complicated Skiatron Electronics market maneuvers involving Levey and Matthew (Matty) Fox's Skiatron of America—and Widder's part in preparing the allegedly faulty statement.

At the week's end, SEC counsel planned to draft stipulations with Skiatron lawyers which would obviate the necessity for further hearings—or for calling Fox himself as a witness in the complex case. The proceedings will be convened again in Washington Feb. 24 to open the record for any agreements.

In his testimony, Levey told how he loaned 206,000 shares of Skiatron Electronics stock to Fox, sold 130,000 unregistered shares to relatives & friends when Skiatron's pay-TV system was a hot item in industry news 3 years ago—and made another sale of unregistered shares to 2 men identified only as Charles Grande & Jose Miranda. He said he didn't know these 2 buyers.

SEC lawyer Frederick Moss said Fox posted the stock as collateral for loans to promote pay TV, then defaulted on the loans, and that Skiatron Electronics' statement should have disclosed that Skiatron of America had a deficit of nearly \$3.3 million.

Moss also said that Levey's stock-buying friends & relatives had resold their shares despite SEC regulations against public distribution of unregistered stock which is sold privately. Levey said he had been given "investment letters" by the buyers indicating intent to keep them, and that he had been unaware they had been sold again.

Before the hearings were recessed Feb. 18, Levey conceded under questioning that Skiatron Electronics lacks funds now to put its pay-TV system in operation. And even if it had enough money on hand, he said, his company would be hard put to overcome what he said was lack of sympathy for the pay-TV idea among members of FCC & Congress. Levey insisted he still had faith in pay TV.

Barnes Engineering Co. more than doubled net income on soaring sales in the 6 months ended Dec. 31 (1958's income excludes non-recurring charges & credits):

	1959	1958
Net sales	\$1,928,417	\$1,002,992
Net income	151,390	65,245
Per common share	46¢	22¢
Common shares	327,170	299,570

Litton Industries posted strong sales & profit gains in fiscal-1960's first half. The income in the 1959 period includes a special credit of \$400,000 (11¢ a share) resulting from beneficial purchase of assets. For 6 months ended Jan. 31:

	1960	1959
Sales	\$77,400,000	\$56,900,000
Net income	3,248,000	2,724,000
Per com. share (after pfd.)	85¢	74¢
Common shares	3,752,848	3,556,142

Western Union's holdings in TelePrompTer Corp. have been increased to 91,026 shares, or more than 20% of the outstanding stock, as a result of the acquisition of 41,026 additional shares by conversion of a \$400,000 note.

Metropolitan Bestg. Corp. reports record sales & profits last year. Included in the report are the operations of WNEW-TV & WNEW N.Y., WTTG Washington and radio WHK Cleveland. Not included are recently-acquired TV outlets WTVH Peoria, KOVR Stockton, Cal., and radio WIP Philadelphia. Still awaiting FCC approval is Metropolitan's purchase of WTVP Decatur, Ill. The report for 12 months to Dec. 31:

	1959	1958
Sales	\$16,543,422	\$14,427,752
Net income	1,416,108	302,035
Per common share	91¢	20¢
Common shares	1,549,012	1,549,012

Republic Pictures Corp. reports a sharp decline in revenues & income in its 1959 fiscal year (Vol. 16:7 p23). The film concern took a \$1,123,216 write-off against profits in 1959, representing all unrecovered advances to other producers, guaranteed bank loans made to producers and unused stories. For the fiscal year ended Oct. 31:

	1959	1958
Gross revenues	\$23,250,273	\$33,468,482
Net income	884,882	1,482,337
Per com. share (after pfd.)	24¢	54¢
Common shares	2,004,190	2,004,190

Unlisted trading of General Telephone & Electronics, Lear and General Dynamics common stock on the Detroit Stock Exchange has been approved by SEC.

Ex-MBS head Alexander L. Guterma was sentenced to 4 years & 11 months in prison and \$160,000 in fines Feb. 17 by Judge Lloyd F. MacMahon in Federal District Court, N.Y. Guterma was found guilty Jan. 27 of conspiring to defraud the government by willfully failing to file necessary reports with SEC & the N.Y. Stock Exchange (Vol. 16:5 p22). Also sentenced were Robert J. Eveleigh, and Guterma's 2 personal holding companies, Comficor Inc. & Chatham Corp. Eveleigh was sentenced to 2 years & 11 months in prison and fined \$10,000. Fines for Chatham & Comficor totalled \$130,000. F. L. Jacobs Co., which Guterma controlled when the violations were committed, will be sentenced in 2 weeks. Guterma still faces criminal trial in Washington on a Justice Dept. indictment for failing to register as a foreign agent of the Dominican Republic. In Washington, meanwhile, MBS lawyers negotiated a \$12,500 settlement of claims by that country against the radio network in a suit to recover \$750,000 paid in Feb. 1959 to Guterma for broadcasts favorable to the Trujillo govt. (Vol. 15:43 p10). In addition to MBS & Guterma, ex-MBS Chmn. Hal Roach Jr. had been named in the Dominican action in Washington's U.S. District Court, but Judge Richmond B. Keech dismissed claims against Roach.

Auxiliary Services

TV Traffic Cop: TV's traffic-monitoring capabilities will be charted in an ambitious \$400,000 two-year highway test slated to get underway by early summer on Detroit's heavily congested Lodge Expressway. The test, described as the most extensive attempted anywhere, will use a 14-camera hookup to scan 3½ miles of the midtown expressway and feed the pictures to a control center. The monitor observers, guided by the TV projections of traffic conditions, will push buttons to close entrance ramps, to cut lane speed, to summon emergency aid, and guide traffic past congested areas.

"This will be a full-scale test of TV for both surveillance & traffic control," Detroit streets & traffic dir. Alger F. Malo told us. "In addition, it should provide invaluable data on functional design of highways and driving patterns on expressways."

Import of the Detroit test is its immediacy. Or, as Malo put it, "TV traffic control is a subject on which there has been much conversation & little action. To our knowledge, TV is not now being used for traffic regulation."

Actually, the Detroit project has been a long time developing, too. Tests conducted back in 1955 on the Lodge Expressway "established the feasibility of TV," Malo said, but the \$400,000 financing for the proposed research was not forthcoming until last summer. The financing comes from 4 sources: Federal Bureau of Roads, Michigan State Highway Dept., Wayne County (Mich.) Road Commission, the City of Detroit. The project comes under the jurisdiction of the Michigan State Highway Dept., will be administered by a policy committee chaired by dept. traffic engineer Harold Bauerle. The 2-year study will be made on the most congested stretch of the Lodge Expressway, which carries 140,000 cars daily—between 5,000 & 6,000 per hour one way at peak.

Indicative of broad sideline interest in the Detroit project is the action of safety dir. Robert N. Hoffman of the Automobile Club of Philadelphia, who called upon city officials to employ TV to solve local traffic congestion. "If this experiment in Detroit is successful," he emphasized, "it may well be a revolutionary method of avoiding tieups which plague the Schuylkill [and other] expressways."

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SUMMARY-INDEX OF WEEK'S NEWS

Networks

NBC'S KTVU BUY, KRON-TV'S COMPLAINT. \$7.5-million sale provokes bitter protest from KRON-TV, due to lose NBC affiliation. Station intends to "air serious public interest issues" (p. 1).

NBC-TV'S SUMMER BONANZA: Minimum of 10 new shows planned to take TV out of summer doldrums (p. 8).

Congress

CELLER BILL TOO TIGHT, FCC says in testimony by gen. counsel FitzGerald at House Subcommittee hearing on govt. conflict-of-interest laws (p. 5).

FCC, FTC ON CARPET AGAIN this week as House Oversighters resume payola probe. They also subpoena records of 6 more Miami disc jockey convention hotels (p. 4).

Film & Tape

NO BREAK IN FILM STRIKE. Encouraged by U-I deal on post-1948s, WGA stiffens opposition; some producers begin to feel script shortage (pp. 4 & 11).

Advertising

COMPACT CAR DERBY: U.S.-made small cars will be backed by \$20-million TV ad budget this year. Renault is sole foreign entry spending heavily in TV (pp. 3 & 10).

ABC'S SPRING SALES PITCH drops underdog role, flexes sales & programming muscles with big batch of eye-catching statistics (p. 9).

ETV

FEDERAL AID TO ETV REVIVED by House Commerce Subcommittee which permits \$52 million bill to go to full Committee for vote. Its fate is uncertain (p. 14).

Manufacturing & Distribution

"SMALL" TV MAKERS—BIG BUSINESS: Our survey finds 1959 sales gains ranging to more than 100%, highly optimistic outlook for 1960 (pp. 15 & 17).

NEW 18-IN. TUBE for battery TV, developed by Kimble, dies a-borning. Most set makers hesitant about heavy expenditures on transistor TV design (p. 16).

Finance

RCA & ADMIRAL REPORT banner years. Admiral doubles profit with a jump to \$3-million-plus, hikes sales 17%, readies 19-in. TVs. RCA confirms record sales & \$40 million profit (p. 18).

TV-ELECTRONICS FUND net assets climbed to \$314 million in fiscal quarter ended Jan. 31; net asset value per share rose 11.5% (p. 19).

Stations

DOERFER RAPS OVERSIGHTERS for legislative proposals on TV-radio program controls, tells NAB state leaders' conference they threaten "grave danger" (p. 7).

REACTION OF FCC-PRODDED UHFs: Turn in unbuilt CPs. FCC clearing uhf band of "deadwood" in anticipation of general allocations moves (p. 3).

Foreign

CASTRO TIGHTENS SCREWS on TV ads, banning foreign-produced commercials. Govt. seizure of Telemundo TV network leaves only 9 of 26 Cuban stations without Castro "intervention" (pp. 2 & 6).

Auxiliary Services

WIRED TOLL TV BEGINS in Toronto suburb, Telemeter claiming 1,000 charter subscribers, 1,500 on waiting list. First week's programs: six 2nd-run movies, one live hockey game (p. 6).

NBC'S KTVU BUY, KRON-TV'S COMPLAINT: NBC bought San Francisco's independent KTVU (Ch. 2) for approximately \$7.5 million last week, after considerable on-&-off talk (Vol. 16:1 et seq.), and provoked a bitter blast from KRON-TV (Ch. 4) which will lose NBC-TV affiliation.

KRON-TV Pres. Charles Thieriot served immediate notice of plans to object to the sale, though he didn't specify forums he planned to use. "We are not going to stand still," he said, "and let NBC arbitrarily grab for itself a TV audience that we have built up for them over a period of years. This attempt to do so, in our minds, raises questions of whether any TV station can survive against the economic power in the hands of the networks. These are serious issues, directly affecting the public interest. We believe these issues should be aired, and we intend to take steps to air them." Asked to elaborate, Thieriot stated: "Many things are under study. We will do anything proper to protect our interests. These will be divulged as we progress."

P. A. Sugg, NBC vp for o&o stations & spot sales, responded: "I don't see what he means. If he has built up an audience, I'd assume that he has no problems. I don't know what he's going to air."

Speculation arose immediately as to whether KRON-TV would complain to Justice Dept. on basis of recent consent decree against RCA-NBC (Vol. 15:38 p3). Decree prohibits NBC from acquiring any station by threatening it with loss of NBC affiliation. NBC executives wouldn't comment officially on that point but

they asserted, first, that NBC didn't threaten KRON-TV, and, second, NBC didn't buy KRON-TV. It's thought that KRON-TV may protest sale to FCC on an "economic injury" plea.

In 4-station San Francisco, sale would leave KRON-TV independent, KTVU with NBC, KGO-TV with ABC, KPIX with CBS. KRON-TV's chances of getting network affiliation may be slim—what with KTVU & KGO-TV being network o&o's and KPIX owned by powerful Westinghouse.

KTVU exec. vp-gen. mgr. William D. Pabst assured staff that jobs aren't in jeopardy, that operating conditions will remain same during the 12-18 months expected before final transfer.

Sale was approved by KTVU stockholders Feb. 22. Base price is \$6.9 million. Then there are certain variables—about \$750,000 for equipment, profits of station before takeover, value of film library, etc. Estimated final total price is around \$7.5 million. Unusual angle is that RCA-NBC will make payment in RCA stock at \$62.25 per share, regardless of how it fluctuates until sale is consummated.

CASTRO TIGHTENS SCREWS ON TV ADS: New decree by Cuban govt. will have profound effects on American advertisers, agencies & commercial producers doing TV business in Castro's Cuba—a flat ban on all foreign-made TV & motion picture commercials.

In a separate move last week, the Castro govt. took over the 8-station Telemundo network and its affiliated El Mundo newspaper (notwithstanding early news reports to the contrary) as well as the General Motors distributorship and other enterprises in the \$40-million business empire controlled by Amadeo Barletta Sr. An Italian citizen, Barletta had taken refuge in the Italian Embassy in Havana at week's end.

Cuban govt. has now seized all or part of 18 of Cuba's 26 TV stations through its Ministry for the Recovery of Stolen Property. The only TV stations now without some govt. "intervention" (ownership) are the Mestre Bros.' 8 outlets in the CMQ-TV network. (For story on seizure of TV station properties in Cuba, see p. 6.)

The new TV-commercial decree, adopted by the Cabinet Feb. 20 but not officially released at press time, means that all filmed commercials must be re-made in Cuba. At least that's the interpretation we're given by TV & ad people with Cuban connections. About 50% of the Cuban TV commercials for U.S.-made items are currently being made outside Cuba.

Cost of re-shooting the commercials is only half of the problem. More serious may be the unavailability of raw film in Cuba. In its strict control over imports and dollar purchases, the Cuban govt. so far has refused to permit import of film rawstock, and supplies are low. Cuba makes no film stock. To import it, a supply of dollars and an import permit are required. Both must be obtained from the National Bank of Cuba. Isn't it logical that the permits & dollars will be granted? We asked that question of a Cuban TV source. The reply: "The govt. isn't always too logical. The situation can become very serious."

There are ample & excellent facilities for making commercials in Havana—biggest being CMQ-TV's complete studio & lab set-up, said to be equal to that of any independent producer in N.Y. There are also 2 major independent commercial producers in Havana.

Castro's TV-commercial import ban isn't unprecedented. Venezuela has similar restrictions, requires that all commercials be shot within the country, using local technicians, announcers & scenery. Mexico permits use of foreign film commercials, but the voices must be those of Mexicans. Cuba's Radio CMQ long has had rule against using foreign-recorded radio ads, and has sought to discourage foreign-made TV commercials. Cuban TV-radio unions have favored a ban to help build up & protect domestic TV-radio-ad industry.

Probably 50% or more of Cuba's TV advertisers are U.S. business firms—and there's plenty of advertising on Cuban TV. Stations there make their money selling spots rather than on program sponsorship. There are 2 to 2½ minutes of spots between programs—usually at least six 20-sec. announcements or three 40-sec. spots. Minute spots are rarely used.

In a related restriction, which will also hit TV, the new Cuban Central Planning Board—empowered to control all private enterprise—has banned the sale of all pharmaceutical products not made or packaged in Cuba. Most U.S. pharmaceutical firms have Cuban subsidiaries and some of them re-package there. Drugs are widely advertised on TV—and spokesmen from drug houses point out it will be difficult to obtain packaging material because of import restrictions.

More restrictions on trade are expected soon from the the Planning Board. Also due momentarily is the new TV-radio law, long under preparation.

\$20 MILLION TV STAKES IN COMPACT-CAR DERBY: An estimated \$20-million TV budget will backstop Detroit's hottest automotive trend this year: U.S.-made small cars. Huge sum, due to be scattered among all networks plus spot TV, represents about one-third of all U.S. auto money in TV. Anticipated 1960 sales of American compacts: 2 million units, or nearly one out of 3 cars sold.

Leader in 1960 compact sales to date is American Motors' Rambler (TV-sold on NBC-TV's Today, Jack Paar Show and Journey to Understanding), with 35,000 units sold in Jan. Close second is Ford's Falcon (NBC's Startime & Tennessee Ernie Ford) 32,000 units. Chevrolet's Corvaire (NBC's Chevy Show, ABC-TV's Pat Boone Show) is third with 19,000. Studebaker's Lark and Chrysler's Dart & Valiant sold less than 10,000 each. Still more compacts are slated for TV-backed 1960 introduction—including Ford's new Comet, Buick's Invader, Dodge's Warrior and an unnamed Oldsmobile entry.

Effect on foreign import models is already being felt, just as we predicted last year (Vol. 15:31 p13). Demand for foreign compacts has leveled off from last year's 600,000 to annual rate of about 500,000 units. More recent figures indicate sales may drop to 480,000, representing 20% decline from 1959.

Nevertheless most foreign compacts continue to ignore TV as major sales weapon. Last year's sales leader Volkswagen, now lagging behind French-made Renault, still steers clear of network TV, but recommends spot as dealer-level medium. Others seldom, if ever, use TV.

Renault is single pro-TV exception among foreign-made compacts—and, significantly, it has overtaken Volkswagen to become top-selling import in U.S. Heavy network & spot TV push has been in action since Kudner Agency took over Renault's broadcast advertising last spring (Vol. 15:35 p12). Details on p. 10.

LEE'S CHANCES LOOK GOOD: FCC Comr. Robert E. Lee's prospects for Senate confirmation seem strong at this time. Senate Commerce Committee hasn't been delaying consideration of other Republican agency members—CAB, FTC, etc.—and there's no indication that Lee is in trouble. Some time ago, there was speculation that the Democratic-controlled Congress might choose to pigeonhole Republican nominees pending Presidential election, in hopes that a Democrat would be elected and substitute member of his own party. But Commerce Committee isn't acting that way.

Committee has been quite impressed with Lee's performance, notably his work on Conelrad and his pro-uhf campaign. Lee is undoubtedly most traveled and best-known personally among all Commissioners—for his Conelrad work has taken him out of Washington more than 225 days in last 2 years, during which he traveled over 50,000 miles. If he has any strong opposition in Senate, it hasn't shown its hand.

Lee's current term expires June 30, and the nomination is for a full 7-year term. He joined FCC Oct. 6, 1953 in a recess appointment (Congress not in session), was confirmed the following January.

REACTION OF THE FCC-PRODDED UHFS: Majority of those uhf grantees jogged by FCC to build or drop their CPs (Vol. 16:8 p2) are likely to simply shrug and turn in their permits. A spot check of grantees & their attorneys last week produced a strong indication that few see any point to spending any money on oral arguments or evidentiary hearings in an attempt to keep the grants—when they can't possibly assert that they'll build in the foreseeable future. A very few may choose to debate a bit with FCC, perhaps arguing the legal point that they're entitled to evidentiary hearing, not merely oral argument.

Reason behind FCC's sudden action, which surprised even its staff, is that it wants to clear decks for whatever general allocations action it may take. The move isn't a forecast of Commission decision, doesn't mean that an all-uhf move has been decided or that plans are afoot to give part of uhf to the military. What Commission wants is to minimize legal & procedural problems in event anything new is done with uhf.

Commission hit only part of the non-operating uhfs last week, hasn't decided what to do with others. It's inclined to be tough with those who never built—the 54 cited—but there's certainly a disposition to take it somewhat easier on those who built, operated, suffered, succumbed. ETV uhf CP-holders are also expected to get gentler treatment.

You may recall that vhfs were given similar FCC treatment dozen years ago, when all telecasting was a losing business and no one could predict when industry would turn a profit. It forced grantees to make up their minds, undoubtedly moved TV ahead by several years, bringing first service to many major markets.

NO BREAK IN FILM STRIKE: No progress whatever was made in Alliance of TV Film Producers-Writers Guild of America negotiations last week, as WGA strike entered its 7th week. WGA, which had been in a conciliatory mood the preceding week, was encouraged by its success in another field—its deal with Universal-International on post-1948 movies. As a result a longer strike was predicted.

U-I deal gives writers 2% of the gross on post-1948s, but allows for 40% distribution costs, which brings writer figure down to 1.2%. Screen Actors Guild, meanwhile, offered a 60-day extension of its contract expiring March 31 to producers outside the Alliance fold. The Alliance had previously accepted the bid.

Some producers are beginning to feel script shortage, but in most instances companies have sufficient stories to finish season. (For details, see p. 11.)

Congress

FCC, FTC ON CARPET AGAIN: The erratic, catch-as-catch-can headline course of House TV-radio industry probers who spent 2 weeks trailing payola into Boston & Cleveland stations (Vol. 16:8 p3), turns back again this week to familiar territory—FCC & FTC.

Chmn. Harris (D-Ark.) of the Commerce Legislative Oversight Subcommittee summoned FCC Chmn. Doerfer to appear March 3 and FTC Chmn. Kintner March 4 to undergo questioning about "their actions & activities up to date" on payola practices.

The Oversighters' agenda after that is uncertain, but the always-tentative schedule of the Subcommittee takes in: (1) More exposes of payola, including goings-on at a Miami Beach disc jockey get-together last May. (2) Any number of related payola-plugola subjects in a 20-point probe outline, covering 27 cities, which Subcommittee counsel Robert W. Lishman drafted last Dec. (Vol. 15:51 p5). (3) Legislative reform proposals, including a year-old omnibus bill (HR-4800) by Harris himself (Vol. 15:8 p3) and Subcommittee recommendations early this month for laws against TV quiz fakery and other misdeeds within the industry (Vol. 16:6 p6).

Surest clue to the priority of proceedings following FCC & FTC sessions probably was provided last week when Subcommittee sources confirmed reports that staffers had been going the Miami resort rounds, passing out subpoenas for records of hotels where jockeys were quartered during the 1959 3-B ("Babes, Booze & Bribes") convention.

Account books of Miami Beach's Americana, convention hq where record firms spent more than \$100,000 to keep the jockeys entertained, already were in the Oversighters' record (Vol. 16:7 p6). Added to the subpoena list last week were Miami Beach's Bal Harbour, Shamrock Isle, Singapore, Balmoral and Beau Rivage hotels and Miami's Sir John.

May Call Jack Paar on Plugola

Harris wouldn't indicate what the Subcommittee's timetable might be after this week, however. Nor would he say whether he has definite plans to call ABC-TV's American Bandstand headliner Dick Clark, who is under subpoena and whose name has been cropping up since the start of payola hearings—although not in connection with Miami Beach. Another possibility in the Subcommittee's future book of witnesses: NBC-TV's Jack Paar, who has been an unabashed plugger of unsponsored products on his late-night show. A Subcommittee source confirmed reports that NBC's standards & practices vp James A. Stabile was asked Feb. 17 for a kine of one segment of the Paar show for "a strictly preliminary check."

In other Congressional developments: Rep. Moss (D-Cal.) of the Oversight Subcommittee introduced a bill (HR-10605) requiring TV & radio stations to identify participants in "interview or discussion programs," announce whether the programs have been rehearsed, keep tapes of what they say for at least 90 days so that anybody mentioned on the air can have access to transcripts. Penalty for non-compliance by stations: One-week suspensions of licenses by FCC. Moss said the intent of his measure is to protect "individuals, corporations, companies and other organizations against defamatory or otherwise injurious statements."

Around-the-clock Senate debate on civil rights, scheduled by majority leader Johnson (D-Tex.) to start Feb. 29, made it uncertain that an already-postponed TV industry summit conference with the Senate Commerce Committee would be held March 1, as planned (Vol. 16:8 p4). As of last week's end, Commerce Chmn. Magnuson (D-Wash.) still had the session on his schedule, but all Senate committee meetings probably will have to be called off if Johnson holds the Senate in continuous floor session.

Would Bar Manufacturers From Broadcasting

Rep. Sheppard (D-Cal.) suggested on the House floor (but introduced no bill) that the Communications Act should be amended to prohibit licensing of any TV or radio station to "any company which directly or indirectly owns, operates or controls, or has 25% or greater interest in, a company manufacturing radio, broadcasting, transmitting or receiving equipment." Sheppard said such an amendment would prevent a manufacturer from putting pressure on a station to buy its equipment under "threat that [the station's] network contract can be canceled."

Reps. Rogers (D-Tex.) & Macdonald (D-Mass.) also had some legislative suggestions. Oversighters Rogers said a new federal anti-bribery law ought to be enacted to prevent payola "deception, deceit and cheating" by record companies & jockeys. Commerce Committee member Macdonald said a 1958 law should be changed to limit low-cost 4th-class postal rates for mailing of educational records to records which really are educational. The cut rates apply now to all phono records, he pointed out.

Sen. Allott (R-Colo.) had some words of caution. Referring to the House payola disclosures, he told the Senate that the public has been "bombarded with a variety of testimony reported in a variety of ways," that in the "wake of this tumult have come suggestions, demands, orders and threats that someone must be made to pay." Allott argued, however, that FCC "is adequately prepared to handle gross misuse of our airwaves" and that the "networks have demonstrated a willingness & ability to properly control their programming." He added: "It is time now for us to pause & see what is being done, not plunge ahead recklessly with legislation."

Celler Bill Too Tight, Says FCC: Conflict-of-interest bills proposed to prevent ex-govt. employes from exploiting their experience for private gain (Vol. 16:8 p4) go too far, FCC gen. counsel John L. FitzGerald testified last week.

Appearing before the House Judiciary Anti-trust Subcommittee at a hearing on a half-dozen clean-govt. measures, FitzGerald singled out provisions in one bill (HR-2156) by Chmn. Celler (D-N.Y.) for particular criticism.

The FCC spokesman said that under Celler's proposals: "Former Comrs., officers and employes of the Commission would be permanently disqualified from ever participating, or aiding or assisting anyone in prosecuting a claim, contract, controversy or other matter in which the U.S. is a party or in which it is directly or indirectly interested concerning which matter they had any responsibility during their federal employment."

FitzGerald also was critical of a section of the Celler measure prohibiting ex-federal employes from doing business with the govt. for 2 years after they leave their govt. jobs. He pointed out the Communications Act now prevents ex-Comrs. from practicing before FCC for one year, but exempts those who have served their full terms of office. This is "as far as any legislative pronouncement of the Congress in this area should go," he said, arguing:

"It must be remembered that the Comrs. & employes of the Commission may have devoted most of the years of their professional experience to this specialized govt. regulatory agency. To prohibit them, after long years of service in the public interest in a highly specialized field, from using that competence for a period of 2 years after leaving such employment, appears to us to be inequitable."

"Why No FCC Code of Ethics?"

FitzGerald was questioned sharply by Rep. Rogers (D-Colo.) & Subcommittee counsel Herbert Maletz about FCC's failure to adopt a code of ethics of its own, as recommended in the Celler unit's 1957 report on the TV industry (Vol. 13:23 p3). FitzGerald said FCC felt that Congress itself should impose any such rules on agencies, that he himself never had read all of the 1957 report.

Meanwhile still another clean-govt. bill (HR-10657) was added to the Celler Subcommittee's portfolio by Rep. Fascell (D-Fla.). A refined version of American Bar Assn. proposals which have been languishing in the Senate Judiciary Administrative Practice & Procedure Subcommittee (Vol. 16:7 p9), Fascell's measure provides criminal penalties for all *ex-parte* approaches to FCC & other regulatory agencies.

Also referred to the House Subcommittee last week was a bill (HR-10575) by Rep. Lindsay (R-N.Y.) carrying out conflict-of-interest recommendations by the Assn. of the Bar of the City of N.Y. following a 2-year study. A companion Senate bill (S-3080) was introduced by Sens. Javits (R-N.Y.), Keating (R-N.Y.) and Proxmire (D-Wis.).

NARBA & Mexican AM Agreements were finally ratified by the Senate last week, by 76-to-8 vote, after pending 9 & 3 years, respectively. In the floor discussion, Sen. Morse (D-Ore.) said he had requested from the FCC an assurance that it doesn't have "a lack of sympathy with the plight" of daytime stations which are now foreclosed from extending their operating hours. Sen. Magnuson (D-Wash.), chmn. of the Senate Commerce Committee, voted against the treaties because he believes that within 5 years, the life of the treaties, the daytimers' hours could be extended through engineering innovations.

Anti-TV-ratings crusade by Sen. Monroney (D-Okla.), who has been calling for a full-dress Commerce Committee probe of the systems ever since he conducted brief one-man hearings on them in 1958 (Vol. 14:26 p2 et seq.), may be called off. "We may not be able to get to further study of TV ratings for some time," Monroney told the Senate, pointing to the Communications Subcommittee's preoccupation with other problems, such as allocations (Vol. 16:6 p2). And "we may be seeing a break in the clouds of rating-dominated TV" anyway, he added. As industry developments contributing to a "slight ray of light which could mean a new dawn," Monroney cited: (1) "Independence of ratings suggested by recent announcements of varied TV public service programs scheduled in prime time by the networks." (2) Abandonment by Trendex of "top 10" program listings "to introduce sanity to the business of evaluating the TV audience" through its "Dimensionized TV Audience Report." Monroney commented: "It has been my contention for some time that the ratings we have known in the past didn't make sense. We shall see if the new ones have a sane contribution to make."

The FCC

No improper influence was brought to bear on FCC members in the St. Louis-Springfield deintermixture case, KTVI (Ch. 2) St. Louis asserted last week in its brief on the case (Vol. 16:8 p4). KTVI, which was given authority to operate on Ch. 2 after the channel was shifted from St. Louis, told the Commission: "During the pendency of the proceeding, [KTVI, through Pres.] Harry Tenenbaum, made *ex-parte* approaches & presentations to the members of the Commission for the purpose of influencing them to amend the notice of proposed rule-making by including the shift of Ch. 36 from St. Louis to Springfield as a subject to be considered in the proceeding. Following such *ex-parte* approaches, the Commission on Oct. 12, 1956, issued an amended notice of rule-making inviting comments on a proposal to assign Ch. 36 to Springfield by deleting it from St. Louis. The *ex-parte* approaches & presentations made by [KTVI] to enlarge the rule-making proceedings were not improper & did not deprive interested parties of the opportunity to file comments in support of or in opposition to the proposal." The brief of Sangamon Valley TV Corp., one-time applicant for Ch. 2 in Springfield, argued that KTVI should be disqualified for its approaches to Commissioners and that the FCC should void the rule-making decision which shifted Ch. 2 from Springfield to St. Louis. AB-PT and uhf WICS Springfield asserted that the status quo should be maintained because nothing in the record "taints, vitiates or voids" the FCC's original decision.

Sale of KEYC-TV Mankato, Minn. to KEYC-Lee TV Inc. has been approved by the FCC. Two-States TV Co. Inc., 60% owned by KNUJ Inc., transferred the CP to KNUJ Inc. for cancellation of \$40,000 indebtedness. KNUJ in turn assigned the CP to KEYC-Lee TV Inc., 70% owned by Lee Radio Inc. (KGLO-TV & KGLO Mason City, Ia.), for 10% of the stock in the new company. KEYC-Lee also got option to buy the transmitter site for \$6,600.

Fight over 770 kc produced an unusual tactic last week when radio KOB Albuquerque filed an application in N.Y., asking that it be considered competitively with the renewal of ABC's WABC. Both stations operate on 770 kc. KOB's N.Y. application proposed nighttime directional operation to protect KOB. WABC hasn't proposed a DA; its license expires June 1.

Foreign

More about

CUBAN TV SEIZURE: Castro's internment of the Amadeo Barletta TV-radio-newspaper-commercial properties (see p. 2) is one of the most serious moves made against businessmen by the Cuban revolutionary govt. Italian citizen Barletta heads an empire which includes the General Motors distributorship, an automobile assembly plant and a pharmaceutical importing business, in addition to his TV-radio & newspaper properties.

All of Barletta's businesses, including his key station CMAB-TV (Ch. 2) Havana with its Telemundo network of 6 satellites and his 2nd Havana station CMTV (Ch. 10) are now being operated by a govt. "interventor" pending a closed-door hearing. Despite fact that Barletta's newspaper *El Mundo* was not regarded as pro-Batista, the official charge against him is "illegal enrichment at the expense of the national patrimony and in connivance with high figures of tyranny." The govt. said Barletta's properties were taken over to determine if they were acquired with official protection at govt. expense during the Batista regime.

Barletta is a one-time Italian consul general in Havana, and the Italian govt. has stated that it will fight the confiscation action. The homes owned by Barletta and his daughter were also seized by the Cuban govt. Amadeo Barletta Jr., a U.S. citizen, co-owner of the Barletta properties (which also include Ambar Motors, GM importer, an auto & truck assembly plant and a pharmaceutical importer), is reported "safe" and presumably is in the U.S., although his interests in the properties have also been taken over.

Telemundo spokesmen told us that they believe govt. will assume all obligations of the stations and will fulfill all contracts. Sources close to Barletta called the charges "trumped up" and expressed doubt that his properties will be returned.

25% Stock in CMBF Network Seized

The govt. has taken over 25% ownership of another Cuban network—CMBF-TV Cadena Nacional, with 7 satellites and 2 Havana outlets, CMBF-TV (Ch. 4) & CMBA-TV (Ch. 7). However, it is said to be exercising no control, after seizing the stock owned by Alberto Vadia, who has left the country. The govt. has indicated no suspicion of the other owners of the CMBF-TV network—RCA distributors Julian Lastra & Miguel Humara (50%) and the Mestre interests (25%), which also own the CMQ-TV network.

First TV station to be impounded by the govt. was Gaspar Pumarejo's CMBJ-TV (Ch. 12), founded as an all-color station, and said to have been financed by Batista henchmen. Pumarejo currently is in Puerto Rico, where he is serving as an independent program producer with WAPA-TV San Juan.

CMQ-TV network, headed by Goar Mestre, is the only TV station entity which remains completely privately owned. Its key station, CMQ-TV (Ch. 6) Havana, feeds a network of 7 interconnected stations. CMQ-TV seems to be Castro's favorite station; he often uses its facilities—instead of those of the govt.-owned station—for his telecasts, and its weekly *Meet the Press* is must viewing for all up-to-date revolutionaries. Castro himself often appears on the show.

Auxiliary Services

WIRED TOLL-TV BEGINS: With appropriate hoopla, the first regular (non-experimental) wired pay-as-you-see TV system went into operation Feb. 26 in suburban Toronto, offering about 1,000 subscribers 6 movies (but no first runs) and one live hockey game as the first week's toll programming.

Trans-Canada Telemeter, div. of Famous Players, the Canadian wing of Paramount Pictures, began its closed-circuitcasts to homes in Etobicoke, Ont. Telemeter claims that 1,500 homes are on the waiting list for installation, in addition to the initial 1,000 homes with Telemeter coin-box attachments already installed on their TV sets. About 300 new installations are being made each week. A Telemeter spokesman declined to estimate the break-even point in number of installations, but suggested that it may be somewhere between 3,500 & 5,000 homes.

Each Telemeter subscriber can tune 3 wired channels (Ch. A, B & C) in addition to the local on-air TV channels. Programming announced to date consists mainly of movies now running at Famous Players' neighborhood houses—at the same price as a single admission (\$1)—but no first-runs. First week's movies (their distributors in parentheses): "Journey to the Center of the Earth" (20th-Fox), "Nun's Story" (Warners), "7th Voyage of Sinbad" (Columbia), "Career" (Paramount), "FBI Story" (Warners), "Big Circus" (Allied Artists). Only non-film attraction scheduled this week is live telecast of Toronto-N.Y. hockey game from New York's Madison Square Garden (at \$1.50).

Pictures announced as future attractions are "Cash McCall" (Warners), "Gigi" (MGM), "Room at the Top" (Continental Distributors), "Wreck of the Mary Deare" (MGM), "5 Pennies" (Paramount), "From Here to Eternity" (Columbia), "North by Northwest" (MGM), "Rio Bravo" (Warners), "They Came to Cordura" (Columbia), "Have Rocket—Will Travel" (Columbia), "Shaggy Dog" (Disney-Buena Vista).

Installation of the Telemeter coinbox costs \$5, and there is no minimum viewing requirement—although a company spokesman did say the box would be removed if a family did no pay-TV viewing at all.

Paramount Pres. Barney Balaban, in Toronto for the Telemeter opening, told newsmen that the company's 2nd wired toll-TV installation will be in "the greater N.Y. area later this year."

Paramount's International Telemeter announced this week that it had achieved "a significant breakthrough in the economics of closed-circuit TV" in the Canadian system. New distribution equipment uses specially developed high-level voltage amplifiers which reduce the number of amplifier positions required by a ratio of about 14-to-1—meaning a saving of about 50% in maintenance costs. The production model amplifiers were developed & designed by Jerrold Electronics from Telemeter's specifications.

Microwave serving CATV operated by Helena TV Inc., Helena, Mont., remains suspended following a decision announced by the Court of Appeals. The FCC had ordered the microwave, operated by James G. Edmiston, to quit feeding signals of Spokane stations pending a hearing on the protest made by KXLJ-TV Helena. The Court said that the Commission's action was within its "statutory authority & discretion."

Stations

DOERFER RAPS OVERSIGHTERS: FCC Chmn. Doerfer, who has a date—probably strenuous—with the House Commerce Legislative Oversight Committee this week (see p. 4), accused it last week of posing “definite threats to the American concept of freedom of expression.”

In a slashing attack on some of the Subcommittee's legislative recommendations to reform broadcasting practices exposed by TV quiz scandals (Vol. 16:6 p1), Doerfer told NAB's 5th conference of presidents of state bcstg. assns. in Washington that “grave danger” to TV & radio lurks in proposals that FCC:

- (1) Devise “various conceptions of program balance.”
- (2) Determine “character of individual or a series of programs (other than those which violate specific laws).”
- (3) Conduct “public hearings in the community in which a station is located before the issuance of any broadcast license or renewal thereof.”
- (4) Monitor “programs to the extent necessary to determine whether the program balance is in the public interest.”
- (5) Arrange hearings “in the case of a sale, transfer, or assignment of broadcast facilities which are proposed within the period of 3 years after issuance of a license.”

Doerfer said these and other plans advanced by critics of the industry to give govt. more control over broadcasting lead toward a “paralyzing evil—and that is govt. paternalism, then bureaucracy and ultimately the autocracy of a benevolent despot or irascible dictator.”

Approves Penalties for Quiz Rigging, Payola

The FCC chairman endorsed parts of the Oversight Subcommittee's quiz-investigation report, however. He said he approved recommendations for legislation to make quiz-rigging & payola criminal offenses. He also favored a Communications Act amendment permitting FCC to invoke less-than-revocation sanctions on offending stations.

But he wound up his speech to the state broadcasting leaders this way:

“I respectfully submit that some of the recent proposals of the Subcommittee on Legislative Oversight, with respect to extensive program monitoring to determine balance in the public interest, are definite threats to the American concept of freedom of expression for mass media of communication.

“You should assume the duty to study the full implications of having a govt. agency monitor broadcast stations to determine program balance—a vague & indefinable concept at best.

“Congress & the people should be alerted to the dangers of creating a modern Pied Piper. He may lead broadcasting—one of the most powerful media of mass communication—down a road from which there is no return.”

Similar warnings were sounded earlier at the 2-day conference—attended by representatives of 46 of 48 active regional broadcasting groups—by NAB Pres. Harold E. Fellows.

In a keynote speech, Fellows said that demands for strict govt. supervision of programming raise the specter of a “Joseph Goebbels standing before a microphone in Nazi Germany and warping the minds & emotions of millions of people.”

At the same time, Fellows said, broadcasters must push on with “sincere desire” to rid the industry of abuses by more rigid self-regulation.

He urged a united front “in opposition to the temptation to control programs, to conduct a continuing & aggressive educational campaign to inform the members of Congress about broadcasting—and, most important of all, to so conduct our own affairs that we can speak always with pride & never with shame in defense of our own actions.”

In NAB staff reports to the state presidents:

Vincent T. Wasilewski, govt. relations mgr., said that “in many areas of govt. there is a distinct feeling that the industry is not going to regulate itself and laws will have to be passed to do it.”

Thad H. Brown Jr., TV vp, said “we are in very turbulent seas,” urged participants in the conference to go back to their home localities and spread the alarm.

Douglas A. Anello, chief counsel, said the industry is in sympathy with all efforts to wipe out payola practices, although he criticized as too vague FCC's proposals to make payola a federal crime (Vol. 16:7 p7).

Oppose Program Control, Support Self-Regulation

The state presidents responded by voting unanimously for a resolution which: (1) Opposed “any action which would result in supervision or control by govt. of radio or TV programming.” (2) Pledged “full support & assistance to the self-regulatory efforts of the broadcasting industry.” (3) Urged “all broadcasters to support these efforts through the Radio Standards of Good Practice and the TV Code of the NAB.”

The tight conference schedule included the Voice of Democracy awards luncheon (see p. 8), activities reports by a half-dozen state leaders, a briefing on the national defense emergency broadcast system by OCDM & other govt. officials, a wind-up roundtable caucus moderated by Pres. Fellows.

The final shop-talk discussion ranged over such subjects as promotional use of special license plates on station-owned automobiles, how to arrange effective lobbying dinners for members of state legislatures, intricacies of ASCAP contracts—and NAB's Codes.

Liveliest exchange at the roundtable session came when secy.-treas. Dale Moore of the Mont. Bcstrs. Assn. remarked that his radio KCAP Helena didn't subscribe to NAB's Code because its restrictions on frequency of commercials didn't suit his station's needs. Fellows chided him, then launched into an attack on Code hold-outs generally. He got a burst of applause.

Just before they went home from this hair-down session, the conference delegates passed a resolution recommending that all state assn. station members “require” advertisers & agencies to stipulate in air-time contracts that their commercials comply with NAB's TV and/or Radio Code standards.

New industry-image campaign has been suggested to TV & radio stations by RTES Pres. Frank Pellegrin. In brief, the plan urges stations to: (1) Use their own station breaks, 10-20 a day, for brief messages on what the station has done during the past year in public service area. (2) Have each station staff member write a series of 5-sec. messages plugging the station's public-affairs accomplishments. (3) Exchange messages with other stations. First to apply a similar policy is WJXT Jacksonville, Fla., CBS affiliate, which has published a 12-page booklet describing its 444 hours of public-affairs programming during 1958.

“Operation Alert,” the annual civil defense exercise, kicks off with a Conelrad drill May 3, 2-2:30 p.m.

Santa Fe Ch. 11 applicant, Santa Fe Telecasting Co., aroused FCC's suspicions about the amount of work it has done in preparing its application, so the Commission is asking it "to furnish further information with respect to operating cost estimates & determination of local programming needs because proposed programming schedule & policy are virtually identical with those of other pending applications mentioning the same supplier of equipment." The transmitter maker is Electron Corp., Dallas, itself an applicant in several markets. All the applications have the same program policies & weekly schedules, word-for-word. The Santa Fe applicant proposed to operate 70 hours weekly, 43% live, with a staff of 12—at \$65,000 a year. FCC is eager to learn how this can be done. Among other applications also to be questioned are those in Grand Island, Neb.; Alamosa, Colo.; Reno, Nev.; Missoula, Mont.; Douglas, Ariz.

Voice of Democracy Contest, sponsored by EIA, NAB & VFW, was climaxed Feb. 24 with the big annual luncheon in Washington and announcement of the top winner—Richard J. (Rick) Smith, 16, the son of an Albuquerque FBI agent. The contest was one of the most successful of the 13 to date, according to the sponsors. It attracted more than 250,000 contestants, and more than 100 Congressmen attended the luncheon. EIA & NAB put up \$10,000 each for the contest—plus many man-months of staff work—while members of the VFW and state broadcasting associations contributed time at the local level. The 3 finalists, in addition to winner Smith, were: Mike Phillips, Burlington, Ia.; John W. Forssen, Munsonville, N.H.; Philip J. Smith, Cordova, Alaska.

TvB's guide to research services—who they are, what they do, & how they do it—has been prepared as a 62-page booklet for members. Covering ARB, Nielsen, Pulse, Trendex, Videodex, the study also summarizes the monthly scheduling of local market reports in important TV areas, provides a glossary of terms like "audience flow" and "quota sample," and gives a thumbnail summary of firms specializing in qualitative TV research. The study, incidentally, was largely inspired by our "Background" chart on rating services (Vol. 15:22 p12), said a TvB official.

Seal of Approval for TV weathercasting, recently awarded to WSFA-TV Montgomery, Ala. by the American Meteorological Society, is one of 15 which have been granted to stations by the Society's TV-radio weathercasting board. Primary requirement is that the station weathercaster be an AMS professional member. The Society's criteria for seal awards: technical excellence of the meteorological data, ability of the TV weathercaster to maintain viewer interest, educational value of the TV program, maintenance of a professional attitude by the TV weathercaster.

AP Radio & TV Assn.'s study of the AP national broadcast wire, due for completion in Sept., will be headed by F. O. Carver Jr., news dir. of WSJS-TV Winston-Salem, N.C. Subcommittee heads are Bill Garry, WBBM-TV Chicago, general news; John Wilson, KNON-TV San Antonio, sports; Jack Wagner, radio KNBC San Francisco, features.

RCA TV tape recorder shipments: Single monochrome units went last week to WFIL-TV Philadelphia, KFSD-TV San Diego, KRGV-TV Weslaco, and WCHS-TV Charleston, W.Va. Two went to Cadete-TV, Buenos Aires, 3 to Reeves Sound Studios, N.Y., and one color unit to NBC-TV, Burbank, Cal.

Networks

NBC-TV'S SUMMER BONANZA: In an attempt to take TV out of the rut of summer film re-runs, NBC-TV will have at least 10 new series on the air this summer. The disclosure of the network's plans was made by David Levy, one of a group of panelists discussing "how are we to improve the quality of TV" at a Hollywood meeting of the Academy of Television Arts & Sciences last week.

Levy mentioned it only briefly, and when we asked him for details he replied that all of the summer projects haven't been finalized but 2 of the shows will be 30-min. film series which will be summer replacements for the *Perry Como Show*; Robert Stevens will produce a live dramatic series; Robert Alan Aurthur may produce a 60-min. dramatic series. Of the 10 new series, half will be live, half film. The Brewery Foundation will also sponsor a special this summer on NBC-TV.

The panelists—Levy, ex-JWT vp Cornwell Jackson, UCLA professor Dr. Abraham Kaplan, producer Fletcher Markle and writer David Swift—often digressed from the subject and discussed such varied matters as ratings, sponsor pressure and the agency role in TV.

Swift said many in TV are imitative and complacent, and that quality can't be found with a 3-day shooting schedule. Added Swift: "TV is not the medium of creative people. It's the advertisers' medium and they allow us on TV. Once we realize that we'll be better off."

Jackson defended the agency men, saying they are creative and they make a real contribution by intelligently funneling client restrictions—passing valid ones on to the producer, fighting against those they feel are unwarranted.

Levy blasted TV critics, saying they fail to look at the whole day's programming, but judge TV only by what is seen regularly on prime time hours. "Many of the most eloquent critics of TV are not watching TV—they are too busy writing about it," he said caustically.

Levy said complete artistic freedom has been given by NBC-TV to series such as *Project 20* and *Sunday Showcase* and to such creators as Stevens, Aurthur, Budd Schulberg, Reginald Rose. He said there is a growing trend to resist sponsor pressure.

In an attempt to improve the quality of TV, NBC-TV initiated *Sunday Showcase* and "virtually gave it away," when it could have sold that prime Sun.-night time for 2 half-hour Westerns, Levy declared. "Each show literally costs a fortune," he remarked.

NBC's Cleanup Report: Post-quiz-scandal steps designed "to meet the challenge to the integrity of broadcasting" were outlined last week in a letter sent by NBC Chmn. Robert W. Sarnoff and Pres. Robert E. Kintner to ad agencies and network clients. "Industry self-regulation can work and is working," stated the letter.

For those who have followed NBC's cleanup progress closely (Vol. 16:7 p6), there was little in the way of news. The joint letter reviewed: (1) NBC's policy of keeping advertisers advised of statements to the Harris subcommittee. (2) The network's moves to block "opportunities for quiz-show deception." (3) The creation & function of NBC's dept. of standards & practices. (4) Tightened regulations on such commercial areas as "warranties on the authenticity of demonstrations." (5) Program restrictions on "unethical practices." (6) Anti-payola measures on record shows. (7) Support by NBC of NAB's TV Code. (8) Cooperation with outside agencies.

Prof. Treyz' Chemistry Class: Coffee, Danish pastry and well-buttered statistics were served to N.Y. admen Feb. 24 by ABC-TV. The occasion: The network's latest spring-time sales pitch to major ad agencies, currently billed as "The Chemistry of Successful Selling."

The presentation, lavishly staged with a 5-screen Cellomatic presentation narrated by sales development dir. Bert Briller & TV sales dept. mgr. Henry W. Levinson, was notably different from past ABC-TV presentations. No longer was ABC-TV playing the homey part of the keep-your-eye-on-us underdog; this time, ABC was playing the slightly smug role of a network that's been giving the others a hard time in everything from ratings to sales, and is defying anyone to knock it off its perch.

Statistics as given by ABC-TV: In the 61 markets where there are 87% of U.S. TV homes and equal 3-network competition, ABC-TV has a Nielsen-estimated Dec. 1959 audience share of 34.9% vs. CBS's 33.4 and NBC's 31.7; ABC-TV's nighttime national cost-per-1,000 in peak hours is \$2.88 as against \$3.13 for CBS and \$4.15 for NBC; ABC-TV's daytime programming has increased its audience share 87% in just 15 months.

Several new shows slotted in ABC's fall lineup were given quick previews (although only such minor-league show talent as Johnny Carson and Pat Buttram actually made personal appearances at the N.Y. presentation). Most of them—*Naked City*, *The Islanders*, *The Flagstones*, *Stagecoach West*, *Bugs Bunny*, *For Men Only*, *Guestward Ho!*, *Harrigan & Son*—have already been presented to N.Y. agencies on a more informal preview level (Vol. 16:7 pp. 14 & 15) as potential fall buys.

AB-PT Pres. Leonard H. Goldenson and ABC-TV Pres. Oliver Treyz hosted.

1959 Ad Volume Up 9%: Reflecting strong gains by all major media but network radio & outdoor, the 1959 national ad volume rose 9% above the 1958 level, according to final *Printers' Ink* tabulations released last week. (For preliminary estimates, see Vol. 16:5 p.10.) Total magazines paced the gains, up 12%. Network TV notched the 2nd-best performance with an 11% increase. Following were business papers (7%), newspapers (6%). Best 1959 performance among all media categories: general monthly magazines, ahead 18%. Poorest performance: network radio, down 14%. For the month of December, national ad volume also gained 9%. Top gains were recorded by newspapers (14%), magazines (12%), network TV (9%). Network radio tumbled 11% in Dec. from Dec. 1958.

Medium	Index		% Change from		% Cumulative change
	Dec. 1959	Dec. 1958	1 month ago	1 year ago	
General Index	230	211	+ 3	+ 9	+ 9
Total Magazines	180	161	- 2	+12	+12
Weekly	193	182	- 2	+ 6	+11
Women's	141	114	- 1	+24	+11
General Monthly	235	198	0	+19	+18
Farm	91	95	-25	- 4	+ 4
Newspapers	206	181	+23	+14	+ 6
Network Television	487	447	- 1	+ 9	+11
Network Radio	25	28	+19	-11	-14
Business Papers	235	218	- 4	+ 8	+ 7
Outdoor	121	145	-23	-16	- 3

All indexes have been seasonally adjusted. The index shown for each medium is based on estimated total advertising investments in the medium, including talent, production and media costs. For each medium, the base (100) is an average of total investments in the years 1947-49 except for the TV base which covers the years 1950-52. "Cumulative change" in the last column refers to the change from the same period last year of the index average from Jan. through Dec. 1959.

Russia has refused entry to CBS's Larry LeSueur, who was slated to re-open the network's Moscow news bureau. CBS was booted out of Russia in 1958, after its telecast of *Playhouse 90's* "The Plot to Kill Stalin."

Sales Gold Medal for CBS: What started out as a public-service gesture by CBS-TV may yet wind up with a modest profit, thanks to a sudden burst of both sponsor & audience interest in CBS coverage of the Winter Olympics.

Out-of-pocket costs to CBS News for the 10-day event are estimated at \$500,000. Renault (see p. 10) is the only CBS-TV network customer, with a one-fourth sponsorship at \$440,000 (due to be reduced considerably because of favorable discounts), but the Olympics package has also been carved up into a number of important regional buys. A few: Schlitz Brewing bought part of the Sunday shows for a sizable (over 100) station list; Union Oil bought a 25% slice of the total events for 22 West Coast stations; Liggett & Myers bought several stations on a market-by-market basis. The sales total "should pass the break-even."

Audiences have also been attracted in growing amounts. Multi-city Arbitron figures credit CBS with a 32.7 share for the Feb. 18 opening day, shares of 47.5 and 40.7 for Feb. 20, and an eye-opening 52.3 on Feb. 21.

TV-radio rights for the World Series & All-Star games have been extended for 5 years in a \$20-million deal signed last week by Baseball Comr. Ford Frick and NBC & sponsor Gillette. The new pact runs through 1966, increases baseball's yearly take by \$500,000. The current pact runs out in 1961. "My primary reason for making the extension agreement at this time," Frick explained, "is to assure the availability of sufficient funds for the future financing of the major league baseball players' benefit plan." The new deal increases the annual fee to \$3,750,000 from \$3,250,000, provides an additional \$250,000 for a 2nd All-Star game, gives baseball the right to cancel or renegotiate should a 3rd major league become eligible to participate in the World Series during life of contract. The players' pension fund receives 60% of the revenue.

One of TV film's richest deals was the one which wooed *Alfred Hitchcock Presents* from CBS-TV. The 2-year contract calls for a production outlay of approximately \$5 million for 78 episodes Hitchcock will make for NBC-TV.

NETWORK SALES ACTIVITY

ABC-TV

Daytime programming, eighteen 15-min. segs. over 13 wks. starting March 8.
Knomark Mfg. (Mogul, Williams & Saylor)

CBS-TV

The Texan, Mon., 8-8:30 p.m., alt. wk. sponsorship eff. April 4.
Allstate Insurance Co. (Leo Burnett)

As the World Turns, Mon.-Fri., 1:30-2 p.m., & Edge of Night, Mon.-Fri., 4:30-5 p.m., alt. wk. 15-min. segs.
Helene Curtis Industries (Edward H. Weiss)

Douglas Edwards with the News, Mon.-Fri., 7:15-7:30 p.m., alt. wk. 15-min. segs. eff. April 13.
Philip Morris (Benton & Bowles)

Captain Kangaroo, Mon.-Fri., 8:15-9 a.m., alt. wk. 15-min. segs. eff. May 11.
North Woods Coffee Co. (Clinton E. Frank)

NBC-TV

Play Your Hunch, Mon.-Fri., 10:30-11 a.m., 5 wkly. 15-min. segs. over 52 wks.
Colgate-Palmolive (various)

Advertising

More about

RENAULT HOLDS ITS OWN: "If we're going to sell in the American market, we must advertise in the American manner." That's the Renault philosophy as summed up to us by its U.S. ad. mgr., Ethel Norling. Renault's U.S.-oriented marketing policy has been translated into a \$5-million advertising budget, of which 50% goes into TV (see p. 3).

Renault's tactics bring results. Anticipated sales for the nimble, compact Renault are 130,000 Dauphines this year plus 30,000 of the newly-launched sporty Caravelles, an increase of 65% over last year's sales level.

Renault's network TV budgets are also up—\$1 million over last year's figure—and Renault's ad budget is "5 times larger than non-TV user Volkswagen," we're told by Renault's agency, Kudner. Volkswagen unofficially estimates sales of 130,000 units in 1960, or less than 10% increase over 1959. Last year Volkswagen sold 120,442 units to Renault's 91,073 in the U.S., virtually a reverse ratio.

Despite such generally discouraging trends as heavy trade-ins of imports for American compacts (26% of trade-ins for new Ford Falcons last month were foreign cars), TV-minded Renault nearly doubled its Dec. sales last year, jumping to 8,132 units from 4,757 in 1958. The partially-Renault-sponsored Winter Olympics on CBS-TV should produce an even greater increased rate of sales this month and next, Renault executives believe.

Renault's network TV buying is as diversified as the audience it is trying to reach. Since last Sept., programming has ranged from *Playhouse 90* to "Ed Sullivan's Invitation to Moscow," to "Moon & Sixpence," The Orange Bowl Game, *Tales of the Plainsman*, *Markham* and the Olympics.

To get the most audience mileage from TV dollars, Renault keeps on the alert for good buys in popular-appeal network shows. Renault left *Plainsman* in favor of *Markham*, for example, because the latter presented a "more favorable time period and station clearance." NBC was able to clear only 80 stations, whereas CBS-TV promised 180 stations, or the lineup of *Markham's* predecessor *Playhouse 90*, Kudner Renault account exec. James J. Cochran told us.

To reach "2-car families or higher-income car buyers attracted to the snob appeal of an imported auto," Renault has gone after network specials, generally with an international flavor. Immediate TV plans for specials are extensive; Renault hopes to have about one a month while continuing with a weekly series. Next on tap is ABC-TV's "Invitation to Paris," in April.

Renault-sponsored network shows are promoted heavily in dealer showrooms, and dealers and distributors are encouraged to use TV as a spot medium. Currently, Renault's Southwestern distributor enterprisingly backstopped Renault's Olympics sponsorship with a regional cut-in participation in the 10-day sports classic. Purpose: "To tell viewers just where they can buy the car they saw on the Olympics."

"1960 Newspaper Circulation Analysis" of the market penetration & coverage of all dailies in 50 states is being published by Standard Rate & Data Service, 5201 Old Orchard Road, Skokie, Ill. Price of the 350-pp. national edition: \$60. Individual state sections are \$10 each.

Straight Talk From Rod: TV-radio executives last week heard some un-Madison Avenue views on their industry—from an adman. Ex-Y&R executive Rodney Erickson, who is currently wearing a number of hats—including those of an NBC-TV political-coverage salesman and an independent consultant for Warner Bros.—saw magazine-concept TV as inevitable and took a few cracks at unreconstructed movie majors & public-service image improvement at Feb. 24 RTES luncheon. Erickson-at-a-glance:

On Magazine-concept TV: "The magazine-concept buy is coming, whether advertisers like it or not. Daytime is almost completely magazine-concept. Hanging onto program identification is the last stand of the stubborn advertiser who wants to please the fellows down at the University Club. There's really no excuse for a program that just serves up Grandma Firestone's music."

On Public-Affairs Programming: "None of us is working for the U.S. govt. to improve the cultural standards of TV. Just watch ABC-TV riding along with a string of Westerns and passing the public-minded boys at CBS & NBC. You must remember that no smart advertiser will buy low-circulation shows, although most of them like to talk about them."

On Syndication: "The syndicated film market is becoming more & more sharply limited by more network time. There's little economy any more in producing first-run syndication properties. The market is flooded with re-runs."

On old-line movie majors: "There's a new management coming to movie companies. It's got to. Too many of the big studios have been operated on a Ma-&Pa-candy-store basis. When the big brass make movies, it's like a great crap shoot; they shake the dice and if it's a success, the dollars roll in. When I was with Y&R, we went to see people like Darryl F. Zanuck to urge them to get into TV. We got turned down. I don't know where Zanuck is today. Probably he's still making pictures that don't make money."

On TV-minded movie majors: "Motion picture companies can save an advertiser money that independents can't. Majors have working capital, and don't get involved with Swiss banks and factors getting completion guarantees at 15% annually. They have casting facilities no independent can afford. They have a backlog of properties, sets, back lots, technical facilities. In the future, I see more TV activity by movie majors."

Ad People: David Mathews, network programming dir., Fuller & Smith & Ross Hollywood, named a vp . . . Robert P. Mountain, ex-Y&R, named McCann-Erickson senior vp; E. McCord Mulock Jr., ex-Grant Advertising, named McCann-Erickson vp . . . Bruce Doll named BBDO Los Angeles media dir. . . . G. Newton Odell, ex-Joseph Katz Co., named Compton vp . . . John V. Doyle, Harold J. Hubert & John W. Clason elected Campbell-Ewald vps . . . R. Richard Carens, Kenneth W. Price, Thaine A. Youst named vps of Doherty, Clifford, Steers & Shenfield . . . Cyrus C. Young appointed dir. of development, ARF.

Network TV participations for major advertisers exceed 300 per week, according to Broadcast Advertisers Reports' new *Network Spotlog*. For the week ending Feb. 4, 1960, BAR tabulated 83 companies using 323 in-program participations for 145 brands on the 3 networks. ABC-TV accounted for 243, NBC-TV, 63 and CBS-TV, 17. BAR plans to issue the *Network Spotlog* weekly so that admen, stations and reps can follow developments in the trend toward more network-level, magazine-type TV "insertions."

Film & Tape

More about

NO BREAK IN TV STRIKE: While movies and TV film are separate media, a movie deal last week had a strong effect on the current negotiations between WGA and the Alliance of Television Film Producers. Before Universal-International Pres. Milton R. Rackmil made his deal with WGA to cut writers in for a slice of post-1948 movies when they are sold to TV, an air of conciliation had marked the TV negotiations. The key TV issue is the WGA demand for 4% gross on films sold overseas, a demand the Alliance has consistently refused.

However, when WGA broke the news of its U-I deal at its membership meeting last week, it created a happy and militant mood among writers and stiffened their opposition to TV as well as movie companies (see p. 4).

WGA told members series affected by the prolonged strike were *Wagon Train*, *The Real McCoys*, Robert Taylor's *The Detectives*, *Wanted—Dead or Alive*, *77 Sunset Strip*, *Laramie*, *Bourbon Street Beat*, *The Donna Reed Show*, *Hawaiian Eye*, *The Alaskans*, *Johnny Ringo* and *Adventures in Paradise*.

Some of WGA's claims were disputed by producers of those series. Four Star Television vp Tom McDermott told us the WGA claims regarding *Detectives*, *Wanted* and *Ringo* were "absolutely not so," that he had sufficient scripts, and that *Wanted* has finished its production for this season. A Revue spokesman said there was no script shortage on *Laramie* and *Wagon Train*.

Screen Gems' William Dozier, vp in charge of Coast operations, said the *Reed* series has not been affected, but that *Father Knows Best* will end production sooner than planned—short 5 scripts. As for *Dennis the Menace*, production has been suspended for 2 weeks during which shelved scripts will be rewritten, and the series will probably wind up short 4 scripts, he said. Paradise exec. producer Dominick Dunne said he can film the series through April, that it may be short 4 scripts at the most. A Warner Bros. source told us the WB series mentioned by the Guild—*Sunset Strip*, *Bourbon*, *Hawaiian Eye*, *Lawman* and *Alaskans*—each will be short 4 or 5 scripts. *Real McCoys* will be short 9 scripts.

Extent of Pilot Disruption is Disputed

WGA also told its members the strike has badly hit pilot film production, and that as a result many series which would normally be axed will be renewed. Our own check of production in Hollywood showed that while a few pilots may have been affected, the majority of those planned have been or are being filmed as scheduled.

During the meeting, a strike against the networks in TV film production was asked, but this was voted down. WGA's strategy is to delay such a strike pending outcome of its current negotiations with networks in live TV and radio. Talks with the nets on TV film have collapsed following webs' turndown of overseas residuals, other demands.

Meanwhile, Screen Actors Guild met with the major movie studios in their first negotiation session since Feb. 2, but the issues were not discussed. Instead the Assn. of Motion Picture Producers asked SAG for details on its negotiations with U-I and the independent film producers. SAG complied, and the majors said a further negotiation meeting will be held this week.

Rackmil's concession on the post-1948s is not expected to crack the AMPP wall. Warner Bros., Twentieth Cen-

tury-Fox, Metro-Goldwyn-Mayer, Paramount and Columbia have repeatedly said they will not give in to the guilds and unions on the issue of post-1948s, and the Rackmil move did not change their stand.

Columbia Pictures vp B. B. Kahane, one of the major studio negotiators, informed us: "We will not change our position. Rackmil months ago informed us he was withdrawing from AMPP, and we haven't considered U-I a part of our setup. I don't consider it a major company any more. It sold its studio [to Revue-MCA]."

SAG negotiations with U-I center around actors receiving about 9% from TV sales after U-I deducts 40% for distribution charges. However, no deal has been made, and when it is the SAG board must approve it. Agreement is near, however, and may be voted on this week.

Majors Making Strike Preparations

With SAG having set a strike date of March 7 against the major movie studios, it appeared the SAG-majors meeting tentatively planned for Tues. might be the show-down session. SAG sources told us if the majors show any indication they may change their position, the strike date may be extended. However, the majors were making strike preparations, and there were substantial layoffs of production personnel.

Other strike news:

Directors Guild of America signed a contract covering film TV with CBS-TV and CBS Films.

The AFM pledged support to SAG in event of a strike and said it would observe picket lines. (However, AFM members don't work at the majors who have an agreement with Musicians Guild of America).

* * *

Just where the U-I features, which may number as many as 300, will land for TV distribution isn't clear. U-I's pre-1948 backlog of some 600 features has been handled by Screen Gems, which launched 52 horror oldies in Sept. 1957 and has fed other U-I features into TV sales channels several times since then, but SG told us last week that no distribution deal for U-I post-1948s has been set, and none is likely to be. Other candidates for distribution honors are said to be ITC and NTA, with the latter reportedly being closest to a working arrangement for the U-I features.

On another post-1948 front, we were told last week that Jayark's "Blockbuster" package of 52 post-1948 films has been sold in 11 markets during the past 2 weeks, bringing the total to 91. As in most postwar film packages, there are several low-budget quickies (sample: "Wet-backs," with Lloyd Bridges) in the Jayark package. But there are also some hefty properties, such as the Warner Bros.-distributed "Marjorie Morningstar." Deals with the Hollywood guilds have already been made by Jayark covering the films.

The Jayark group is being aimed primarily at independent stations like purchaser WPIX N.Y. A principal Jayark sales pitch is that the trend toward 2-set TV homes (Nielsen now estimates the national figure at 17%) is likely to carve up the TV audience in several directions, reduce budget money available for network TV shows, and increase chances for TV movie viewing.

Reports that MCA is negotiating purchase of the stock in Overland Productions, which films *Wells Fargo*, were denied by Dale Robertson, star of the series, who said MCA hasn't even made an offer.

More Revue Expansion: MCA's Revue Studios, which acquired the Universal-International lot in Universal City, is embarking on its second expansion in less than a year of occupancy at its new home.

When it bought the studios, Revue moved from its Republic headquarters to the new lot, and immediately 4 new stages, dressing-rooms, a prop room, offices, etc. were built.

Now Revue plans to construct 5 more stages—one a process stage, the other 4 for regular production. This will give the 372-acre studio a total of 28 stages, second only to MGM which has 30. In addition to Revue's expanding TV film output, Universal-International leases space and stages from Revue for its movie production.

As for evidence of Revue's prosperity, last week the company received an order for 21 more first-runs for its *Markham* series, starring Ray Milland. The series will show first-runs during the summer season, and the new batch will take it to next Oct. Revue's *The Deputy* series, starring Henry Fonda, has also been renewed.

Commenting on the expansion program, one top executive told us: "I could use 15 more stages."

Few New Series Sold: With most sponsors and agencies apparently waiting to see all of Hollywood's pilots, few new telefilm series have been sold thus far.

New entries for next fall include *The Tom Ewell Show*, filmed by Four Star and bought by CBS-TV; *Thriller*, 60-min. anthology series filmed by Hubbell Robinson Productions at Revue, bought by NBC-TV; the tentatively titled *Andy Griffith Show*, filmed by Marterto Productions in association with Griffink Corp., bought by General Foods, and *The Lawyer*, 60-min. series starring Lin McCarthy, filmed by Hubbell Robinson's company for ABC-TV.

There have been a few renewals, such as *The Danny Thomas Show*, *The Deputy* and *77 Sunset Strip*, and there is a virtually automatic renewal of series such as *Gunsmoke*, *Have Gun—Will Travel* and *The Untouchables*.

While many pilots were filmed in Jan., there is also much pilot production in Feb., and the attitude on the part of the buyer seems to be caution—with a let's-take-a-look-at-all-of-them attitude.

Four Star TV is thinking about floating a public stock issue and using the funds for expansion, production, and acquisition of a studio. Pres. Dick Powell told us he has been approached by several brokers who want to handle such an issue, but said he and his partners—David Niven and Charles Boyer—haven't reached a decision. It's also understood Four Star has made preliminary feelers to Republic Pres. Victor M. Carter regarding purchase of the studio where Four Star now rents space.

CBS Inc. is reportedly investing \$450,000 in a new Lerner-Loewe musical, "Camelot," possibly hoping to repeat its resounding success as the principal backer of the team's earlier "My Fair Lady." The first year of "MFL" produced nearly \$900,000 as a return for CBS in Broadway & road-company profits and from sales of the Columbia Records original-cast recordings.

First privately produced ETV tape show for National Educational TV & Radio Center network (NET) is now being produced by Elliot, Unger & Elliot, commercial-production div. of Screen Gems. Titled *Hats in the Ring*, the 30-min. show will begin on the NET 44-station network April 3, later will be offered to commercial stations for unsponsored airing.

NOW IT'S 60-MIN. STRIPS: The 60-min.-film-show concept will be back bigger than ever next season, but this time the hot trend will be the use of hour-long film properties in a nighttime network version of strip programming.

Quietly being discussed at ABC-TV, we learned in N.Y. last week, is the idea of building an 11:15 p.m.-12:15 a.m. strip to be filled with re-runs of 60-min. network shows (of which, for example, Warner Bros. has nearly 500). The strip would operate on a Mon.-Fri. basis, primarily to buck NBC-TV's *Jack Paar Show*, and would be sold on a participation basis that approaches the magazine concept of TV advertising. Offering price by the network to producers: \$25,000 per re-run negative. There are no takers as yet, but the idea is being considered seriously by Warner executives, 20th-Fox, and other film firms.

NBC-TV also plans what amounts to an evening 60-min. film strip—an hour-long film show kicking off each evening's lineup at 7:30 p.m. Most shows in the strip are already on the air, but new ones will fill Fri. & Sat. slots. Here's how NBC-TV will look this fall on an across-the-board 7:30-8:30 p.m. basis: Mon., *Riverboat*; Tues., *Laramie*; Wed., *Wagon Train*; Thurs., *Bonanza*; Fri., probably Four Star's *Michael Shayne* or Gordon Kay's *The Blue & the Gray*; Sat., *Outlaws*. An exception to the 7:30 timing will be Sun., which will have *Overland Trail* at 7-8 p.m. but will also have the 60-min. *The Barbarians* starring Jack Palance (now shooting in Rome) in the 8-9 p.m. period now filled by the due-to-be-axed *Sunday Showcase*.

Block-booking anti-trust suit against 6 major TV-film distributors is scheduled for trial March 7 in N.Y. before Judge Archie O. Dawson. Defendants include Loew's Inc. (defended by Phillips, Nizer, Benjamin, Krim & Ballon); C & C Super Corp. (Mervin C. Pollack); Screen Gems (Schwartz & Frohlich); Associated Artists Productions, now UAA (Simpson, Thacher & Bartlett); NTA (Gollenbach, Goldenstein & Berell); United Artists (Gerald F. Phillips). The suit has been pending since 1957. Subpoenaed to appear as witnesses, thus far, are William Grant, KOA-TV Denver; Heyward Siddons, KOA-TV; George Storer, Storer Bestg.; John Wilson, former Screen Gems salesman; Joseph Hartenbower, KCMO-TV Kansas City; George Eby, United TV; Robert C. Franson, WTCN-TV Minneapolis; J. Edward Owens, Dallas, Tex.; & Otto Brandt, KING-TV Seattle.

Talent Associates & Paramount TV are close to a deal for TV co-productions, we're told in N.Y. by TA's press representative, Arthur Cantor. "The discussions are vague at this point, and nothing is firm," Cantor said, adding that "it won't include a buy-out of TA by Paramount." Whether the deal would involve taped or filmed shows (Paramount currently produces both) is not known.

NTA's tape-syndicated *Play of the Week* has been averaging sales in 5 markets per week since it went on sale 3 weeks ago. Latest stations to pick up the 120-min. dramatic series are WGN-TV Chicago; WAFB-TV Baton Rouge; KFSD-TV San Diego and WTOP-TV Washington, D.C. Latter station will enjoy the sponsorship of *Play's* WNTA-TV underwriter, Standard Oil of N.J. The series is now scheduled for 15 markets.

Closed-circuit business meeting linking 15,000 Pontiac dealers in 30 cities was produced and networked by Theatre Network TV Feb. 24. The telecast, 3rd TNT-handled meeting for Pontiac in the last 16 months and 9th for GM, originated in Detroit.

NEW YORK ROUNDUP

Competitive bidding—the long-established practice of submitting film-commercial job bids to agencies on the basis of TV story-board estimates—will be dropped by MGM-TV, says Loew's Inc. vp Robert H. O'Brien. MGM-TV's attitude: We've established ourselves in 2 years of commercial production; if you want us, hire us.

CBS-TV's taped Winter Olympics coverage successfully settled a dispute over whether a faulty rink or carelessness caused Polish speed-skating finalist Elwira Seroczynska to fall in the last seconds of the Squaw Valley meet. A playback of CBS's tape of the race for judges showed the rink wasn't at fault, the Polish skater was.

MCA-TV's *Shotgun Slade* has now reached the 173-market total in syndicated sales. Biggest regional deals are with Blue Plate Foods (44 markets) and P. Ballantine & Sons (30 markets) . . . ABC Films' *Meet McGraw* off-network re-run series is now sold to stations in 51 markets, with 5 sales scored last week . . . Cal. National Productions' *Medic* re-runs are now syndication-sold in over 100 markets through CNP's budget-priced Victory Programs Div.

William M. Wolfson and Milton P. Kayle have been named vps of ITC. Wolfson will head administrative functions; Kayle will be in charge of legal & business affairs . . . Robert D. Graff, ex-NBC-TV producer, will head newly-formed Sextant Inc., TV & motion picture production company.

MCA Inc. and Gardner Adv. have terminated their 7-year association. Sudler & Hennessey succeed Gardner.

Burt Schultz & Associates has been named PR counsel for Rodney Erickson Enterprises . . . Fran Harris is the new head of TV dramatic dept., People & Productions . . . MCA TV Ltd.'s international hq will be situated at the offices of MCA Canada Ltd., 180 University Ave., Toronto.

Official Films' *Almanac*, 5-min. documentaries for strip programming, has been sold in 30 markets to date . . . MCA TV's *Johnny Midnight*, was bought recently by Warner-Lambert Pharmaceutical Co. for alt. wks. in Boston & Philadelphia; by Armour & Co. & Liggett & Myers for alt. wks. in Greensboro, N.C.

ABC Films' *People's Choice*, and *Meet McGraw*, were each sold in 13 markets recently. Total markets to date are 45 for "McGraw" & 98 for "Choice."

Noah Jacobs has been named NTA N.Y. sales mgr. in charge of syndication.

Rod Serling's controversial drama about the Warsaw ghetto, "In the Presence of Mine Enemies," is scheduled at last as a *Playhouse 90* presentation in May. Pre-emption time & date will be selected.

Brigitte Bardot has consented, at last, to do an American TV special—but male U.S. viewers who expect her to parade across 23-in. screens in a 23-in. bath towel are due for disappointment. General Artists Corp., her agent, will deliver a highly circumspect filmed interview show portraying the cinematic "sex kitten" as more of a tabby cat, i.e. "at home" with husband & new baby, and probably with Revlon sponsorship. Previous Bardot-TV: a brief Paris-taped appearance on NBC-TV's *Today*, a CBS-TV *Person-to-Person*, and some heavily censored old movies.

HOLLYWOOD ROUNDUP

Walt Disney Productions is preparing a movie version of its Elfege Baca TV property . . . Video-tape editing course sponsored by Motion Picture Film Editors and Society of Motion Picture & Television Engineers at the U. of Southern Cal. has more than doubled in capacity, with 350 students enrolled.

Revue's *Johnny Staccato* series, originally signed for a 39-week deal, will leave NBC-TV March 24, after its 27th show. A settlement of the contract was reached by Revue and sponsors Salem and Bristol-Myers, which canceled the private-eye show.

Jack Wrather has put Sherman Harris, a Wrather vp, in charge of his hotel chain . . . Production on the pilot, *No Place Like Home*, planned for NBC-TV, begins March 2 at Desilu. Gordon & Sheila MacRae star.

Desilu's *The Untouchables* has been named the best sound-edited telefilm series for 1959 by the Motion Picture Sound Editors . . . Ziv TV is planning a new series called *Flight of the Robin*, with Rick Jason starring.

Producer Jay Sommers has signed Tom Poston for the lead in the pilot of *Double Take*, a comedy-adventure series, and Jan Sterling for another pilot, *Madame Senator*. *Double Take* will be a co-production with Filmways . . . Frank Sinatra, whose ABC-TV contract expires this season, tells us he hasn't yet decided on his TV activities for next season.

Seelig Lester has been named producer of the *Perry Mason* series. He replaces Herbert Hirschmann . . . NBC-TV's *Tennessee Ernie Ford Show* has been renewed for next season.

Hampshire Associates will produce the pilot of an adventure series, *The Code of Jonathan West*, for CBS-TV. Fess Parker will star in the series which will be produced by Harry Tatelman . . . Producers Aubrey Schenck and Howard Koch will film a Western pilot starring Richard Coogan for CBS-TV.

Four Star Television has finished the season's production of its *Wanted—Dead or Alive* series.

Don Taylor Productions has been formed by the actor-director, and he plans to pilot a comedy, *Octavius and Me*, which he will produce . . . Format Films Pres. Herbert Klynn has incorporated his animated films company in Nevada.

Twentieth Century-Fox TV, unable to get scripts because of the Writers Guild strike, will not put Ron Ely into his role as alternating star of *Adventures in Paradise* this season. The studio plans to use Ely as alternating star with Gardner McKay next season . . . CBS-TV has finished production of its *Have Gun—Will Travel* series for this season.

Four Star TV will have 8 telefilm episodes in production the first week of March. Included are 2 pilots, the *Peter Lind Hayes-Mary Healy Show* and *Willy Dante*, starring Howard Duff.

West Coast dept. of Elliot, Unger and Elliot, the commercial production div. of Screen Gems, grossed more than \$1,850,000 in its first year of operation. Joe Swavely and Dick Kerns head the dept., opened Feb. 1959.

Television Digest

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Personals: Robert H. Van Roo named promotion & ad dir., WCBS-TV N.Y. . . . Joseph J. Jacobs has been named general attorney, Metropolitan Bcstg. Corp. . . . Julius Barnathan, ABC vp for affiliated stations & dir. of research, has been appointed to the Advertising Research Foundation technical committee . . . Tom Paro, ex-NBC-TV spot sales, N.Y., appointed WRC-TV Washington dir. of sales succeeding William E. Coyle, resigned.

William J. Faath, ex-CBS-TV, named business mgr., WCAU-TV Philadelphia . . . Stan Cohen promoted to program planning & promotion dir., WDSU-TV New Orleans . . . A. Richard Robertson appointed to new post of promotion & merchandising mgr., KRON-TV San Francisco . . . Martin Codel flies to Copenhagen and Geneva March 1 on business, after which he will visit 16 countries of Africa and the Near East to conduct a 3-month study of TV-radio; the associate publisher of TELEVISION DIGEST is accompanied by his wife.

Eugene S. Hallman named CBC programming vp, also continuing temporarily as English-language network programming dir. . . . J. E. (Ted) Campeau, pres.-gen. mgr. of CKLW-TV & CKLW Windsor-Detroit, named Mich. Brotherhood Week chmn. for radio & TV . . . Dr. Cornelius Traeger named medical editor, NBC-RCA medical radio system, the FM radio network aimed at physicians . . . Tom Calhoun named PR dir., KOOL-TV & KOOL Phoenix, Ariz. . . . George K. Ashenden becomes asst. chief, FCC office of opinions & review; Clarence F. Heister, ex-technical & allocations branch, succeeds him as engineering asst. to Comr. Craven.

A successor to NBC-TV West Coast program vp Alan Livingston is due to be selected in about a week, we're told by NBC-TV Western div. vp John K. West. Livingston resigned last week after 4 years at NBC-TV, due to a conflict with Eastern executives of NBC-TV over program policies, Livingston said. His contract had 2 more years to run, but the network agreed to his request for a release. He'll remain at his job until a successor is named, possibly Felix Jackson, ex-*Studio One* producer.

NBC-TV has rejected a proposal from the Academy of TV Arts & Sciences that a nominations show be telecast prior to the final Emmy Awards scheduled for late May or early June. Academy Pres. Harry Ackerman said he still favors a 90-min. nominations show—but now it's up to NBC to reactivate the idea, if not now, for future years.

Meetings this week: CBS affiliates & network officials special conference (Feb. 29-March 1). Speakers: Sen. Warren G. Magnuson (D-Wash.), Senate Interstate & Foreign Commerce Committee chmn.; Rep. Oren Harris (D-Ark.), chmn., House Interstate & Foreign Commerce Committee and House Legislative Oversight Subcommittee; FCC Chmn. John C. Doerfer; FTC Chmn. Earl Kintner. Shoreham Hotel, Washington . . . N.Y. State Assn. of Radio-TV Bestrs. 3rd annual legislative dinner (March 1). Speakers: Louis Hausman, TIO dir.; Gov. Nelson Rockefeller. Sheraton Hotel, Albany . . . RTES timebuying-selling seminar (March 1). John F. Hurlbut, WFBM-TV (Indianapolis) promotion-PR dir., and Harold A. Smith, Needham, Louis & Brorby program promotion-merchandising mgr., speak on "It Takes 2 to Tango in Agency-Station Cooperation." Hotel Lexington, N.Y. . . . Assn. of Maximum Service Telecasters directors meeting (March 2). Shoreham Hotel, Washington, D.C.

Meetings next week: Southwestern Assn. of Program Directors for TV annual meeting (March 7-8). Shamrock Hilton Hotel, Houston . . . RTES timebuying-selling seminar (8). John F. Howell, CBS Films' vp-gen. sales mgr., and Herminio Traviesas, BBDO vp & TV-radio dept. mgr., speak on "Syndication as a Media Buy." Hotel Lexington, N.Y. . . . Audio Engineering Society West Coast convention (8-11), Alexandria Hotel, Los Angeles.

Educational Television

Federal Aid to ETV Revived: The House Commerce Communications & Power Subcommittee, which has been sitting on the federal-aid-to-ETV idea since hearings last year (Vol. 16:4 p12), finally moved on it last week.

The Subcommittee headed by Commerce Chmn. Harris (D-Ark.) referred a modified ETV measure by Rep. Roberts (D-Ala.) to the full Committee, where it faces an uncertain fate without specific subcommittee endorsement.

The Roberts measure (HR-10609), a revision of a bill (HR-2926) he introduced last year (Vol. 15:23 p2), was on the agenda of an executive session of the full committee Feb. 25. But it wasn't reached and any vote on it was put off at least until March 3.

Unlike a Senate-passed bill by Sen. Magnuson (D-Wash.) which would authorize outright govt. grants totaling \$51 million to states & D.C. for purchase of ETV equipment, the Roberts measure would permit \$1 million grants to each state, D.C. and Puerto Rico—for a total of \$52 million—only if they put up matching grants.

Additional grants of \$10,000 for ETV station surveys would be permitted under the new House measure, however. And states claiming govt. money for station equipment would be given credit for expenditures already made for existing ETV facilities in computing how much matching money they'd have to put up.

In reporting out the Roberts bill without recommending that it be adopted, the Subcommittee in effect pigeonholed the Magnuson measure and buried a half-dozen similar House proposals at least a year old.

ETV grant of \$109,980 has been given the U. of Cal. by the National Science Foundation for the production of a special TV series on viruses for the National ETV & Radio Center. Eight 30-min. programs will be prepared.

Correction: Channels scheduled to be used by ETV Stratovision experiment, air to ground (Vol. 16:8 p2), are Ch. 72, 75, 76 & 78.

Trade Report

FEBRUARY 29, 1960

'SMALL' TV MAKERS DO BIG BUSINESS: There's nothing minor league about smaller TV-radio-phono manufacturers when it comes to battling majors for share of market. They're gaining ground.

Business is booming at lower echelons. Six manufacturers we contacted claimed an average 60% gain in 1959-over-1958 sales—compared with industry's over-all increase of some 10% in total TV retail unit sales, from 5.1 to 5.7 million sets. Two producers—Andrea Radio & Setchell-Carlson—reported runaway gains of more than 100%.

All view 1960 with bubbling optimism, forecasting sales increases ranging up to 60%. Only dour note came from Tech-Master Corp., which fell off 1958's sales pace by some 5% last year. However, Pres. Louis A. Lazoff told us the private label & custom installation firm is correcting conditions which caused decline, anticipates big 30-35% jump in sales this year.

Market within a market has been created by tenacious, sagacious smaller-than-giant firms. While the "majors" of industry battle noisily with ad-promotion-publicity hoopla for mass market, smaller producers quietly exploit & enlarge specialty sales areas largely ignored by majors. Pres. Joe Friedman of Trav-Ler Radio Corp., one of first manufacturers to enter TV field, sums it up: "We have a niche." However, "niche" doesn't mean nibbling at leavings. Many small producers rate themselves as "custom builders"—and more than one bristles at "small" label.

"TV industry has been whittled down to less than 20 producers, all strong & healthy," one executive told us. "Of these full-line producers, only a handful concentrate solely on home entertainment equipment. Yet the output & sales of some of these so-called 'small' producers compare very favorably with the performance of TV-radio divisions of some diversified electronic giants. If we were to appraise on a TV-only basis, some of the 'giants' would be lost among the 'midgets.'"

Patterns for survival & success in an industry dominated by giants are varied: Quality, customized product; private-label production; extra-profit margins for dealers; direct selling; specialty styling & installation; putting ad budgets into product & pricing improvements.

Typical is the attitude of old-timer Andrea Radio Corp., which is now expanding its distribution setup, seeks "profit-conscious dealers who are sick of cat-&-dog competition." Sales mgr. John M. Dierkes told us Andrea operates with a well-policed minimum retail price. "This policy may mean fewer dealers," he said, "but it also means better ones." Until 6 months ago, Andrea sold direct to dealers and only in N.Y., N.J., Boston. It has now added 6 distributors, anticipates 12 more by year's end, is spreading coverage from New England to Florida.

Technical advances also play role. Pres. W. J. Moreland of Conrac Inc., important maker of TV studio monitors which also produces Fleetwood TV, told us: "We make every effort to keep abreast and, if possible, ahead of the 'giants.' We marketed a 'twin panel' or 'laminated safety plate' tube months ahead of any of the majors. We used the Pittsburgh Plate Glass approach, etched the outside face of the safety glass, and actually pioneered this type of product in the home receiver market."

Setchell-Carlson notes as one of its prime success factors that it is "probably the most complete TV manufacturer under one roof." Asst. sales mgr. W. C. McKnight points out: "Cabinets, speakers, IF coils, flyback transformers and other components, as well as metal work & chassis, are all manufactured in the same plant. This, of course, makes for extreme ease of availability of all products."

Optimism for 1960 does not include color TV, even in this segment of industry where producers often tend to be more specialized & unconventional in design & styling. Indications are that 1960 will be exclusively b&w among small manufacturers. Typical comments: "We'll stay out of color at least another year," says Andrea's Dierkes, "we don't think it's quite ready." Trav-Ler's Friedman: "We tried color several years ago and made no headway with it. So far as we're concerned, a good gauge of the market is the absence of de-

mand for color from our private-label customers." Mattison Electronics Corp. Pres. Richard Mattison notes that color-TV's "bulk" is against it in this specialty field. "Today's trend in furniture styling is to slim, streamlined lines," he told us. "Color's size & bulk put it in opposition to the furniture trend." Tech-Master's Lazoff: "We were ready for color 3 years ago, but there was no profit in it then, there's no profit in it now."

For the success formulas of 7 smaller TV producers, and details on their outlook for 1960, see p. 17.

BIRTH & DEATH OF 18-IN. BATTERY TV: Illustrative of the mad on-&-off race for battery portable big-screen transistor TV is short & unhappy tale of a brand new 18-in. tube designed for cordless TV.

One of best-kept secrets of industry engineering, tube was designed by Philco and Kimble Glass for a proposed direct-view battery TV set. Tube had 122-degree deflection, but cut down on power required to drive it by constricting the neck to bring yoke components nearer to electron gun. Despite its big screen area (159 sq. in.), tube could be made as short as 10½ in. in front-to-back measurement.

Philco is understood to have dropped that particular design after bulb had been developed, presumably because of cost & engineering problems. So early last week, Kimble announced it was offering samples of the bulb to the industry. But by weeks' end, according to industry sources, the design was dead and presumably Kimble had dropped plans to manufacture it. Philco declined comment.

Big problem in battery portables is power drain of large-screen tube—and while every major manufacturer has a "true portable" in the lab stage, we know of no specially designed low-drain picture tubes now being made for battery sets. So it appears that any true portables introduced in near future will use conventional small-screen tubes—while set makers' market researchers try to determine whether there's enough potential demand for battery portables to justify spending a fortune on tooling up for an entirely new concept in TV design—one of major expense factors being the development of low-power large-screen picture tubes.

TV-RADIO PRODUCTION: EIA statistics for week ended Feb. 19 (7th week of 1960):

	Feb. 12-19	Preceding week	1959 week	'60 cumulative	'59 cumulative
TV	121,577	129,510	115,909	911,427	800,296
Total radio	378,670	358,817	273,854	2,469,323	1,967,825
auto radio	153,661	141,871	106,066	1,101,211	740,704

Trade Personals: John D. Houlding, ex vp-gen. mgr., elected pres., RCA Victor Co. Ltd. (Canada); RCA consumer products exec. vp P. J. Casella, former pres., continues as exec. committee chmn. . . Z. W. Pique, ex-Hughes Aircraft, appointed Hoffman Corporate mktg. vp; Donald C. Bright, ex-RCA, named gen. mgr. of new industrial electronics div. . . Frank A. McCall, ex-RCA, named consumer products dir., James E. Stewart, communication products dir., Motorola International S.A. . . Clyde K. Huxtable, ex-Montgomery Ward TV-radio-musical instrument dept. mgr., named TV product line development mgr., RCA Sales Corp. . . Robert J. Haldeman named Packard Bell controller.

Robert G. Urban named a mktg. dept. vp & asst. to the mktg. vp, Philco consumer products div. . . Bernard Amos, ex-Magnavox, named Sylvania Home Electronics radio & stereo hi-fi design mgr.; George P. Lyon promoted from product planning supervisor to administrative engineer . . . Clarence F. Van Epps promoted from mfg. dir., Stromberg-Carlson electronics div., to new post of purchase analysis dir. . . Harry A. Gilbert appointed to new post of vp for coordinating departments and aiding expansion, Blonder-Tongue Labs.

Kenneth C. Moritz, ex-Raytheon semiconductor div. sales mgr., appointed to new post of General Instrument semi-conductor div. mktg. vp, succeeded at Raytheon by Henry F. Schunk, formerly Raytheon training center & plant mgr., Lewiston, Me. . . Jack R. Alschuler named to new post of national equipment sales mgr., Sampson Co. (Hitachi distributor) . . . George A. Peck, ex-Stromberg-

Carlson, named pres. of Dresser Industries subsidiary Southwestern Electronics . . . George Griswold Jr. named publications dir., Bell Labs . . . Donald T. Fowler named to new post of mgr., Litton Industries components group . . . Emmet G. Cameron named Varian tube operations group vp, Howard R. Patterson instruments & equipment group vp, Ralph W. Kane foreign operations vp, in Varian realignment . . . C. L. Caldwell, ex-Radiation Inc., joins Airtronics Inc. as mktg. Dir.

Spencer H. Bellue, Osborne Electric Co. vp, elected pres., Western Electronic Manufacturers Assn. (WEMA); A. N. Curtiss, RCA, treas.; E. T. Clare, Convair Astronautics, vp; M. R. Dilling, Tally Register Corp., vp; Samuel A. Ferguson, Sylvania Electronic Systems, vp; Gould Hunter, Eitel-McCullough, secy.

Obituary

George Thomas Fielding, 76, retired GE executive, died Feb. 21 at his home in Stamford, Conn. A veteran of 20 years of service with GE, he served as dir. of market research and 2nd in command of the mktg. div. He was granted 35 patents on appliances, displays and merchandise items. He is survived by his widow, a son, a daughter and a grandson.

George W. Borg, 71, Amphenol-Borg chmn. and founder of Borg-Warner, died Feb. 21 at his home in Delavan, Wis. He is survived by his wife, a son, a daughter and 2 sisters.

More about

'SMALL' BRANDS ARE BIG: Although they vary widely in size, merchandising methods and specialty, the so-called lesser TV brands have 2 things in common—satisfaction that they've found their place in the competitive set market and optimism for the future (see p. 15). Here are summaries of comments by 7 manufacturers in that category:

American TV & Radio (ATR brand): "Our 1959 business was approximately 50% higher than 1958," gen. mgr. Albert Goffstein told us, "and the outlook in 1960 is exceedingly bright." ATR does no private label business, "concentrates all operations in the high-quality set field, has a unique method of merchandising directly from factory to franchised TV technicians." ATR does no consumer advertising.

Andrea Radio Corp. (Andrea brand): Racked up a 105% sales gain in 1959 over 1958, is "budgeted for a 60% increase" this year. Sales mgr. John M. Dierkes said Jan. & Feb. sales are some 60% ahead of the year-ago volume. Andrea stresses quality, custom-made receivers, sells with a one-year warranty which covers entire set, including cabinet. Current emphasis is on 23-in. models which, Dierkes believes, will put finis to 21-in. by year's end. Andrea will introduce a 19-in. (bonded-tube) portable in July or August.

Conrac Inc. (Fleetwood): Sales in 1959 were up 35%. However, Pres. W. J. Moreland told us: "Had it not been for a disastrous fire which completely destroyed our production facilities in early August, our 1959 sales would undoubtedly have been at least 70% ahead of 1958 . . . In 1960, I confidently believe that Conrac's sales will increase another 50% over 1959." Conrac sells its Fleetwood TV line direct to dealers, does no private-label production of home TV sets, goes in for consumer as well as trade advertising. The 1960 ad budget is double that of 1958's. Although Moreland believes that "the smaller TV producers will tend more toward private-label production [in 1960], I do not anticipate that Conrac will follow this trend." Conrac is a leading producer of broadcast TV equipment & industrial closed-circuit gear, does some 20% of its industrial production for private labels.

Mattison Electronics Corp. (Mattison): Its 1959 sales gained 10-15% over 1958, prospects for 1960 are "excellent." Mattison produces a high-price TV-radio-stereo line (\$1,200-\$2,000 range), does no private-label production, sells direct, and moves some 90% of output in N.Y.C. alone. Mattison TVs use 24-in. & 27-in. tubes, but 23-in. models will be introduced shortly. Pres. Richard Mattison said his ad campaigns are limited to dealers. The concern also produces a low-end stereo-radio line (\$100 range) which is sold nationally via distributors and directly to "time-payment" houses. Some 25% of Mattison's stereo-radio production is for other labels. Success formula: "good markups for dealers, a lot of product for the price for the customer."

Tech-Master (Videola): Pres. Louis A. Lazoff told us sales dropped some 5% last year because Tech-Master lacked remote tuners and other TV features that "are costly to get into, but that customers want." This year, Tech-Master customers will get what they want, because "either you get in step with the parade or get out." Some 10% of the firm's business is direct-to-consumer TV, the balance divided between private-label & custom production. He forecasts a 30-35% sales gain this year.

Trav-Ler Radio Corp. (Trav-Ler & Sonora brands): Pres. Joe Friedman expects a 40% jump in sales for the

1960 fiscal year ending April 30. TV production divides roughly 50-50 between house brands & private labels. House brands are sold both direct & via distributors. Success formula: "We offer a quality product at a price which enables our dealers to compete but still make a proper profit. Our cost of selling is lower than that of the majors. Trav-Ler does no consumer advertising. We stand to gain little by trying to compete with the majors in advertising. We put ad expenses into the product & price structure."

Setchell-Carlson (Setchell-Carlson): "Our 1959 business is over 100% higher than that of 1958 and we are looking forward to an extremely good year in 1960," asst. sales mgr. W. C. McKnight told us. Success formula: Setchell-Carlson caters to "public's increasing appreciation & demand for highest quality, appearance and performance." Setchell-Carlson does no private-label production, sells through distributors, advertises direct to consumer. McKnight says several "impartial magazines show that features of Setchell-Carlson are well ahead of most other brands and no one other brand equals the total features in Setchell-Carlson products."

Although he anticipates a good year for his firm, McKnight states: "Our opinion of the outlook for the entire TV industry is not as bright. We note that the production figures of the various manufacturers are very high and feel that there will be a supply of this merchandise which will result in dumps. We anticipate in 1960 the small-to-middle-sized TV producers will be squeezed in various dumps from large manufacturers and the survival of these smaller manufacturers will depend upon the quality of their products and their ability to financially weather these dumps."

RCA accused Philco of using "threat" of an anti-trust suit as a "weapon" to negotiate a licensing deal under which RCA paid Philco \$3.5 million over a period of 10 years. RCA made the charge through counsel Bernard G. Segal as the trial in Philco's 3-year-old patent anti-trust suit against RCA, GE & AT&T (Vol. 13:3 p2) got under way last week in Philadelphia federal court. RCA attorneys charged that the Philco complaint originally was drawn up in 1946, although the suit was not filed until 1957, and asked dismissal of all claims preceding Jan. 14, 1953 on the basis of the statute of limitations. Philco, which is asking \$150 million in treble damage claims on the allegation of illegal patent practices, denied the RCA charges and stated that the 1957 suit was based on facts disclosed in the Zenith anti-trust suit against the same defendants and could not have been prepared in 1946. Judge Thomas J. Clary reserved decision on RCA's motion to dismiss the pre-1953 claims.

Investigation of Japanese transistor imports was urged by IUE (AFL-CIO) in a statement filed with OCDM in connection with the EIA-requested inquiry into the question of potential damage to the electronics industry's defense-readiness. In our story Feb. 15 (Vol. 16:7 p19), the statement was erroneously attributed to parent AFL-CIO. A spokesman for IUE, whose members work in many of America's electronics plants, stressed that the union's statement did not support EIA's contention that imports are damaging to national security, but only went so far as to support the plea for an investigation.

Hoffman Electronics' distributors convention and showing of 1961 lines will be held June 12-15 at Las Vegas. Consumer products sales vp Paul E. Bryant said 50% more dealers than last year are expected to attend this summer's meeting.

Minimum wage rates for the electronic component parts industry under the Walsh-Healey Act covering govt. contracts will be set for the first time by Labor Secy. James P. Mitchell following public hearings opening March 29. EIA & NEMA spokesmen are expected to head a list of industry witnesses when the long-delayed proceedings get under way in Room 200 of the Railway Labor Bldg., 1st & D Sts. NW, Washington. Labor's case will be argued by IUE & IBEW representatives. Determination of the rates will be based on a wage survey conducted last year by the Labor Dept.'s Bureau of Labor Statistics (Vol. 15:35 p15), which showed more than 65,000 production workers were employed by the industry in 457 establishments whose govt. contracts totaled \$60 million annually. The components case was initiated at a labor-management conference at the Labor Dept. in Oct. 1958, but got snarled in a wage-hour div. proposal—since dropped—to include electronic equipment for missiles in the aircraft industry category of govt. contracts. Minimum wages for workers on electronics end products for missiles will be determined in not-yet-scheduled separate proceedings.

Foreign trade conferences with representatives of 40 U.S. industries, including electronics products, have been initiated by Commerce Secy. Frederick H. Mueller to get recommendations on govt. actions "that will be most meaningful in opening world markets." Motion picture executives meet March 1 with officials of Commerce's Bureau of Foreign Commerce and Business & Defense Services Administration in the first conference of the series, which will run through 1960. "There is much that can be done further to increase markets for American goods as a result of lowering restrictions by our trading partners [in the General Agreement on Tariffs & Trade (GATT)]," said Mueller.

Magnavox's annual clearance sale of TVs, radios and phonos will be conducted from March 14 to April 2. TV specials of the sale include the 17-in. Westchester table model, priced at \$169.90 from \$199.90; 21-in. Magnavision console, down to \$199.90 from \$215; 21-in. Americana console, \$229.90 from \$269.90; 21-in. Cavalcade console, \$249.90 from \$299.90, and Stereo Theatre TV-stereo combo, \$339.90 from \$389.90.

Packard Bell is negotiating with a Japanese radio manufacturer, but has signed no contract such as the one mentioned in these pages last week (Vol. 16:8 p20), a company official told us last week. The announcement of an agreement, which originated in Tokyo, was "premature," Packard Bell said. "We're exploring possibilities just like everyone else," said a spokesman, "and we may have an announcement by April."

Canadian radio makers sold 770,285 sets last year to rack up the highest annual volume since 1950. Record-player sales, however, dipped for the 2nd consecutive year, to 202,114 units from 220,558 in 1958, 243,153 in 1957. TV sales declined for the 4th successive year (Vol. 16:8 p20), down to 405,006 units—just a little more than half of 1955's record 806,253.

Olson Radio Warehouse Inc., Akron, has denied FTC charges in a complaint filed last Dec. that it made deceptive pricing & savings claims, failed to disclose clearly the foreign origin of products and misrepresented guarantees on them. The firm and its officers Irving & Sidney Olson and Albert Schultz asked dismissal of the complaint.

Radio receiver sales for 1959 in the Southern Cal. area were 88,139. This figure tops all years since the Electric League of Los Angeles began compiling in 1955.

Finance

RCA's Banner Year: RCA last week added detail to the bright picture of 1959 performance painted earlier by Chmn. David Sarnoff (Vol. 16:8 p21). To some 163,000 stockholders went the annual report. It confirmed that sales rose 19% to a record \$1.395 billion, topping the previous high of \$1,176,277,000 set in 1957. Profits soared 30% to \$40 million—but still well under 1955's record \$47.5 million.

Commercial business (manufacturing & service) accounted for 41% of RCA's total 1959 income. Defense contracts chipped in 34%, NBC 23%, radio-telegraph business 2%. Chmn. Sarnoff & Pres. John Burns told stockholders that virtually all major operating units improved earnings, that NBC led all networks in dollars gained in gross billings, that NBC's o&o's set sales & profit records, that RCA defense business jumped 54% to \$470 million; backlog was \$325 million. For the year ended Dec. 31:

	1959	1958
Sales	\$1,395,620,000	\$1,176,094,000
Net profit	40,142,000	30,942,000
Per common share ...	2.65	2.01
Common shares	14,126,621	14,031,114

Admiral Doubles Profit: Pres. Ross D. Siragusa had a cheerful report for the Admiral Corp. board last week. Preliminary figures indicate that 1959 earnings topped \$3 million—more than double 1958's profit. Sales were up some 17%. Further, forward-looking Admiral was ready to break the market with the industry's first 19-in. portable TV set, confirming our recent report (Vol. 16:8 p18).

"Plans have been finalized for the mass production of a complete line of 19-in. TV sets beginning next month," he said. "This new screen size should enable Admiral to widen its lead in the portable TV field in the months ahead." [The new sets are due to be shown at distributor meetings this week.] The new 19-in. tube, he said, "fits in the same size cabinet as the 17-in. tube, yet provides a 10% larger picture." Commenting on the 23-in. tube, Siragusa said its acceptance has been so pronounced that industry leaders believe 23-in. TV sets will account for the major share of large-screen sales this year.

Preliminary report for the year ended Dec. 31:

	1959	1958
Consolidated sales	\$199,000,000	\$170,777,126
Net income	3,000,000	1,375,017
Per common share	1.70	58¢
Common shares	2,405,471	2,372,476

Loew's Inc. was re-named Metro-Goldwyn-Mayer Inc. last week and began trading on the NYSE under a new ticker symbol: MGM. Pres. Joseph R. Vogel told stockholders that earning prospects for fiscal 1960 (ending Aug. 31) are "very bright," but are contingent on averting a studio walkout by members of SAG. He noted that since the company initiated licensing of films for TV showing, some \$56 million in contracts have been signed, of which \$31 million is still to be earned. During the 1959 fiscal year, Loew's granted 42 additional licenses, mostly to smaller TV stations on 7-year contracts. These new contracts will produce more than \$5 million.

Sprague Electric Co. (not Chmn. Robert C. Sprague, as might be inferred from our Vol. 16:7 p23 item) has sold 32,000 previously authorized but unissued shares of common stock to 2 unidentified institutional investors. Mr. Sprague's personal holdings were not involved.

TV-Electronics Fund Gains: Record gains were racked up by Television-Electronics Fund, Chicago-based mutual fund with 91.7% of its assets in electronics, nucleonics and allied fields, during fiscal 1960's first quarter ended Jan. 31. Pres. Chester D. Tripp reported total net assets of \$314,067,611—up from \$244,105,822 in the year-ago quarter and a record for any fiscal quarter in the fund's history. The net asset value per share rose 11.5% to \$7.14 (vs. \$7.04 a year earlier), after adjusting for a 2-for-1 split which became effective Jan. 29 and for the adding back of a capital gains distribution of 62.5¢ made in Nov. 1959. Stock outstanding rose to a record 41,678,926 shares, up 20.2% over the year-ago total. The number of shareholders increased to a new high of 108,443, a 27.7% gain over the 84,930 shareholders recorded Jan. 31, 1959.

Portfolio changes in common stock since the close of the 1959 fiscal year Oct. 31 (Vol. 15:49 p22): Added were 25,000 shares of Pitney-Bowes, market value \$850,000; 17,000 Texaco Inc., \$1,277,125. Holdings were increased in Allis-Chalmers, Carborundum Co., Curtiss-Wright, Ford, GE, GM, Hoffman Electronics, United Utilities. Holdings were reduced in Consolidated Edison of N.Y.C., GT&E, Southern Cal. Edison, Walt Disney Productions. Holdings were eliminated in General Precision Equipment Corp.

Boston Herald-Traveler Corp. reports a drop in earnings despite a rise in revenues in the year ended Dec. 31. Treas. Roger P. Talmadge said newspaper profits declined sharply and more than offset a "comfortable" increase in profit netted by its TV outlet, WHDH-TV Boston. Radio WHDH duplicated its 1958 performance. Talmadge said that revenues from broadcast operations increased to \$7,045,303 from \$5,269,145 in 1958. Subsidiary WHDH Inc. was able to pass along part of its earnings to the parent company in the form of a \$200,000 dividend paid late in 1959. Consolidated report for the year ended Dec. 31:

	1959	1958
Net revenues	\$31,083,273	\$28,977,012
Net income	895,319	1,173,755
Per common share	2.18	2.99
Common shares	411,472	391,878

Crowell-Collier Publishing Co. (radios KFWE Los Angeles, KDWB Minneapolis-St. Paul, KEWB San Francisco-Oakland) posted marked gains in sales & earnings in the year ended Dec. 31 (per-share earnings are based on number of shares outstanding at end of 1959):

	1959	1958
Net sales	\$35,491,211	\$29,099,414
Net income	5,209,670	4,320,729
Per common share	2.03	1.69
Common shares	2,558,294	2,198,432

Thompson Ramo Wooldridge hit a sales peak in 1959, anticipates an even higher volume this year. "Increased emphasis on non-military business saw approximately a 100% growth in the level of semiconductor & non-military electronics business," the company reported. Sales in the electronics, missile and space categories alone rose to \$167 million from \$89 million in 1958. Sales to the automobile industry were up 30%. For the year ended Dec. 31:

	1959	1958
Net sales	\$417,748,953	\$340,621,767
Net income	9,743,918	8,979,232
Per com. share (after pfd.)	3.02	2.86
Common shares	3,119,503	3,024,983

Dominion Electrohome Industries tallied record sales in 1959 but wound up with a 31% drop in profits (Vol. 15:52 p20). Pres. C. A. Pollock reported to stockholders last week. The Kitchener, Ont. TV-radio-phono producer attributed the profit decline to various factors: consumer confusion over stereo, "selloff" of monaural products, "some non-recurring problems & expenses due to field failures of purchased components, delays in deliveries which increased costs & significantly reduced our manufacturing & sales volume," long-term research & reorganization activities, others. Pollock noted that "sales for January & orders on hand as of Feb. 1 are well ahead of 1959," but foresaw "a competitive year ahead with many problems to be solved." Preliminary report for 1959 (shares outstanding reflect 3-for-1 split early in 1959):

	1959	1958
Sales	\$15,423,000	\$15,421,000
Net profit	379,000	552,000
Shares outstanding	417,800	108,170

General Telephone & Electronics has filed an SEC registration statement for public sale of 775,000 shares of common stock to raise an estimated \$58.12 million for expansion programs. The statement didn't list an offering price but said it will be supplied in an amendment.

* * *

GT&E sales rose 20% in 1959 to top the billion-dollar level for the first time, confirming Chmn. Donald C. Power's January forecast (Vol. 16:5 p24). Sylvania's parent organization also established new records for net income, per-share earnings, assets. Power said Sylvania's earnings were some 74% ahead of 1958 and accounted for 41% of GT&E's 1959 net of \$72.3 million. For the year ended Dec. 31:

	1959	1958
Total revenues	\$1,081,056,000	\$859,156,000
Net income	72,300,000	59,500,000
Per com. share (after pfd.)	3.40	3.07
Average com. shares	30,996,000	19,134,000

Telecomputing Corp. posted sharp sales gains and an increase in income (including a special tax credit of \$217,719 or 9¢ a share) in the quarter ended Jan. 31:

	1960	1959
Sales	\$11,741,991	\$8,564,676
Net income	469,656	456,883
Per common share	16¢	17¢
Common shares	2,912,086	2,554,111

NAFI Corp., automotive-accessory, boating (acquiring Chris-Craft Corp.) and broadcast (KCOP Los Angeles, KPTV Portland, radio KXYZ Houston) concern rebounded sharply from 1958's losses to rack up a 1959 profit topping \$1 million. Preliminary report for the year ended Dec. 31:

	1959	1958
Sales & other income....	\$23,354,720	\$22,035,326
Net income (loss in 1958).	1,048,619	(382,951)
Per common share	1.06	—
Common shares	987,655	987,655

International Resistance Co., Philadelphia components maker, tripled earnings on a 44% gain in sales in 1959:

	1959	1958
Sales	\$19,800,000	\$13,743,865
Net profit	1,783,859	504,268
Per common share	1.29	37¢
Common shares	1,379,398	1,354,898

Desilu Productions' net income multiplied nearly 5-fold on a strong sales increase in the 39 weeks ended Jan. 30 (compared with the 40-week period ended Feb. 7, 1959):

	1960	1959
Gross income	\$17,553,899	\$14,943,740
Net income	708,121	141,730
Earned per share	61¢	12¢
Common & B shares	1,155,940	1,150,000

Oak Mfg. Co., Chicago components producer, scored a 59% gain in earnings on a 19% sales increase in 1959. Sales in the final quarter totaled \$4,984,649 and were the highest for any 1959 period. The backlog of orders was 20% higher than at the end of the preceding year.

	1959	1958
For the year ended Dec. 31:		
Sales	\$18,442,747	\$15,537,850
Profits	991,685	624,426
Per common share	1.51	95¢
Common shares	655,894	655,894

Transitron Electronic Corp. stock is now listed on the N.Y. Stock Exchange. Ticker symbol: TRN.

Textron Electronics Inc. has been admitted to trading on the American Stock Exchange. Symbol: TEI.

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WEEKLY Television Digest

Circulation Department
Box 700
Radnor, Pa.

Please enter my subscription to Television Digest for one year @ \$75 with embossed binder for handy reference file.

Remittance Enclosed Bill

NAME _____

POSITION _____

FIRM _____

ADDRESS _____

CITY _____ ZONE _____ STATE _____

NT&T will reopen its exchange offer to remaining NTA stockholders and warrant-holders, according to NT&T Pres.-Board Chmn. B. Gerald Cantor. NT&T acquired a majority interest in NTA through an exchange offer Feb. 16, 1959 and now owns 1,114,636 shares representing 87.27% of a total of 1,277,197 shares of the common stock of NTA. It also owns warrants to buy 346,590 shares of the common stock of NTA, representing 79% of the total of 440,955 shares for which warrants are outstanding. Cantor said the new exchange offer will be substantially the same as that made last year. The initial exchange basis was \$11 of NT&T's 5½% subordinated debentures due March 1, 1974 and a warrant for the purchase of one-quarter share of NT&T common stock for each NTA share.

Skiatron Electronics hearings by SEC on charges that the pay-TV company filed an inaccurate & inadequate stock registration statement (Vol. 16:8 p23) resume March 7 for a run of at least another week. SEC attorneys told us they expect to call more brokers to the stand to testify about a maze of financial dealings between Skiatron Electronics & its licensee Skiatron of America, headed by Matthew (Matty) Fox, who also may be a witness. Stipulations between SEC & Skiatron Electronics on admitted facts in the case were entered into the record at a brief session in the proceedings Feb. 17. Meanwhile, SEC ordered a further suspension of trading in Skiatron Electronics common stock through March 6.

Jerrold Electronics board will be enlarged with the addition of Thomas L. Kempner, partner in the investment house of Carl M. Loeb, Rhoades & Co., and Cal. oilman-showman Jack Wrather. Wrather and John L. Loeb, senior partner in Loeb, Rhoades, recently acquired more than 33% of Jerrold (Vol. 16:6 p5). The additions to the board were to have been finalized at a stockholders meeting Feb. 27.

Electronics Capital Corp., the small-business investment company specializing in electronics, has purchased \$300,000 in 5-year convertible debentures issued by Ultronix Corp., San Mateo, Cal., convertible into 33⅓% of total Ultronix capital stock. Headed by Ronald D. Meredith, 3-year-old Ultronix specializes in precision electronic components.

Aerovox Corp. more than tripled profits in the year ended Dec. 31. Net income totaled \$668,394 (77¢ a share) compared with \$216,690 (25¢) in 1958.

Reports & comments available: Westinghouse, study, Reynolds & Co., 120 Broadway, N.Y. 5 . . . P. R. Mallory, memo, Herzig, Farber & McKenna, 39 Broadway, N.Y. 6 . . . Industro Transistor Corp., analysis, William Norton Co., 9 Maiden Lane, N.Y. . . . Federal Pacific Electric Co., prospectus, Georgeson & Co., 52 Wall St., N.Y. 5 . . . Douglas Microwave Co. Inc., report, Simmons, Rubin & Co., 56 Beaver St., N.Y. 4.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
American Bosch Arma.	Q	\$0.30	Apr. 15	Mar. 21
Amphenol-Borg	Q	.35	Mar. 30	Mar. 16
Arvin Industries	Q	.25	Mar. 31	Mar. 7
Bell Tel. Canada	Q	.55	Apr. 16	Mar. 15
Bendix Aviation	Q	.60	Mar. 31	Mar. 10
Bulova Watch	Q	.15	Apr. 1	Mar. 11
EMI Ltd.	Int.	5% cash
Globe-Union	Q	.25	Mar. 10	Mar. 1
Hoffman	Q	.15	Mar. 31	Mar. 15
MGM Inc.	Q	.30	Apr. 15	Mar. 18

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

SUMMARY-INDEX OF WEEK'S NEWS

WITH THIS ISSUE: Log of TV stations operating in U.S. and Canada.

Congress

DOERFER ON HARRIS HOT SPOT when House Oversight Subcommittee grills him about Fla. vacation stay as yacht-&-plane guest of George Storer (p. 1).

FCC UHF RESEARCH QUESTIONED by House group, which is dubious about \$2.25-million project. Commission will return with lower figure, seek help of National Academy of Sciences (p. 10).

Networks

CBS AFFILIATES' STRONG DOSE of Washington includes angry Harris-Doerfer exchange, speculation about repercussions (pp. 2 & 7).

Auxiliary Services

JERROLD-WRATHER "MARRIAGE" is producing several long-range plans, including pay-TV, new consumer products, expansion in the CATV field (p. 3). Sales & profits up (p. 20).

HOW VIEWERS SEE TELEMETER—as revealed by our early survey of wired pay-TV customers in suburban Toronto. Zenith to file "within a few weeks" for on-air pay-TV, says Pres. Wright (p. 4).

FCC

PAYOLA IMPERILS LICENSES of 4 Boston area AM stations. FCC demands WMEX, WILD, WORL, WHIL explain testimony (p. 5).

LICENSES SHORTER THAN 3 YEARS proposed by FCC to replace "temporary license" system (p. 5).

QUIZ & PAYOLA COMMENTS filed with FCC generally support proposed new rules. Networks heard from on quizzes; CBS, Triangle, WOWL-TV on payola (p. 6).

Manufacturing & Distribution

"INVENTORY READJUSTMENT" by retailers responsible for slump in factory & distributor sales of TV sets; retail sales at 6.5-million rate. First 19-in. portables introduced by Admiral. Industry studies new Supreme Court price-fix ruling (p. 15).

EIA's SPRING MEETING in Washington to stress stereo promotion campaign, Japanese competition, "buy American," pending legislation, first Defense Market Planning seminar (p. 17).

STEREO BATTLE JOINED by Magnavox in series of editorial ads aimed at trade & public, blasting "multi-channel" stereo as "blatant misrepresentation" (p. 17).

Stations

FTC WINS PAYOLA PLEDGES from record manufacturers & distributors who line up to sign consent agreements. New complaints filed in FTC drive (p. 9).

Finance

PHILCO PROFIT SOARS to more than \$7 million in 1959, up from less than \$3 million in 1958. Annual report shows all divisions contributed to a 13% sales gain to nearly \$398 million (p. 19).

ELECTRONICS INVESTMENT CORP. net assets rose 32.4% to \$30,015,605 in fiscal-1960's first quarter (p. 20).

Other Departments

ADVERTISING (p. 11). **FILM & TAPE** (p. 12). **PERSONALS** (p. 14). **PROGRAMMING** (p. 14).

DOERFER ON HARRIS HOT SPOT: Flushed & unhappy, but standing defiantly on ground that he had violated no "judicial code of ethics," FCC Chmn. Doerfer was denounced & berated last week by House investigators for spending part of his Feb. vacation in Fla. as yacht-&-plane guest of Storer Bcstg. Co. Pres. George B. Storer.

Double-feature hearing on what FCC & FTC are doing to combat payola had been billed by Commerce Legislative Oversight Subcommittee as its big business for week. But hearing wound up with that subject dropped while Oversighters took turns taking Doerfer to task for accepting "gratuities" from Storer.

"I was very frankly amazed," Rep. Moss (D-Cal.) sternly told Doerfer, reminding him that just 2 years ago, Subcommittee had reprimanded Doerfer for cruising with Storer on another trip south. Moss pointed to a batch of clippings on the story of the most recent jaunt, which was broken March 3 under big headlines by N.Y. Herald Tribune.

"I simply can't avoid all social contacts because somebody at some time may be before the Commission," Doerfer protested. He said he had "ascertained that Mr. Storer has no matters pending before the

Commission of an adjudicatory nature," and that there was nothing in any judicial code which prevented him from picking his own friends. But Moss pointed out that Storer stations have had trouble with payola-taking disc jockeys.

"Grown people shouldn't have guidelines as to what is right & wrong," Rep. Mack (D-Ill.) told Doerfer. "I think this [Doerfer's conduct] follows the same pattern as some of the disc jockeys." Shortly after that, Doerfer was excused after spending nearly 4 hours on stand. Asked by reporters if he planned to resign, he angrily brushed question aside.

In his defense of the Fla. trip, Doerfer reminded Subcommittee that there has been "high mortality rate" among ex-FCC chiefs and argued that he needed to take advantage of opportunities for rest. As for his 16-day vacation this time, he said, he went to Fort Lauderdale as guest of Wis. friends, spent "parts" of 6 days & nights with Storer on yacht Lazy Girl. Under questioning, Doerfer also acknowledged that after buying Northeast Airlines tickets he flew from Miami to Washington & back again on Storer's private plane. But he said he'd had the tickets refunded March 2, planned to send the money to Storer for "charity."

Doerfer fared little better at hands of Subcommittee in presenting 7-page report & documents on course of FCC's moves in fields of payola (see pp. 5 & 6), TV-quiz rigging, hearings on FCC powers, etc. From Chmn. Harris (D-Ark.) to last-ranking Oversight, Subcommittee sounded a too-little, too-late, too-cautious critical theme. If Doerfer had a friend on Subcommittee, it was Rep. Springer (R-Ill.). He pointed out that Commission at least had made some definite moves against wrongdoing in broadcasting since TV quiz scandals broke last year.

In contrast, clear sailing through hearing was enjoyed by FTC Chmn. Kintner. Oversighters complimented him for FTC's anti-payola work (see p. 9), expressed warm approval when Kintner promised that from payola, FTC planned to move into plugola practices. He named no companies as being under investigation for buying hidden plugs for products on broadcast programs, but said 8 of them had been docketed for inquiries. Kintner said TV writers, prop men, producers, entertainers, directors, cameramen were involved with putting across secret commercials sold for \$200-270 per plug.

Kintner also was agile in skirting touchy issue which was raised briefly with Doerfer, too—Doerfer's speech to CBS affiliates last week (see p. 7). Moss wanted to know if Kintner agreed with Doerfer that Subcommittee overstated extent of corruption in TV-radio "Sir," said Kintner, "I'd rather not get into that."

Flareup over ABC-TV headliner Dick Clark also marked hearing. Rep. Bennett (R-Mich.) read list of 17 record & music publishing firms in which he said Clark had had interests, asked if Subcommittee was going to do anything about Clark instead of putting "peanut disc jockey" on spot in that phase of House investigation. Harris angrily said Bennett was reading from affidavit supplied by ABC itself when it required Clark & others to divest themselves of such business connections. Harris said staff investigators were running preliminary checks on Clark's activities.

CBS AFFILIATES' STRONG DOSE OF WASHINGTON: The dramatic Harris-Doerfer debate Feb. 29, which may become historic, left CBS convinced of the wisdom of holding TV affiliates conferences in Washington and exposing the telecasters to key govt. figures. As one CBS executive put it:

"I think the affiliates now believe we didn't act hastily, that our cleanup measures were not too extreme. Previously, some had accused us of pushing the panic button."

The affiliates certainly got a full taste of govt. thinking—from FCC Chmn. Doerfer, Senate Commerce Committee Chmn. Magnuson (D-Wash.), FTC Chmn. Kintner & House Commerce Committee Chmn. Harris (D-Ark.), in that order, followed by the angry Doerfer rebuttal to Harris.

Harris-Doerfer exchange warrants tracing in detail, which we do on p. 7, for it looks like a classic case of misunderstanding of Doerfer's position on part of Harris.

Aftermath of the exchange was buzzing of speculation among affiliates, then later among rest of industry, as to whether Doerfer's spirited ad lib presentation would do anyone any good. Affiliates' immediate reaction was a rising ovation with cheers, but some wondered later whether Harris would attempt reprisals against FCC & industry.

Other side of the Doerfer coin—his prime-time public-service plan for networks (Vol. 16:4 p2)—produced mutterings & misgivings among affiliates. It's understood that during March 1 closed meeting, CBS executives were asked why they accepted Doerfer plan, whether it meant "too much govt. dictation of pro-

gramming." Response: It was a "personal" suggestion by Doerfer, nothing official. Affiliates later passed resolution commending CBS for accepting plan and pledging support for it—although some complained privately that it was "railroaded through."

Sen. Magnuson's off-the-cuff talk had something for everyone—compliments & criticisms. Kintner again offered his carefully-worded thesis that industry can discipline itself, shouldn't invite govt. intervention. (For digest of their comments, see p. 8).

In the closed sessions, CBS topkicks reviewed "cleanup" campaign, govt. relations, business status, and fall program plans. CBS Pres. Frank Stanton sat in audience throughout, except for closing remarks thanking affiliates for help on revising political broadcast law, etc. CBS-TV Pres. James T. Aubrey was MC. Closed-session presentations were made by Thomas K. Fisher, vp-gen. attorney; Joseph H. Ream, vp-program practices; Herbert A. Carlborg, dir. of program practices; William B. Lodge, vp-affiliate relations & engineering; Carl S. Ward, vp-dir. of affiliate relations; Sig Mickelson, pres. of CBS News; Oscar Katz, vp-network programs; William H. Hylan, vp-sales administration.

Attendance at the Shoreham Hotel sessions was best yet for an affiliate conference—with some 300 people representing a remarkable 189 of CBS-TV's 200 affiliates.

NO U-I POST-1948s FOR TV YET: When Universal-International Pres. Milton R. Rackmil made his post-1948 deals with WGA and SAG (Vol. 16:9), it was believed he planned to unload them immediately on TV. But industry sources now think U-I made the deals because, badly in need of product, it wanted to avoid a strike. In substantiation, no leading distributor has as yet acknowledged having discussions toward acquisition of the U-I backlog. And last week Rackmil told a press conference that he had no intention of selling his post-1948s in the near future. It had been originally supposed that NTA was in such negotiation, but Pres. B. Gerald Cantor of parent NT&T told us there was nothing to the report. We also learn that U-I, in good financial condition now, has no desperate need for post-1948 revenue.

TV can't look for more backlogs of post-1948s in the near future, Hollywood therefore believes, unless there is liquidation of a studio or two (see page 12).

FILM STRIKE STILL DEADLOCKED: The impasse continues in Writers Guild of America strike vs. Alliance of Television Film Producers and TV operations at major studios. Producers hold firmly against WGA's principal demand, for foreign residuals, and WGA shows no signs of giving it up (p. 12).

Meanwhile, Screen Actors Guild is scheduled to strike major movie studios this week (March 7), following majors' refusal to grant the Guild a cut of post-1948 movies sold to TV. SAG's signing of Universal-International to a post-1948 deal has not dented majors' position.

LATEST TV STATION LOG: Handy quick-reference list of TV stations in operation (or due on air by spring) is included with this issue as a Special Supplement. It includes all stations in U.S., arranged by state & city, and in U.S. possessions & Canada, together with their channel numbers.

Extra copies of this log are available to subscribers in limited quantities upon request, without charge. The same log will be incorporated in our Map of TV Stations & Network Routes, included as an insert in the forthcoming Spring-Summer edition of our Television Factbook.

Auxiliary Services

JERROLD-WRATHER 'MARRIAGE': Pay-TV, Muzak for the home via CATV systems, new consumer products in the TV field, further expansion & diversification in the CATV & electronics fields—all these are now on Jerrold Electronics Corp.'s horizon, thanks to the current alliance between Jerrold, the Wall St. investment house of Carl M. Loeb, Rhoades & Co., and the Jack Wrather Organization.

Details of Jerrold's plans were explored at a press conference in N.Y. March 1 by Jerrold Pres. Milton J. Shapp and Jerrold board member Jack Wrather.

On the pay-TV front, more was hinted at than actually

revealed. "We have for a number of years had an interest in pay-TV," said Wrather. "We've kept an eye on the various processes. I feel pay TV will definitely come about, and that Jerrold is the perfect 'vessel' if we enter pay-TV." Shapp pointed out that Jerrold has been active in pay-as-you-look TV for some time, having supplied the beyond-studio equipment in the Bartlesville (Okla.) experiment and for the Toronto Telemeter test now going on (see p. 4).

Now operating 9 CATV systems with 32,000 subscribers and planning more, as well as supplying electronic equipment to many others, Jerrold has some other plans in this area. One is to include Muzak as part of the CATV program service in small towns—Muzak being one of the several companies in the Jack Wrather set-up. (For details of Jerrold finances & product plans, see p. 20.)

HOW VIEWERS SEE TELEMETER: Canada's pay-TV experiment appears to be pleasing the customers—but businesswise . . . ?

"Its heaven without commercials . . . The whole family can see a decent movie for a buck," are typical reactions expressed to us by pioneer subscribers.

But there are a few dissenters. "I miss the break the commercials give. Now I can't get a fresh bottle without missing some of the show," commented one.

Overhead is big at \$90 per coinbox selector, cable at 55 cents a foot, toll fee to the telephone company and the rake-off to the movie maker. It costs Telemeter \$100 to hook up an Etobicoke home, we learned from Telemeter executives in N.Y. March 3, although the one-time installation charge to subscribers is only \$5. Compared to theater costs, though, this expense is low, Telemeter added, pointing out that theaters today cost \$400-\$500 per seat.

Trans Canada Telemeter—div. of Famous Players Theatres, which in turn is a subsidiary of Paramount Pictures—considers it is having real success thus far with the new entertainment medium. The world premiere of coinbox TV took place in Toronto's suburban Etobicoke Feb. 26 with 1,000 subscribers (Vol. 16:9 p6). An additional 2,000 homes have paid for the service, and are merely waiting installation. There are 13,000 homes in the TV-wired area and, as a result of the initial interest, the full scope of Etobicoke township—an additional 27,000 homes, totaling 40,000 altogether in a 2-mile radius—will now be included in the Telemeter circuit.

Installation Rate Stepped Up

Rate of installation is 300 a week and waiting periods are anything from 2 days to a month depending on the area and availability to cables. On the day after the debut there were 64 new applications. Telemeter says it is doubling the number of installation personnel, will have 60 men & 30 trucks at work next week.

The subscriber pays no rental, and may pay anything between 85¢ and \$2 to see a movie or sporting event. Of the subscribers we talked to, most said they watch every night.

Mrs. R. G. Thomson, Glen Allen Drive, took on pay TV because it is new and "sounded interesting." Reception is good and in many cases better than free TV. "We don't have to stay up late to see a movie," she said.

Mrs. G. W. Mullen of Edwalter Drive, like many other subscribers, said she still watches free TV. "We don't watch pay TV every night—only if we have not already seen the movie . . . We like the sports without commercials . . . It's heaven to see an uninterrupted program."

Mrs. William Stewart of Strath Ave., became a subscriber because "I got so darned sick of commercials." Said she: "This is better than free TV and I have just about given up watching anything but pay TV."

Biggest beef against pay TV is the nightly hunt for coins. All interviewed subscribers were satisfied with the look of the coin box perched on top of the set. Its beige color does not detract from its surroundings, they felt.

All programs are fed through Ch. 5 on the normal TV dial. The box also has a switch with its channels labeled A, B and C. The last is the "barker," bringing taped music and news of the film titles or sporting events available. A subscriber can tune to Channel A, turn to free TV, and then come back to A at no extra charge. But channel B would cost whatever the price was for that program.

The few dissenters against pay TV were the few who do miss commercials. One woman said she missed commercials because "some of them are very clever—especially

the beer ads—and I get a great kick out of those . . . Anyway I can pick those up on free TV when I want."

* * *

Zenith hopes to file "within a few weeks," to request FCC approval of an on-air pay-TV test, Pres. Joseph S. Wright told us last week. "We're working hard on it," he said, "and we hope to go ahead as soon as FCC approves it. We can't disclose the market [we'll use] yet. We hope to do it on a large scale. We've been discussing program material with various sources but can't comment now.

"I should think that this would be of vital concern to the broadcasting industry. The NAB or some other spokesman has said that wired pay TV is OK but that on-air systems aren't. I think this was said with tongue in cheek because they thought that a wired system couldn't be done. But it's about time they woke up. A wired system can offer, in addition to subscription TV, several free channels with advertising—direct multi-channel competition but without the responsibilities that on-air telecasters have. No requirement for public service programs, and the like. And don't think that the telephone company isn't rubbing its hands, for it will be right in there with the wired systems." The cost of the experiment can't be pinpointed now, Wright said, but "it's much more economical than wire."

Zenith is the only pay-TV proponent besides Telemeter known to have funds to carry out a substantial experiment. Skiatron, the only other firm that was once believed to have a potential, is in bad financial shape—in addition to being in trouble with SEC. Furthermore, Skiatron Pres. Arthur Levey has testified that, even if he had funds, he would be dubious about pay-TV's prospects because of the attitude of Congress & FCC (Vol. 16:8 p23).

The conditions of an on-air test, as specified by FCC & endorsed by the anti-pay House Commerce Committee (Vol. 15:13 p3), are:

- (1) Applications for tests limited to one market per system and one system per market.
- (2) No pay-TV program be broadcast simultaneously over more than one station.
- (3) Viewers of test programs must not be required to buy any special equipment.
- (4) Trial operations will be permitted for 3 years only.
- (5) Tests will be permitted only in markets with 4 or more commercial stations.

Technology

RCA's 4½-in. Camera Tube: A domestically-made 4½-in. image orthicon tube, interchangeable with the tube in the new British Marconi camera now being sold in this country by Ampex, was announced last week by RCA. This led to the conjecture that domestic manufacturers soon may offer 4½-in. cameras. In addition to the Ampex-Marconi tie-up (Vol. 15:40 p3), 4½-in. cameras made by EMI are being offered here by Telechrome (Vol. 15:51 p7) and similar Pye cameras are due on the U.S. market.

Principal advantage of 4½-in. cameras over the standard 3-in. units now in use here—greater sharpness, better contrast and tonal effects, lower noise-level—probably would not be outstandingly noticeable to the home viewer of live programs. Where the new-size camera is considered especially valuable is in the making of video tapes which must be duplicated. Because of the greater detail possible with the bigger tube, more "generations" of high-quality duplicate tapes may be made from an original TV tape made with a 4½-in. camera.

The new RCA camera tube is designated 7389-A; the English Electric tube in the Marconi camera is "type 7389.

The FCC

PAYOLA IMPERILS LICENSES: Four Boston area AM stations which figured in payola testimony at House Commerce Legislative Oversight Subcommittee hearings last month (Vol. 16:7-8) were challenged by FCC last week to show why their licenses should be renewed.

The Commission on Feb. 29 mailed similar letters to WMEX, WILD and WORL Boston and WHIL Medford whose licenses run out April 1, telling them in effect to put up good cases or prepare to defend themselves in tough hearings. Other letters are expected. The identity of only one other station suspected by FCC was disclosed by the Commission, however. In a letter to Asst. Attorney Gen. Malcolm R. Wilkey, reporting on the payola moves, FCC Chmn. Doerfer said an investigator had been sent to New Orleans to look into practices at WJBW, whose renewal won't be up until May 1961.

Each station was called on to file formal answers to the payola allegations within 30 days—and placed on notice that hearings would be held on the applications if their replies aren't adequate.

All of the letters cited House testimony, replies by the stations to the FCC questionnaires—"and other information relating thereto," meaning payola files sent to FCC by FTC (see p. 9)—as grounds for Commission suspicions about payola practices. In addition, all but WORL also were asked to explain other alleged infractions of Commission rules & programming defaults.

"It appears from the above that payments or other consideration have been received by employes [of your station] and by the station itself" for broadcasts for which no "appropriate announcements" were made, each station was told. FCC cited Sec. 317 of the Communications Act and Sec. 3.119 & 3.111 of Commission rules, said the reported conduct of the stations raised questions as to whether they were in compliance.

Commission Asks 3 Questions

The questions: (1) "Whether the above-mentioned activities constituted an abdication by the licensee of its responsibility to select the station's programming material." (2) "Whether the licensee has engaged in activities bearing adversely upon its character qualifications." (3) "Whether the licensee has misrepresented to the Commission the facts with respect to the above operations, or has failed to disclose pertinent information with respect thereto or was lacking in candor in responding to the Commission's Dec. 2, 1959 inquiry." Other bills of particulars, as listed by FCC:

WMEX (Richmond Bros. Inc.): Its renewal application showed that "no time was devoted to agricultural, educational or talk programs and that .5% of time was devoted to religious programs during the composite week." Its claimed "public service" programs are mostly spot announcements for organizations. Its Dec. 1, 1959 balance sheet showed \$64,500 in stockholders equity-capital stock, whereas its ownership report showed 20 shares of no-par stock outstanding "at a stated value of \$6,168 per share." Its transmitter log disclosed unauthorized changes in operating specifications.

WILD (Noble Bcstg. Corp.): Its balance sheet as of Oct. 31, 1959, showed its current liabilities of \$78,745 exceeded current assets by \$60,950 and didn't indicate any plan for liquidating the liabilities. Its renewal application showed no agricultural or educational programming during the composite week, "entertainment" taking up 92.89% of the broadcast time. It claimed "public interest" programming, but submitted no samples.

WHIL (Conant Bcstg. Co. Inc.): A petition filed Jan. 4 by Simon Geller, who seeks a CP for a new AM station in Gloucester, alleged—"among other things"—that the station carries regular "horse racing programs direct from the tracks" and broadcasts other racing information. Yet "no mention of these matters," said FCC, "is contained in your opposition to said petition."

With slight variations in language, FCC's letters concluded: "In light of the above, the Commission is unable, at this time, to find that a grant of the above application for renewal of license would serve the public interest. It appears, therefore, that said application must be designated for a hearing."

Shorter License Periods: Closer check on questionable operators, through license periods less than the normal 3 years, was proposed by the FCC last week in a notice of rule-making. Industry comments are due April 1.

Current practice is to give stations "temporary" indefinite licenses when the Commission has doubts about something—issuing 3-year licenses when the problems are cleared up. The FCC has long thought that this procedure was uncertain & sloppy. The law doesn't permit licenses more than 3 years long—but it allows rule-making for shorter periods at FCC's discretion. In last week's announcement, FCC didn't indicate what periods it's thinking about—but many at the Commission believe that a one-year license is a reasonable "probation" period. It's worth noting that FCC, not many years ago, was sympathetically inclined toward industry suggestions that licenses be extended to 5 years.

Said the Commission, explaining its reasoning: "The Commission proposed rule changes which would enable it to make occasional use of shorter-term licenses in the case of any broadcast station which it does not feel is entitled to a regular 3-year renewal and which merits closer observation during a shorter period of operation. It believes that this would not only have a bettering effect on the performance of the station involved but would also have a beneficial influence on broadcast station generally."

The new rule would read as follows: "Licenses for [broadcast stations] ordinarily will be issued for a period of 3 years and, when regularly renewed, at 3 year intervals thereafter: *Provided, however,* That, if the Commission finds that the public interest, convenience, and necessity will be served thereby, it may issue either an initial license or a renewal thereof for a lesser term . . ."

* * *

"Licensee responsibility" was the theme of a short address by FCC Comr. Hyde March 3 at a luncheon of the Federal Communications Bar Assn. He harked back to one of the first acts of the Federal Radio Commission—sending a questionnaire to stations, asking each to describe its past & proposed public service performance. "It's time," he said, "for licensees to show awareness of their responsibilities as trustees of public facilities. And it's time for the Commission to make them aware of it, if they can't do it voluntarily." He suggested that highly qualified applicants, in comparative hearings, might well wrest facilities away from shoddy "formula" operators. He said that FCC has been charged, from time to time, with both "arrogance" & "passiveness" and that he'd rather be charged with the former. As for the Congressional investigations: "To be frank, they were urgently needed in some respects." FCBA presented certificates to FCC employes with 25 or more years of Commission service.

QUIZ & PAYOLA COMMENTS: FCC's proposed rules to deal with the twin sins of quiz rigging & payola (Vol. 16:7 p7) drew more-or-less hearty "amens" in a half-dozen comments filed last week.

Only CBS, NBC, & ABC had been heard from by the March 1 deadline for making observations about Commission cures for evils of program deceptions. The March 1 deadline for payola-rule comments was extended by FCC at NAB's request to March 22 (replies March 31), but CBS, Triangle Publications, Inc., and WOWL Florence, Ala. filed early returns on that issue.

On the quiz rule:

CBS: Agrees with FCC's proposal, but seeks some clarification. Suggests that FCC's language should be directed at programs "in which there purports to be a *bona fide* game, etc.," instead of at programs in which there is "the appearance of a *bona fide* game, etc." Wants to make sure that hints given to panelists on some programs with the deliberate intention of confusing them don't fall within FCC's definition of deception. In such shows as *GE College Bowl* and *What's My Line?*, CBS now enforces "procedures aimed at preventing any improper prearrangement or advance assistance designed to influence the outcome of the contest."

NBC: Favors adoption of FCC's plan, which "accords with NBC's previously stated position."

ABC: Urges adoption of Commission rule. "ABC has taken steps to ensure that no rigging will occur on any quizzes or contests it may broadcast and stands ready to give its affiliates the assurance which the new rule would require in this regard."

On the payola rule:

CBS: Supports purposes of FCC's proposal, although there's no sure cure. "CBS has sought over many years to devise adequate procedures to prevent 'payola.' Our experience has demonstrated that no procedure can provide a remedy that is both complete & certain." Suggests language in FCC proposal should be revised to include "any officer or employe" of independent contractors—as well as contractors themselves—in general coverage of payola prohibition. Also thinks FCC raises some confusion by its failure to define "valuable consideration" as payola, and suggests rule-making to "explore various situations" in which—for example—stores & other suppliers furnish free props for TV shows.

Triangle Publications, Inc.: Supports proposed amendment. "Triangle has adopted internal controls & procedures to prevent the broadcasting of any matter for which any consideration is received unless such is announced as required." Points out that FCC "in avoiding any detailed itemization of the procedures which must be adopted by a station licensee to fit its particular format & personnel, has fittingly recognized that the industry can through self-imposed procedures make govt. regulation more effective." Triangle is prepared "to support any industry action designed to assure the confidence of the public in broadcasting & its advertising function."

WOWL-TV Florence, Ala.: Suggests finalization of rule-making should be held up for one year. Before FCC imposes further sanctions, the industry should be allowed a reasonable time "in order to effect self-regulation before such rules as proposed be adopted."

An FCC "enforcement bureau," proposed by gen. counsel John FitzGerald to make field checks of station compliance with Commission rules, has been rejected by the Commission. One Commissioner called it "the-Gestapo."

New political-time policy, based on the amended Sec. 315 of the Communications Act, is in the works at FCC as the result of a Texas equal-time claim. Jack Woods, weatherman of KWTX-TV & KWTX Waco, is also a candidate for the state legislature. His opponent, William H. Bingham, asserted that he is entitled to free time on the stations because of Wood's broadcast appearances. The FCC majority believes that weathercasts are "*bona fide* news" and that this exempts the stations from any need to give Bingham equal time. This would reverse the policy established in 1958, when the Commission decided that time must be given to opponents of J. B. Garner, an announcer for radio KFPW Ft. Smith, Ark., who was also a candidate. Major stockholder of KWTX-TV is the wife of Senate Majority Leader Lyndon B. Johnson (D-Tex.). The FCC vote was 5-1-1, with Craven dissenting, Lee abstaining. The action ran counter to Commission attorneys' interpretation of Sec. 315. Private practitioners express fear that the new policy would invite abuse.

Political-time complaint to FCC by Salt Lake City Mayor J. Bracken Lee, alleging that radio KALL had unfairly given his opponent, Bruce Jenkins, free time during the last campaign, was rejected by FCC last week. KALL mgr. Homer K. Peterson told the Commission that the station had received \$649.80 for Lee's broadcasts, \$549.46 for Jenkins's. He asserted that no candidate was given free time or credit. FCC Chmn. Doerfer wrote Lee: "On the basis of the information in possession of the Commission, action on your complaint does not appear to be warranted at this time."

Democrats' complaint to FCC about CBS's policy against multi-network "saturation purchases" of political time (Vol. 16:8 p11) is very likely to be turned down. Democratic National Chmn. Paul M. Butler had asserted that CBS's exceptions would permit the White House to use the networks for messages with "direct or indirect political overtones." However, the Commission is expected to rule that the matter has nothing to do with Sec. 315 of the Communications Act and that any FCC intervention would amount to telling networks how to program.

Legislative history of Sec. 317 of the Communications Act proved fascinating to one attorney as he prepared comments on FCC's anti-payola rule-making. He reports that the section was lifted from a 1912 law covering 2nd class mailing privileges, and it requires the identification of anyone supplying "valuable consideration" to a station for material broadcast. In the original draft of the 1912 bill, the word was merely "consideration." Debate brought out that "love & friendship" were "consideration"—and Congress decided that it would be wise to amend the bill. The attorney wonders what the anti-payola investigations might have produced had the old language stood.

Field engineering & monitoring bureau of FCC may get a name change. Frequently, when the Commission goes before Congressional committees, new Congressmen perk up their ears at the word "monitoring," demanding to know whether it's a program-checking facility. There's a move to drop the word, which applies to engineering matters.

Hartford's Ch. 3, now used by WTIC-TV, should be shifted to Providence, and WTIC-TV should be given a uhf channel, according to petitions filed with the FCC by WWLP (Ch. 22) Springfield.

How to apply for a CP is described, step by step, in a new FCC release, "Broadcast Application Procedure." Copies of the guide (INF Bulletin No. 1-B) are available from the Commission.

Networks

More about

AFFILIATES' TASTE OF GOVT.: The Harris-Doerfer tangle (see p. 2) was a striking climax to the first day of the CBS-TV affiliates Feb. 29-March 1 conference in Washington—which also included addresses by Senate Commerce Committee Chmn. Magnuson (D-Wash.) and FTC Chmn. Kintner (see below). Here's how the big debate developed:

On Feb. 25, FCC Chmn. Doerfer addressed the presidents of state broadcasting associations and analyzed the recommendations of the Harris' Legislative Oversight Subcommittee (Vol. 16:9 p7). He said FCC agrees wholeheartedly that there should be anti-deception & anti-payola laws, and that there should be punishment for stations less severe than total license revocation. He added that deceptive practices in the industry are no more prevalent than in other industries but that "whatever there is must be uprooted"—and he quoted FCC's proposed rules & laws for the purpose. He labeled as "canards" the charges that such practices are widespread.

Most of his speech, however, was devoted to the Harris group recommendation that FCC "monitor programs broadcast by licensees to the extent necessary to determine whether the program balance is in the public interest."

"Dangers of Creating a Modern Pied Piper"

Such proposals, Doerfer said, "are definite threats to the American concept of freedom of expression for mass media of communication. You should assume the duty to study the full implications of having a govt. agency monitor broadcast stations to determine program balance—a vague & indefinable concept at best. Congress & the people should be alerted to the dangers of creating a modern Pied Piper. He may lead broadcasting—one of the most powerful media of mass communication—down a road from which there is no return."

Then, before the CBS affiliates Feb. 29, Doerfer elaborated on that theme, asserting there are both dangers & impracticalities in attempt to judge "program balance."

Harris came to the rostrum, following Magnuson & Kintner, and listed the 7 "legislative recommendations" his subcommittee made. He did not mention the group's "recommendation for administrative action" that FCC monitor programs for balance. Then he said:

"Those are the legislative recommendations. I challenge anyone to show me where there is any censorship. I challenge anyone to show me where in these recommendations closing up some loopholes, strengthening the law & strengthening your own business, in my humble judgment, where there is any threat to creative talent, programming or otherwise."

Harris proceeded to challenge Doerfer's statement that deceptive practices were not widespread by saying sarcastically: "Of course, it just covered every NBC & CBS affiliate station in these United States." Then came his stinger:

"Well, my good friend is entitled to his views, and I respect them. We always seek the advice & the views of the Commission on legislative & other problems. But this seems to me a concept of recognition of certain practices that cannot be condoned, but leave them alone and they will come home—in other words, status quo.

"Now, this concept of the American way was recently expressed by another person. Listen to what he says: 'I

would like to enter on the record that I know of many, many businesses—as a matter of fact, this seems to be the American way of life, which is a wonderful way of life. It is primarily built on romance. I will do for you; what will you do for me?'

"Remember we are talking about responsibilities now in this country, and this great American way of life. Who expressed these views? The same—parallel them, if you will—by a disc jockey who admitted to our committee that he received substantial sums as favors outside of his own employment in connection with the playing of records on his own broadcasting programs."

When Harris finished, CBS officials asked Doerfer if he wanted to respond. Flushed & grim, he strode to the platform and thanked CBS for "giving me the opportunity to correct what I think has been a misinterpretation of the context in which my remarks were made."

He quoted extensively from his Feb. 25 speech, giving the texts of the FCC's proposals to combat payola & deception and asking: "What is there in this which indicates any callousness toward the idea that the American public should be protected from both deceptions?" When he spoke of "threats to the American concept," he said, "it is obvious that I refer to the requirements of attempting a balanced program and to conduct a monitoring system to check, to determine whether or not they comply with somebody's concept of what is balanced."

In a finale interrupted by applause, Doerfer asserted: "I challenge anybody to show me more than a handful of licensees who had even been charged with corruption. The fact that some employe can get his hand in your till shouldn't necessarily smear an entire industry.

"What evidence is there that there has been any [misbehavior] on the part of the licensee, even in the TV quiz show? I know there is suspicion. Some people said it is incredible that the owners, operators, licensees, didn't know anything about it. But I, not only as a lawyer, but as a Commissioner, sworn to uphold the law, must be guided by rules of evidence. I will never take a man's license away on pure rumor or conjecture. A thing of that kind must be proved to me beyond a reasonable doubt."

Doerfer walked to the rear of the room, sat beside Harris and they discussed the hassle. Said Harris: "John, I read the speech, then I re-read and re-read it again. Maybe I misconstrued it, but—"

Quarton Reports on Broadcasters' Problems

The conference began with remarks by William B. Quarton, WMT-TV Cedar Rapids, chmn. of the affiliates, who stated in part: "There is still much work to be done in TV . . . For instance, we need to clear away the brush of regulatory small print that obscures the field of fire of our editorial guns. When we get this job done we will become first class citizens along with those who use the second class mailing privileges to disseminate their editorial material . . .

"In flagrant cases where the broadcaster does not deliver what he has promised, the FCC certainly should have the right to take away the license of that station when the license comes up for renewal. Here the point is not programming, but character. Certainly this view is not inconsistent with our desire to keep any form of programming censorship out of the field of broadcasting."

Doerfer followed with his initial presentation, devoted largely to the dangers of govt. interference. He quoted recent news reports of Russian orders to its TV-radio officials to improve their propaganda effectiveness and to Fidel Castro's "govt. by TV" in Cuba. He attacked the Harris

Subcommittee's recommendation that FCC conduct hearings in the field, stating that the Commission hearing-load would increase from 200-250 to 2,200-2,500 annually and that "program balance" evaluation would mean the weighing of some 60,000 hours of broadcasting daily—"absolutely an impossible task."

Doerfer suggested "that you people undertake to tell people some of the problems of TV . . . that they have a wholesome fear of any further govt. intervention." He concluded: "I would suggest to the printed media that if a chill is put upon the freedom of expression in the broadcast media, how far behind can a bleak winter be for the printed media?"

Magnuson left everyone puzzled with a speech that labeled TV-radio a "quasi-common carrier" but gave assurance that self-regulation would take care of things.

As for Harris's recommendations, Magnuson said that his committee will give it "ample hearings, that all sides will be heard." He touched on his own group's activities:

Allocations—A report will be issued within 30 days because "there is a lot to be done yet . . . to spread free TV to the widest possible use."

Ratings—"I don't know whether we would have any authority to legislate a private concern that does a personal service for the broadcasting industry, but I do know inasmuch as ratings seem to be a very important criteria in what the public gets, that we have a further responsibility, to at least tell the public how they are arrived at, and why, and that will be done."

Public service—Networks & stations "all feel that if & where they can, there should be more public service. Both the Senate & House committees are going to have to deal with the problem of public service as it relates to the coming campaign, and that is a knotty problem."

Gives "Priority" to Ad Problems

Questionable advertising bothers Magnuson more than programming, he said. "I never have suggested there isn't room for improvement and I never had suggested that anyone—or discussed at least my viewpoint—that there are some things in programming I don't like, but like the Chairman of the FCC, I don't want to assume any role of a public censor. I think that would be somewhat impracticable but I do think that those of you who have direct responsibility as licensees or as networks using the licensees, ought to take a long, hard look at advertising on TV . . . and I think that has priority."

Generally speaking, he concluded: "There has been a great consciousness in the whole industry and I am the last to subscribe to a lot of regulation about things that can be done by the intelligence, responsibility and integrity of you people."

Kintner's address was an up-&-down thing, too. He praised CBS Pres. Frank Stanton as "a real statesman, a leader of integrity, a leader of imagination" and said that Mrs. Kintner is "delighted with recent noticeable improvements in TV programming—just as delighted as I have been with some obvious improvements in TV advertising."

On the other hand, he said: "Sure, your station must make a profit. You are entitled to that in our capitalistic, competitive free-enterprise system. Sure, you must seek & accept enough advertising to support your operation. But can you use these considerations to justify over-loading your station hours with advertising, to justify leaving your station on network all of the day & evening without regard to the needs of your community, or to justify accepting advertising of questionable legality or taste?"

Kintner also said that printed media should derive no

comfort from his criticism of TV. "They, too, have sinned," he said. "And their responsibility to the public also is a heavy one—even heavier in terms of preserving our previous freedoms." He concluded: "Repairs are needed, and you can make them."

Harris, in his one-hour speech, took credit for pushing through the McFarland amendments to the Communications Act, fostering the TV Code, blocking pay TV, easing the law on political equal time.

He urged stations to strengthen public morality by emphasizing educational & informational programs. "It seems to me," he said, "that you have a tremendous responsibility in providing those people, American citizens, with the right kind of material for the right kind of thinking . . . Anyone who is not concerned with morality in my judgment has no business with a license to operate a facility or have anything to do with its utilization or, for that matter, in the administration of the rules governing its operation."

He also urged telecasters to use their own facilities to tell their own story. "One of your affiliates," he said, "came to me not long ago for an interview. While he was setting up & getting ready, he told me of an experience with his own facility. He told me how the competitors were treating him, and how they were taking business away from him.

"I said to him then, as I say to you today: 'You have a chance at an opportunity in operating your facility as is intended in the public interest to reach more homes, in my opinion, than any of your competitors, regardless of who they may be. And there is nothing wrong with your letting the people of the country know what the facts are.'"

Encouraged by Doerfer & Harris, the affiliates passed a resolution stating that "CBS-TV is urged to undertake the preparation of periodic programs in the *CBS Reports* series covering the biography of the TV industry with particular emphasis in the area of philosophy & regulations."

NETWORK SALES ACTIVITY

ABC-TV

- Daytime Programming, participations starting March 10 for 13 wks.
American Redball Transit Co. (Ruben Adv.)
- American Bandstand, Mon.-Fri., 4-5:30 p.m., participations starting July 6, 14 wks.
Polk Miller Productions (N. W. Ayer)

CBS-TV

- Olympic Medal winners, Mar. 4, 4:30-5:30 p.m., taped highlights of winter Olympics.
Carter Products (Ted Bates) & *Kent Cigarette* (Lennen & Newell)
- Sunday Sports Spectacular, 3-4:30 p.m., half sponsorship effective March 27.
Brunswick-Balke-Collender (McCann-Erickson)
- Hotel de Patee, Fri., 8:30-9 p.m., alt. wk. sponsorship.
Carter Products (Sullivan, Stauffer, Colwell & Bayles)
- Rawhide, Fri., 7:30-8:30 p.m., one-third sponsorship eff. immediately.
Wm. Wrigley Co. (Erwin Wasey, Ruthrauff & Ryan)

Stations

FTC WINS PAYOLA PLEDGES: Record manufacturers & distributors accused by FTC of illegal TV & radio payola practices in a rat-a-tat-tat enforcement drive which started 3 months ago (Vol. 15:49 p12 et seq.) began flocking to the mourner's bench last week.

One after another, respondents named in payola complaints lined up to sign FTC consent agreements which said in effect: "We haven't sinned, but we'll sin no more." The consent orders, forbidding the firms to give anybody concealed payments for broadcasting their records, followed a pattern set by RCA, first company to capitulate under FTC charges (Vol. 15:51 p6).

At the same time, FTC filed more payola complaints in its campaign, which mounted to the 60-case mark. And FTC sources told us that filing of charges against still more record makers & dealers was imminent.

FTC Chmn. Earl W. Kintner told the House Commerce Legislative Oversight Subcommittee at a check-up hearing (see p. 1) that so far the payola cases have involved payments to 255 disc jockeys & other bestg. personnel in 56 cities—and that 95 additional investigations had been started by his agency. Kintner was asked by Subcommittee Chmn. Harris (D-Ark.) to deliver to him personally a single copy of the FTC list of the 255 names—an arrangement presumably designed by Harris to prevent leaks of the names by other Subcommittee members to newspapers—a practice Harris tries to discourage.

Signing FTC pledges last week in settlement of cases were these firms which promised not to engage in payola—but didn't admit they had violated the Federal Trade Commission Act:

London Records Inc., 521 39th St., N.Y. Sparks Music Distributors Inc., 1618 N. Broad St., Philadelphia, and Pres. Leonard Rakliff. Class Records Sales, 3617 W. Pico Blvd., Los Angeles, and Pres. Leon Rene. A & I Record Distributing Co. Inc., 100 Broadway, Cincinnati, and Pres. Isadore Klayman. Chips Distributing Co. Inc., 1415 N. Broad St., Philadelphia, and Pres.-Treas. Harry Chipetz. Main Line Cleveland Inc., 1260 E. 38th St., Cleveland, and Pres. William M. Shipley & vp James J. Shipley. Laurie Records Inc. & Abel Productions Inc., 1755 Broadway, N.Y., and Pres. Allan Sussel, vp Gene Schwartz, Treas. Robert Schwartz and secy. Eliot Greenberg.

New payola charges were filed by FTC against these firms & officers:

Fargo Records (Lou Fargo), 50 W. 57th St., N.Y. Record Merchandisers Inc. (Charles D. Gorman, pres.; Alfred L. Chotin, vp-treas.; Ben G. Landau, secy.), 1933 Washington Ave., St. Louis, King Records Inc. (Sidney Nathan, pres.-treas.; John S. Kelley Jr., vp-secy.) 1540 Browster Ave., Cincinnati. Volkwein Bros. Inc. (Carl R. Volkwein, pres.; Walter E. Volkwein, vp-treas.), 632 Liberty Ave., Pittsburgh. Midwest Distributing Co. (Paul Levy, pres.-secy.), 2642 Olive St., St. Louis. Commercial Music Co. (Charles Lampe, Edward A. Ochel and John Pohl, partners), 2338 Olive St., St. Louis. Eric Distributing Co. (Irving Pinensky, pres.), 1251 Folsom St., San Francisco. Bigtop Records Inc. & Bigtop Record Distributors Inc. (Julian J. Aberbach, pres.; Joachim Jean Aberbach, vp; Freddy Bienstock, vp), 1619 Broadway, N.Y.

Still another batch of FTC payola complaints went into the mail at last week's end, listing these respondents:

Astor Records Inc., 1711 5th Ave., Pittsburgh. United Artists Records Inc., 729 7th Ave., N.Y. Roberts Record Distributing Co. Inc. (Robert L. Hausfater, pres.; Sam Rosenblatt, vp), 1906 Washington Ave., St. Louis. Rick Records Inc., Rick Record Co. and Ron Record Co. (Joseph S. Ruffino), 630½ Baronne St., New Orleans. State Record Distributors Inc. and Whirling Disc Record Distributors Inc. (Melvin & Carl G. Herman of State Record and Herbert Harlowe of Whirling Disc), 140 W. 5th St., Cincinnati, and Indiana State Record Distributors Inc. (Melvin & Carl G. Herman), 1311 N. Capitol Ave., Indianapolis. All-State N.J. Inc. (Melvin Koenig, pres.; Sidney Koenig, treas.; Sherman Koenig, secy.; Irwin R. Fink, vp), 87 Stecher St., Newark. Mutual Distributors Inc. (George D. Hartstone, pres.; Leon C. Hartstone, treas.; Robert S. Hartstone, clerk), 1241 Columbus Ave., Boston. Interstate Supply Co. (Dale B. Neilsander, pres.; James A. Hertzler, secy.; Clarence W. Mangels, treas.), 4445 Gustine Ave., St. Louis.

Capital Cities Bestg. Corp. (formerly Capital Cities TV Corp.) has moved its N.Y. offices to 24 E. 51st St. Capital Cities operates WTEN & radio WROW Albany with satellite WCDC Adams, Mass.; WTVD Durham, N.C.; WPRO-TV & WPRO Providence, R.I.

Toronto will be the toughest assignment for Canada's Board of Broadcast Governors when, next Monday—March 14—it must decide which of 9 applicants will get the single license for a private TV station in Toronto on Ch. 9. Applicants are: (1) Consolidated Frybrook Industries Ltd., Jack Kent Cooke, owner & pres., radio CKEY; (2) Spencer W. Caldwell, on behalf of a company to be incorporated; (3) Henry Borden, industrialist, on behalf of a company to be incorporated and including Southam Publishing Co. which publishes daily newspapers in Ottawa, Hamilton, Winnipeg, Calgary, Edmonton, Medicine Hat and Vancouver; (4) Upper Canada Bestg. Ltd., including the international comedy team of Wayne & Shuster, and Sir Ernest MacMillan, director, Toronto Symphony Orchestra; (5) Rogers Radio Bestg. Co. Ltd., owners of 50-kw radio CFRB; (6) Beland H. Honderich, vp, *Toronto Daily Star*, on behalf of a company to be organized; (7) Baton Aldred Rogers Bestg. Ltd. (publisher John Bassett of the *Toronto Telegram*, chmn.; radio-TV personality Joel Aldred, pres. and including Foster Hewitt, owner radio CKFH); (8) Maclean-Hunter Publishing Co. Ltd. and including Associated Television Ltd.; (9) J. S. D. Tory, Q.C., director of *Toronto Globe & Mail*, on behalf of a company to be incorporated and including publisher Howard G. Webster, owner of *Globe & Mail* and Odeon Theaters.

"Clipp Plan" for TV code previewing of programs & commercials (Vol. 15:47 et seq.) will be explored in a special meeting March 11 at the Drake Hotel, Chicago, by some 40 telecasters who have shown the greatest interest in the concept proposed by Triangle Stations' Roger W. Clipp. Six operators joined Clipp in extending the invitations: Hayden Evans, WBAY-TV Green Bay, Wis.; Harold See, KRON-TV San Francisco; George Storer Jr., Storer Bestg. Co.; Joe Drilling, KJEO Fresno; James Leake, Griffin Stations; Ward Quaal, WGN-TV Chicago. The idea has been endorsed publicly by FCC Chmn. Doerfer, informally by FTC Chmn. Kintner. Clipp considered offering the proposal as a resolution during the CBS-TV affiliates conference in Washington last week, withdrew it after some members protested that the conference was the wrong forum. Among the objectors was TV Code Review Board Chmn. Donald McGannon, who said that affiliate action might "embarrass" the Code Board at this time.

TV will get equal treatment with the press in N.Y.—when it comes to libel laws, at least—if a bill passed unanimously by the state Assembly clears the Senate. The bill writes into law several state court decisions extending the law of criminal libel to defamatory statements made on TV & radio. Designed to end the distinction between slander & libel laws, it provides that a person is subject to criminal libel when he deliberately defames another person on TV or radio with intent to convey the statement to the public. Defamatory statements on the air thus would be made subject to the same criminal libel laws that now apply to newspapers & magazines.

Strike-bound KDKA-TV & KDKA Pittsburgh were still deadlocked with AFTRA on key issues late last Friday, but a station spokesman indicated that settlement was in the wind and return of the strikers was imminent. Negotiations continued daily last week with little perceptible headway. At week's end, the Westinghouse Bestg. Co. outlets were petitioning AFTRA to have only KDKA-TV & KDKA personnel (46 persons, or only 19% of the local AFTRA membership involved, according to the station) vote on the broadcaster's counter-proposal.

Congress

FCC UHF RESEARCH QUESTIONED: The \$2.25-million uhf research project proposed by FCC (Vol. 15:48 *et seq.*) ran into trouble last week before the House Appropriations Subcommittee. Chances of getting the funds are now estimated at no better than 50-50. The decision should be known within a few weeks.

It's understood that in the closed session, before the group headed by Rep. Thomas (D-Tex.), the Commission was given almost no opportunity to present its facts before the questions began to fly. Apparently, the Congressmen don't object to the project particularly; they just don't want to spend the money.

So the Commission is going back with an amended budget, hoping to cut about \$250,000. A Subcommittee member suggested that FCC might get help from the National Academy of Sciences. Preliminary inquiries have been made, and it's thought that NAS may offer some aid.

Most of the day was taken up by Congressmen raking FCC over the coals for not exerting greater control over station programming & business practices. FCC Chmn. Doerfer & Comr. Hyde did most of the talking for the Commission, each stressing his customary position—the former expressing fears of “censorship” and the latter agreeing that FCC should demand greater licensee “responsibility.”

The Congressmen present were: Thomas (D-Tex.), Yates (D-Ill.), Evins (D-Tenn.), Boland (D-Mass.), Jonas (R-N.C.), Rhodes (R-Ariz.), Ostertag (R-N.Y.).

Indefinite reprieve from Senate Commerce Committee going-over has been won by NAB, TV networks, national advertising organizations, FCC & FTC. Just 24 hours before a previously postponed conference on wrongdoings within the industry was due March 1, Chmn. Magnuson (D-Wash.) announced it had been called off because of the 24-hour daily debate on civil rights on the Senate floor (Vol. 16:9 p4). He said no new date for the top-level meeting would be set until the floor filibuster is over. In its last regular meeting before most off-the-floor Senate business was suspended for the debate's duration, the Commerce Committee decided meanwhile to merge its new (& inactive) Freedom of Communications Subcommittee with its standing Communications Subcommittee. Set up last year under Sen. Yarborough (D-Tex.) as a watchdog on TV & radio implementation of Communications Act equal-time amendments (Vol. 15:42 p10), the free-speech unit had had little business since. Yarborough was put on the Communications Subcommittee headed by Sen. Pastore (D-R.I.), increasing the Democratic lineup on it to 6 vs. 3 Republicans.

Broadcasters & legislators alike are faced with serving the interests of special groups in the community without losing the confidence & attention of the majority, TIO dir. Louis Hausman said March 2. Addressing the annual legislative dinner of the N.Y. State Assn. of Bcstrs. in Albany, Hausman called upon legislators & broadcasters to “help each other fulfill their common responsibility to serve the public interest.” In paralleling the 2 groups, Hausman said: “Unless we are willing to settle for a totalitarian approach, we cannot force people to watch or listen to what they don't want or to obey laws for which there is no broad public acceptance.” He urged that both legislators & broadcasters avoid activities which “diminish the public's respect for the work of the other.”

CBS Inc.'s Frank Stanton gave industry's arguments against govt. program controls “clearly, succinctly and persuasively” in his *Printers' Ink* Advertising Gold Medal Award acceptance speech last month (Vol. 16:8 p11), Rep. Rhodes (R-Ariz.) told the House. Inserting Stanton's speech in the *Congressional Record*, Rhodes said it “placed in perspective the basic questions involved in govt. regulation of broadcasting.” The text of the speech also was carried in full-page newspaper ads by Capital Cities Bestg. Co. (WTEN & WROW Albany, WPRO-TV & WPRO Providence, WTVD Raleigh-Durham), which hailed Stanton's “clear statement of principles.” A dissenting opinion was filed by *N.Y. Herald Tribune* syndicate columnist Walter Lippmann, however. He wrote that Stanton advanced “a thoroughly false argument” in the speech by equating broadcasting with the press. Lippmann said Stanton seemed to forget that TV & radio stations—unlike newspapers—are licensed by the govt., that the broadcasting industry has no “unrestricted right to set its own standards of conduct.” If 3 printing presses monopolized press communications, the presses would have to be regulated, too, Lippmann added. But meanwhile: “There is an essential & radical difference between TV & printing, and Mr. Stanton should not pretend that they can or should be treated alike.” Sen. McGee (D-Wyo.), a Commerce Committee member, told the Senate he found Lippmann's criticism of Stanton “extremely penetrating.” At the same time, Lippmann got a rebuttal from his *Herald Tribune* Syndicate stablemate David Lawrence. In his column, Lawrence said the govt. has no business interfering with programming—or dictating equal-time on the air for politicians, either.

Conflict-of-interest legislation proposed for govt. employes by N.Y. lawyers (Vol. 16:9 p5) won't do the job of preventing abuses, House Judiciary Committee Chmn. Celler (D-N.Y.) said last week. He argued that the bills (S-3080 & HR-10575) would place “primary reliance” on federal agencies to see to it that officials & employes don't use govt. connections for their own gain. “You cannot expect the agencies to enforce conflict-of-interest statutes,” Celler said. “They just won't do it.” But Chmn. Roswell B. Perkins of a special committee of the Assn. of the Bar of the City of N.Y., which drafted the bill, told Celler's Anti-trust Subcommittee that the proposed measures could bring “vast improvement” in enforcement of the laws. He said present laws rely too much on harsh penalties.

All-channel TV sets could be required of interstate manufacturers by FCC under FCC-proposed bills (S-3115 & HR-10817) introduced at the Commission's request by Senate Commerce Communications Subcommittee Chmn. Pastore (D-R.I.) and House Commerce Committee Chmn. Harris (D-Ark.). The legislation was recommended in FCC allocations testimony last month before Pastore's subcommittee (Vol. 16:6 p2). The nominal Congressional sponsors of the measures aren't expected to push for action on them, however, as both Pastore & Harris have expressed doubts about the need—& constitutionality—of such legislation.

Lee group newspapers, which under separate corporate setups have extensive TV & radio interests in the Midwest (see TELEVISION FACTBOOK No. 29, pp. 298 & 302), demonstrate “qualities of character, intellect and leadership,” according to Rep. Schwengel (R-Ia.). In a *Congressional Record* statement, he said the family newspaper-broadcasting enterprise founded by Alfred W. Lee “emphasizes the American dream and what can be accomplished by dedicated men working toward a goal.”

Advertising

Biggest TV Agencies Reported: The top 10 ad agencies billed \$708.9 million in TV during 1959, based on figures supplied by *Advertising Age's* annual agency billings report. J. Walter Thompson, with the highest overall billings (\$328 million, including foreign) was also the top TV agency with \$110.5 million in 1959. McCann-Erickson recorded the highest all-media domestic billings of \$231 million, of which \$90 million went to TV. The top 10 agencies billed \$1.496 billion in all media domestically, the trade paper reported.

Following JWT & M-E, the remaining top 8 (with their estimated TV billings) include: Young & Rubicam (\$89 million), BBDO (\$73 million), Ted Bates (\$90 million), Leo Burnett (\$55.7 million), Benton & Bowles (\$73.7 million), N.W. Ayer (\$35.8 million), Kenyon & Eckhardt (\$39.9 million), Dancer-Fitzgerald-Sample (\$51.3 million).

Billings & account breakdowns of 629 ad agencies, ranging from over \$300 million to less than \$100,000 a year were reported in the special 218-page issue (Feb. 29). There were 39 agencies billing \$25 million or more, including 7 who were not in this category in 1958: Doherty, Clifford, Steers & Shenfield; Gardner; Doyle Dane Bernbach; Geyer, Morey, Madden & Ballard; Ogilvy, Benson & Mather; Fletcher, Richards, Calkins & Holden; and Tatham-Laird.

Camera trickery was used, Libby-Owens-Ford conceded last week, in its TV commercials for safety plate glass installed in General Motors cars. FTC had started Toledo & Detroit hearings on a deceptive-advertising complaint against the companies. In a formal reply to the charges last month, L-O-F denied using "any false, misleading or deceptive representations or statements whatever" (Vol. 16:7 p12). Both companies again entered denials when FTC examiner Harry R. Hinkes opened the hearings. But subsequently L-O-F issued a statement which said it had "learned for the first time that certain plate glass scenes in its commercials had indeed been filmed through an open or rolled-down automobile window"—as FTC had claimed. The L-O-F statement blamed an unnamed commercial producer for disregarding instructions to film scenes through plate glass car windows to demonstrate lack of optical distortion in contrast to vision through sheet glass.

FTC "honors program"—to recruit law school graduates in the top 10% of their classes—has been started by Chmn. Earl W. Kintner "to maintain the highest level of competence" on the ad-policing agency's staff. Candidates selected for FTC jobs will get higher-than-usual starting salaries: \$4,980 for law clerk-trainees, \$5,985 for attorneys who have been admitted to the bar.

Ad People: Mort Green resigns as director of TV & radio, Revlon Inc. . . . James Shelby named dir. of radio & TV dept., Joseph Katz Co. . . . Robert J. Greiner appointed radio & TV dir., Earle Palmer Brown & Associates, Washington . . . Ken Torgerson has been named senior associate media dir., Dancer-Fitzgerald-Sample.

Harold A. Smith elected a vp of Needham, Louis & Brorby, Chicago, continuing as head of program promotion & merchandising for the TV-radio programming dept. and as head of press relations . . . Ralph C. Robertson, ex-ad dir. of B. T. Babbitt Inc., appointed senior vp and director, Geyer, Morey, Madden & Ballard . . . James K. Graham named associate dir, TV-radio dept., Reach, McClinton & Co.

It's TV's Fault, Says Kenyon: "Rigged TV quiz shows & payola alone are responsible for the recent hubbub over truth & taste in advertising," charged Magazine Publishers Assn. Pres. Robert E. Kenyon Jr. in Detroit last week. The N.Y.-Washington quiz disclosures, said Kenyon, "were the keys that unlocked a Pandora's box of investigations & exhortations, pointing of fingers, beating of breasts and wailing at the walls throughout the ad & media world."

In a put-the-record-straight speech before Detroit's Adcraft Club, Kenyon stated that before the quiz probes, the FTC was receiving only "a couple of hundred letters of complaint a month" and that following the investigations "complaint letters jumped 5 times." Chmn. Kintner (of the FTC) "wrote me," said Kenyon, "that complaints on magazine ads numbered about 50 a month before Nov. 4, 1959, and about 60 a month out of about 1,000 received monthly since then."

Prime responsibility for truth & taste in magazine advertising lies with "the advertiser & his agency," Kenyon further stated. Any attempt by FTC, or other govt. agency, to hold magazines as well as advertisers & agencies legally responsible for the truth in magazine advertising would be fought by MAB, Kenyon indicated. "We would question whether this might not be an approach to that censorship which we must resist at all times," he said.

For the future in print media, Kenyon offered a broad platform for "further improvement" of ad practices. He urged "stricter enforcement of laws against the few violators," periodic checkups of voluntary codes & standards, a "fresh look" by corporate management at advertising responsibility of companies, agencies & media and "stricter self-discipline" by admen.

Main viewer criticism of commercials is that "there are simply too many," Schwerin Research Corp. has found in a recent attitude survey of 1,720 viewers. When asked "What is your major criticism of TV today?" 46% criticized commercials, 44% programs. In the commercials category only 3% specified they were "false & misleading," while 60% said there were "too many," 26% that they were "too lengthy, loud or annoying" and 8% that they were "interruptive."

Print circulation isn't readership, a Daniel Starch & Staff research study circulated last week by one of the major TV networks pointedly reminded admen. Based on a checkup of 41 issues of 8 newspapers in 5 markets, the Starch study shows that a typical 1,000-line newspaper ad "is noted by only one out of every 5 issue readers," that even full-page newspaper ads can expect to attract only one reader in every 3, and that only 4% to 12% of an issue's readers can be expected to "read most" of the average newspaper ad. On a related research front, Sindlinger & Co. reported, however, that people spent 17.3% more time reading newspapers in late 1959 than they did in the last part of 1958, and spent 20.8% less time watching TV and 7.9% less time listening to radio.

U.S. Station Rate Increases

Station	Base Hour		Minute		Date
	1959	1958	1959	1958	
KABC-TV Los Angeles	\$2600	\$3500	\$800	\$900 ¹	March 1
WDSU-TV New Orleans	1100	1200	250	300	March 1
KOMO-TV Seattle	1200	(no change)	350	380 ²	March 1
WFAA-TV Dallas	1200	(no change)	250	275 ³	Not reported
WCHS-TV Charlestown, W.Va.	800	850	175	200	March 1
KHQA-TV Hannibal, Mo.	400	(no change)	80	90	March 1

¹ New Class AAA Min. rate (7:59-10 p.m. daily), Class AA Min. (7:29-7:59 p.m. daily) remaining \$800.
² New Class AAA Min. (7:29-10 p.m. daily).
³ 20 Sec. only.

Film & Tape

FILM STRIKE STILL DEADLOCKED: It looked last week like a long strike which well may affect next season's product that normally goes into production between April & July. For neither side was predicting an early settlement in the WGA strike against Alliance producers and TV operations at the major movie studios. The disputants didn't even bother to hold a negotiation session. WGA was disturbed by the refusal of the Alliance to so much as discuss the issue of foreign residuals (WGA seeks 4% of the gross on telefilms shown abroad).

But production executives representing the networks, the majors and independents met last week to discuss the situation. With 90% of TV-film producing companies represented, they firmly reiterated their solidarity against WGA's demands.

WGA strategy, meanwhile, appeared to be to sign independents outside the Alliance fold, in hopes that this would break producer-resistance to the overseas residuals demand. The contract for such independents expires March 12. However, there appeared to be little chance of any major break in that area. (For example, Warren Lewis, who is involved in the production of *Man With a Camera*, *Peter Gunn* and *Mr. Lucky*, plus several pilots, is one of the leading producers outside the Alliance, and he's firmly against granting overseas residuals to WGA. Lewis told us that the smaller independent's only means of recouping some of his investment in the near future is the overseas market, and granting such residuals to the various guilds "would destroy that source." A contract with a sponsor normally prevents a producer from putting his series into reruns for 3-5 years, and that's why the overseas market is important, Lewis explained.)

Old Properties Being Re-Made

What were the telefilm companies doing for stories? Some were digging into their vast backlogs & remaking old stories. Minor changes were being made in such scripts by non-Guild production executives.

Some Guild members were reported writing, but under pseudonyms to avoid fine & expulsion from WGA.

Some companies said they were using non-Guild writers. WGA, aware of this, said they could represent only a minuscule number since virtually every professional is a WGA member.

One thing was clearly evident—overall production has not yet been hurt badly by the WGA strike. While executives were admitting they have begun to feel the story shortage, their cameras were nevertheless busily filming series at every studio.

SAG's March 7 strike against the major movie studios, seemingly inevitable, will have little effect on TV film production at those studios. Our check on this point brought out the following:

MGM: "We will continue with our regular production of pilots and with our TV rentals. A SAG strike will mean we will have 10 more stages available for rentals." (CBS-TV, which already has *Twilight Zone*, *Rawhide* and *Mr. Lucky* filming at MGM, is negotiating to move 3 more of its series to the Culver City lot.)

Paramount: "We plan to continue operations as long as possible."

Warner Bros.: "Closing has never entered our minds."

Columbia: "A SAG strike will in no way affect production of our series & pilots."

Twentieth Century-Fox "We wouldn't keep all our departments open for a single series (*Adventures in Paradise*). In event of a SAG strike, we probably will film the *Paradise* exteriors here and the interiors at Fox Western. We will keep only that production personnel necessary for filming of the series, plus personnel working on movies already filmed, also studio police, etc."

SAG and the majors held an unproductive negotiation meeting last week at which the majors discussed a pension plan, minimums, and everything but the explosive question of payments on post-1948 movies sold to TV. Studio negotiators said they had orders not to discuss it, so little was done, since that issue is SAG's principal target.

The majors were unimpressed when SAG, like WGA the previous week, reached a post-1948 deal with Universal-International. The SAG-U-I deal provides that U-I will pay 6% of the gross from distribution of U-I movies sold to TV after deduction of 40% for distribution costs. The deduction is reduced to 10% if the U-I backlog involved is an outright sale. On movies made after Jan. 31, 1960 the producer will pay 7% with similar deductions. U-I will pay 5% of actors' earnings into a pension & welfare fund. U-I can release post-1948 movies to pay-TV without additional payment to actors, but for any movies made after Jan. 31, 1960 SAG may reopen pay-TV negotiations.

SAG signed Carlyle-Alpina S.A., the Otto Preminger Company which is producing "Exodus"; and independent producers Frank Sinatra, Tony Curtis and George Sidney to deals similar to that made with U-I.

SAG and major independent producers were reported near agreement in their negotiations.

TV will undoubtedly be affected if there is to be a prolonged SAG strike. It's the considered opinion of most informed industry executives that at least 2 major studios may be liquidated by stockholders in the event of such a strike. Certain stockholders have been seeking an excuse for such liquidation and a SAG strike would provide it.

Some sources say, too, that at least some of the majors would welcome a strike because it would permit a housecleaning of personnel at the studios. If SAG strikes, a number of majors may exercise *force majeure* clauses in their contracts with high-paid executives and production talent, thus economizing and perhaps, in some instances, paving the way for liquidation.

The first evidence of a dissident group within SAG came last week when about 40 actors opposing the strike action met to criticize their Guild. Principal speaker was Glenn Ford, who said, "Actors are not morally justified in striking & causing backlog workers to be laid off. Personally, I could retire tomorrow on the post-1948 residuals but it would be morally wrong. No amount of money can compensate for the resentment & tragedy we will cause." A second meeting of anti-strike SAG members was held later in the week, with over 200 attending.

* * *

Disclosure that the striking Writers Guild of America maintains "spies" at the telefilm companies it has been striking since Jan. 16 came out at a membership meeting. When writer-producer Carey Wilber criticized this scab-hunt as a "junior model Heinrich Himmler & Gestapo," and characterized the Guild's leadership as "inept," he was booed & hissed. Wilber (and others) left the meeting, claiming he was threatened. The producer-director (who has just finished the pilot of *Innocent Jones* at Paramount) said, "I am opposed to the strike. I felt WGA chose a bad time for it . . . The Guild has achieved a lot for writers—but you can't push a good thing too far."

NEW YORK ROUNDUP

Another round of overseas-taped shows is in the works. Early in April, Pat Boone and key members of his 30-min. Chevrolet-sponsored ABC-TV show will start a month of European taping, with the facilities of Ampex-equipped Intercontinental TV S.A. (ITSA). Four shows are planned—2 in Paris, and one each in Venice & Munich. Dave Garroway, first U.S. TV star to utilize tape on overseas locations, will fly to Rome next month to tape a week's worth of NBC-TV shows with ITSA facilities. In N.Y., ITSA executives told us they anticipated no problems in finding engineers familiar with U.S. equipment to handle the European assignments. "We've had a small flood of letters & resumes lately from network engineers who tell us they'll just happen to be on vacation at the time we plan our tape shows in Europe. Everybody wants to go on the junket."

Block-booking anti-trust action in N.Y. Federal Court against major film firms starts March 7. None of those we contacted among the defendants (MGM, Screen Gems, United Artists, *et al.*) expressed worry that the distribution of features for TV would be radically changed or that the estimated \$450-million worth of contracts already written in the TV field would be torn up & rewritten. Said an official of one of the defendant firms: "We've long since dropped the selling of features in big blocks. Now, we sell small packages and even a few choice films out of the packages." Said a UA source: "First the govt. made the industry sell films to TV. Now, the govt. doesn't like the way it's been done. Where do we go from here?"

New color tape equipment has been ordered by Mobile Videotape Productions, N.Y.-based independent firm specializing in location-produced tape commercials & programs. A spokesman for MVT Pres. Ted LeVan told us the firm has already received its second Ampex recorder, a colorized 1000-B model, and expects to receive a set of GE color cameras shortly. No major color-commercial orders have been placed with MVT, however. MVT's original equipment, housed in mobile units, was entirely black-&-white.

Screen Gems & ABC-TV are discussing a deal for network reruns of one of the most sought-after film packages on the market: the 200-odd 30-min. episodes of *Father Knows Best*. Co-producers Eugene Rodney and Robert Young, who stars in the situation comedy series, may get as much as \$6 million from a daytime rerun network sale. Currently, the show is in first-run on CBS-TV for Scott Paper Co. and Lever Bros., and the sponsors are willing to renew for another season. But Rodney & Young reportedly want to drop the series after 6 successful seasons, believing they've exhausted the idea. Screen Gems is due in any event to be a major supplier of programming on ABC-TV this fall, with program deals lined up for *Naked City*, *The Flagstones*, *Winston Churchill's Memoirs* and the *Donna Reed Show*.

WPIX N.Y. has launched syndicated sales of its latest station-produced 60-min. documentary film, "The Secret Life of Adolf Hitler." Aired in prime time (8:30 p.m., Feb. 25), the show scored a surprise smash hit with a 49.7 local ARB and a 60% share of audience—highest in the independent station's history—against competition from the other 6 N.Y. channels. Another WPIX 60-min. film, dealing with the Berlin crisis, is being held by the station pending President Eisenhower's visit to Moscow.

HOLLYWOOD ROUNDUP

William Morris Agency last week sold its third series out of 3 pilot pitches. It was Four Star Television's *The Law and Mr. Jones*, starring James Whitmore. The previous Morris sales were *The Tom Ewell Show*, also from Four Star (sold to CBS-TV), and *The Andy Griffith Show*, a Marterto Productions-Griff Link Corp. series, sold to General Foods. P&G bought the Whitmore series, which is produced by Cy Gomberg. Ironic feature of this deal is that a pilot was originally made last year by Bing Crosby Productions for ABC-TV under the title, "Lincoln Jones." After ABC-TV decided not to buy it, Four Star acquired the rights and reshot the pilot. P&G has not decided on time or network.

Lucille Ball's divorce action against Desi Arnaz will in no way affect Desilu Productions, owned by the pair, it's emphasized by studio sources. We're told that Arnaz, pres. & exec. producer of Desilu, is planning a series of 60-min. filmed specials for next season, with Lucy to star in 5 of them. They will be filmed this summer before she moves to N.Y. While property settlement hasn't been disclosed, the couple's 49% ownership of Desilu is not affected.

Movie industry can't survive without foreign markets, yet "some countries devote their highest ingenuity" to barring film imports from the U.S., Motion Picture Assn. of America Pres. Eric Johnston said last week. As spokesman for the first industry to be heard in a series of Commerce Dept. conferences on foreign trade problems (Vol. 16:9 p18), he said the govt. should obtain assurances from other nations against "new & unreasonable" trade barriers. Johnston argued that U.S. movies have particularly important international roles as goodwill ambassadors & salesmen for other American products.

NBC-TV's planned pre-taped drama, "The Ira Hayes Story," based on the life of the late Pima Indian who participated in the historical flag raising on Iwo Jima, will be telecast as scheduled March 8, despite protests by the Pima tribe. The tribal council objected strongly to the show on the grounds that "NBC seemingly intends to misrepresent Ira Hayes and the Pima Indians to the American public by showing Hayes as a drunken Indian." No action has been taken against the network.

Revue Studios has signed Joel Murcott as associate producer to develop new properties . . . Producer Hubbell Robinson will pilot a 30-min. comedy, *That Man Adam*, starring Paul Ford. Mac Benoff is producer-writer . . . Robinson's *The Lawyer* series for ABC-TV goes into production March 7, with Jules Bricken as producer, and his thriller series for NBC-TV begins filming this week . . . A new comedy pilot, *Ichabod*, soon goes into production at Revue, with Bob Mosher and Joe Connelly as producers. It hasn't been cast yet.

"Father Knows Best" producer Eugene Rodney, Groucho Marx, Bob Cummings and Steve Allen will be the panelists when the Academy of Television Arts & Sciences meets to discuss TV comedy March 31. George Fenneman will be moderator . . . Rodney, incidentally, told us he hasn't yet decided on continuing his series for another season.

Allied Television Film Corp. has acquired from C. V. Whitney Pictures Project X, which photographs & develops movies over a 360-degree viewing angle.

Television Digest

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Programming

SPECIALS NOT SO SPECIAL: Program plans of at least 2 of the 3 networks call for fewer & bigger TV specials this fall, and a definite trend away from the concept of regularly-scheduled "specials" which often aren't so special after all.

NBC-TV, leading proponent of specials this season, will have televised nearly 200 before mid-summer, but will chop this number to between 75 and 100 next season, we're told. CBS-TV will reduce its nearly 100 specials of the 1959-60 season to no more than 30 or 40 next season. ABC-TV, which has had only about a dozen specials in the current TV season, may step up the number a bit but will still be far behind the present NBC-CBS volume.

A major reason for network reticence on specials can be seen in a new study of such shows prepared by A. C. Nielsen Co. We had an exclusive look at it last week and found it to contain sour news for program executives who hold specials to be the answer to TV's problems.

Network specials are generally dwindling in popularity & in their ability to draw audiences, the Nielsen report indicates. All commercial network evening specials aired in the Sept.-Nov. period of 1958 averaged a 22.2 AA rating and an audience-share of 38%. In the comparable 3-month period in the 1959-60 season, specials drew an AA rating average of 20.2 and an audience-share of 35%.

The only specials that have been doing significantly better this season are those classified as "general variety," i.e., star-studded vaudeville lineups that get by on the sheer weight of high-priced star names. In the fall of 1958, such shows scored an AA average of 18.3; last fall, they pushed the average up to 24.7.

Specials classified as "musical-variety" made a slight gain (up from 17.0 to 17.1), but drama specials dropped from 23.1 to 18.5 and comedy specials fell off from 25.4 to 24.1. The general *potpourri* of remaining specials classified as "miscellaneous" (fashions, sports, semi-news, etc.) also dropped, from 27.2 in the fall of 1958 to 17.7 last fall.

Nielsen wouldn't tell us what cost-per-1,000 figures are involved in network specials this season vs. last. However, a spokesman admitted that cpm figures for specials "are often of the order of \$6-\$7 or more." Most agencies generally consider a cpm of \$3.50 to represent a good buy in network TV.

Chicago TV-radio stations have won a major victory in their long fight to obtain newsreel & radio coverage of City Council meetings. The Council last week passed a special resolution permitting film coverage—for the first time—the meeting at which Mayor Richard Daley introduced an ordinance reorganizing the police dept. TV newsreel crews of WNBQ, WBBM-TV and WGN-TV covered

CBS-TV did "wonderful job" in covering the Winter Olympics (Vol. 16:9 p9), Sen. Monroney (D-Okla.) told the Senate. In a brief speech, the frequent critic of TV practices (Vol. 16:9 p5) said that the network's Squaw Valley performance was a "spectacular job of detailed coverage," that it was a "perfect example of what TV can do to bring into American homes new & exciting experiences."

A 70-station non-network special sponsored by Gamble-Skogmo Co. (chain stores) will be carried by nearly 70 stations in central U.S. at 7:30 p.m. local time March 10. The 60-min. show will be microwaved from Minneapolis, Denver & Detroit for the different time zones.

Personals: John K. West, ex-NBC Pacific div. vp, named NBC West Coast vp, representing network management in areas of public relations, talent relations, advertiser relations & community relations. Thomas W. Sarnoff, ex-production & business affairs vp, becomes West Coast administration vp and head of new West Coast coordinating committee formed "to strengthen the links between NBC's N.Y. hq and network activities on the West Coast."

Benedict Gimbel Jr., pres. & gen. mgr. of radio WIP Philadelphia until its purchase by Metropolitan Bestg. Corp., elected vp & a dir. of Metropolitan; H. D. (Bud) Neuwirth, ex-John Blair & Co., joins Metropolitan as asst. to Pres.-Chmn. John W. Kluge.

Richard Maguire, ex-KUAM-TV & KUAM Guam, named gen. mgr., KVUE-TV (Ch. 40) Sacramento . . . Edward P. Dittlof promoted to new post of community affairs dir. of Storer's WITI-TV Milwaukee . . . James A. Bacharach, ex-O. E. McIntyre Co., named to new post of dir. of mktg. services, Trendex . . . Richard N. McHugh, ex-mgr. of financial evaluation, appointed NBC-TV mgr. of special program sales . . . Blaney Harris named program sales mgr., WPIX N.Y.

Lt. Col. Rene P. Landry, asst. to CBC Pres. Alphonse Ouimet, appointed a vp; C. E. Stiles named CBC dir. of purchasing & stores . . . Don W. Lyon, dir. of TV-radio for U. of Rochester and conductor of oldest continually sponsored educational TV program (7 years on WROC-TV), appointed to new position of dir. of public affairs for the university.

Obituary

Melvin Purvis, 56, owner of radio WOLS Florence, S.C. and ex-FBI agent who led the teams that killed criminals John Dillinger and "Pretty Boy" Floyd, shot himself to death Feb. 29 at his home in Florence. His physician said Purvis had been depressed and in poor health recently. Since leaving the FBI in 1935, he had practiced law in Florence, and in 1941 served as counsel for a subcommittee studying civil service. He is survived by his wife and 3 sons.

Joseph M. (Joe) Boland, 55, nationally known sports announcer and sports & special events dir. for WSBT-TV & WSBT South Bend, died Feb. 26 in South Bend. He was widely known for his formation in 1947 of the Irish Network, which grew to 190 radio stations, to broadcast Notre Dame football. Survivors are his wife, daughter and son.

Trade Report

MARCH 7, 1960

'INVENTORY READJUSTMENT'—BUT GOOD TV SALES: We've heard a little moaning in the TV trade that 1960 business hasn't been as good as it might be—so we checked with market research directors and other officials of several important TV producers, and here's the consensus:

Retail sales of TV sets so far this year have been good—at an annual level of approximately 6.5 million units. This is actually higher than the industry's own predictions for 1960, as reported in our survey last December (Vol. 15:51 p14). Much of the retail selling in Jan. & early Feb. was done from inventory, and retailers' purchases from distributors were relatively low.

This inventory readjustment, traditional at this time of year—but perhaps carried a little further than usual in 1960—is considered healthy by marketing analysts. As a result of the selling from inventory at the dealer level, distributor inventories were up somewhat at end of Jan., but had declined by the end of Feb. to about the same level as the beginning of the year. Factory inventories increased slightly at the end of Feb., but production is being trimmed now to meet this situation.

There's not much danger of mass dumping, market researchers agree, since manufacturers are carefully keeping production abreast of sales, not permitting the inventory cushion to get too padded. Preliminary figures indicate that Jan. 1960 production totaled about 525,000 TV sets, 20% above the 437,000 of Jan. 1959. In Feb., output was lowered to 499,600, less than 9% ahead of Feb. 1959's production of 459,500. Each of last 4 weeks for which industry TV figures are available (to Feb. 26) shows a decrease from the preceding week (see table on page 16).

"The current volume in TV sales at retail is exceeding the general gains in the economy," we were told by one TV marketing expert. He reminded us that retailers went into 1960 with too-heavy inventories. For the 4 weeks ended Feb. 19, he added, distributor sales to dealers averaged about 136,000 sets per week. "With no further readjustment of retail inventories," he said, "this would indicate retail sales are running at an average rate of about 6.6 million, although the present level projects to annual distributor sales of about 5,750,000"—the difference being due to the inventory readjustment at retail.

Spot check of manufacturers confirmed trend. Generally they said production had been trimmed to sales pace—and their reports from retailers showed Jan. & Feb. slightly better than last year. One exception was Sylvania, Pres. Robert Shaw of Sylvania Home Electronics telling us that TV set sales to distributors exceeded the record sales of the same period last year, and that despite increased production, the company's inventories are at an all-time low for this usually slow period.

Summing up: TV retail business to date in 1960 is better than last year—but not sensational. Some set makers are counting on their spring drop-ins of the new 19-in. sets & other new models to provide the sensation.

First of the 19-in.: As we predicted last month, Admiral was the first to introduce a 19-in. set. It did so at distributor meetings—showing a whole 7-set line of them, with price tags varying from \$169.95 to \$259.95, in same range as 17-in. sets. Admiral's sets use the non-bonded tubes with conventional safety glass.

Admiral's new 19-in. line uses same size cabinet as 17-in. sets, consists of 5 portables and 2 consolettes. Two of the portables have cabinets only 12¼-in. deep and 2 use Admiral's newly-announced 7-transistor remote-control amplifier chassis (Vol. 16:8 p21).

Sylvania will introduce line of 19-in. sets next month, and they'll have the bonded-on implosion plates—probably the first bonded-shield 19-in. sets to be shown. It's expected Sylvania will concentrate initially on table models & consolettes in the 19-in. size, rather than portables.

Within the next 2 months, many other manufacturers will be showing new drop-in models (or in some cases previewing nearly complete 1961 lines)—and you can bet 19-in. sets will be featured prominently by many of them.

Price-Fixing Restricted: U.S. Supreme Court's Feb. 29 decision which further tightens manufacturer's right to enforce retail prices was getting close study from TV & appliance makers at week's end—but there was a paucity of interpretations as to what it actually will mean to the trade.

Ruling in a pharmaceutical case, high court said Parke, Davis & Co. violated Sherman Act when it took active moves, in cooperation with its distributors, to stop price-cutting on its products by D.C. & Va. drug-stores. Enforcement of retail prices on TV sets, both in & out of fair-trade states, is extremely spotty, varying widely from company to company.

The Court's decision indicated that "the simple refusal to deal" with a price-cutting retailer was still a legitimate action, but there were considerable doubts within the trade as to how Justice Dept. will interpret the decision. For example, Magnavox, which deals directly with retailers and strictly maintains list prices, still had decision under study in its legal dept. at week's end, and would venture no opinion as to whether new ruling would affect its operations.

TV-RADIO PRODUCTION: EIA statistics for week ended Feb. 26 (8th week of 1960):

	Feb. 19-26	Preceding wk.	1959 week	'60 cumulative	'59 cumulative
TV	113,066	121,577	96,248	1,026,085	896,518
Total radio	321,852	378,670	282,163	2,794,203	2,250,122
auto radio	126,939	153,661	112,336	1,228,293	852,603

GE's Reorganization: The revamping of GE's consumer-electronics organization is now nearly complete—and here is the picture of the new set-up, as announced piecemeal over the last few months:

Coming under GE's consumer-products group is the radio & TV div., with hq in DeWitt, N.Y., near Syracuse. Gen. mgr. of the div. is Hershner Cross, from GE's marketing service organization, whose special study team recommended & devised the reorganization. Functioning at the division level will also be John Seaver, as mgr. of mkt. development operations.

Under the radio & TV div. are the TV-receiver & radio-receiver depts. and broadcasting-stations operation.

TV-receiver dept. in Syracuse is headed by gen. mgr. Herbert Riegelman, who is also acting mktg. mgr., pending appointment of a permanent mktg. mgr. Radio-receiver dept. moves its hq about May 15 from Bridgeport, Conn. to Utica, N.Y. It's headed by gen. mgr. Robert C. Wilson, with S. Martin Fassler as mktg. mgr. Audio-products section of radio-receiver dept. will headquarter in Decatur, Ill. by May 15, moving its phono & packaged hi-fi operations from Utica, its audio-hi-fi component operations from Auburn, N.Y. The section is headed by gen. mgr. Charles J. Coward, with Marshall Bartlett as mktg. mgr.

The broadcasting-stations operation (WRGB & radios WGY & WGFM Schenectady) is headed by J. Milton Lang.

Reports that Philips of Eindhoven, Netherlands, has developed a simplified color tube and is planning to export low-priced color receivers to the U.S. are "not based on reality," we were informed last week by a spokesman for Philips. "Philips is working in the field of color TV, but this activity is still limited to the laboratories," said Philips. Recent visitors to the Philips plant told us that the company appears to be concentrating heavily on the shadow-mask (RCA-type) tube approach.

Granco's FM auto radios (Vol. 15:47 p18) will be formally announced next month for distribution in the fall. Two sets will be introduced, listing at about \$59 & \$79.

Raytheon has been awarded \$35,271,000 in Army contracts for work on the Hawk missile.

Sony Moves West: One of the largest—and youngest—of Japan's electronics manufacturers is following a growing trend and establishing a wholly-owned U.S. subsidiary to handle distribution of its products here. Sony Corp. (founded in 1945), which claims to have manufactured the first transistor, first transistor radio, first tape recorder and first recording tape in Japan, last week set up Sony Corp. of America, 514 Broadway, N.Y., to be headed by Akio Morito, exec. vp of the parent firm.

Among other Japanese manufacturers which recently have taken over all or part of their U.S. distribution through new American subsidiaries are giants Hitachi (Hitachi-N.Y. Inc.), Matsushita (Maco Electric) and Mitsubishi (Mitsubishi of America). Sony products have been distributed in the U.S. by Delmonico International, which promoted the anticipated import of the Sony 8-in. battery TV (Vol. 16:4 p15). Delmonico plans to replace Sony merchandise with another leading Japanese line.

Sony's new company-owned distributorship will offer—for the first time in the U.S.—the Sony line of semiconductors. While the company plans to show a sample of the 8-in. battery TV set at the IRE Radio Engineering Show March 21-24 in N.Y., its spokesmen say it does not yet know when the sets will be sold in this country.

Sylvania sold 280,000 TV sets last year, Chmn. Donald C. Power of parent General Telephone & Electronics Corp. disclosed in an address to the Investment Analysts Society of Chicago. His disclosure of sales figures was almost unique in the industry, since nearly all manufacturers guard these as closely-held competitive secrets. [In the annual "guesstimates" of TV production made for us last Aug. by industry financial consultant Edgar N. Greenebaum Jr., Sylvania's 1959 TV output was estimated at 250,000.] Power also said that Sylvania's TV operation has been in the black the last 7 months and that his company's picture-tube business increased 20% over 1958 in '59.

Negotiations to acquire Du Mont Labs have been broken off by Republic Aviation Corp. Concluding a 2-month study of the electronics firm (Vol. 16:5 p20), Republic has decided to look elsewhere in its desire to acquire electronics companies which fit into its operations.

EIA'S SPRING MEETING: The proposed "stereo education" campaign, under consideration by EIA's consumer products div. (Vol. 15:48 *et seq.*), is a top topic for the annual spring meeting in Washington March 15-18 at the Statler-Hilton hotel. It's expected that a final decision will be made on whether to begin the nationwide institutional advertising campaign in the fall. The div., under Sylvania's Marion E. Pettegrew, has been trying to recruit funds to support the campaign. Among other major subjects:

(1) A progress report on EIA's efforts to blunt Japanese competition, to be presented by imports committee Chmn. Robert C. Sprague, Sprague Electric Co.

(2) A review, by EIA exec. vp James D. Secrest, of the "program to encourage consumers to purchase products made in America by American workers."

(3) Pending legislation, discussed by the legislative policy committee under Chmn. Max F. Balcom, Sylvania.

An innovation will be the first Defense Market Planning Seminar, featuring addresses by Rep. Ford (R-Mich.), ranking member of the House Armed Services Appropriations Subcommittee; John M. Sprague, deputy asst. defense secy.; Maj. Gen. R. T. Nelson, Chief Signal Officer. Some 150 Defense Dept. representatives have been invited to participate. E. R. Quesada, FAA administrator, will speak at the March 17 govt.-industry dinner.

The awards committee, headed by H. Leslie Hoffman, pres. of Hoffman Electronics, will nominate the EIA Medal of Honor recipient, who will receive his award at the annual convention in Chicago May 20.

'Electronic Equipment' Defined: EIA submitted a new definition of the electronic equipment industry to the Labor Dept. last week, urging that it be used in the department's upcoming survey preliminary to a minimum wage determination for the industry covering govt. contracts under the Walsh-Healey Act. If approved, the new definition would replace a considerably more general definition proposed earlier by the Labor Dept.

The EIA proposal defines the industry in terms of classes of products it manufactures. It resulted from a survey of major electronics manufacturers. EIA pointed out to the Labor Dept. that the proposal would eliminate the possibility of including products of other industries already covered by Walsh-Healey wage determinations. The proposed definition:

The manufacture of electronic equipment for the purpose of this survey, is defined as that industry which manufactures any of the following classes of products: radio and TV transmitters; radio and TV receivers (including home-type, military and industrial); electronic search, detection, surveillance, and tracking devices; electronic navigational devices; electronic airborne computing and associated airborne information processing devices; electronic missile guidance and missile control devices; electronic weapons fire control devices; electronic sound distribution devices; (including public address and music distribution apparatus, except records); electronic countermeasure devices; complete audio IF and RF amplification devices; and electronic power supplies for use in any of the foregoing classes of products.

Specifically excluded from this definition are: electron tubes and parts; solid-state semi-conductor devices and parts, functional electronic component parts (including but not limited to resistors, capacitors, relays, and connectors); complex components, packaged components modules, and other similar component combinations or sub-assemblies manufactured as a single unit; structural electronic components (including but not limited to cabinets, blank panels, binding posts, wire and cable harnesses and assemblies, tube sockets, dial assemblies, and knobs and control handles); structural components and devices (including but not limited to antenna structures, pedestals, drives, launchers trailers, platforms, pallets, elevators, gimbals and handling equipment); computing and associated information processing devices (except airborne); scientific, industrial and laboratory instruments; x-ray tubes and apparatus; electro-therapeutic and electromedical instruments and apparatus; telephone and telegraph equipment (including but not limited to radio telephone and radio telegraph devices of the kind generally manufactured for the use of public utility communications systems); and electronic control devices other than electronic missile guidance and missile control devices (including but not limited to signals, alarms and automatic industrial controls).

STEREO BATTLE JOINED: Focusing its gunsights on manufacturers advertising "3-channel stereo" and "multi-channel stereo," Magnavox is unleashing a hard-hitting editorial-type ad campaign aimed at dealers and the public. First ad in the series is appearing in retail trade publications and addresses itself directly to dealers. This will be followed up with a consumer campaign.

"Facts You Should Know About Stereophonic High Fidelity to Help You Make More Sales" is the full-page caption of Magnavox's 2-page kickoff ad in March 2 *Home Furnishings Daily*. Second page is devoted to question-&-answer text. Some excerpts from the ad, which is signed by Pres. Frank Freimann:

"Some advertisers have been promoting a mythical '3-channel' stereo system on the assumption that *three* has more sales appeal than *two*. These claims are now recognized as such blatant misrepresentation that they evoked the protests of the National Better Business Bureau. To circumvent this reprimand, they are now being called 'multi-channel'—*implying* more than two . . .

"Magnavox has been building models using 4 amplifiers and 4 speakers since its introduction of the first stereo phonographs but has never laid claims to a '4-channel' stereo system because there are still only 2 channels to reproduce . . ."

The ad goes on to point out that in so-called "3-channel" systems, the bass notes are reproduced monaurally. What about high-fidelity music? Magnavox's answer: "It's been all but lost in the shuffle between ping-pong balls, railroad trains, non-existent stereo channels, mythical super-power claims and the baffling multiplicity of knobs . . . Pre-stereo, good high-fidelity phonographs sound better than many of the stereo sets now being offered . . ."

"Let's take the confusion out of selling and make demonstrations based on the true merits of stereophonics," concludes the ad.

Motorola, the leading exponent of "3-channel" stereo, declined to make an official comment. A spokesman, however, stated that Motorola's stereo sales last year were 125% higher than 1958, and added: "The engineering of our stereo instruments with 3 amplifiers and 3 speaker systems produces demonstrably better music and the public has responded by buying Motorola stereo. We ask the consumer to listen to both approaches and take his choice."

Tax incentive for basic research was urged by Westinghouse Pres. Mark W. Cresap Jr. to "help America meet the challenge of the Soviet Union." Addressing the Economic Club of Detroit, he pointed out that the govt. already pays for almost 50% of the total national basic research effort, and the remainder must come primarily from American industry or funds supplied by industry. He called attention to—but did not specifically endorse—the Curtis Bill (HR-4797), which would permit businesses or taxpayers to deduct from their tax bills 90% of their contributions to research, not exceeding 5% of the total tax bill. The same bill would permit a business to take tax credit for its own basic research—75% of the amount spent, and not exceeding 3% of its total tax bill. He called the tax-incentive method of research support "more desirable, more effective and less expensive than direct grants by govt."

Amateur licenses, now more than 200,000, are up 285% since the end of World War II, according to FCC.

Trade Personals: I. L. (Chuck) Griffin, ex-GE appliance & TV receiver div. mktg. mgr., named mgr. of GE's Hotpoint refrigerator dept. . . . Charles H. David joins Bogen-Presto as high fidelity products mgr. . . . David B. Nicholson, engineering vp, elected pres. of Kollsman Instrument Corp., Standard Coil Subsidiary . . . John R. O'Brien promoted to vp of Hoffman Electronics' govt. relations div., hq'ing in Washington . . . Rein Narma, ex-Fairchild Recording Equipment, named mgr. of engineering, audio products div., Ampex Professional Products Co.

F. J. O'Hara, gen. mgr. of the tube & semiconductor div., and J. G. Sutherland, gen. mgr. of technical products div., appointed vps, RCA Victor Co. Ltd. (Canada) . . . Dr. Frank S. Stein, ex-Westinghouse semiconductor dept., joins General Instrument as mgr., semiconductor research & development dept., in major expansion of that dept. . . . James P. Carrigan, ex-Associated Merchandising Corp., named sales dir. of special accounts, Capehart Corp.

Milton E. Mohr named vp-operations, Ramo-Woolridge div., Thompson Ramo Woolridge . . . Sir Robert Watson-Watt, British inventor of radar, will be featured speaker at the 8th Weather Radar Conference, April 11-14, Sheraton-Palace Hotel, San Francisco . . . Arthur Antraskan, ex-American Shippers, named sales mgr., garage door openers, for Packard Bell Electronics.

Dr. W. R. G. Baker, electronics pioneer and former GE vp who now is Syracuse U. research vp & pres. of Syracuse U. Research Corp., will be honored Nov. 30 on his 68th birthday with a birthday ball in Syracuse. Proceeds will go to the Dr. W. R. G. Baker Scholarship Fund at Syracuse U.

Page Communications Engineers has moved into its own building at 2001 Wisconsin Ave. NW, Washington (Federal 7-7600). The new 4-story structure more than doubles the space formerly occupied in the Communications Bldg., 710 14th St. NW and the Bond Bldg., 1404 New York Ave. NW. The research & development labs, formerly located in suburban Takoma Park, Md., are already installed on the ground floor with facilities capable of prototyping equipment as large as 100-kw transmitters.

Electronic Components Conference co-sponsored by EIA, IRE, American Institute of Electrical Engineers and Western Electronic Mfrs. Assn. will be held May 10-12 in the Washington Hotel, Washington. Robert L. Henry of ACF Electronics is general chmn. of the conference. Its theme will be "Electronic Components: Art & Science."

Ad agency changes: Audio products section of GE's radio-receiver dept. has named Young & Rubicam to handle phono advertising. (Y&R also handles GE TV-receiver dept. advertising.) . . . Raytheon has shifted about \$1 million in billings to Fuller & Smith & Ross from 4 other agencies, consolidating its estimated \$1,720,000 account in one agency . . . General Precision Inc. has named Compton to handle its corporate advertising.

Reports of low-priced color-TV exports from Japan were categorically denied as an "absurdity" by spokesmen for Tokyo Shibaura Electric Co. (Toshiba), *Home Furnishings Daily* stated March 1. The Tokyo-dated article reported that 9 Japanese firms are now producing or preparing to produce small quantities of color sets and they plan to put color TV on the domestic market at about \$1,670 soon after full-scale colorcasting begins.

New plants & expansions: GE, \$1-million, 2-story, 75,000-sq.-ft. radio production plant to be erected at Utica, N.Y. starting in April . . . Hewlett-Packard, constructing \$1 million electronics plant at Loveland, Colo. Facility will start production around June 1 and be in full operation by year's end . . . Dynamics Corp. of America leased a 31,000-sq.-ft. plant at Farmingdale, N.J. for production of TV & FM broadcast equipment by its Standard Electronics div. Additional facilities are now cleared at DCA's Long Island City plant for expanded production of communications systems . . . Western Electric, \$25-million electronics plant embracing 2 one-story factories and an administration building with total 1.5 million sq. ft. of floor space, will be built at Lee's Summit, Mo. Construction is scheduled to start this spring and end in 1962 . . . RCA electron tube div. has established a mid-eastern distributor sales district, with hq at 1625 K St., N.W., Washington, D.C., to embrace Philadelphia, Harrisburg, Richmond and Washington sales territories. N.Y. & Newark territories now comprise the eastern district.

Admiral added to its portable radio line last week three 7-transistor & three 8-transistor models ranging in price from \$29.95 to \$99.95. All were "produced with American craftsmen in Chicago, use only high quality American components," Admiral announced. Two of the pocket models use 3x4-in. oval speakers—the "largest used in a pocket radio," according to radio div. sales mgr. Clarence B. Flinn. Topping the line is a 3-band, 8-transistor model.

Another tiny U.S.-made radio, designed as an answer to Japanese imports, is Zenith's new 6-transistor Zenette, to retail at \$39.95. The new set measures 5x3x1½ in. with a 2¾-in. speaker. In trade ads for the Zenette, Zenith says: "No Japanese Components! Built in America by American Craftsmen!"

Admiral's spring TV ad campaign will embrace three 1,000-line dealer-listing newspaper ads in 82 markets, two 1,000-line individual-dealer ads in each distributor market, and inserts in *Life* (April 7, May 5, May 17) and *SatEvening Post* (April 13, June 7). Admiral's new 19-in. Thinman portable TV set will be featured in the April 7 *Life*. The new transistor-radio line will be promoted with four 600-line dealer-listing newspaper ads and insertions in *Esquire*, *Holiday*, *National Geographic*.

Zenith has scheduled a record print-media ad campaign for national & local spring-summer promotion of TVs, radios and stereo phonos. Sales Corp. Pres. L. C. Truesdell said the campaign will embrace more than 230 newspapers in major markets from coast to coast, dealer co-op ads, a 20% increase in Zenith's half-year investment (1960 compared with 1959) in national magazine advertising.

Western Electric Pres. H. I. Romnes will be featured speaker at IRE's annual banquet March 23 at Waldorf-Astoria, N.Y. Topic: "Flood Tide in Electronics."

Obituary

Henry M. (Skeet) Rundle, 63, RCA TV div. commercial development mgr., died Feb. 26 at Fort Lauderdale, Fla. He joined RCA in 1930 as an ad artist, is credited with introducing illustrated album covers for phonograph records. In 1944, he became styling mgr. for RCA Victor home instruments, was honored 2 years later with the company's Award of Merit, highest employe honor for outstanding achievement. He lived in Haddonfield, N.J., is survived by his widow, daughter and son.

Finance

Philco Profit Soars: Philco closed out its 68th year on a sound & rising note, Pres. James M. Skinner Jr. notified stockholders last week in the 1959 annual report. The report substantiated earlier estimates (Vol. 16:5 p24). Sales were up 13% over 1958 to nearly \$398 million, with all divisions contributing to the increase. Net income climbed hand over fist to more than \$7 million from less than \$3 million in the previous year.

Skinner noted that consumer products accounted for 66% of Philco's total volume, and that sales of TVs, radios and stereo systems were up. "Our transistor business more than doubled in 1959," he said, "and is expected to double again in 1960, thus further consolidating [Philco's] position as a leader in the industry." Philco's electronic volume increased last year "to 34% of sales," he added, "and, based on our current backlog, we anticipate a further increase to approximately 40% in 1960."

Philco's patent holdings were increased in 1959 with the addition of 120 U.S. patents, the majority in the electronics field. Included were 6 additional transistor patents. Philco now holds a total of 1,047 U.S. patents and 1,265 patents in 24 countries abroad. Consolidated Philco & subsidiaries report for the 53 weeks ended Jan. 3, 1960 (vs. 52 weeks ended Dec. 28, 1958):

	1959	1958
Net sales, etc.	\$397,792,000	\$351,093,000
Net income	7,176,000	2,874,000
Per com. share (after pfd.)	1.67	61¢
Common shares	4,074,866	4,069,629

Motorola's expansion "from its auto & home radio and TV business into the sophisticated—and profitable—gadgetry of the electronics age" is traced by Feb. 27 *Business Week*. Profiled is exec. vp Daniel E. Noble, who is responsible for Motorola's communications, military electronics and semiconductor divs. The article emphasizes Motorola's healthy TV-radio business ("sales in this category yielded about half of the company's 1959 sales of \$280 million") but points out: "In the last few years Motorola has moved quietly & decisively into leadership in selected areas of commercial electronics—where profit margins are much fatter. These fields are Dan Noble's hunting grounds. The emphasis is on developing new products & technologies."

Admiral's 1959 profit will total approximately \$4.1 million, not \$3 million as we reported earlier (Vol. 16:9 p18). Admiral's preliminary report for year ended Dec. 31:

	1959	1958
Sales	\$199,000,000	\$170,777,126
Net income	4,100,000	1,375,017
Per common share	1.70	58¢
Common shares	2,405,471	2,372,476

Zenith common stock trading privileges on an unlisted basis have been approved by SEC for the Philadelphia-Baltimore Stock Exchange.

EMI Ltd. anticipates that profit & sales in the 1960 fiscal year (ending June 30) will approximate those of fiscal 1959, when the British maker of industrial & consumer electronic products netted pre-tax earnings of some \$14 million. Chmn. Sir Joseph Lockwood noted EMI's increasing interest in the U.S. market: an agreement with Fairbanks, Whitney Corp., under which that concern is licensed to make & sell EMI computers and other products, and an arrangement with an unnamed concern to market EMI's line of high-priced hi-fi components (examples: a \$600 speaker, \$225 pre-amplifier). Telechrome Mfg. Corp. distributes EMI TV cameras & other TV studio equipment. Sir Joseph said EMI "would like to get into the closed-circuit TV equipment market [in the U.S.]." Fairbanks-Whitney Pres. David Karr noted that the first EMI closed-circuit systems to be imported under the new 2-way program are slated for immediate installation for Trans-Lux Movie Ticker Corp., which furnishes brokerage houses with visual reproductions of market quotations. Sir Joseph disclosed that earnings of Capitol Records (96% owned by EMI) are down, that EMI hopes to pay dividends of about 14% (of the common stock's \$1.40 par value) for this fiscal year, "if profits are about the same as the last fiscal year's. This doesn't mean we might not pay more."

Transitron Electronic Corp.'s success story is profiled in Mar. 1 *Forbes*, which notes: "The brothers Bakalar (Chmn. Leo, Pres. David) have parlayed an equity investment of \$125,000 into a realized cash profit of some \$34 million. It has left them with a paper net worth—based on recent market valuation of their company stock—of nearly \$300 million. They have done all this in less than 8 years." Commenting on Transitron's offering last Dec. of one million shares at \$36 per ("and over 25,000 buyers scrambled for the issue"): "The Bakalars [who owned 98.6% of Transitron's 7.5 million shares outstanding] could hardly be said to be giving their company away. In effect, the public was paying \$36 million for 13.3% of a company whose total assets at the time were \$22.8 million, whose sales for its latest fiscal year (ended June 1959) were only \$30.9 million. Transitron's total sales amounted to barely 10% of the theoretical market value of its shares . . . Yet by the time the stock was listed on the Big Board last month, the price had risen to \$40, which put the paper value of \$260 million on the Bakalars' . . . 85.3% of the stock."

General Precision Equipment Corp. expects 1960 to start rolling with an improved first quarter (ending Mar. 31) and to continue piling up substantial profit & sales gains in the balance of the year. "The picture for all 1960 is pretty clear," reports Chmn. J. W. Murray. "Earnings per common share should be considerably improved, and I don't just mean by 25¢. Sales should be up by about \$20 million." In 1959, GPE earned \$4,198,199 (\$2.63 a share) on sales of \$215,588,430. He attributed the improved business in part to the consolidation of 4 electronics divs. into a single, "very strong combination which did about 80% of our 1959 business." He forecast that sales "are going to accelerate in 1960's 2nd half" and that 3 of the 4 divs. would set individual records this year. Murray said that no merger talks with the Martin Co. have been held "for quite some time. They made a proposal once, but never an offer." Martin holds some 13% of GPE's voting classes of stock.

Magnasync Corp., North Hollywood electronic-equipment manufacturer of sound-reproducing & recording equipment, seeks SEC registration (File 2-16177) of 200,000 capital stock shares to be offered for public sale at \$5 per share by Taylor & Co. Proceeds would be used to pay loans, expand lab facilities, etc.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Clevite	Q	\$0.30	Mar. 28	Mar. 14
Corning Glass	Q	.37½	Mar. 31	Mar. 14
Decca Records	Q	.25	Mar. 29	Mar. 10
Electronic Assistance.	Stk.	100%	Mar. 10	Mar. 10
GE	Q	.50	Apr. 27	Mar. 18
Radio Condenser	—	.07½	Mar. 21	Mar. 1
Siemens & Halske ...	—	14% cash (for 1958-59)		
Wells-Gardner	Q	.30	Mar. 15	Mar. 8

Jerrold's Expansion Plans: Jerrold Electronics Corp., now controlled by the Jack Wrather-John L. Loeb combination (Vol. 16:6 p5), will be a "vessel" through which new electronics companies will be acquired & new products introduced—in addition to the expanding plans in CATV & related fields (see p. 3). So said Jerrold Pres. Milton J. Shapp & entertainment magnate Jack Wrather last week at a joint news conference in N.Y.

At the same time, Shapp estimated that the company's net sales for the fiscal year ended Feb. 29, 1960 totaled about \$8.5 million, a new record and nearly 15% higher than the preceding year's \$7,658,371.

The company hopes to acquire "carefully selected electronics manufacturing companies." Shapp explained that the acquisition program initially will be directed toward expanding the activities of the test instruments div. He said he's "looking for a company which would complement Jerrold's own manufacturing facilities, expand its line of test instruments and intensify national sales coverage." Jerrold also will be interested in acquiring firms "in the field of TV communications," he added.

Approved by the Jerrold board Feb. 27 was a 3-point expansion program providing for acquisitions, close cooperation between Jerrold and the Jack Wrather Organization, and intensive new-products development.

A new Jerrold consumer product, announced at the news conference, is the "Magic Carpet" antenna—printed on a 2½x6-in. flexible plastic sheet and designed to be stapled to the attic floor or placed under the carpet. The indoor antenna "has the same characteristics as an outdoor conical antenna," Shapp said, and is now being introduced to builders as part of Jerrold's built-in home antenna system which includes a TV-FM amplifier & plug-in antenna outlets. It will soon be offered to the general public at about \$10.

For 1960, Jerrold anticipates "net sales of about \$10 million," Shapp stated. For 9 months ended Nov. 30, he gave this picture:

	1959	1958
Sales & service revenues	\$6,312,502	\$5,262,166
Net income	727,685	210,572
Per common share	57¢	19¢

The 1959 net income figure includes non-recurring income of \$284,240 (22¢ a share) representing profit on the sale of the Key West, Fla. CATV system.

MPO Videotronics Inc., multi-affiliate producer of TV & industrial films, is making its first public offering of stock—150,000 shares of Class A (priced at \$10 a share) through a group of underwriters headed by Francis I. duPont & Co. The corporation is selling 100,000 authorized but unissued shares, will receive no part of the proceeds of the remaining 50,000 shares which are being offered by selling stockholders. The corporation's proceeds will be added to working capital. In its 1959 fiscal year ended Oct. 31, MPO Videotronics obtained 85% of its revenue from production of TV commercials, 15% from industrial films. Its wholly-owned subsidiaries include M.P.O. Productions Inc. (industrial film producer); MPO Film Distribution Co. Inc.; Studio Rental Inc. & Boulevard Studios Inc. (which lease studios & film facilities), and recently-formed MPO TV of Cal., which produces TV commercials.

Capitol Records, 96% owned by EMI Ltd., reports a drop in sales & income in the 6 months to Dec. 31:

	1959	1958
Net sales	\$26,177,243	\$28,709,869
Net income	1,348,807	2,049,214
Per common share	2.83	4.30

Electronics Investment Corp. Gains: A healthy 32.4% increase in total net assets was tallied by Electronics Investment Corp. in fiscal-1960's first quarter, ended Jan. 29. Assets advanced to \$30,015,605, compared with \$22,671,390 recorded a year ago. The mutual investment fund also increased its net asset value per share to the equivalent of \$7.82, up from \$6.66 on Jan. 30, 1959. The per-share value was adjusted for a net capital gains distribution of 44½¢ per share paid May 29, 1959.

Portfolio changes in common stock since the close of the 1959 fiscal year Oct. 30 (Vol. 15:49 p22):

Purchased: 1,600 shares of Eitel-McCullough (making a total of 12,000); 2,978 Electronic Associates (total 10,609); 2,000 Storer Bcstg. Co. (total 17,000); 900 Taft Bcstg. Co. (total 15,000).
Sold: 5,651 shares of Collins Radio Co. (holds none); 2,200 Electronic Specialty Co. (holds none); 2,600 Epsco Inc. (holds 2,600); 900 Haloid Xerox (holds 3,500); 9,000 Hoffman Electronics (holds 5,000); 1,700 Midwestern Instruments (holds none); 6,100 TelePromp-ter (holds none).

Tele-Broadcasters Inc. (radios WPOP Hartford, KUDL Kansas City, KALI Pasadena-Los Angeles, KOFY San Mateo-San Francisco) reports that 1959 was "the best operating year" in its 4-year history. Pres. H. Scott Killgore told stockholders in the annual report: "The overall outlook for increased revenues on our stations in 1960 is excellent, and we anticipate another year of increased sales." The balance sheet lists total current assets at \$206,108, property & equipment (less depreciation) at \$284,088, total assets \$979,594. Current liabilities on Dec. 31, 1959 were \$298,040, long-term liabilities \$394,649, earned surplus \$110,031. The consolidated statement of operations for 12 months ended Dec. 31:

	1959	1958
Broadcasting revenue	\$1,051,023	\$881,592
Other revenues	111,843	20,432
Net profit (loss in '58)	139,730	(31,128)
Per common share	31¢	—
Average common shares	450,185	not given

Storer Bcstg. Co. net income more than tripled in 1959, including a net capital gain of \$581,614 from the sale of radio WAGA Atlanta (Vol. 15:14 p10). The 1958 profit accrued after giving effect to a loss of \$2,304,551 incurred on the closing of Storer's former Wilmington, Del. TV station. For the year ended Dec. 31:

	1959	1958
Net income	\$5,336,682	\$1,676,754
Per combined share	2.16	68¢
Common & B shares	2,474,750	2,474,750

General Instrument Corp. has asked SEC to register 200,000 shares of common stock for public offering through a group of underwriters headed by Carl M. Leob, Rhoades & Co. The offering price & underwriting terms will be supplied later.

Reports & comments available: Philco, report, James Anthony & Co., 37 Wall St., N.Y. 5; analysis, A. C. Allyn & Co., 44 Wall St., N.Y. 5 . . . RCA, study, Arthur Wiesenberg & Co., 61 Broadway, N.Y. 6 . . . AT&T, memo, W. E. Hutton & Co., 14 Wall St., N.Y. 5 . . . Varian Associates, memo, Hill, Darlington & Co., 40 Wall St., N.Y. 5 . . . Loew's Theatres, discussion, Shearson, Hammill & Co., 14 Wall St., N.Y. 5 . . . National Co., review, H. Hentz & Co., 72 Wall St., N.Y. 5 . . . Electro Instruments, Inc., prospectus, Bear, Stearns & Co., One Wall St., N.Y. 5 . . . Siegler Corp., study, Porges, Singer & Co., 15 Broad St., N.Y. 5 . . . Electronics Capital Corp., semi-annual report, D. H. Blair & Co., 42 Broadway, N.Y. 4 . . . Information Systems Inc., report, Boenning & Co., 115 Broadway, N.Y. 6.

Television Stations in Operation

Or Due to Be Operating by Spring of 1960
(Channel Numbers in Parentheses)

* Indicates CP Statute as of March 1, 1960, Station Having Reported Plans to Start This Year. † Indicates Non-Commercial Educational Station.

ALABAMA	
Andalusia	†WAI0 (2)
Birmingham	WBRC-TV (16)
	†WBIO (10)
	WAPI-TV (13)
Decatur	WMSL-TV (23)
Dothan	WTVY (9)
Florence	WOWL-TV (15)
Huntsville	WAFG-TV (31)
Mobile	WKRQ-TV (15)
Montgomery	WALA-TV (10)
	WSFA-TV (12)
	WCOV-TV (20)
Murfred	†WCIO (17)
ALASKA	
Anchorage	†KENI-TV (2)
	KTVA (11)
Fairbanks	†KFR-TV (2)
	KTFF (17)
Juneau	†KINY-TV (8)
ARIZONA	
Phoenix	KTVC (13)
	KPHO-TV (15)
	KOOL-TV (10)
	KVAR (12)
Tucson	†KVOA-TV (14)
	KTUAT (6)
	KGUN-TV (19)
	KOLD-TV (13)
Yuma	†KIVA (11)
ARKANSAS	
El Dorado	†KFA (10)
Fl. Smith	†KFA-TV (15)
Little Rock	†KARK-TV (14)
	KATV (17)
	KTHV (11)
CALIFORNIA	
akersfield	†KERO-TV (10)
	KLYD-TV (17)
	KBAK-TV (29)
Chico	†KHSI-TV (12)
si Centro- Mexical)	†XEM-TV (3)
Eureka	†KJEM-TV (13)
	KVIO-TV (16)
Fresno	†KFRE-TV (12)
	KMJ-TV (24)
	KJEO (47)
Los Angeles	†KNXT (2)
	KRCA (5)
	KTLA (5)
	KABC-TV (17)
	KTTV (11)
	KCOP (13)
Oakland-San Francisco	†KTVU (7)
Redding	†KVIP-TV (2)
Sacramento	†KCR-TV (3)
	†KRVIE (16)
	KXTV (10)
	KVUE (40)
Selinas- Monterey	†KSBW-TV (8)
San Diego	†KFMB-TV (18)
	†KFSB-TV (10)
San Diego- Tijuana	†XETV (16)
San Francisco	†KRON-TV (14)
	†KPIX (17)
	†KGO-TV (16)
	†KQED (9)
San Jose	†KNTV (11)
San Luis Obispo	†KSBY-TV (16)
Santa Barbara	†KEYT (13)
Stockton- Sacramento	†KQVR (13)
COLORADO	
Colo. Springs	†KKTV (11)
	†KRDO-TV (13)
Denver	†KTVR (12)
	†KOA-TV (4)
	†KRMA-TV (6)
	†KLZ-TV (7)
	†KBTV (9)
Grand Junction	†KREX-TV (15)
Montrose	†KREY-TV (10)
Pueblo	†KCSL-TV (5)

CONNECTICUT	
Bridgeport	†WICC-TV (43)
Hartford	†WTCV-TV (13)
	†WHCT (18)
New Britain	†WNBC (130)
Hartford	†WNHC-TV (8)
New Haven	†WATR-TV (153)
DISTRICT OF COLUMBIA	
Washington	†WRC-TV (14)
	†WTTG (15)
	†WMAL-TV (17)
	†WTOP-TV (9)
FLORIDA	
Daytona Beach	†WESH-TV (12)
Fl. Myers	†WJNK-TV (11)
Gainesville	†WUFT (4)
Jacksonville	†WJXT (7)
	†WFGA-TV (12)
Miami	†WTHS-TV (12)
	†WTVJ (14)
	†WCKT (17)
	†WPST-TV (10)
Orlando	†WDBO-TV (16)
	†WLOF-TV (9)
Palm Beach	†WPTV (5)
Panama City	†WJDM (7)
Pensacola	†WEAR-TV (13)
St. Petersburg	†WSUN-TV (138)
Tallahassee	†WCTV (11)
	†WFSU-TV (11)
Tampa	†WEDU (3)
	†WFLA-TV (8)
	†WTVT (13)
W. Palm Beach	†WEAT-TV (12)
GEORGIA	
Albany	†WALB-TV (10)
Athens	†WGTV (8)
Atlanta	†WFSB-TV (12)
	†WAGA-TV (15)
	†WLWA (11)
	†WVIO-TV (16)
Fresno	†KFRE-TV (12)
	†KMLJ-TV (24)
	†KJEO (47)
Los Angeles	†KNXT (2)
	†KRCA (5)
	†KTLA (5)
	†KABC-TV (17)
	†KTTV (11)
	†KCOP (13)
Oakland-San Francisco	†KTVU (7)
Redding	†KVIP-TV (2)
Sacramento	†KCR-TV (3)
	†KRVIE (16)
	KXTV (10)
	KVUE (40)
Selinas- Monterey	†KSBW-TV (8)
San Diego	†KFMB-TV (18)
	†KFSB-TV (10)
San Diego- Tijuana	†XETV (16)
San Francisco	†KRON-TV (14)
	†KPIX (17)
	†KGO-TV (16)
	†KQED (9)
San Jose	†KNTV (11)
San Luis Obispo	†KSBY-TV (16)
Santa Barbara	†KEYT (13)
Stockton- Sacramento	†KQVR (13)
COLORADO	
Colo. Springs	†KKTV (11)
	†KRDO-TV (13)
Denver	†KTVR (12)
	†KOA-TV (4)
	†KRMA-TV (6)
	†KLZ-TV (7)
	†KBTV (9)
Grand Junction	†KREX-TV (15)
Montrose	†KREY-TV (10)
Pueblo	†KCSL-TV (5)

Rockford	†WREK-TV (113)
	†WTV0 (139)
Rock Island	†WHBF-TV (14)
Springfield	†WICS (120)
INDIANA	
Bloomington	†WTTV (14)
Evansville	†WTVV (7)
	†WFIE-TV (14)
	†WEHT (50)
Fl. Wayne	†WANE-TV (15)
	†WPTA (12)
	†WKJG-TV (13)
Indianapolis	†WFBM-TV (16)
	†WISH-TV (18)
	†WLWI (13)
Lafayette	†WFAM-TV (18)
Muncie	†WLBC-TV (49)
South Bend	†WVTV (16)
	†WSBT-TV (22)
South Bend- Elkhart	†WSJV (128)
Terre Haute	†WTHI-TV (110)
IOWA	
Ames	†WOI-TV (15)
Cedar Rapids	†KCRG-TV (9)
Cedar Rapids- Waterloo	†WMT-TV (12)
Davenport	†WOC-TV (6)
Des Moines	†KRNT-TV (8)
	†KDPS-TV (11)
	†WHO-TV (13)
Fl. Dodge	†KOTV (13)
Mason City	†KGLO-TV (11)
Sioux City	†KTVI (14)
	†KVTV (19)
Waterloo-Cedar Rapids	†KWVL-TV (7)
KANSAS	
Ensign	†KTVK (16)
Garden City	†KGLD (11)
Goodland	†KBR-TV (10)
Great Bend	†KCKT (7)
Haystack	†KAYS-TV (12)
Hutchinson	†KTVH (11)
Plattsburg	†KOAM-TV (7)
Tapoka	†WIBW-TV (13)
Wichita	†KARD-TV (3)
	†KAKE-TV (10)
KENTUCKY	
Lexington	†WLEK-TV (118)
	†WKYT (27)
Louisville	†WAVE-TV (13)
	†WHAS-TV (11)
	†WFPK-TV (15)
Paducah	†WPSD-TV (16)
LOUISIANA	
Alexandria	†KALB-TV (15)
Baton Rouge	†WBRZ (12)
	†WAFB-TV (23)
Lafayette	†KLFY-TV (10)
Lake Charles	†KPLC-TV (17)
	†KTAG-TV (25)
Monroe	†KNOE-TV (18)
	†KLSE (13)
New Orleans	†WWL-TV (14)
	†WDSU-TV (16)
	†WYES-TV (8)
	†WVUE (13)
Shreveport	†KTBS-TV (13)
	†KSLA-TV (12)
MAINE	
Bangor	†WLBZ-TV (12)
	†WABI-TV (15)
Poland Spring (Mt. Washington)	†WMTW-TV (18)
Portland	†WCSH-TV (16)
	†WGAN-TV (113)
Presque Isle	†WAGM-TV (18)
MARYLAND	
Baltimore	†WMAR-TV (12)
	†WBAL-TV (11)
	†WJZ-TV (13)
Salisbury	†WBOC-TV (16)

MASSACHUSETTS	
Adams	†WCDC (119)
Boston	†WGBH-TV (12)
	†WBZ-TV (14)
	†WHDH-TV (15)
Greenfield	†WRLP (32)
Springfield- Holyoke	†WWLP (122)
	†WHYN-TV (140)
Worcester	†WWOR-TV (114)
MICHIGAN	
Bay City	†WNEM-TV (15)
Cadillac	†WWTW (113)
Cheboygan	†WTOM-TV (14)
Detroit	†WJBL-TV (12)
	†WWJ-TV (4)
	†WXYZ-TV (17)
	†WTVS (156)
Detroit- Windsor	†CKLW-TV (9)
Flint	†WJRT (112)
Grand Rapids	†WOOD-TV (8)
Kalamazoo	†WKZO-TV (13)
Lansing	†WJIM-TV (16)
Lansing- Livonia	†WILK-TV (10)
East Lansing	†WMSB (110)
Marquette	†WLUC-TV (16)
Saginaw	†WKNX-TV (57)
Traverse City	†WPBN-TV (17)
MINNESOTA	
Alexandria	†KCMT (17)
Austin	†KMMT (16)
Duluth	†WVET-TV (10)
Superior	†KDAL-TV (13)
	†WDSM-TV (16)
	†WHY2-TV (110)
Minneapolis- St. Paul	†WCCO-TV (14)
	†KMSP-TV (19)
	†WTCN-TV (11)
Rochester	†KROC-TV (10)
St. Paul- Minneapolis	†KSTP-TV (5)
	†KTCA-TV (2)
MISSISSIPPI	
Columbus	†WCBT-TV (4)
Greensboro	†WABG-TV (16)
Hattiesburg	†WDMT-TV (17)
Jackson	†WLB (13)
	†WJTV (12)
Meridian	†WTOK-TV (11)
Tupelo	†WTVV (9)
MISSOURI	
Cape Girardeau	†KFVS-TV (12)
Columbia	†KOMU-TV (18)
Hannibal- Quincy	†KHOA-TV (17)
Jafferson City	†KRCG (13)
Joplin	†KODE-TV (12)
Kansas City	†WDAF-TV (4)
	†KCMO-TV (15)
	†KMBC-TV (19)
Xirksville	†KMBQ-TV (13)
St. Joseph	†KFEO-TV (12)
St. Louis	†KTVI (12)
	†KMOX-TV (14)
	†KSD-TV (15)
	†KTC (19)
	†KPLR-TV (11)
Sedalia	†KMOS-TV (16)
Springfield	†KITY (13)
	†KITS-TV (10)
MONTANA	
Billings	†KOOK-TV (12)
	†KGHL-TV (18)
Butte	†KXLF-TV (4)
Glendive	†KKNV-TV (5)
Great Falls	†KRTV (13)
	†KFBV-TV (15)
Helena	†KXLI-TV (12)
Missoula	†KMSO-TV (13)

NEBRASKA	
Hastings	†KHAS-TV (15)
Hayes Center	†KHPL-TV (16)
Hay Springs	†KDUH-TV (14)
Kearney	†KHOL-TV (11)
Lincoln	†KOLN-TV (10)
	†KUON-TV (12)
McCook	†KCOM (18)
No. Platte	†KNOP (12)
Omaha	†KMTV (13)
	†WOW-TV (16)
	†KETV (17)
Scottsbluff	†KSTF (10)
NEVADA	
Henderson	†KLRI-TV (2)
Las Vegas	†KLAS-TV (18)
	†KSHQ-TV (13)
Reno	†KOLO-TV (18)
NEW HAMPSHIRE	
Durham	†WENH-TV (11)
Manchester	†WMUR-TV (19)
NEW JERSEY	
Newark-N.Y.	†WNTA-TV (13)
NEW MEXICO	
Albuquerque	†KOB-TV (14)
	†KNME-TV (15)
	†KOAT-TV (17)
	†KGGM-TV (13)
Carlsbad	†KAVE-TV (16)
Clovis	†KVER-TV (12)
Roswell	†KSWV-TV (8)
NEW YORK	
Albany	†WTEN (10)
	†WAST (13)
Binghamton	†WNB-F (12)
	†WBNR-TV (40)
Buffalo	†WGR-TV (12)
	†WBEN-TV (14)
	†WKBW-TV (7)
	†WBTV (11)
	†WVIX (11)
	†WNTA-TV (13)
Plattsburgh	†WPTZ (15)
Rochester	†WROC-TV (5)
	†WHEC-TV (10)
	†WVET-TV (10)
Schenectady	†WRGB (6)
Syracuse	†WSYR-TV (13)
	†WHEN-TV (18)
Utica	†WKTW (12)
NORTH CAROLINA	
Asheville	†WISE-TV (16)
Ashville & Spartanburg, S.C.	†WLOS-TV (13)
Chapel Hill	†WUNC-TV (14)
Charlotte	†WBTV (3)
	†WSOC-TV (9)
Durham-Raleigh	†WTVZ (11)
Greensboro	†WFMY-TV (12)
Greenville	†WNCT (19)
Raleigh-Durham	†WRAL-TV (15)
Washington	†WITN (7)
Wilmington	†WECT (16)
Winston-Salem	†WSJS-TV (12)
NORTH DAKOTA	
Bismarck	†KFYR-TV (15)
	†KBMB-TV (12)
Dickinson	†KDIX-TV (12)
Fargo	†WDAY-TV (16)
	†KXGO-TV (11)
Grand Forks	†KNOX-TV (10)
Minot	†KMOT (10)
	†KXMC-TV (13)
Pembina	†KXND (12)
Valley City- Fargo	†KXJB-TV (14)
Williston	†KUMV-TV (18)
OHIO	
Akron	†WAKR-TV (49)
Cincinnati	†WLWT (5)
	†WCPO-TV (19)
	†WKRC-TV (12)
	†WCET (148)
Cleveland	†KYW-TV (13)
	†WEWS (15)
	†WJW-TV (18)
Columbus	†WLWC (14)
	†WBNS-TV (10)
	†WOSU-TV (34)
Dayton	†WLWD (2)
	†WHIO-TV (17)
Lima	†WIMA-TV (35)
Oxford	†WVMB-TV (14)
Staubenville	†WSTV-TV (19)
Toledo	†WTOL-TV (11)
	†WSPD-TV (13)
	†WGTG-TV (30)

Youngstown	†WKOD-TV (12)
	†WKBN-TV (17)
	†WKST-TV (33)
Zanesville	†WHIZ-TV (118)
OKLAHOMA	
Ada	†KTEN (10)
Ardmore	†KKII (112)
Enid-Oklahoma City	†KOCO-TV (15)
Lawton	†KSWO-TV (7)
Oklahoma City	†WKY-TV (4)
	†KWTV (9)
	†KETA (113)
	†KOKH-TV (125)
Tulsa	†KVOO-TV (12)
	†KOTI (16)
	†KTUL-TV (18)
	†KODD-TV (11)
OREGON	
Corvallis	†KQAC-TV (7)
Eugene	†KVAL-TV (13)
Klamath Falls	†KOTI (2)
Medford	†KBES-TV (15)
Portland	†KOIN-TV (16)
	†KGW-TV (8)
	†KPTV (112)
Roseburg	†KPIC (14)
PENNSYLVANIA	
Alltoona	†WFBG-TV (110)
Erie	†WJCU-TV (12)
	†WSEE (135)
Harrisburg	†WTRA (127)
	†WHP-TV (15)
Johnstown	†WJAC-TV (16)
Lancaster	†WALD-TV (156)
Lancaster	†WGLV-TV (8)
Lebanon	†WLYH-TV (13)
Lock Haven	†WBPZ-TV (152)
Philadelphia	†WRCV-TV (13)
	†WFLI-TV (6)
	†WCAU-TV (10)
	†WHPY-TV (35)
	†WPCA-TV (117)
Pittsburgh	†KDKA-TV (12)
	†WTAE (14)
	†WIII (11)
	†WQED (113)
	†WQEX (16)
Scranton	†WDAU-TV (22)
Scranton- Wilkes-Barre	†WNEP-TV (116)
	†WBRE-TV (28)
York	†WBSA-TV (143)
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Providence	†WJAR-TV (10)
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Anderson	†WAIM-TV (40)
Charleston	†WJSM-TV (2)
	†WMAA-TV (14)
	†KOMO-TV (15)
Columbia	†WISN-TV (10)
	†KIRO-TV (17)
	†KRCV-TV (19)
Florence	†WBTW (18)
Greenville	†WFBC-TV (14)
Spartanburg	†WSPA-TV (17)
SOUTH DAKOTA	
Aberdeen	†KXAB-TV (19)
Deadwood	†KDSJ-TV (15)
Florence	†KDLO-TV (13)
Michelle	†KORN-TV (5)
Rapid City	†KOTA-TV (3)
	†KRSD-TV (17)
Reliance	†KPLO-TV (16)
Sioux Falls	†KLEO-TV (11)
TENNESSEE	
Chattanooga	†WRGP-TV (13)
	†WTVV (19)
	†WDEF-TV (112)
Jackson	†WDXI-TV (17)
Johnson City	†WJHL-TV (11)
Knoxville	†WATE-TV (16)
	†WBIR-TV (10)
	†WTVK (26)
Memphis	†WREC-TV (13)
	†WMCV (15)
	†WKNO-TV (10)
Nashville	†WWSN-TV (13)
	†WLAC-TV (15)
	†WSIX-TV (8)
TEXAS	
Abilene	†KRBC-TV (19)
Amarillo	†KGNC-TV (4)
	†KVII (17)
	†KFDA-TV (10)
Austin	†KTCB-TV (17)
Beaumont	†KFDM-TV (16)
Big Spring	†KEDY-TV (14)
Bryan	†KBTX-TV (13)
Corpus Christi	†KRIS-TV (15)
	†KZTV (10)
Dallas	†KRID-TV (4)
	†KFBC-TV (18)
	†KERA-TV (13)

El Paso	†KRDD-TV (11)
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	†K15P-TV (13)
El Paso-Juarez	†KEJT-TV (15



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

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LEGACIES OF HAROLD FELLOWS: Sudden death March 8 of NAB Pres. Harold E. Fellows on job in midst of broadcasting's most crucial year was—literally—stunning blow to industry which left it groping for somebody to carry on as leader.

Fellows died on eve of critical NAB Board sessions which he had called in Washington to preview grim problems which TV & radio will face at NAB's 38th annual convention in Chicago April 3-6. He suffered heart attack at desk after returning to office from lunch, complaining of difficulty in breathing, and died several hours later in George Washington U. Hospital. He had been warned by his doctors to take it easier—which he didn't do. He would have been 61 March 22.

"Ambassador of American Broadcasting" was title Fellows had won in his years as NAB leader (pres. since 1951, chmn. since 1954) and as active NAB committeeman long before he took on top task. No NAB predecessor had ever served so long. His own experience as broadcaster stretched back to 1929, when he went on radio in Boston as singer sponsored by paint company. He joined radio WEEI there in 1932 as asst. mgr., became gen. mgr. in 1936, worked there 15 more years. He also was CBS operating mgr. in New England (1944-51) before he succeeded Justin Miller as NAB pres.

Who will succeed Fellows? Impulse of many NAB joint TV-Radio Board members was to call off Statler Hilton sessions and not try to come up with any answer now, but wait for convention. But they went

ahead with agenda prepared by Fellows, expanding Code operations which he had made item No. 1 (see p. 6)—and beginning to grapple with their own unexpected item No. 1.

Stopgap caretaker plan was adopted under TV Board Chmn. G. Richard Shafto (WIS-TV Columbia, S.C.) and Radio Board Chmn. F. C. Sowell (WLAC Nashville). NAB secy.-treas. Everett B. Revercomb, who first joined staff in 1935 as auditor, was appointed acting administrator, in charge of coordinating activities, supervising services. Committee of 7-10 (not necessarily Board members) will be named to seek successor to Fellows. In interim, NAB policies will be carried on by committee of 3 picked from among 43 directors: Shafto, Clair R. McCollough (Steinman Stations), Merrill Lindsay (radio WSOY Decatur, Ill.). They were named by TV & Radio Board vice chairmen. (Payson Hall of Meredith Stations, Thomas C. Bostic of KIMA Yakima), who also were authorized to pick members of nominating committee.

Some names of possibilities for NAB leadership were discussed in Statler corridors & in mezzanine-floor rooms where closed Board sessions were conducted. But there was no reported agreement—even tentative—on likeliest choices for job, which paid Fellows \$75,000 per year plus \$12,000 expenses.

There was talk that 2-man leadership might be solution—pres. to be front-running broadcaster (perhaps from networks) to speak for industry, 2nd man as exec. vp (perhaps from outside industry) to run NAB's day-to-day affairs. As pres.-chmn., Fellows filled both positions—and no single top candidate for grueling dual job had emerged at last week's end.

Biggest achievement of Fellows in his 9-year NAB span, which paralleled big growth of TV, may turn out to be that he held organization together as all-broadcasting trade association. Astute politician, he not only combated threats in Congress to tear industry apart but succeeded in preventing splits of competing & dissident TV & radio segments within NAB itself. He had enemies & critics, but most agreed Fellows was masterful tactician when it came to keeping NAB on keel against industry cross-currents.

Chronic issues confronted Fellows. Way he handled them—with argument, cajolery and frequently slashing wit—left NAB at his death with its biggest membership yet. If trouble wasn't flaring on Capitol Hill or at FCC, there always were internal issues: Radio vs. TV as advertising medium; too much Code vs. too little; big stations vs. little; networks vs. field; radio daytimers vs. clear channels; vhf vs. uhf, etc.

Washington funeral services for Fellows were conducted March 11 in Westmoreland Congregational Church. Simultaneous memorial service was held in Old South Church, Boston. Burial was arranged for Gilmanton, N.H., site of his family's homestead. Survivors include his wife, 2 daughters, 7 grandchildren.

PROSPECTS OF THE FORD REGIME: The pendulum of govt. regulation has reversed. The move toward stronger FCC supervision of broadcasting began the moment President Eisenhower announced designation of Comr. Frederick W. Ford as Chairman, following resignation of Chmn. John C. Doerfer.

There's a "honeymoon period" in govt., as in business, during which new leaders are given strong support by just about everyone. It's expected Ford will take advantage of this and move fast.

His selection was hailed on the Hill. Rep. Harris (D-Ark.), whose Legislative Oversight Subcommittee has clobbered FCC without letup, called it "a very good appointment." Sen. Magnuson (D-Wash.), chmn. of Commerce Committee which has also been very critical of Commission, notably on allocations, said: "He's been an able member of the Commission so far. As far as I know, he'll do a good job as Chairman. He's had sufficient experience to handle the job."

But some of industry has fingers crossed, anxious lest Ford go too far in his concept of closer supervision. FCC staff, among whom he once served, is extremely enthusiastic about him by & large.

Ford's administration certainly will be firm but it won't be vindictive, punitive or wild-eyed. In most important area—program surveillance—Ford has always made it completely clear that he disagrees totally with philosophy of predecessors Doerfer & McConnaughey (which was that FCC has nothing to say about programming except in cases of obscenity, subversion and similar clear-cut infractions of specific laws).

Ford has none of the antipathy to industry that seemed to characterize moves of the old New Deal administrations, but he has long squirmed as the Commission reeled under incessant charges of "laxity."

He has never claimed there's a simple programming method for stations to telecast shows "in the public interest." Extremely prolific with ideas, however, he's originator of the "narrative-on-needs" concept (Vol. 16:7 p6). He believes stations should be required to tell Commission what they've done to determine communities' needs and how they plan to serve them. And he believes FCC has duty to ask operators how

well they carried out their plans, and, if not, why not. He doesn't go beyond that, doesn't say FCC should then move immediately to revoke licenses of those who seem to make poor showings. If nothing more, he believes that mere effort of seeking out civic needs will stimulate broadcasters' efforts to meet such needs.

Ford's philosophy was epitomized in this paragraph from his Feb. 11 Philadelphia speech (Vol. 15:7 p8): "No broadcaster should ever feel that he is in a straitjacket of any kind or that his programming flexibility is fettered or his imagination is circumscribed. He should take seriously the burden & trust that the Congress has placed in him that he will properly exercise his privilege to serve all the public in his service area. How he is to do this is his problem, but that he must do it the law demands. Our problem is to determine whether he has done it & plans to continue to do it."

Other examples of Ford's initiative: FCC's statement of TV allocations status, to Senate Commerce Committee last year (Vol. 15:17 p1), was largely his work—and it kept Committee somewhat satisfied for months; proposed rules & laws to eliminate payola & deception (Vol. 16:7 p7) originated primarily with him.

Contributing to his inventiveness is his familiarity with FCC's work. An attorney, he served as chief of Commission's hearing div. (1947-53), which became one of Commission's toughest jobs in 1952, cracking log-jam of TV applications when freeze ended.

Ford is much concerned about difficulty of getting anything done under FCC's legal setup. "Every move a Chairman makes," he says, "must be accompanied by 3 other Commissioners."

Much depends on Doerfer's replacement. Presumably, Ford will have some say in man's selection. Of course, Democrat-controlled Senate could sit on the nomination, awaiting outcome of Nov. elections. If that's done, Commission would have 3 Republicans (Ford, Hyde & Lee) and 3 Democrats (Bartley, Craven & Cross)—an uncomfortable split. However, Bartley thinks a lot like Ford, and Cross may join them from time to time—particularly on the programming concept. The 3-3 split, if it develops, could last until Congress recesses this summer; then, President could make a recess appointment of Republican, who would serve until Congress returns. Another uncertain factor is Republican Lee, who has been renominated but still awaits confirmation. However, his chances look very good.

There will be real changes in staff. Ford has never made any bones about his dissatisfaction with performance of several key men.

Ford didn't rush around lobbying for the job, is well aware of fierce toll it takes of a man. However, he has unusual capacity for taking matters in stride, genially—contrasting with quick-to-anger Doerfer. Asked how he views demands of job, Ford laughed: "I've got a built-in thermostat."

Ford is 50, in excellent physical condition, makes an exceptionally handsome appearance. He's native of Bluefield, W.Va. His late father had been state supt. of schools and was active in Republican politics. A 1934 W.Va. U. Law School graduate, he was associated with law firm of Stathers & Cantrell in Clarksburg, 1934-39. In govt., he served Federal Security Agency & OPA 1939-42. In Air Force 1942-46, he became major. After war, he returned to OPA for a few months before joining FCC in 1947. After his stint on FCC staff, he joined Justice Dept. as Asst. Deputy Attorney General. He became Commissioner Aug. 29, 1957.

Ford's first wife, Virginia, died of cancer Feb. 19, 1958. On Oct. 11, 1959, he married Mary Margaret ("Pris") Mahony. He has a daughter, Mary Carter Ford, 14, student at St. Agnes School, Alexandria, Va.

LESSONS OF THE DOERFER CASE: John Charles Doerfer paid a fearful price for his stubbornness & his "blind spot" regarding govt.-industry relationships. With elections coming up, Republicans simply couldn't afford to keep him. If he hadn't offered to resign as Chairman of FCC—and he told us he initiated the move—President Eisenhower would have been compelled to ask for his resignation.

There are many afterthoughts & analyses. However, it seems quite likely that he could have succeeded in challenging Rep. Harris's legislative recommendations & philosophy of FCC regulation, as he did in an impromptu rebuttal before CBS affiliates (Vol. 16:10 p7)—had he not accepted Fla. plane-&-yacht hospitality of Storer Bcstg. Co. Pres. George B. Storer. Furthermore, he probably could have weathered criticism of the hospitality, too, if his accounts of the vacation hadn't varied throughout last week—because, he said, of misunderstandings between him and reporters.

Congressional & press demands for resignation mounted as situation degenerated—and President Eisenhower's advisors concluded that Doerfer had become an absolute political liability. Doerfer, though his

first impulses were to fight, to seek a TV forum such as Meet the Press or Face the Nation to confront his journalistic accusers, also became aware of political facts of life—and submitted his resignation, effective March 14. (Ford takes over as Chairman next day; see p. 2.)

Copious details of week's developments needn't be recounted at length, for you've seen & heard them. To summarize: Doerfer went to White House March 9, saw President, who obviously was kind & understanding but agreed that resignation would be "wise." Doerfer asked for 24 hours delay, after which he submitted resignation. Simultaneously with White House announcement 4 p.m. March 10, Doerfer was addressing a warm farewell to colleagues & top staff members. President's designation of Ford as Chairman came at same time. (For all the statements, see p. 5.)

Doerfer protested to the very end, and after, that FCC Commissioner's job demands contact with industry which must inevitably develop occasionally into warm friendships. Next day, March 11, he insisted to us there was nothing in nature of "luxury cruise" about his visits to Storer yacht, re-emphasizing that it was at dock all except 4-5 hours of time he was aboard—which was parts of 6 days & nights.

But Congressional, administrative & journalistic critics concluded that if Doerfer couldn't understand that these distinctions were irrelevant he had to go.

Some of Doerfer's friends feared, for a time, that he might try to put up a fierce, quixotic fight to remain, but they were glad he didn't. Said one: "He'd have lost that warm letter from the President, and that would have murdered him as he sought to make a living later."

Doerfer doesn't know what he'll do, he told us. "You've got to think things over for a while," he said. "I never knew I had so many friends, however. You should see the letters, calls & wires I've received. For years, several of them have been begging me to get out of this rat-race and join them at twice what I'm making. I just don't know. As far as practicing law is concerned, I certainly couldn't try criminal cases & things like that. I've been too far away from that. If I went into practice, I think I'd stay closer to what I've been doing for many years—utilities, govt. regulation, and so forth." He was chmn. of Wis. Public Utilities Commission before joining FCC in 1953. He became FCC Chairman in 1957. Before the PUC tenure, he served as West Allis, Wis. city attorney.

He sounded calm, looked well. In his statement before colleagues, he wasn't overwrought.

Doerfer is no man of wealth, needs steady income. He's 55, has 2 children, sons, both in college. FCC Chairman gets \$20,500, other Commissioners \$20,000.

Resignation was hailed by Rep. Harris who said: "I am not surprised. I think it was a wise decision." Among others who agreed were Harris's Subcommittee colleagues Rep. Mack (D-Ill.) & Rep. Moss (D-Cal.), who had given Doerfer such a rough time about yacht incident.

Democrats generally sought to make political hay of resignation, listing other Eisenhower appointees who resigned under fire. Some tried to compare Doerfer with ex-Comr. Mack, who resigned, then was indicted for "conspiracy" to give Miami Ch. 10 to National Airlines. But no question of illegality has been raised about Doerfer's actions.

President must now find Republican to fill vacancy, and Sen. Magnuson (D-Wash), chmn. of Commerce Committee, made it very clear to us that nominee will receive a most thorough examination.

New Chmn. Ford hasn't got a mark on him, despite 2½ years on FCC during its harrowing experiences, and he intends to keep it that way. For present, at least, he'll undoubtedly decline even slightest proffers of hospitality from licensees. (For prospects of Ford's administration, see p. 2.)

STERN ORDERS NEW LOOK AT ST. LOUIS CH. 9: Acting just 2 weeks after his deadline for receiving briefs in the St. Louis Ch. 9 "influence" case (Vol. 16:8 p4), Special FCC examiner Judge Horace Stern last week told Commission to take another look at deintermixture proceedings which led to the grant of the channel to KTVI.

FCC's deintermixture decision is "voidable" because of ex-parte approaches to Commission members while it was pending, Stern said. He ruled that "the matter must be reconsidered in further proceedings to be determined by the Commission." This procedure could involve new filings in the Springfield, Ill.-St. Louis switch and another vote by FCC.

Nobody involved in the case will be barred from participating in the new proceedings, and no FCC member need disqualify himself, Stern added. He said KTVI Pres. Harry Tenenbaum in particular wrote letters

& made "private visits" to FCC members to persuade them to go his way on deintermixture. This sort of ex-parte activity raised "danger of deception," Stern said, although he acknowledged that at that time many believed "there was nothing illegal or improper in so doing."

Opening up participation by everybody in the fresh proceedings, Stern said "the conduct of any party [has not] been such as to reflect adversely upon it from a comparative standpoint in any licensing proceeding which may be held upon applications for such TV channel."

ZIV BUY MAKES UA NEW TV COLOSSUS: Newest telefilm giant is United Artists, which added one of biggest syndication producer-distributors, Ziv TV Programs, to its corporate family last week in a complex \$20-million deal. UA is now in TV film business at every level from first-run network properties to rerun local syndication (see p. 9).

Few firms now rival UA-TV in size & scope as result of new UA-Ziv combine. MCA-Revue operation (which produces network & syndication shows, handles telefilm reruns & sales of Paramount backlog, and operates studio property) and Columbia Pictures-owned Screen Gems (with somewhat similar set-up) are virtually matched or exceeded by enlarged UA status.

UA upsurge has been fast & furious. Formed in 1919 by Douglas Fairbanks, Mary Pickford, D. W. Griffith & Charles Chaplin, UA hit the red ink in 1946, was pulled out of slump in 1951 by new management team (Arthur B. Krim, Robert S. Benjamin, William J. Heineman, Max Youngstein, et al.) that pushed film grosses up from \$20 million to 1959 peak of \$90 million. UA became active in TV only as recently as 1957, but 1960 grosses may hit \$35-\$40 million.

The FCC

More about

THE OFFICIAL STATEMENTS: Herewith are the full texts of statements made by the principals involved in FCC Chmn. Doerfer's resignation and the designation of Comr. Ford as Chairman (see pp. 2 & 3):

Doerfer's letter of resignation, to the President: "My Dear Mr. President: I am resigning as a Commissioner of the Federal Communications Commission and its Chairman, effective at the close of business on March 14, 1960.

"The mandate from Congress which requires a Commissioner 'to study new uses for radio and generally encourage the larger and more effective use thereof' requires day-to-day contact with many industry people. A number of these contacts eventually ripen into social acquaintances and sometimes friendships, which, despite appearances, do not imperil the integrity of either the government official or the member of industry.

"I have not, nor will I waver from my views that the best solution to modern day government regulation of complex industry problems demands a thorough knowledge of that industry and actual contact with the members thereof. Nonetheless, to avoid possible embarrassment to you and your administration, I submit this resignation as of the date above indicated.

"It was indeed a privilege to serve under you these past seven years. Respectfully, John C. Doerfer."

President Eisenhower's acceptance of Doerfer's resignation: "Dear Mr. Doerfer: I have your letter submitting your resignation as member and Chairman of the Federal Communications Commission. I regret the circumstances which have led you to your conclusion, but they do, in my opinion, indicate your decision to be a wise one. Your resignation is, accordingly, accepted effective, as you suggest, at the close of business on Monday, March 14.

"In the discharge of your duties, first as a member, and then as Chairman of the Federal Communications

Commission, you have served tirelessly, loyally, effectively—and with dedication. For your public service over many years at local, state and federal levels you have earned the appreciation of your fellow citizens and of the administration. I wish you every success in your future undertakings. Sincerely, Dwight D. Eisenhower."

Doerfer's statement at a special meeting of Commissioners & top staff members: "I wish to take this occasion to tell all of you how much I appreciate your help throughout the years. You have had & will continue to have a most difficult task; viz., to account for imposed responsibilities without commensurate controls.

"If I have been impatient with any of you in the past it was born of the moment and not any lack of sustained respect for your abilities. I have the highest regard for them. In fact, some of it was because I frequently asked you to do the impossible.

"I also wish to take this occasion to declare before all the members of the FCC family my high regard for my colleagues. You who are experienced in the give & take of discussion will understand the surcharge of emotion in one's position is only superficial.

"I am satisfied that through all of your efforts throughout the years this country enjoys one of the finest communication systems in the world. You can take a deep and genuine pride in this—in between barrages. Good luck to you all!"

Ford's statement after being designated Chairman: "I appreciate the expression of confidence which the President has shown in designating me as Chairman. It is with a great degree of seriousness that I undertake this assignment. There are more problems facing the Commission today than at any time in history. The problems, at times, seem almost insoluble. The Commission, however, is composed of dedicated men, better qualified than any group I know, who will continue to apply their long years of experience, knowledge and ability to the solution of these problems. I'm sure that solutions can be found and we are determined to find them."

Stations

NAB CODE EXPANSION: NAB's TV & Radio Boards took decisive steps last week to preserve & nurture 2 legacies of NAB Pres. Harold E. Fellows (see p. 1)—the industry's self-administered Codes of good advertising & programming practices.

Following Fellows-approved courses charted by the TV Code Review Board, the TV Board: (1) Expanded the Review Board from 5 to 7 members. (2) Approved establishment of a TV Code office in N.Y. (3) Ordered increases in personnel & activities at the Code's Washington & Hollywood offices. (4) Seconded the nomination of vp-gen. mgr. E. K. Hartenbower of KCMO-TV Kansas City to succeed Westinghouse Bestg. Co.'s Donald H. McGannon as Review Board chmn.

In concurrent actions to strengthen the Radio Code, the Radio Board: (1) Voted to permit non-NAB members to subscribe. (2) Approved "in principle" recommendations by the radio good-standards committee to put teeth in enforcement of Code rules. (3) Charged the committee & NAB staff with responsibility for working out enforcement procedures. (4) Set the annual Code subscription fee at 10 times a station's highest published one-time rate for a 60-sec. spot announcement; maximum of \$360; NAB radio members to get a 40% discount.

New Code Board Members

New members of the TV Code Review Board, taking the newly-created places and the vacancy left by McGannon, who wasn't eligible for reappointment, are vp-gen. mgr. George Whitney of KFMB-TV San Diego, exec. vp-gen. mgr. Robert W. Ferguson of WTRF-TV Wheeling, Pres.-gen. mgr. J. M. Gaines, WOAI-TV San Antonio.

Along with new Chmn. Hartenbower, already a Review Board member, they will take office officially at the end of NAB's April 3-6 Chicago convention. Holdover Review Board members: gen. mgr. Gaines Kelley, WFMY-TV Greensboro, N.C.; Mrs. A. Scott Bullitt, pres., KING-TV Seattle; gen. mgr. Joseph Herold, KBTW Denver.

In its Code expansion moves, the TV Board under G. Richard Shafto of WIS-TV Columbia, S.C. ordered opening of the N.Y. office "as soon as possible," in charge of an asst. dir. of NAB Code affairs under dir. Edward H. Bronson, who will retain Washington as hq.

The Washington Code staff will be increased by addition of an exec. asst. to handle detail work for dir. Bronson & asst. dir. Harry H. Ward. The West Coast office, assigned to TV film-production problems, will get another staffer to help asst. dir. Frank Morris.

The TV Board at its Washington sessions also heard reports from Bronson that Code subscribers now total 381 stations—another new high. In a related report from dir. Louis Hausman of the TV Information Office in N.Y. and Chmn. Clair R. McCollough (Steinman stations) of NAB's TV Information Committee, the TV Board was told that 150 TV stations are TIO subscribers—and 25 more are expected to sign up by the end of April.

NAB's radio membership was reported as 1,657 AM stations 473 FM stations.

In other board actions:

Chicago's Conrad Hilton Hotel was picked for NAB's 1964 convention, which also will be held there in 1962 & 1963. (Next year's convention will be in Washington.)

NAB's special task force to set strategy in regulatory & legislative issues was continued.

NEW & UPCOMING STATIONS: Educational KRET-TV (Ch. 23) Richardson, Tex. began programming Feb. 29 with a schedule basically aimed at primary school classrooms. Its debut raises the U.S. operating total to 562 (86 uhf), of which 45 are non-commercial educational outlets (11 uhf). The other recent starters are CJCN-TV (Ch. 4) Grand Falls, Newfoundland, which began March 1 as a CBC supplementary outlet and satellite CFCY-TV-1 (Ch. 7) New Glasgow, N.S. which began Jan. 23 repeating parent CFCY-TV (Ch. 13) Charlottetown, P.E.I. They increase the Canadian on-air total to 68 stations.

KRET-TV was built by Electron Corp., Dallas, for owner Richardson Independent School District. It has a 1-kw RCA transmitter, Ling Electron studio equipment, and an Alford antenna on 100-ft. Rohn tower. Raymond Bynum is program director, Bill O'Fallon, chief engineer, both reporting to school supt. J. J. Pearce.

CJCN-TV has a 2-kw RCA transmitter and a 300-ft. Micro Tower with a 5-bay antenna at Norris Arm, Nfld., near Gander International Airport. Studios are on High St., Grand Falls. Owner is Newfoundland Bestg. Co. Ltd., which also operates CJON-TV (Ch. 6) St. John's and satellite CJOX-TV (Ch. 10) Argentia. CJCN-TV will carry some CJON-TV programs, but will operate independently, not as a satellite. Don Jamieson, v.p.- gen. mgr. of CJON-TV, is in charge of operations. Base hourly network rate is \$75. Reps are Weed and Stovin-Byles.

CFCY-TV-1 has RCA equipment for low-power 175-watt visual ERP operation as automatic repeater. It's sold as bonus to CFCY-TV, which has \$190 hourly rate. Reps are Weed and All-Canada Television.

* * *

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

WJPB-TV (Ch. 5) Weston, W. Va., plans to start by the end of March with ABC-TV & CBS-TV. It has 5-kw GE transmitter and 25-kw amplifier on hand, reports Pres. J. Patrick Beacom. It will use 5-bay antenna on 510-ft. Blaw-Knox tower on Fisher Summit, Jane Lew, W. Va. and will connect by microwave to studios in downtown Fairmont, W. Va. Owners are Beacom, with 50%; Pittsburgh Pirates vp Thomas P. Johnson, 47.5%; and George W. Eby of Pittsburgh's Harris Enterprises, 2.5%. Base hour will be \$225. Rep will be Gill-Perna.

WOLE-TV (Ch. 12) Aguadilla, P. R. hopes to begin about April 1, writes John G. Johnson, exec. v.p., who also owns stock in WAPA-TV (Ch. 4) San Juan. It has an RCA transmitter installed & wired and an Alford antenna has been installed on a 60-ft. Utility tower. Mariano Angelet is operations mgr. Rep will be Caribbean Networks Inc.

KORN-TV (Ch. 5) Mitchell, S.D. has a 5-kw Gates transmitter scheduled for March delivery and plans to begin programming in April, according to R. V. Eppel, pres.-gen. mgr. of grantee Mitchell Bestg., which also operates radio KORN. RCA antenna has been installed on a 500-ft. Utility tower. M. A. Johnson & J. Doherty, both from radio KORN, will be TV commercial mgr. & chief engineer, respectively. Network affiliation hasn't been signed, nor has base hourly rate been set. Rep not chosen.

KIFI-TV (Ch. 8) Idaho Falls, Ida. plans to begin programming Aug. 9, according to J. M. Brady, pres.-gen. mgr. of grantee Eastern Idaho Bestg. & TV, which also operates radio KIFI. Transmitter hasn't been ordered as yet, but construction of a studio-transmitter was scheduled to begin

this month. It will use a 300-ft. Swager tower. Network affiliation hasn't been signed as yet. Rates not set and rep not chosen.

KTPS (Ch. 62) Tacoma, Wash., planned as non-commercial outlet by grantee Tacoma School Dist. No. 10, has a Sept. 1961 target, writes John McClamrock, chief engineer. It hasn't ordered its 1-kw transmitter as yet, but a 369-ft. tower is ready for a 12-gain antenna, also not ordered. Grantee also operates FM radio KTOY.

Triangle Stations have opened a West Coast sales office to increase their services for advertisers & agencies, Roger W. Clipp, radio-TV div. vp, Triangle Publications, Inc., announced last week. Charles S. Cady, formerly asst. mgr. & national sales mgr. of WCSC-TV Charleston, has been appointed manager of the new facility, located at 3440 Wilshire Boulevard, Los Angeles, Cal. He will represent Triangle Stations WFIL-TV & WFIL Philadelphia, WBNF-TV & WBNF Binghamton, WLYH-TV Lebanon-Lancaster, Pa., WFBG-TV & WFBG Altoona-Johnstown, Pa., WNHC-TV & WNHC Hartford-New Haven, and KFRE-TV & KFRE Fresno, Cal.

Facility changes: KSWO-TV (Ch. 7) boosted power to 316 kw Feb. 28 after moving its transmitter to a new site 24 mi. from Wichita Falls, Tex. & 32 mi. from Lawton. KRBC-TV (Ch. 9) Abilene, Tex. received program test authorization Feb. 26 for a boost to 145 kw ERP. WCTV (Ch. 6) Tallahassee, Fla. plans to begin using its new 1,000-ft. tower March 15. KPHO-TV (Ch. 5) Phoenix, Ariz. began construction March 1 of \$400,000 transmitter facilities to boost power to 100 kw.

KDKA-TV & KDKA Pittsburgh and AFTRA patched up their differences March 5 with a strike-settling 2-year contract. Among key issues resolved: Minimum weekly base pay & fee guarantee for announcers & performers was raised to \$185 from \$150; AFTRA had sought \$225, KDKA said, and \$185 was its counter-offer prior to the Feb. 21 walkout. The stations retained the right to contract directly & independently with outside performers.

Jansky & Bailey Inc., consulting engineers, moves its research & development div. from 1339 Wisconsin Ave. NW, Washington, to larger quarters at 901 Columbus St., Alexandria, Va. (Phone: King 9-7500). The executive offices, broadcast & TV div. & systems & operations research dept. are moving to the Wisconsin Ave. quarters from offices at 1735 DeSales St. NW.

Whitney North Seymour, NAB's special counsel on constitutional issues at FCC's programming-&-power hearings in Jan. (Vol. 16:5 p2), will address an April 6 luncheon session of the 38th NAB convention April 3-6 in the Conrad Hilton Hotel, Chicago. Among other luncheon speakers will be Secy. of State Christian Herter.

Coaxial transmission-line designs of Communication Products Co. have been purchased by the Mectron Co., 166 Ridge Ave., North Plainfield, N.J., which will furnish replacement or substitute parts previously made by CPC.

RCA broadcast equipment seminar has been scheduled for April 7-8 in the Hubbard Room of the Blackstone Hotel, Chicago, following NAB's convention April 3-6 in the Conrad Hilton Hotel there.

CPs granted: Ch. 32, Clearwater, Fla., to West Coast TeleCasting Corp.; Ch. 18, educational, Ogden, Utah, to Weber County school district.

Translator CP granted: Ch. 73, the Dalles, Ore. & Goldendale, Wash., to Mid-Columbia Community TV Corp.

Montreal's Applicants: Competition for an English-language (Ch. 12) and a French-language (Ch. 10) TV station in Montreal has narrowed down to 2 applicants for each (from a total of 7). The BBG moves to Toronto for critical hearings this week (March 14) and later will hand down its decisions on Montreal. Applicants for the English license are big electronics firm Canadian Marconi Co. and Mount Royal Independent Television Ltd.

Canadian Marconi has been controlled since 1926 by Canmar Investments Ltd., formed to keep Marconi's overseas communications in Canadian & British hands. Canmar holds 50.6% of the 4,554,000 issued shares of Canadian Marconi. The remaining 2,200,000 shares are held by 22,000 shareholders (59% Canadians).

Pres. Crosby Lewis, presenting data supporting the Mount Royal application, said Canadian program content would be 56% of total, 1% above requirement, and all Mount Royal directors would be actively concerned with station management. He made the lowest estimate of any applicant on anticipated revenue, saying station would operate on \$1,000,000 revenue annually. Other groups estimated revenue between \$3,000,000 & \$5,000,000. Geoffrey Sterling, owner of radio CKGM Montreal, to be gen. mgr.

Seeking the French-language channel are Paul L'Anglais & Associates, and a joint application from radio CKVL and United Amusement Corp. Named in the Anglais application are J. A. Deseve, pres. & gen. mgr.; Andrew Ouimet, vp & asst. gen. mgr.; Jean-Paul Ladourceur, film maker & TV producer; Marcel Piche, lawyer & labor consultant; Maurice Godbout, lawyer; Lionel Leroux.

The CKVL-United Amusement group includes (from CKVL, and holding 83.33% voting stock) Jack Tietolman, pres.; Marcel Provost, program dir.; Martin R. Carabine, secy.; Maurice Rousseau, chief engineer. United Amusement lists William Lester as pres.; George Arnott; and Gerald Martineau, member Quebec Legislative Council (provincial Senate). Others in the joint application are Roger Baulu, TV-radio personality; radio performer Jacques Desbaillets, and industrialist Severe Godin.

BBG Chairman Andrew Stewart said licensees would share a single tower on Mount Royal in the heart of Montreal where CBC now has the antenna tower for its existing English & French-language stations. The tower will have to be rebuilt, which may prevent licensees from getting on the air until early 1961.

* * *

Five applications for one Edmonton TV channel and 2 for one channel in Calgary will be heard May 11 and 16 respectively in the two Alberta cities. Applicants for Calgary are CFCN TV Ltd., and Chinook Communications Ltd. The former is owned by radio CFCN, whose Pres. H. Gordon Love also heads the Canadian Chamber of Commerce. Chinook was formed by Calgary businessmen, with Herbert Stewart, ex-mgr. of Calgary's CHCT-TV, as pres. The 5 applicants for a 2nd TV in Edmonton include govt.-owned CBC which currently uses privately-owned CFRN-TV as the outlet for its network telecasts. Other applicants are Mayfair Bestg. Co. Ltd., CHED Ltd., Edmonton Video Ltd., and Northgate Bestg. Co. Ltd. Edmonton Video includes Gerry Gaetz, vp & gen. mgr. of radio CJCA, as pres.; Selkirk Holdings Ltd., a public company owned by 1,000 Canadian shareholders; and H. R. Milner, A. McLean, H. McMahon, G. K. Wynn, F. W. Forster, C. W. Carry and J. E. Sydie, all Edmonton businessmen. CHED Ltd. is owned by radio CHED. Mayfair and Northgate have outside affiliations, some British.

TOP 100 TV GROWTH MARKETS: To ascertain the nation's 100 fastest-growing TV markets, Feb. *Television* introduced in its special study "a new factor other than market size as one of the bases for advertising decisions." The factor: market "vitality." To gauge "vitality," the magazine undertook a 10-year comparison (1950-59) of growth in population & households. The resultant "vitality" analysis helps indicate those markets which "are expanding at a rate that justifies the establishment of new consumer franchises, despite the size of the market."

Way-out leader as the fastest growing TV market is Las Vegas, which in the past decade has exploded its population by 167.3% (vs. U.S. average of 16.1%); its households by 175.9% (vs. 19.6%). In 2nd place is Miami.

The 100 top TV markets embrace 82% of the nation's population—up from 76% in 1950. The first 50 markets are more than a third of total population & households.

A complete study of growth patterns in 254 TV markets has been compiled by *Television*. In addition to population data, the study embraces effective buying income, retail sales, household growth. Additional information about the study can be obtained from research dir. Marvin Melnikoff, *Television*, 422 Madison Ave., N.Y. 17. In the adjacent column is the magazine's list of the 100 fastest growing TV markets (in population).

Technology

FM STEREO TESTS DUE: EIA's now-inactive National Stereophonic Radio Committee will press its field-testing panel back into active duty—at request of FCC—to make comparative actual-use tests of the various systems proposed for transmitting & receiving 2 stereo channels on a single FM carrier.

FCC last week wrote to EIA urging it to carry out its original plans for field testing, and EIA indicated that the tests would be conducted. Actually, details had been ironed out earlier between EIA officials & FCC Comr. Bartley, who is eager to see FM stereo get off the ground.

The Commission's letter requested that the final field-test report be filed by July 29. NAB engineering dir. A. Prose Walker, head of NSRC's field-test panel, had previously arranged to use the facilities of Pittsburgh's KDKA-FM for the system tests.

Deadline for proposals in FCC's FM stereo proceeding is Tuesday, March 15. EIA is expected to file the NSRC intra-industry report (which lacks the participation of CBS & RCA) March 14. The Commission's letter said that "undoubtedly your report will be the nucleus [of FCC's notice of proposed rule-making] and will form the basis upon which technical comments will be requested."

Film competition for tape? Eastman Kodak is developing an experimental unit to process 16mm film to a pre-controlled density & contrast in 30 sec. dry-to-dry time. Eastman is also working on a new type of kinescope recording camera for 16mm film designed to provide a photographic image directly comparable to TV-monitor quality. News of these developments was told by D. E. Hyndman, mgr. of the firm's motion-picture film dept., at a TV Film Assn. meeting in Hollywood. The executive predicted that in the near future, with the new type camera and simplified processing unit, it will be possible to see a black & white kinescope in less than a minute after the recorded action has occurred.

FASTEST GROWING TV CITIES BY RANK

Television Market	Rank based upon % change	% Change 1959 vs. 1950	Population in thousands 1959
Las Vegas, Nev.	1	167.3	151.8
Miami, Fla.	2	108.6	1700.9
San Jose, Cal.	3	80.6	906.2
San Diego, Cal.	4	73.6	1076.0
West Palm Beach, Fla.	5	69.9	239.8
Orlando-Daytona Beach, Fla.	6	67.7	972.5
Ft. Myers, Fla.	7	61.9	86.6
Tucson, Ariz.	8	61.5	447.7
Los Angeles, Cal.	9	58.4	8973.9
Tampa-St. Petersburg, Fla.	10	58.3	1282.4
Phoenix-Mesa, Ariz.	11	57.8	864.6
Eureka, Cal.	12	54.3	191.6
Midland-Odessa, Tex.	13	53.7	420.3
El Paso, Tex.	14	48.9	469.2
Roswell, N.M.	15	48.3	284.0
Santa Barbara, Cal.	16	46.1	260.5
Lubbock, Tex.	17	39.4	497.0
Corpus Christi, Tex.	18	35.2	588.6
Yuma, Ariz.	19	34.6	122.5
Houston, Tex.	20	33.9	2015.7
Denver, Colo.	21	33.1	1362.4
Salinas-Monterey, Cal.	22	32.8	725.4
San Francisco, Cal.	23	32.6	4565.2
Sacramento-Stockton, Cal.	24	32.3	1438.8
New Haven, Conn.	25	30.9	3254.8
Detroit, Mich.	26	30.4	5893.6
Albuquerque, N.M.	27	30.3	686.1
Harlingen-Weslaco, Tex.	28	30.2	442.6
Washington, D.C.	29	28.4	3353.9
Akron, Ohio	30	27.3	522.0
Reno, Nev.	31	26.9	151.0
Carlsbad, N.M.	32	26.8	51.5
Laredo, Tex.	33	26.6	71.0
Colorado Springs-Pueblo, Colo.	34	26.5	416.1
Salt Lake City, Utah	35	26.2	1038.7
Flint, Mich.	36	25.1	1363.1
Lansing, Mich.	37	24.6	1550.7
Lake Charles, La.	38	24.5	440.0
Amarillo, Tex.	39	24.3	492.7
Dayton, Ohio	40	24.2	1744.5
Jacksonville, Fla.	41	23.6	1534.1
Bay City-Saginaw, Mich.	42	23.4	1159.7
Mobile, Ala.	43	22.8	1120.3
Yakima, Wash.	44	22.6	518.9
Baltimore, Md.	45	22.5	2570.5
Kalamazoo, Mich.	45	22.5	2111.5
South Bend-Elkhart, Ind.	47	22.0	686.8
Waterbury, Conn.	48	21.5	655.8
Beaumont-Port Arthur, Tex.	48	21.5	695.7
Pensacola, Fla.	50	21.3	963.3
Grand Rapids, Mich.	51	21.2	1629.5
Dallas-Ft. Worth, Tex.	52	21.0	2727.0
Norfolk, Va.	52	21.0	1527.8
Eugene, Ore.	54	20.9	430.7
Columbus, Ohio	55	20.8	1739.0
Chico, Cal.	56	20.5	380.3
Milwaukee, Wis.	57	20.4	2169.7
Rapid City, S.D.	58	20.2	225.9
Toledo, Ohio	59	20.1	1338.7
Panama City, Fla.	59	20.1	118.5
Cleveland, Ohio	61	19.9	4662.8
Rockford, Ill.	62	19.8	718.3
San Antonio, Tex.	63	19.3	1220.3
New Orleans, La.	64	19.0	1710.7
Spokane, Wash.	64	19.0	1022.0
Great Falls, Mont.	66	18.9	218.4
Wichita-Hutchinson, Kan.	67	18.4	956.3
Bellingham, Wash.	67	18.4	198.2
Chicago, Ill.	69	18.3	7650.9
Salisbury, Md.	70	18.2	211.0
Philadelphia, Pa.	71	17.5	7138.9
Cincinnati, Ohio	72	17.2	2396.1
Seattle-Tacoma, Wash.	73	17.1	1877.8
Big Spring, Tex.	74	16.6	109.1
Portland, Ore.	75	16.5	1671.1
Muncie, Ind.	76	16.3	148.3
Hartford, Conn.	76	16.3	2339.5
Parkersburg, W. Va.	78	16.2	143.8
Bakersfield, Cal.	78	16.2	654.0
Butte, Mont.	80	16.1	154.8
Grand Junction, Colo.	81	16.0	129.3
Ft. Wayne, Ind.	82	15.9	777.9
Lima, Ohio	83	15.7	197.9
Wilmington, N.C.	84	15.6	803.9
Florence, Ala.	84	15.6	108.4
Fresno, Cal.	86	15.5	829.7
Williston, N.D.	87	15.3	135.8
Buffalo, N.Y.	88	15.2	2400.1
New York, N.Y.	89	14.7	17533.7
Missoula, Mont.	90	14.6	212.0
Indianapolis, Ind.	90	14.6	2482.0
Redding, Cal.	92	14.4	234.2
Cheyenne, Wyo.	92	14.4	381.1
Rochester, N.Y.	94	14.3	1168.4
Bloomington, Ind.	95	14.2	2216.1
Casper, Wyo.	95	14.2	146.7
Madison, Wis.	97	13.9	883.7
Billings, Mont.	97	13.9	257.1
Richmond, Va.	99	13.8	1315.5
Medford, Ore.	100	13.2	178.8
Total United States		16.1	174,914.2

Film & Tape

More about

UA NOW TV GIANT: With the acquisition of Ziv TV Programs Inc., United Artists can now supply a wide range of film product at every level:

Networks: Ziv, now to be known as Ziv-UA TV Co. Inc., has at least 4 major network-level pilots on tape, including the 60-min. *Savage of the Deep*, currently scheduled for fall start on CBS-TV. At least 6 more are known to be on Ziv's drawing boards. UA's own roster of independent feature producers (Bryna, Edward Small, Mirisch Co., Melville, Titanus, etc.) has been moving in on the TV field, with a number of pilots being readied as network hopefuls. At the moment, Ziv is network-represented with *The Man & the Challenge* (NBC-TV, Sat. 8:30 p.m.) and *Men Into Space* (CBS-TV, Wed. 8:30 p.m.) UA has 2 network-level properties, *The Dennis O'Keefe Show* (CBS-TV, Tues. 8 p.m.) and *Troubleshooters* (NBC-TV, Fri. 8 p.m.), from Cypress Productions and Northstar Pictures.

Syndication: Although UA itself is a newcomer to syndication, having launched the Kirk Douglas-produced *Tales of the Vikings* only last season, Ziv is not. Since 1948, Ziv has been turning out a steady stream of first-run, 30-min. action-adventure properties (*Highway Patrol*, *Sea Hunt*, *Harbor Command*, etc.). Most have wound up on long station lists, both in this country and in almost every overseas telefilm market, thanks in no small measure to the smoothly-functioning, well-drilled Ziv field sales force, generally regarded as one of the best in the business. With a combined sales staff, UA can now draw on Ziv's syndication experience to move new Ziv entries, as well as further syndicated series from UA independents. Through Ziv-owned Economee TV, Ziv has long been successful in squeezing maximum film mileage from rerun film product; some Ziv oldies, like *Cisco Kid*, have been going around as many as 7 or 8 times in the same market.

Started in TV with Post-1948 Features

Features: UA's first move in the TV field, about 3 years ago, was to clear a group of post-1948 films ("African Queen," "Moulin Rouge," etc.) with the Hollywood guilds, under an escrow agreement. Other post-1948s have been fed into the market by UA with regularity ever since. Soon thereafter, UA moved to acquire control of Eliot Hyman's Associated Artists Production Corp. (after a wrangle with NTA, which also wanted AAP). That gained for UA the TV control of 800 sound & 200 silent pictures in the Warner Bros. pre-1948 library, as well as 2,000 short subjects (including durable *Popeye*). Now known as UAA, the feature distribution arm is one of the largest in its field. In Aug. 1958, UA also acquired control of Lopert films, a top importer of foreign movies. This season, Lopert has been moving into TV distribution as well, armed with a large group of post-1948 British & European pictures, mostly from the J. Arthur Rank backlog. Ziv has produced no feature pictures, but its large Hollywood lot—often used as a rental lot by low-budget producers—will now become a UA property.

Live Programming: Neither Ziv nor UA has produced live or tape TV series, and none have been discussed recently. Ziv, however, has been "interested" in TV tape for some time, and may expand into this production area, as have NTA and ITC.

So much for the outline of the new UA telefilm corporate giant. The financial deal itself, like many of UA's large-scale transactions, was fairly elaborate and some-

what indirect. It had been in the works for some time (Vol. 15:51 p10).

The purchase price included: (1) \$1,750,000 in 3-yr., 5.6% installment notes of the purchasing subsidiary, UA TV investments Inc., maturing 1963-1965 and guaranteed by parent UA; (2) \$3 million of 6% debentures of the UA subsidiary, not guaranteed by UA, maturing 1966 to 1970 with conversion privileges after 4 years into UA stock at 10% above average market price, under special conditions; (3) \$2 million of subordinated notes of Ziv TV acquired by the purchasing subsidiary for \$2 million of 3-yr., 5.6% installment notes of UA TV Inc., guaranteed by UA and maturing 1961-1963; (4) assumption by the purchasing company of bank debt in the amount of approximately \$14 million. Total Deal: \$20,750,000.

Control was not acquired directly from Ziv, but primarily from F. Eberstadt & Co. and Lazard Freres & Co. (who had acquired about 80% of the Ziv stock several months ago), as well as from the remaining Ziv stockholders, Ziv Chmn. Frederic W. Ziv and Pres. John L. Sinn. No UA stock was issued, and there is no equity financing by UA.

Ziv Billings Estimated at \$25 Million

How big are Ziv TV's annual grosses has been a conjectural subject, for the telefilm firm's stock has hitherto been privately held. Industry sources, however, generally credit Ziv with annual billings (network & syndication combined, plus overseas film sales) of about \$25 million, and current assets on the order of \$20 million (film backlog, studio, etc.).

In the new UA-Ziv combine, Messrs. Ziv and Sinn will be dirs., as well as chmn. & pres. respectively. Other Ziv officials, such as sales vp M. J. Rifkin, continue in their present posts. So will the personnel of UAA and UA-TV, although UA-TV Pres. Herbert L. Golden is resigning to spend full time as a vp of the parent UA picture company, and exec. vp of UA-TV Bruce Eells will not hold a similar post in the Ziv-UA organization. UA, however, stated last week that "an announcement will be made shortly of the way in which Eells' activities will be co-ordinated with the new combined organization."

Syndicators Face Futile Fall: With the networks planning 60-min. across-the-board film shows in early prime-time hours, and an extension of prime time to 11 p.m., regional & local advertisers will probably be able to buy the first 20 min. of these programs on a local co-op basis, giving them syndication's advantages on network shows. This warning to film syndicators was sounded March 8 by BBDO vp Herminio Traviesas, at an RTES timebuying seminar in N.Y. Other factors working against syndication, cited by Traviesas, were the various network "scatter plans" which allow an advertiser to buy one-third participations on alt-wk. schedules, and video tape, which has made it possible for local stations to produce many of their own shows.

Syndicators must spend \$1.7 million to get a 39-episode film series into public view and can hope only to gross \$1.5 million the first time around, NTA vp for sales E. Jonny Graff told the group. Most of these, with the exception of off-network reruns, "lose loads of money," he said. He pointed out that the \$1.5 million gross, which comes to about \$40,000 a segment, is \$6-7,000 less than the show usually costs to make. He noted that many market prices are "way out of line unless the shows can be placed in prime time or a good adjacency."

WGA MODIFIES TV DEMANDS: Writers Guild of America, striking the Alliance of Television Film Producers and TV operations at the major movie studios since Jan. 16 (Vol. 16:10 p12), modified its demands in proposals submitted to non-Alliance producers last week. But the producers we checked told us they still found WGA's demands too stiff. The strike seemed likely to continue for a long time. At the same time, we learned from WGA that it is willing to make concessions on the thorny overseas residuals issue. WGA, whose contract with the non-Alliance group would have expired March 12, granted those companies a further extension to March 26. Meanwhile, powerful IATSE displayed signs of unhappiness over SAG's closing of the movie sets, but prospects for an early end of SAG's strike against the majors appeared brighter following a lengthy negotiation session Friday afternoon. For the first time in months, both sides reported, in a joint statement: "Sufficient progress has been made in the negotiations so that a further meeting will be held Tuesday [15]."

TV operations at major movie studios: WGA hasn't held a negotiation session in months with this group and none appears imminent. Like the Alliance, the majors are adamant against Guild demands. A shortage of scripts has cropped up at Warner Bros., where the studio is remaking stories. MGM-TV is proceeding with no interruption in its pilot-making schedule. Screen Gems has minor script shortages. Twentieth Century-Fox considered moving its entire TV operation, including *Adventures In Paradise*, to its Fox Western lot, then decided it wouldn't be economical. *Paradise* exec. producer Dominick Dunne has just 4 scripts, which means the series will end after 31 episodes—5 short of its contractual commitment—barring the unexpected likelihood of a strike settlement. Because of the SAG strike on March 7, Fox dismissed a number of crew employees on *Paradise*, replacing them with workers who had seniority, some of them heads of movie-studio depts. Allied Artists, because of the WGA strike, has shelved pilot plans for *Flame Kimberley*, to have been made for ABC-TV.

Independents Cool to WGA Proposals

Independent TV film producers: While the Alliance-WGA impasse continued, with no negotiations being held, WGA did present its proposals to producers not aligned with the Alliance last week. The demands were not greeted favorably, although they were less than had been asked of the Alliance. WGA asked for a 20% increase in minimums (compared to the 50% demand made to the Alliance). It sought residual payments of 10% each on the 7th, 8th and 9th runs (now being made on 6 runs), which compared to the demand for residuals in perpetuity made of the Alliance. (Present residuals are 140% of the minimum. New demand is 170% based on writer fee.) In its negotiations with all independents, WGA seeks to base residuals on the writer's fee, not the minimum, as at present. In the important field of overseas telefilm residuals, WGA seeks \$300 an episode for foreign showings, plus \$1 a year for each country in which the episode is seen. The \$1 is actually a wedge leaving the foreign payment issue open for renegotiation in the future. In addition, WGA's proposals to the non-Alliance independents called for establishment of a fact-finding committee composed of producers & writers who would explore each foreign market. WGA demands would be flexible, depending on conditions in each market, Guild officials told us. Said one non-Alliance producer of the WGA demands: "They're very tough. I don't

know if I can live with them. The writers & actors are helping to destroy the entire industry. In fact, lately we've had requests to produce live shows." He asserted that WGA demands also call for the writer to view a rough cut and then tell the producer if he wants changes made in the film; also for a clause whereby a script not filmed within a year is returned to writer, although he's been paid.

The Alliance has offered WGA about 8% across-the-board increase in minimums on a 4-year contract, with payments to a health & welfare plan which would mean an overall increase of over 9%. The TV operations at the majors have offered a 7% hike and a 2-year contract. None is willing to concede on the foreign issue. Production has not been seriously affected at the independents.

WGA West Pres. Curtis Kenyon said it looked to him like a long strike. He said of the foreign residual issue, "We're willing to work out any kind of reasonable formula. We don't want to make a contract that puts people out of business. We seek to establish a principle, but the Alliance has refused to negotiate on this issue." It was the first time a top WGA executive had stated that the Guild would retreat from its demand to the Alliance for 4% of the foreign gross. Producers argued that if they make concessions on the key residual issues to WGA, they are committed to make similar concessions to SAG, the Directors Guild of America and other unions. Said an Alliance executive: "If the writers will give up the foreign residuals issue, they can have a very nice deal."

Networks Not Yet Struck by WGA

Networks: While WGA's contract with the networks on TV film has lapsed, the Guild has not yet struck. This depends on the outcome of current negotiations with the networks in live TV & radio. Producers of network-filmed series are stockpiling scripts against the strike possibility.

In other strike developments, the Motion Picture Research Council, financed by AMPP, announced it would close March 18 "as a result of economic pressure & the uncertain conditions now facing the industry." And a group of anti-strike SAG members called off a protest meeting when SAG called a membership meeting for Sun. (March 13). Other actors, such as Bing Crosby, Lauren Bacall, Bob Hope and John Wayne, pledged support for the strike.

Enter IATSE: SAG's strike aroused the ire of IATSE locals in Hollywood, because it brought mass firings of their members at every major. IATSE immediately moved into the picture, seeking its cut of post-1948 movies. SAG, unhappy at this development for fear it might scare off producers, protested to AFL-CIO Pres. George Meany. Meany contacted IATSE International Pres. Richard F. Walsh to learn if that union was trying to pressure SAG into settling with the majors. Walsh said he told Meany IATSE would not negotiate with any companies until SAG had finished. He added that IATSE was willing to pass up any claims to post-1948 revenue if it would bring about a reopening of the studios. Since this would mean other groups such as SAG, WGA and the Directors also abandoning this demand, there was little likelihood of such an occurrence. And while SAG and IATSE professed peace & amity, even to the point of a joint negotiation session with United Artists producers, there was discord in the IATSE rank & file over the unemployment caused by the strike. Walsh said IATSE, in new contracts with the majors, will require that movies not be released to free TV for 5 years, and if they are released to pay TV, IATSE may reopen negotiations within 10 days, and terminate its contract 30 days thereafter if no agreement is reached. IATSE wants twice the cut of all other unions on post-1948s.

HOLLYWOOD ROUNDUP

Window Productions owner-producer-star John Payne has negotiated a deal with NBC-TV whereby he will produce the pilot of a 60-min. series, *O'Connor's Ocean*, for the network. NBC-TV and Window would split profits 50-50, but Window would own the negatives. The pilot goes into production March 28 at the Goldwyn studios, with Payne as exec. producer & star (playing a West Coast attorney). NBC-TV has given Payne the green light to order additional scripts beyond the pilot stage. The contract calls for NBC-TV to make its decision within 5 days after delivery of the pilot. Payne, who starred in *Restless Gun* on NBC-TV several years ago, told us he thinks the Westerns will level off next season, and that viewers are surfeited.

Warner Bros. has dropped Jeff York from *The Alaskans* . . . Screen Gems has signed Skip Homeier to star in *Raven*, a 60-min. show being done for NBC-TV. William Sockheim is exec. producer of the pilot, which goes into production about March 25 . . . Filmaster has acquired the pilot film & all rights to *Swiss Family Robinson* from Trans-World Artists.

ABC Films will finance & distribute *Expedition*, a documentary series on KCOP Los Angeles . . . Twentieth Century-Fox has raised Gardner McKay's weekly salary from \$1,200 to \$1,400. He stars in *Adventures in Paradise*.

Four Star Television has been forced to postpone production of its new Tom Ewell series because he's appearing in "The Thurber Carnival" on Broadway, and can't get a release until Aug.

CBS-TV has shelved plans for a Keefe Brasselle pilot, reportedly because of difficulty in finding a property. It will, however, do pilots for 60-min. *New York 21*, produced by Albert McCleery; *Bringing Up Baby*, starring Enid Markey & Doro Merande, a situation comedy to be filmed in N.Y.; *Win, Lose or Draw*, with Ed Sullivan as host-narrator, an anthology series to be filmed in N.Y.; *Open All Year*, starring Phil Silvers; and *Those People Are Here*, a 60-min. comedy series produced by Nat Hiken.

Production has begun on *The Three Stooges Scrapbook* series at Amco Studios . . . Producer Blake Edwards (*Peter Gunn*) has sold Four Star Television the rights to his Willie Dante character for use in a series starring Howard Duff . . . Revue Studios has resumed production of its *Whispering Smith* series, starring Audie Murphy.

MGM-TV puts the pilot of the 60-min. *Asphalt Jungle* into production this week. Jack Warden stars, and Jaime del Valle is producer.

Bernard L. Schubert Productions has been purchased by National Outlook, a Wall St. investment firm. Ex-NBC sales mgr. John B. Cron has been elected pres. of Schubert Inc. Schubert plans to form a new TV production company.

Producer Herbert B. Leonard has signed James Brown, Johnny Seven and Kier Dullea as regulars for his *The Venturers*, which goes into production March 14 in Venice.

Mort Sahl Productions has been formed by the comedian for the production of movies & telefilms. He plans a series, *Mort Sahl Presents*, a weekly humorous commentary on current events.

NEW YORK ROUNDUP

Robert Precht will succeed Marlo Lewis as producer of CBS-TV's *Ed Sullivan Show* when Lewis leaves the helm in June after 12 years. Precht has been associate producer. Lewis plans to continue as a *Sullivan* consultant and may do several specials for the network next season, in addition to a 30-min. series.

NBC's "Little Theater" group, The Theatre Workshop, is staging William Inge's "Picnic" April 1 & 2 in the network's Studio 6A with a cast & production team of NBC employes. Male lead will be played by Lou Catching (guest relations). His co-star will be Sara Baker (participating programs). Dirs. for the performances are Stan Levine (CNP) and Harvey Fondiller (press dept.).

Lou H. Gerard has been named dir. of public relations, Trans-Lux entertainment div. . . . C. P. (Pete) Jaeger has been appointed vp for sales, Flamingo Films.

Paramount TV will have 7 pilots making the rounds of N.Y. ad agencies before the current buying season ends, we're told, representing a \$750,000 production investment. Currently one of the few film majors without a network TV show, or at least a signed-up deal for fall, Paramount will include *Band of Gold*, *Henry D.* and an untitled 30-min. situation comedy starring Teddy Rooney in the 7-show group.

Ziv-United Artists TV's *Home Run Derby* is now in 49 markets. Regional advertisers include Consolidated Cigar Co., Schmidt Beer, Stagg Homes and Schlitz Beer . . . Ziv's *Sea Hunt*, in its 3rd syndication year, is currently in 157 markets, 93% of which are renewals.

CBS Films has signed an agreement whereby Carousel Films will distribute on 16mm film 12 CBS News programs: 9 episodes from CBS-TV's *Conquest* series, 2 from *CBS Reports* ("Biography of a Missile" & "Population Explosion") and one from *Twentieth Century* ("Reaching for the Moon").

Flamingo 'Telefilm Sales' newest foreign film package, *Flamingo Festival Films*, contains 4 features which haven't had U.S. theater first runs. Titles include "Gas & Oil" (re-titled "Hijack Highway"), "Fugitive in Saigon," "A Bride for Frank," and "Photo Finish." Several additional feature titles are being released to TV directly from first-run theatrical showings.

NTA has placed into distribution 6 new-to-TV features under the title *Special Six*. Included are David O. Selznick's "Tom Sawyer," "Little Women" & "Prisoner of Zenda," plus "Gulliver's Travels" and "Hoppity Goes to Town" (both full-length cartoon films) and "Bambuti."

MCA TV's *Johnny Midnight* has scored prime-time syndicated sales in 120 markets to date . . . Screen Gems' *Manhwt* has been bought for 4 midwest markets by Jacob Schmidt div. of Pfeiffer Brewing.

Marvin Kalb, CBS News specialist in Russian affairs, has been assigned to reopen the CBS News Moscow bureau. Kalb's assignment follows the recent Soviet denial of a visa to CBS News correspondent Larry LeSueur . . . Mel London, Transfilm-Caravel exec. producer, is currently freelance directing NTA's *Play of the Week* production of "Rope Dancers."

BLOCK-BOOKING TRIAL BEGINS: A "counterfeit clause," so worded that no block-booking taint would fall on a major feature-film package sale, was inserted in several TV film distributor station contracts, U.S. Federal Court learned last week. The clause came to light as the 2-year-old govt. anti-trust suit against MGM-TV, United Artists, Associated Artists Productions, Screen Gems, NTA and C&C Super opened in N.Y. March 7.

Lead-off witnesses, attesting to the "counterfeit clause," were George Hartford, vp & gen. mgr., WTOP-TV Washington, and Thomas Jones, TV program dir., WJIM-TV Lansing, Mich., formerly with the Washington station. Jones and Hartford testified to the presence in MGM-TV and UA contracts with WTOP-TV of such a clause inserted "for the deliberate purpose of conveying the impression that the companies did not engage in block booking in the sale of old feature films to TV." Jones said "the clause in question did not reflect the facts as they were," but he signed because he thought "there was no choice as it was presented, in order to secure the pictures."

Prosecuting attorney Leonard Posner expects to call 100 witnesses (cracked Judge Archie O. Dawson: "We'll be in the trenches until Christmas at that rate").

Representing the film companies is a group of attorneys headed by Louis Nizer, who has been conducting the cross-examination. Should the govt. prevail, broadcasters stand to recoup millions of dollars from contracts which, the government charges, forced stations to take bad pictures with good ones. One of the govt.'s objectives is to force renegotiation of existing film contracts. Many stations still have in their feature libraries pictures which they did not want and have not used, testimony revealed.

The Justice Dept. declared that "requiring telecasters to take films they did not want is a violation of the Sherman Anti-Trust Act." Theatrical block booking was outlawed in the motion-picture industry in 1948. Several defendants in the current action have come into existence since the 1948 decree, however, and are not liable to the terms of that judgment, claims the defense.

Residual payments to the Screen Actors Guild for distribution to actors in movies shown on TV aren't wages for federal employment tax purposes, but are subject to income tax, according to the Internal Revenue Service. Answering questions raised by the union, IRS decided (Rev. Rul. 60-89) that such residuals have nothing to do with salaries originally paid by the movies' producers to the actors, hence aren't liable for deductions for unemployment compensation, etc. On the other hand, IRS said, residuals aren't gifts and therefore come within "the broad sweep of the definition of gross income." The ruling applies "whether the amounts distributed by the Guild are received from the purchaser or licensee of TV rights in, or by the original producer of, the motion pictures involved."

NLRB elections for musicians in TV films gave the American Federation of Musicians jurisdiction at Revue Studios, while Musicians Guild of America won for Alliance of Television Film Producers and ABC-TV. CBS results weren't final, since some votes were challenged, but AFM was leading MGA 122-90. Revue, while a member of the Alliance, has long employed AFM musicians, and preferred a separate election. An election is scheduled at Ziv TV. At week's end, AFM charged in Washington that NLRB had violated its constitutional rights in the ABC-TV election. It asked a federal court to nullify the election.

Congress

CLAMOR FOR DICK CLARK: The House Caucus Room, stage of the payola-probing Commerce Legislative Oversight Subcommittee, was being set last week for the first public appearance on Capitol Hill of the most celebrated disc jockey of all—ABC-TV's Dick Clark.

No date for *American Bandstand* Clark's performance was set, but one Subcommittee source told us it could be counted on that "he'll be next" after the Overseers run through legislative hearings which start this week. ABC-TV officials also are expected to be summoned then to tell what they know about payola.

Subcommittee Chmn. Harris (D-Ark.) has kept Clark under subpoena on his inactive list of prospective witnesses since payola hearings opened last month (Vol. 16:7 p6). But persistent demands by Rep. Bennett (R-Mich.), ranking minority Overseer, that Clark be brought front & center made it likely that his turn on the stand would come late this month or early in April.

On March 4, Bennett tiffed publicly with Harris over the delay in calling Clark. At the day-long FTC-FCC hearing (Vol. 16:10 p1) which led to FCC Chmn. Doerfer's resignation last week (see p. 3), Bennett made a sub-headline by reading from a Clark affidavit which showed the jockey had had affiliations with 17 record & music publishing firms before dropping them at ABC-TV's insistence. Harris shushed Bennett then, arguing that the Subcommittee wasn't ready for Clark yet, but Bennett continued.

"Clark's admission in the affidavit alone made a stronger case against him than any of the hinky-dink disc jockeys we've had as witnesses so far," Bennett said last week, adding these details from the affidavit and other Subcommittee files: (1) Clark "admitted playing songs that were owned or distributed or pressed by companies that he wholly or partly owned, and that he thereby made a financial profit." (2) Clark received a ring and his wife a necklace with a combined value of \$3,400 as gifts from a record manufacturer. (3) ABC had an arrangement under which it received a 7¢ royalty on each "Dick Clark" record-carrier sold.

To Review Status of Reform Bills

Immediate scheduled business of the Subcommittee, however, is a rundown at hearings for FCC, FTC, regulatory agencies—"and other interested parties"—on long-pending administrative reform bills. They begin March 15, may run several weeks. Harris said he had sent invitations to more than 70 witnesses from the agencies, regulated industries, trade & bar associations and law schools.

First witness scheduled this week was to have been Doerfer, who could have anticipated another rough time at the hands of Harris. The Subcommittee had scheduled no substitute for Doerfer at last week's end, but other spokesmen for FCC will be on hand, followed by representatives of FTC and a half-dozen additional agencies.

Major bills up for the hearings are (1) an omnibus measure (HR-4800) introduced by Harris last year to ban *ex-parte* & other abuses in agency processes which were exposed in 1958 FCC hearings by the Overseers. (2) a sweeping anti-*ex-parte* measure (HR-6774) introduced by Harris at the request of the American Bar Assn.

For good measure, Harris said he also will bring up a series of FCC housekeeping proposals which got some Senate action last year, but have been hung up on the House side. Sponsored either by Harris or Senate Commerce

Committee Chmn. Magnuson (D-Wash.), they include bills to repeal the Communications Act's "honorarium" provisions for FCC members (S-1735), reduce affidavit requirements for some FCC documents (S-1736 & HR-6127), give more scope to FCC's review staff (S-1738 & HR-6573), permit FCC members to serve after their terms expire until successors are confirmed (S-1965).

Also ahead for the Subcommittee on the legislative (as opposed to the exposé) front: as-yet-unwritten bills carrying out the Subcommittee's recommendations for ridding broadcasting of fraud & deceptions on the air. These controversial recommendations were included in the Subcommittee's Feb. report on its 1959 TV quiz disclosures.

Ask 'Great Debate' On TV: A proposal by Adlai Stevenson that TV networks provide prime time for Lincoln-Douglas-type debates by Presidential candidates has been picked up by Sen. Monroney (D-Okla.)—and quickly given support by other members of the Commerce Committee.

Monroney said his bill (S-3171) carrying out Stevenson's plan, as outlined by the 1952-56 Democratic nominee in the March 6 Sunday supplement *This Week*, would require the 3 networks to give one hour weekly to each major candidate for 8 weeks immediately preceding Presidential Elections. Presidential candidates of minor parties would be prevented from claiming equal time by a requirement that their parties must have polled at least 4% of the popular vote at the preceding election.

The free time would be "free of hoopla—no orchestras, but a very serious debate," Monroney said. Under the Monroney plan, each Presidential candidate would get 30 min. of speaking time & 15 min. for rebuttal.

The Monroney Bill was co-sponsored by Commerce Chmn. Magnuson (D-Wash.). Committee members Pastore (D-R.I.) & Smathers (D-Fla.) also signed it, as did Sens. Kefauver (D-Tenn.) & Church (D-Ida.). And Monroney's office said others were lining up in support.

Another political broadcast proposal came meanwhile from Sen. Morse (D-Ore.). He said he was drafting a joint resolution "to require that before any politician appears on radio or TV to read a manuscript, he shall file a certificate that he wrote the manuscript." As things stand now, Morse said, ghost-written speeches by candidates on the air constitute "downright deception & deceit."

Communications Act amendment requiring painting & lighting of unused broadcasting towers in conformity with standards for in-use towers, as recommended by FCC (Vol. 16:7 p9), has been approved by the Senate Commerce Committee. It voted endorsement of a bill (S-2812) by Chmn. Magnuson (D-Wash.) to implement the Commission proposal. A similar measure (HR-10259) is pending in the House Commerce Committee.

Still another TV-radio probe—"a major inquiry into the present status of the communications industry in the country"—has been proposed in Congress. Sen. McGee (D-Wyo.) called for "some soul-searching on all levels of the govt. and in our public life" to find answers to questions as to whether more govt. controls would harm freedom of expression: (1) "Whose freedom is at stake?" (2) "Is the industry in fact free now?" (3) "Has it not become prisoner of commercialism & program purchasers?"

Booster-CATV bills (HR-11040 & HR-11041) similar to FCC-regulation measures pending in the Senate (Vol. 16:7 p3) have been introduced in the House by Rep. King.

Advertising

HOW PLUGOLA WORKS: Details of plugola practices uncovered in the TV industry by FTC in the course of its anti-payola campaign were described last week by Chmn. Earl W. Kintner, who had told House investigators March 4 that at least 8 firms were under formal investigation for promoting concealed commercials (Vol. 16:10 p1).

In a speech to the Philadelphia Chapter of the Federal Bar Assn. on his agency's role in cleaning up advertising deceptions in broadcasting, Kintner said plugola practitioners seemed to have developed a regular business of soliciting "a cross-section of American industry to buy hidden plugs or commercials on regularly sponsored TV."

As an example of how the business operates—at \$200-\$275 per plug, with money being passed to performers, directors, writers and other program personnel—Kintner related that one plugola firm promised prospective clients these returns from "surreptitious" payments:

(1) "Visual & audio identification." (2) "Fifteen to 20 words of descriptive copy delivered simultaneously with the visual identification." (3) "Copy prepared & written by the person paying for the plug." (4) "Advance notice of the dates on which all plugs appear." (5) "A recording of the broadcast plugs."

Kintner also scored another payola refinement—"the washout arrangement" by which he said disc jockeys pay required union scales to singers who appear on TV & radio shows, then are reimbursed by record manufacturers & distributors.

Kintner reported that in still another payola washout scheme, record makers assign musicians to record hops conducted by disc jockeys. "Usually the disc jockey retains all profits from such hops or shares the profits with a sponsoring organization," the FTC chief told the Philadelphia lawyers. "From the information in our investigational files, it is a rare occasion when the disc jockey will pay the appearance fees of the artist upon whom, in many instances, the financial success of the record hop will depend."

Asked after his speech if FTC planned any moves directly involving ABC-TV's *American Bandstand* headliner Dick Clark, Kintner replied: "We have Clark under consideration and we don't intend to lose interest in his case." Kintner said that FTC was awaiting "further information" on Clark from the House Commerce Legislative Oversight Subcommittee, which also has the top-billed jockey on its investigative list (see p. 12).

Meanwhile, payola complaints against record manufacturers & distributors continued to flow from FTC's Washington hq.

Ace Record Co. Inc. and Record Sales Inc., Millsaps Bldg., Jackson, Miss., were accused of making illegal payments to TV & radio jockeys "or other employes of broadcasting stations." Also named were John V. Imbraglio of both firms and Record Sales treas. Joseph Caronna.

Roulette Records Inc., 659 10th Ave., N.Y., named in a payola complaint last Dec. (Vol. 16:1 p7), conceded in a formal answer that it had "given valuable consideration to disc jockeys" but denied that the payments were illegal under the Federal Trade Commission Act.

On-location TV tour is being used by an Indiana builder to introduce a new housing tract. Perine Development Co. of Indianapolis has scheduled 3 remote telecasts in 15-min. segments, via WFBM-TV Indianapolis.

NEW CBS COMMERCIAL RULES: A tight new set of "guide lines" covering questions of taste & time standards in TV commercials now faces advertisers at CBS-TV. It was distributed to agencies last week in the form of memos from program practices vp Joseph Ream & dir. Herbert Carlborg, following Ream's announcement of its new rules at the CBS affiliates meeting in Washington.

The memos call for a near-complete separation of the content & personalities of news & public-affairs programs from commercialization. Newscasters, for example, will now name "only the product or the sponsor without additional descriptive phrasing." Tighter standards will be followed in personal-product commercials, particularly in the realm of demonstrations, product claims, "schematic charts of circulatory, respiratory or digestive systems," "scare copy," and suchlike.

Commercial length & placement are also covered by the new CBS rulings, allowing for no more than 3 commercials (plus billboards) in 15-min. shows, a maximum of 3 commercials in 30-min. entertainment shows (although the main entertainment portion may not be interrupted more than twice), a maximum of 6 commercials in 60-min. shows, somewhat tighter regulations in news shows, and a detailed description of what's allowable in the way of billboards, lead-ins, alternating sponsorship commercials. All the new standards will be in effect at the unofficial start of the fall season, Sept. 15, 1960.

Television's Decade: TV has scored the biggest gain among ad media since 1950, the National Industrial Conference Board reported last week. A decade ago, all-media spending was at the annual rate of \$5.7 billion, with TV getting only 3 cents from every ad dollar. By 1959, all-media dollar volume had climbed to a whopping total of \$11.1 billion, with TV getting more than 14¢ of every dollar.

Newspapers are still tops in the media list, having gotten a 36.4% share in 1950 vs. a 31.7% in 1959. (The percentage drop, it should be noted, is offset by a climb in total dollar volume, from \$2.1 billion in 1950 to \$3.5 billion in 1959.) Direct mail showed a slight percentage gain in over-all media standings (14.1 vs. 14.2) and business papers moved up somewhat (4.4% vs. 5.1%), but magazines fell off (9.0% vs. 7.8%), as did radio (10.6% vs. 5.8%). Throughout the decade, estimated NICB, a total of \$86 billion was spent for advertising in the U.S.

Legal guideposts for advertising are summarized by ANA in a new booklet for members, "Legal Rules of the Road to Honest Advertising," by the organization's general counsel, Gilbert H. Weil. The 19-page booklet details "the basic criteria which distinguish honest & lawful advertising from that which the courts & regulatory agencies would consider misleading or deceptive, and hence unlawful," said ANA Pres. Paul B. West, who added that the project was "stimulated" by FTC Chmn. Earl W. Kintner.

Newest TV talent showcase for N.Y. agency men is—of all places—a film-studio dining room. On Mar. 9, Robert Lawrence Productions initiated a new policy at the company's West 54th St. cocktail bar and executive dining salon: Actors, actresses and models will receive invitations to join the dozen or so agency men who take a lunch break while supervising the filming of commercials at RLP's studios. The meet-new-talent policy, said the film firm, is "also designed to raise performers' offstage status."

Networks

Full 1959 Category Report: Network TV's most nutritious source of ad dollars in 1959 was food, reports TvB. Advertisers of food & food products poured more than \$113 million into network time last year—up from \$109.2 million in 1958. Runner-up spenders: toiletries & toilet goods, \$102.3 million (\$99 million in 1958); smoking materials, \$75 million (\$62 million).

Major increases in network ad spending were made by agriculture & farming with \$1.8 million (vs. \$63,454 in 1958); gasoline & lubricants, \$9.8 million (\$3.1 million); household equipment (\$30.1 million (\$23.5 million). Major cutbacks: automotive (including accessories & equipment), \$46.7 million (down from \$52.5 million in 1958); horticulture, \$249,608 (from \$1 million); TV-radio-phono, music instruments, \$5.3 million (\$8.5 million). TvB's listing of estimated time-investments in network TV by product:

Category	Jan.-Dec. 1959	Jan.-Dec. 1958
Agriculture & Farming	\$ 1,809,137	\$ 63,454
Apparel, Footwear & Accessories	7,221,250	5,408,809
Autos, Accessories, Equipment.....	46,709,247	52,500,296
Beer, Wine	6,715,256	6,288,987
Building Materials & Equipment	3,380,407	2,395,117
Confectionery & Soft Drinks	12,982,938	9,324,276
Consumer Services	3,441,788	2,777,321
Drugs & Remedies	74,950,528	58,043,625
Entertainment & Amusement	383,278	249,989
Food & Food Products	113,099,511	109,205,706
Freight, Industrial & Agricultural Development	404,807	—
Gasoline, Lubricants & Other Fuels	9,830,669	3,132,351
Horticulture	249,608	1,007,774
Household Equipment & Supplies	30,112,185	23,544,658
Household Furnishings	4,025,729	3,465,904
Industrial Materials	20,980,307	17,879,698
Insurance	10,270,755	6,944,696
Jewelry, Optical Goods & Cameras ..	13,966,553	12,971,333
Office Equipment, Stationery	4,615,765	6,751,311
Political	—	274,290
Publishing & Media	26,593	848,841
Radios, TVs, Musical Inst.	5,373,926	8,515,340
Smoking Materials	75,009,215	62,092,208
Soaps, Cleansers & Polishes	67,140,302	61,475,688
Sporting Goods & Toys	2,999,564	1,762,906
Toiletries & Toilet Goods	102,311,526	98,921,152
Travel Hotels & Resorts	1,125,861	2,590,983
Miscellaneous	8,174,825	8,153,688
TOTAL	\$627,311,530	\$566,590,401

NETWORK SALES ACTIVITY

CBS-TV

Love of Life, Mon.-Fri., 12-12:30 p.m. & For Better or Worse, Mon.-Fri., 2-2:30 p.m. participations. *Toni Co.* (Tatham-Laird)

As the World Turns, Mon.-Fri., 1:30-2 p.m., The Verdict Is Yours, Mon.-Fri., 3:30-4 p.m., Millionaire, Mon.-Fri., 3-3:30 p.m., Secret Storm, Mon.-Fri., 4:30-5 p.m. & Love of Life, participations. *Standard Brands* (Ted Bates)

Dennis the Menace, Sun., 7:30-8 p.m., alt. wk. buy starting mid-April. *Best Foods* (Guild, Bascom & Bonfigli)

NBC-TV

1959-60 Emmy Awards telecast, Mon., June 20, 10-11:30 p.m. 12th annual presentation by Academy of TV Arts & Sciences. *Procter & Gamble & Greyhound Corp.* (both Grey Ad.)

ABC-TV

Johnny Staccato, Sun., 10:30-11 p.m., reruns of ex-NBC-TV action series. 26 wk. order. *Alberto-Culver* (Geoffrey Wade)

Gen. Sarnoff's Proposal: A program of annual conferences "enlisting the best of American brains" to review & improve the course of U.S. TV—that's the proposal made by Brig. Gen. David Sarnoff, RCA chmn., in N.Y. March 10 before the 20th anniversary dinner of the RTES. Leaders in such fields as broadcasting, govt., education, labor, etc. should hold the annual meetings in "an appropriately cloistered atmosphere, away from kleig lights, microphones, printing presses," Gen. Sarnoff urged.

He also cautioned broadcasters against accepting proposals for greater outside-the-industry censorship of the TV medium. "Either you have censorship or you don't. Either it applies across the boards or not at all," he warned. Then, aiming a verbal blow at print media, Gen. Sarnoff further stated: "How can one with reason relate [censorship] to a non-subsidized communications medium which uses the public airways to reach the people free of charge, and ignore the other media that make a circulation charge and, in addition, use public subsidies to reach these same people?"

The future of TV, Sarnoff stated, was secure, and would grow in world-wide scope through such developments as TV satellites orbiting the earth, instantaneous TV language-translation systems, super-miniature portable TV sets and "the practical use of extremely high frequencies" to end channel shortages.

Gen. Sarnoff was awarded RTES's first gold medal for outstanding achievement in broadcasting.

No CBS San Francisco-station deal (whereby the network would acquire KRON-TV as an o&o) is in the works, Louis Simon told us last week. The manager of Westinghouse's KPIX (CBS-TV affiliate in San Francisco) added: "Relations between KPIX & CBS were never stronger." NBC recently signed a deal to buy independent KTVU as an o&o, switching the affiliation from KRON-TV (Vol. 16:9 p1). Pres. Charles deYoung Thieriot of Chronicle Publishing Co., which owns KRON-TV, told us: "There is no truth whatsoever in this story." Merle Jones, pres., CBS-TV stations div., drove another nail into the report with: "It's new & interesting to us. It's strictly a speculative story."

Minn. Mining & Mfg. plans to purchase a substantial interest in Mutual Bestg. System from top shareholder Albert G. McCarthy. Word of the deal leaked out last week when the conversation of a 3M official was overheard by a financial reporter in a Minneapolis cafe. Actual purchase of part of McCarthy's holdings has been discussed by MBS and 3M, although no price or arrangement has been reached. Mutual, recently reorganized under Chapt. XI of the Bankruptcy Act, "is now nearing the break-even point, and has just racked up \$1.5 million in new & renewed business," a spokesman told us. One of 3M's prime reasons for an investment in MBS, we're told unofficially, is to seek "the kind of field-test opportunity for new 3M electronic products that RCA has with NBC."

Jack Paar's return to his show Mar. 7 found NBC-TV still wielding the censorial scissors, this time by mutual consent. Left on the tape-editing blocks was a 10-sec., 10-word gibe by Paar at columnist Walter Winchell's private life which network officials (and, prior to airtime, Paar) decided might well be libelous. Jack hit the rating jackpot, Arbitron crediting the show with a 7-city 24.5 rating and an audience share of 64.0. In N.Y., Arbitron measured a whopping 24.8 rating and 73.0 share.

Programming

MPAA Censures Censors: Always loaded for bear on matters of film censorship, Motion Picture Assn. of America has found "A Wolf in Sheep's Clothing" in the various film-classification bills which have been introduced in the N.Y. State Legislature. A fact sheet under that title has been distributed by MPAA to N.Y. Senators & Assemblymen to refute the arguments of proponents who contend that state classification or rating of films according to suitability for children & adolescents will effectively combat juvenile delinquency.

Not so, argues the fact sheet, pointing out that many foreign countries which have been classifying films for years still have high rates of juvenile delinquency. Other pro-classification theories hit by MPAA: Parents need outside assistance in reviewing films (Fact: some 20 national groups already rate films, and ratings are published in a number of national publications); state ratings will be objective & authoritative (Fact: "no such assumption can be guaranteed . . . There is no single set of standards or exact age delineation upon which a 'classification' law could be based and apply to all members of any given age group"); parents would be assured that state-approved films were good for their children (Fact: "these classifications would indicate 'suitability' only in the negative sense of innocuity").

"Let us continue to oppose measures for 'film classification' and other forms of censorship which, no matter how well-intentioned, can only result in a weakening of those freedoms of mind & communication which represent our greatest democratic strength," concludes MPAA.

* * *

TV's largest audience—100 million viewers—is forecast by MPAA for the April 4 Oscar show, which will be carried by 186 NBC & 40 CBC stations. The event is expected to top by far the record 57.8 Trendex scored by last year's Awards program.

Ford's Startime specials aren't likely to be back this fall in the NBC-TV lineup—or anywhere else. The current contract between Ford, NBC-TV and the Hubbell Robinson Jr.-MCA production set-up runs out on June 28, and nothing has been set beyond. In the latest NBC-TV blueprints for fall schedules, Startime is conspicuous by its Tues.-night absence. The lavish show series (average talent budget: about \$300,000), like many other specials in the 1959-60 season, has been something of a rating flop, despite some strong critical successes such as Ingrid Bergman's "Turn of the Screw" (Vol. 16:10 p14).

Big change in CBS-TV's Thurs.-night lineup for next season is being studied in Hollywood conferences between network Pres. James T. Aubrey Jr., vp Oscar Katz and Guy della Cioppa, West Coast program vp. It's reported that *To Tell the Truth*, *Dick Powell's Zane Grey Theater*, *Revlon Revue* and the *Betty Hutton Show* may be off the Thurs. night schedule next season. The 60-min. *Savage of the Deep* has been tentatively slotted for 7:30 p.m. Thurs., and *Angel* for 9 p.m. *Markham* will most likely return.

"Biography of a Missile" (CBS Reports) has been cited by the U.S. Army, Dept. of Defense, "for its outstanding contribution to public understanding." Plaques honoring Edward R. Murrow & Fred W. Friendly, co-producers, and Palmer Williams, dir. of production, were presented by Secretary of the Army Wilbur Brucker at the CBS-TV affiliates annual conference.

Television Digest

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Personals: NBC-TV has announced the election of 4 vps in the program dept.: Harold F. Kemp, vp, nighttime programs, West Coast; Richard L. Linkroum, vp, special programs; David W. Tebet, vp, talent relations; Felix Jackson, vp in West Coast program dept. . . . Carleton Hence, ex-national sales dir. of WBRE-TV Wilkes-Barre, appointed sales development mgr., Transcontinent TV Corp. (WGR-TV & WGR Buffalo, WROC-TV & WROC-FM Rochester, WNEP-TV Scranton-Wilkes-Barre, KFMB-TV & KFMB San Diego, KERO-TV Bakersfield).

Willard Block named to new post of international sales mgr., CBS Films; Jack Ballard, ex-NBC-TV, joins CBS Films as mgr. of programs-Hollywood . . . Dean Woodring, ex-KIEM-TV Eureka, Cal., joins KGW-TV Portland, Ore. as sales service mgr. . . . John B. Sias, TV vp of Peters, Griffin, Woodward Inc., moves his hq to PGW's San Francisco office . . . Don Brice, ex-radio KIRO program mgr., appointed news dir. of Queen City Bcstg. Co. (KIRO-TV & KIRO Seattle) to launch combined TV-radio news operation . . . Richard C. Pistell, pres. of Pistell, Schroeder & Co., named finance committee chmn. & a dir. of Bartell Bcstg.

Ira G. Delumen, ex-Eastern sales mgr., named to new post of mgr., program & project sales for CBS-TV production sales, the network's video-tape production unit; Jack Reynolds, ex-National Educational TV & Radio Center, named asst. to Richard D. Heffner, dir. of special projects, CBS-TV information services . . . Gordon A. Hellmann, ex-dir. of adv. & sales promotion, Transcontinent TV Corp., forms Hellmann Marketing Services (654 Madison Ave., N.Y. Templeton 8-8834), providing consultation & creative marketing research for clients in broadcasting & related fields . . . Vern Behnke, ex-CBS-TV Films, named gen. sales mgr., UPA Pictures Inc. . . . Wayne M. Nelson Jr., ex-Lennen & Newell, joins N. C. Rorabaugh Co. as editor of *Spot TV Quarterly Report*.

J. M. Higgins, gen. mgr. of WTHI-TV & WTHI Terre Haute, also elected vp & dir. of parent Wabash Valley Bcstg. Corp. . . . William G. Mulvey appointed asst. gen. sales mgr., James E. Kovach program mgr., WNHC-TV New Haven . . . Don Shepherd, ex-Southeastern Newspapers Inc. (WRDW-TV & WRDW Augusta, Ga.), appointed promotion dir., WLOS-TV Asheville-Greenville-Spartanburg . . . Gene Fullen named community relations dir., WTVN-TV Columbus . . . James Symington, 32, son of Sen. Stuart Symington (D-Mo.), joins Washington law firm of Arnold, Fortas & Porter.

Honors & awards: Frank B. Palmer, gen. mgr. of WFBG-TV & WFBG Altoona, voted one of Pennsylvania's 3 "outstanding young men of 1959" by Pa. Jr. Chamber of Commerce . . . Arnold Peterson, farm service dir. of WOW-TV & WOW Omaha, presented special U.S. Treasury Dept. award as chmn. of radio & TV div. of Neb. advisory committee for Savings Bond program . . . Keith S. Glatzer, news & special events dir. of radio WFOR Hattiesburg, Miss., named winner of NBC News' 3rd annual Earl Godwin Memorial Award for his coverage of the Mack Charles Parker kidnaping & murder case in Poplarville.

RTES timebuying-selling seminar March 15 will hear CBS Inc. vp Richard S. Salant and speaker from ad agency of one of the major political parties, discuss "Fall Political Campaigns & Broadcasting" at Hotel Lexington, N.Y.

Storer ad in current issue of *The New Yorker* supplies an unintended bitter postscript to *l'affaire Doerfer*. Under a sketch of 2 men walking from an airplane, the caption reads: "Leo pegged it when he said 'quit guessing—you know where you're going with Storer.'"

Obituary

Harry M. Bitner Sr., 76, ex-chmn. of Consolidated TV & Radio Bestrs. (WFBM-TV Indianapolis, WOOD-TV Grand Rapids-Kalamazoo, WTCN-TV Minneapolis-St. Paul), died in an auto collision March 7 at Delray Beach, Fla. Also killed in the crash was a friend, George E. Sexton, 58. They were passengers in a car driven by Mrs. Bitner, who, with Mrs. Sexton, suffered minor injuries. Bitner was former gen. mgr. of the Hearst newspaper chain and served as dir. of the printing & publishing div. of the War Production Board during World War II. He sold his broadcast properties in 1957 to *Time* magazine subsidiary TLF Bestrs. Inc., for about \$20 million. Bitner's survivors also include a son, daughter, and 2 brothers. A brother, Lynn, is gen. mgr. of the Gannett Newspapers.

Auxiliary Services

Telemeter's infant pay-TV project could be running afoul of Canadian federal law. Rev. A. S. McGrath, claiming that Sunday pay TV is contrary to the Lord's Day Alliance Act, is considering action. He is leader of an unofficial group which set itself up to police the act. Rev. McGrath asserted that Sunday pay TV does not differ from Sunday movie-theater opening, which is banned by the act. He also classified Sunday free TV & radio as contrary to the act, but agreed that the act should be modified to allow these. The operators of Toronto's pay TV are not concerned with Rev. McGrath's threat at present. Said Trans-Canada Telemeter's James Nairn: "They have said nothing to us, and when they do we'll seek legal action."

Application for pay-TV test will be filed with FCC by mid-April by Teleglobe Pay-TV System Inc., 15 E. 48th St., N.Y., according to Pres. Solomon Sagall. He said he is now lining up financial backing. He declined to identify the market he'll use.

Videotape-equipped aircraft carrier is USS Ranger, Navy's largest. An Ampex recorder and a Marconi 4½-in. image orthicon camera make it possible for jet-pilot trainees to view their own takeoffs & landings immediately after completion of these flights.

Translator starts: W73AD & W80AC Rhinelander, Wis. began Feb. 2 repeating WBAY-TV & WLUK Green Bay.

Trade Report

MARCH 14, 1960

JAPANESE TV SETS HERE—FOR \$69.95: The first quantity imports of Japanese TV sets have begun. Initial interest by dept. stores, distributors & dealers has been described as enthusiastic. The big selling point: importer's price is \$47.50, suggested list \$69.95. We're told that some 15,000 have already been ordered, mostly by dept. stores.

The small 7½-in. set uses 14 tubes. It operates from 110-volt line power—don't confuse it with those promised imports of 8-in. battery-operated transistor TV sets (to retail at about \$200 or more). Orders have been placed by such big dept. store merchandisers as Macy's, AMC and Allied Stores.

Importer is Star Lite Merchandise Co., N.Y., which imports transistor radios and sells them under its own brand. Star Lite's co-owner Al Dayon declined to identify the manufacturer of either the TV sets or radios, but said he was leaving for Japan next week to see if production could be increased to accommodate the unexpectedly heavy flow of orders.

The importer says it plans to deliver 3,000 units monthly—and already is sold out until August. The set was shown for first time last week at the Variety Merchandise Fair in N.Y. Coliseum and initial batch of 1,000 was sold out on opening day of show. Dayon told us Star Lite will sell the set through dept. stores, TV-radio distributors, dealers and such specialized avenues as hardware & tobacco jobbers.

The Japanese set carries lowest list price ever for a TV set in this country, in our memory. It measures about 11 in. front to back, weighs 18 lb., has metal cabinet, built-in rabbit-ear antenna, side tuning controls under hinged panel, comes in assorted colors. Aimed at 2nd-set trade, it undoubtedly will show up at lower than the suggested \$69.95—and you can bet that other competitive Japanese sets will now begin to appear.

Whether public will really buy 7½-in. TV sets—even at \$69.95 or less—is problematical. Even in TV's first days—1947-48—7-in. sets were considered too small, and sizes quickly moved up to 10-in. and then 12-in. As recently as 1956, RCA made a rather costly excursion into the tiny-screen field with its neat-looking 8½-in. 10-tube "personal portable" at \$125 (Vol. 12:9 et seq.) and Emerson & others introduced sets the same size—none a notable success. Even 14-in. sets—once a popular portable size—are disappearing from the market. Only 115,000 sets with screens 14 in. & smaller were sold to public last year—less than 2% of total.

Against this background must be weighed novelty value & price. It's our guess that several Japanese set makers will be in the small-screen U.S. market by year's end. If imported "personal" sets can make any inroads on TV market this time around (which we consider unlikely at any price), U.S. manufacturers can also play this game—at competitive prices, if necessary, as shown by the new U.S.-made pocket radios.

ELECTRONICS PROFITS ROSE 23% IN 1959: The 1959 financial reports digested in our pages in the last few weeks prove that, individually & collectively, electronics-oriented firms had a banner profit & sales year in 1959. Our tabulation of 24 "weathervane" companies—well-established firms active in electronics—shows an aggregate profit increase of 23.3% on sales 12.4% higher than 1958.

The electronics profit increase corresponds very closely to the aggregate rise among all types of industrial corporations. A recent tally of 420 industrial firms by Wall St. Journal showed an earnings increase of 22.2% from 1958 to 1959. A year ago our own compilation showed that our index of electronics firms dipped 3.2% in profits while Wall St. Journal's industrial aggregate dropped 16% from 1957 to 1958 (Vol. 15:12 p.16).

Subdividing our 24 weathervane companies into specialized groups (fields in which they are best known), we find that the volatile components group showed largest increases in sales & earnings; consumer electronics placed 2nd, and the large diversified electronics firms—as might be expected because of their size & range—showed the smallest change. All figures covered the calendar year 1959 except as noted.

The 7-company consumer electronics group showed an aggregate 73.5% increase in after-tax earnings last year on 22.1% more sales. Firm showing biggest proportionate profit increase was Admiral (198%),

largest percentage increase in sales being shown by Motorola & Zenith (both over 33%). Companies making up consumer electronics group: Admiral, Andrea, Emerson (year ended Oct. 31), Hoffman, Motorola, Philco, Zenith. (Latest set-maker financial reports will be found on p. 21.)

The 7 firms in the diversified electronics group aggregated 17.7% rise in net profit, 10% increase in sales, Daystrom's 55.9% being biggest individual profit increase, Raytheon's 31.7% the biggest increment in sales. The diversified companies tallied: Daystrom (9 months to Dec. 31), GE, GT&E, RCA, Raytheon, Thompson Ramo Wooldridge, Westinghouse.

Components industry group of 10 companies increased profits by 81.7% last year over 1958, while sales rose 36.7%. Best performers here were International Resistance with a 254% rise in profit, Texas Instruments with 110.1% rise in sales. The components group: Erie Resistor, General Instrument (9 months to Dec. 31), Globe-Union, International Resistance, P. R. Mallory, Oak, Speer Carbon, Standard Coil, Texas Instruments, Tung-Sol.

We realize many of the tallied firms go beyond electronics into electrical equipment, appliances, etc.—but, to give a fair indication of the financial climate, we have avoided using new & highly specialized firms in our compilation. It's interesting to note that all 24 firms reported sales increases from 1958 to 1959 and 23 of the 24 had increased profits—the one exception being a components firm plagued by costly strike in 1959.

This table summarizes 1959-vs.-1958 comparison of operating results of 24 TV-electronics weather-vane firms in terms of aggregate increases:

	Net Profit	Sales
Consumer Electronics Group (7 companies)	+73.5%	+22.1%
Diversified Group (7 companies)	+17.7%	+10.0%
Components Group (10 companies)	+81.7%	+36.7%
AGGREGATE 24 COMPANIES	+23.3%	+12.4%

TV-RADIO PRODUCTION: EIA statistics for week ended March 4 (9th week of 1960):

	Feb. 26-March 4	Preceding wk.	1959 week	'60 cumulative	'59 cumulative
TV	107,794	113,066	95,794	1,133,879	994,388
Total radio	318,650	321,852	277,682	3,112,853	2,528,432
auto radio	122,507	126,939	99,847	1,350,800	952,409

Double-duty transistor portable radio that can be consumer-converted into an automobile set has been announced by RCA. The 6-transistor set is offered in a do-it-yourself conversion kit that carries a suggested retail of \$59.95. The kit includes, in addition to the Model T-1 radio, a vertical antenna, dashboard bracket, generator condenser, ignition suppressor, complete instructions for car installation. After installation of accessories, the portable radio can be used as a car set by snapping it into the dashboard bracket. The bracket swings under the dashboard when not in use. "This unique 2-in-1 radio kit is ideal for the auto owner who wants an inexpensive car radio and also a powerful portable which he can take with him wherever he goes," notes consumer products exec. vp P. J. Casella.

"Compensating diode" which extends battery life and improves the sound quality of transistor radios has been introduced by RCA's semiconductor & materials div. Marketing mgr. T. R. Hays described the diode as the first germanium device of its kind, and said it's now commercially available to electronics manufacturers. "When used in suitable circuits," he explained, "the compensating diode (RCA-1N2326) can bring about a substantial reduction in audio-frequency distortion caused by temperature variations. In addition, it prolongs useful battery life. Standard dry cells may be used to substantially lower end-point voltages before AF distortion becomes apparent."

U.S. industry needs protection now from foreign imports produced at "slave labor wage rates," Rep. Van Zandt (R-Pa.) told the House. Urging action on his bill (HR-9841) and a companion measure (S-2882) by Sen. Keating (R-N.Y.) to curb "crippling competition" by low-wage goods from Japan, Germany, Italy and Great Britain, Keating said: "Now is the time for straight talk on a problem so serious that few political districts remain untouched." He cited damage—or threatened damage—to such U.S. industries as textiles, wood working, chemicals, glass and machinery which he blamed on foreign wage rates. The Van Zandt-Keating bills would authorize the Secy. of Labor to recommend tariff increases for imports produced "under

"Influence peddling," by retired military officers who get jobs with defense contractors, would be curbed under legislation drafted by the House Armed Services Committee. The bill, recommended by a subcommittee which investigated employment of retired generals & admirals by industry—and found a heavy concentration of them in electronics (Vol. 16:4 p18)—would: (1) Ban retired pay for officers who "sell anything" to the Pentagon within 2 years after they leave the services. (2) Cut off pay of any active officer (except 5-star brass on the active list for life) who is employed in any capacity by a defense contractor. (3) Require retired officers who take defense-connected jobs to register at the Pentagon.

JAN. TV-RADIO-PHONO SALES: Retail sales of TVs, radios & phonos in Jan. 1960 were well ahead of Jan. 1959, EIA figures confirmed last week. TV sales of 590,867 were at an annual rate of more than 6.6 million sets, as indicated in these pages last week (Vol. 16:10 p15). Phono sales figures, issued on a monthly basis for the first time, reveal that Jan. 1960's business was 33% better than Jan. 1959 in terms of units. Even this doesn't tell the whole story, since a far greater proportion of total sales was in stereo units this year—meaning higher dollar value per average unit.

Here are EIA's Jan. retail sales & production (factory sales for phonos) statistics, with Dec. 1959 & Jan. 1959 comparison figures:

TV-RADIO-PHONO PRODUCTION & SALES

	Jan. 1960	Jan. 1959	Dec. 1959
TV production	526,494	437,026	593,170
TV retail sales	590,867	501,704	701,705
Total radio production	1,355,788	1,124,737	1,553,308
auto radio	632,461	420,052	581,378
Radio, retail (excl. auto)	808,388	700,490	1,755,027
Phono factory sales	459,729	361,483	562,318
stereo	341,329	177,336	407,744
monaural	118,400	184,147	154,574
Phono retail sales	519,652	390,642	822,761
stereo	368,964	159,214	592,772
monaural	150,688	231,429	229,989

* * *

Picture & receiving tube sales in Jan. 1960 were slightly higher than those in Jan. 1959, EIA reported last week, although they were seasonally lower than the Dec. 1959 sales. EIA's figures on factory tube sales:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January 1960	795,250	\$15,834,785	31,367,000	\$26,872,000
December 1959	816,787	15,941,040	37,248,000	32,401,000
January 1959	784,906	15,209,896	31,150,000	26,808,000

TV dealers' income from set-service contracts is taxable in the year it is received, and can't be pro-rated for the duration of the contracts, the Internal Revenue Service has ruled (Rev. Rul. 60-85). Rejecting a contrary May 28, 1959 decision by the U.S. Court of Appeals in N.Y., IRS held that "where a taxpayer receives pre-paid income under a claim of right & without restriction as to its disposition, it must report the entire amount received each year as income." The Court of Appeals had ruled that Bressner Radio Inc., N.Y. TV & radio set dealer, could allocate income from service contracts to months following the tax year, thereby deferring taxes.

So-called "compatible" stereo recording system, developed by Fairchild Recording Equipment Co. and Beltone Recording Studios (Vol. 16:3 p16), said to play equally well on stereo & monaural phonos, has met with less than widespread enthusiasm from record industry. Last week, the Record Industry Assn. of America made it official. Its engineering committee announced that "a compatible true stereo record . . . is no closer to attainment than was the case 2 years ago," following independent tests of the new system by all engineers on the committee. The Fairchild-Beltone system confines stereo to tones above 200 cycles.

Packard Bell has introduced stereo hi-fi equipment with "3 sound sources"—3 separate amplifier-speaker systems—including a "stage center" channel for bass frequencies. Shown to distributors at their annual midwinter meeting in Los Angeles, the new line includes a special model for custom installation. Prices of the new sets range from \$199.95 to \$495.

ZENITH'S WRIGHT PREDICTS: TV is "over the hump," and a steadily improving set sales picture can now be expected. So said Zenith Pres. Joseph S. Wright last week in a talk before the N.Y. Society of Security Analysts. He predicted a rise from last year's 6,012,979 sets sold to dealers by distributors to nearly 7 million this year, 7.5 million next year and "over 8 million in the middle '60s."

As to Zenith's own immediate TV future, he made this guarded comment: "At the first of the year I predicted that our industry would be up in TV receiver sales by about 10% and said that Zenith hoped to increase its business by some 20%. If I were asked to start with a fresh sheet, I don't know whether I would be quite as optimistic at this point, although certainly we are going to have another record first quarter. Currently we are running well ahead of last year, and expect this year to continue the same way."

Analyzing Zenith's successes in consumer electronics, he reiterated these points made in former talks, notably last July's address to San Francisco Security Analysts (Vol. 15:24 p21): (1) Reputation for quality product. (2) Efficient inventory control. (3) Emphasis on original research & engineering as a result of "resigning" from the RCA patent pool. He added another point—lack of diversification: "We are thankful that over the past 2 or 3 difficult years in our industry, many of our competitors were considerably preoccupied with the problems connected with breaking into computers, washing machines or the parts & components businesses, so that they were scarcely aware of Zenith's progress."

"There is no company which markets a full range of heavy appliances and radio & TV which is the leader in any one product type within the range," he said. This benefits Zenith and its distributors, "who are thus able to put together the very strongest independent lines of appliances."

As for pay TV, he re-stated what he told us 2 weeks ago (Vol. 16:10 p4)—that Zenith will apply to FCC for a Phonevision test operation within a few weeks. Before the end of the month, he added, announcement will be made of "another large & fine company which is interested in going forward with us in subscription TV on a broad basis."

In the question period following the talk, he made these additional comments: (1) Zenith has a 12-in. transistorized TV set "on the workbench," but it would have to be sold for about \$400 to be profitable. He didn't know whether Zenith would offer a transistor set this year. (2) Both the 23- & 19-in. sets are going to be important, and "I don't know the answer" to the place of the 21- & 17-in. sizes in the future. (3) Color interest may perk up within the next 2 years, and "if it becomes a business we may be right in it."

New plants & expansions: P. R. Mallory was slated to start construction last week of a 43,000-sq.-ft. plant at Greencastle, Ind. for the production of tantalum capacitors. The plant is scheduled for Sept. completion, and will employ 200 when in full production . . . Sylvania has initiated a \$500,000 facilities-expansion program at its Towanda, Pa. plant to step up the production & processing of germanium & silicon used in semiconductors. The new facilities are expected to be in operation within 3 months.

Previews of RCA's 1961 color TV line for dealers & distributors will be held May 17-20 in Las Vegas and May 25-28 in Miami Beach.

New Motorola Lines: Motorola indicated that it believes there's still plenty of life in 21-in. TV when it showed distributors 6 new low-end models in its 1961 line. Meeting in Chicago last week, the distributors also saw a new portable radio line whose price-leader is a \$24.95 shirt-pocket set made entirely in Japan.

The new 21-in. sets in the leader line contain features adapted from Motorola's higher-price TV merchandise—including 20,000-volt power, 4-wafer cascode tuner, Tube Sentry, pre-set fine tuning and greater emphasis on furniture design. Table models range from \$189.95 to \$209.95, consoles \$239.95 to \$269.95, lowboys \$279.95 to \$299.95.

Consumer products div. exec. vp Edward R. Taylor told the distributors that sales of Motorola portable radios for Jan. & Feb. are running more than 50% ahead of the same 1959 months, clock radios 65% ahead, table radios nearly 60% up. Orders for the new FM car radio "are greater by far than we had expected," he added.

The tiny new 6-transistor shirt-pocket model will be made entirely in Japan, and most other portables in the line will use "some foreign parts," a company spokesman told us. One new set, at \$39.95, is described as "the first really practical cordless radio." It is designed for use as a table or portable receiver, has a 4-in. speaker and uses 2 battery packs which will operate for 1,500 hours at an average use of 4 hours a day. Other sets sell for \$34.95, \$39.95 & \$49.95.

Motorola's stereo sales so far this year are running 71% ahead of last year, the distributors were told by radio & phono sales mgr. W. E. Laswell. "These sales are especially gratifying," he said, "because the period a year ago represented the highest in the company's history."

New receiving-tube design, especially for use in TV sets, auto radios and other electronic equipment using printed-circuit boards, was announced last week by Sylvania. Designated "9-T9," the design consists of a straight-sided T-9 (bantam) bulb with a 9-pin miniature circle of leads replacing the conventional 8-pin base. Advantages claimed are easier assembly of printed-circuit equipment & adaptability to higher power than is possible with conventional tube types.

Sony Corp. of America, new wholly-owned subsidiary of Sony Corp. (Tokyo) plans to step up national advertising for Sony radios & the upcoming portable transistorized TV set (Vol. 16:4 p15). A 2-page ad in March 7 *Home Furnishings Daily* advises dealers that "large" ads will be used in *Life*, *Esquire*, *Holiday*, *New Yorker* and *National Geographic*. Deliveries & service will be speeded up, according to the ad, all orders being shipped "no later than the day after they are received."

Philco has slashed prices on about a third of its transistor line. The cuts range up to 52% on one type, but most of the reductions are between 25% & 40%. Affected are 21 specific transistors, including Philco's complete line of silicon types.

Another former TV manufacturer may return to the fold: Philharmonic Radio & TV Corp., subsidiary of big Symphonic Electronic Corp., is understood to be planning to go into TV production this year. Philharmonic once was a private-label TV supplier.

More business aid to service dealers: Sylvania is making available to TV-radio technicians a 12-lesson correspondence course on business techniques & practices published by Radio-TV Training Assn.

Trade Personals: L. Berkley Davis, gen. mgr. of GE electronic component div., Owensboro, Ky., elected a vp . . . Leonard S. Hermelin, ex-Republic Aviation, appointed vp of engineering & mfg., Emerson Radio govt. electronics div., succeeding Dr. Werner F. Auerbacher, who becomes consultant on operations on staff of exec. vp Dorman D. Israel . . . Bernard I. Belasco, ex-ad & sales promotion mgr. of Raytheon semiconductor div., named to similar post in General Instrument semiconductor div. . . Dr. Morton B. Prince named vp-gen. mgr. of Hoffman semiconductor div., succeeding Maurice E. Paradise, now serving in new post of corporate vp, product planning.

David Cole, ex-Crosley Distributing Corp. (N.Y.), resigns as Capehart gen. sales mgr. to become vp of Louis R. Goldman & Co., N.Y. manufacturer sales rep . . . Robert T. Cavanagh resigns as military electronics dir., Du Mont Labs . . . A. A. Passarello promoted to mgr., Zenith hearing aid div. . . Lt. Gen. Harold L. George (USAF ret.) has retired as vp & exec. asst. to the pres., Thompson Ramo Wooldridge . . . Julius Haber, RCA community relations dir., moves his office from Camden, N.J., to N.Y., July 1.

Donald S. Burns, ex-commercial products group chief engineer, promoted to technical asst. to Stromberg-Carlson commercial products div. vp-gen. mgr. Arthur J. Hatch . . . J. Reynolds Carey, ex-Norge, named mgr. of consumer products for Ampex subsidiary Orr Industries Co. (magnetic tape) . . . Ralph E. Van Hoorn, ex-Cresap, McCormick & Paget, appointed ITT area director of mktg., charged with directing commercial marketing plans & programs of U.S. & Canadian ITT divs. & subsidiaries . . . Ed Claffey appointed consumer products merchandise mgr., Glaser-Steers Corp. (record changers) . . . David E. Corbett named ad coordinator for Electrohome products div., Dominion Electrohome Industries, Kitchener, Ont. . . Arthur Glantz promoted to controller, Blonder-Tongue Labs, succeeding Harry Gilbert, now vp (Vol. 16:9 p16).

Harold A. Wheeler, pres. of Wheeler Labs Inc., Hazeltine subsidiary, has received George Washington U.'s distinguished engineer alumnus award.

Catalog of closed-circuit TV equipment has been published by RCA as an aid in planning industrial installations. The 112-page compilation, described as the first complete listing of its kind, is available on letterhead request to ITV-Dept. 759, RCA, Bldg. 15-1, Camden 2, N.J.

Semiconductor marketing forum will be conducted by EIA April 5-6 at Hotel Roosevelt, N.Y. April 5 banquet speaker will be RCA dir. of mktg. research & development Dr. Wendell R. Smith. Details of the meeting, open to all industry representatives, are available from C. R. Joyner, EIA, 1721 De Sales St. NW, Washington 6, D.C.

War chest to fight excise tax on hi-fi components is being raised by Institute of High Fidelity Manufacturers. IHFM is asking its members for voluntary contributions of \$100 each to present the case against the proposed imposition of a 10% tax on hook-it-up-yourself hi-fi.

Allowances on returned TV picture tube bulbs have been increased by 50¢ to \$1.25, effective March 1, by most tube makers, including Sylvania, GE & Tung-Sol.

Obituary

Jules M. Smith, 66, a former vp of Davega Stores Corp. and a veteran of 36 years with Davega and City Radio Stores, died March 6 in Mt. Vernon, N.Y., after a brief illness. He is survived by his wife, 2 daughters, 2 sisters and a brother.

Finance

NEW RECORDS FOR SET MAKERS: Highlighted by record 1959 figures for Motorola & Zenith, improved sales and/or earnings were reported last week by 6 U.S. TV-radio-phono manufacturers and one Canadian firm. These follow the previously noted 1959 reports of RCA's record sales and 30% profit increase (Vol. 16:9 p18), Admiral's threefold increase in earnings (Vol. 16:10 p19), Philco's doubled profits (Vol. 16:10 p19), GE's record sales & earnings (Vol. 16:8 p22), GT&E's all-time records (Vol. 16:9 p19), Westinghouse's increases (Vol. 16:5 p24) as well as new records for Packard Bell and Siegler Corp. for 3-month & 6-month periods ended Dec. 31 (Vol. 16:5 p24).

These are the most recent financial reports of set manufacturers:

Motorola's 1959 earnings were 92% higher than those of 1958, while sales were 33% higher. Pres. Robert Galvin attributed the results to "enthusiastic acceptance by consumers" of Motorola's home electronics lines, the rise in sales of 2-way radio systems and improved volume of car radio sales as well as higher earnings in military electronics. Fourth-quarter sales also set a new high, and earnings for the quarter were the best since 1950. Galvin predicted a 10% gain in sales & earnings in 1960, if the economy maintains its present pace.

The annual report shows Motorola's net investment in plant & equipment increased 20% during the year as a result of an investment of nearly \$6 million in 1959. Shareholders' equity in the company rose to more than \$83 million from about \$27 million in 10 years. The profit-sharing fund for employes reached nearly \$45 million in 1959. Working capital at the end of the year was \$57.1 million vs. \$54.6 million at 1958's end. The report for 12 months ended Dec. 31:

	1959	1958
Net sales	\$289,529,444	\$216,590,325
Net earnings	14,171,237	7,356,213
Per common share	7.17	3.80
Common shares	1,975,131	1,935,131
For 3 months ended Dec. 31:		
Net sales	\$83,516,711	\$79,427,342
Net earnings	4,686,213	4,138,487
Per common share	2.27	2.14

* * *

Zenith chalked up a 37% increase in earnings and a 33% sales gain in 1959, celebrating its first year of selling more than a million sets. Chmn. Hugh Robertson gave these company sales-increase figures (vs. 1958) in a preliminary report to stockholders: TV set sales 40%, remote-control TVs 110%, table model TVs 36%, consoles 44%, transistor portable radios 53%, home-radio sales setting a new record for the company. "Our sales so far this year," he added, "are substantially ahead of any previous comparable year." (For comments by Zenith Pres. Joseph S. Wright, see p. 19.)

The Zenith business story for 12 months ended Dec. 31 (1958 shares & per-share earnings adjusted to reflect 3-for-1 stock split in May 1959):

	1959	1958
Consolidated sales	\$260,033,866	\$195,041,624
Net income	16,630,144	12,116,165
Per common share	5.63	4.10
Common shares	2,954,784	2,954,784

* * *

Hoffman reports record profits on a 17% sales increase in 1959. Pres. H. Leslie Hoffman said total sales were lower than anticipated because of production delays on a

large govt. contract. The company's order backlog at the end of the year was the highest in history, military backlog totaling \$65 million. For 12 months ended Dec. 31 (1958 shares & per-share earnings adjusted to reflect 1959 stock split):

	1959	1958
Sales	\$46,359,832	\$39,544,064
Net income	1,990,165	1,712,509
Per common share	1.31	1.15
Common shares	1,513,955	1,482,656

* * *

Pacific Mercury Electronics, private-label TV-radio-phono supplier to Sears Roebuck, and manufacturer of Thomas electronic organs & military electronic equipment, reported record sales for 6 months ended Dec. 31, 1959, more than 17% higher than the comparable 1958 figure.

For the 6-month period:	1959	1958
Sales	\$12,723,525	\$10,847,496
Net income	258,345	232,110
Per common share	37¢	33¢
Common shares	700,000	700,000

* * *

Andrea Radio Corp., whose stock is now publicly traded, reports increases in sales & profit for 1959. For 12 months ended Dec. 31: (per-share earnings for both periods based on 250,700 shares):

	1959	1958
Net sales	\$6,526,827	\$5,798,571
Net income	279,675	263,919
Per common share	1.12	1.05

* * *

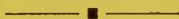
Emerson reports an increase in net profit for the 13 weeks ended Jan. 30, as compared with the similar 1959 period. The company does not release sales figures in interim statements. For 13 weeks to Jan. 30:

	1960	1959
Consolidated net profit ..	\$675,512	\$627,468
Per common share	32¢	30¢
Common shares (1960) ..	2,115,906	2,115,906

* * *

Fleetwood Corp. (formerly Electrical Products Mfg. Co.), Montreal manufacturer & distributor of Du Mont TVs, radios & phonos, and importer of Grundig products, reports record sales & earnings for 1959. Never before publicly held, the company now has 225,000 shares outstanding. Pres. Myer F. Pollock stated that 66% of 1959's sales dollar represented TV, 22% radios & radio-phonos, 12% other products. Private-label output accounted for about 24% of sales. For 12 months ended Dec. 31:

	1959	1958
Sales	\$12,437,600	\$11,742,713
Net profit	752,756	539,193
Per common share	1.16	83¢



Raytheon expects 1960's sales & earnings to top 1959's record performances (Vol. 16:5 p23), Pres. Charles F. Adams noted in the Waltham, Mass. concern's annual report. "We have well-developed plans for further expansion both internally and by acquisition in those areas of military, commercial and industrial electronics which offer the most attractive opportunities for profitable business," he said. Adams noted that Raytheon also expects further growth in non-military business this year. For the year ended Dec. 31:

	1959	1958
Sales	\$494,278,000	\$375,156,000
Net income	13,481,000	9,403,000
Per common share	3.89	3.08
Common shares	3,423,567	3,050,459

National Video Corp., Chicago picture-tube manufacturer, will be listed on American Stock Exchange.

Skiatron Swiss Deals Cited: A note of international mystery was injected last week by SEC attorneys into the stock-registration hearings for Skiatron Electronics. That organization is accused of filing inadequate & inaccurate data on its pay-TV system (Vol. 16:9 p20).

The featured witness on the stand as the on-&-off proceeding ran through another 2 days was John Rush, partner in the Swiss-American Corp., N.Y., and American correspondent for Credit Suisse of Zurich. He testified that, on instructions from Credit Suisse, he "picked up" 77,000 shares of Skiatron Electronics stock from Pres. Arthur Levey between June 1957 & Dec. 1959 and sold them on the U.S. market for an unidentified "special account" in the Swiss bank, where the proceeds were deposited. Under Swiss banking laws anonymity of customers can be maintained, the SEC lawyers pointed out.

The hearings were recessed by SEC trial examiner Robert N. Hislop until March 17 before the Swiss bank transactions were explored further. Other witnesses last week included N.Y. brokers who added details to earlier testimony about complicated deals in Skiatron Electronics stock—many of them involving Matthew (Matty) Fox's Skiatron of America, licensee of the pay-TV system. Fox himself was not called to the stand.

Prior to the resumption of the public proceedings this week, SEC counsel & Skiatron Electronics lawyers will try to work out stipulations about the company's business affairs. "We want to reach agreement on Skiatron's chances of success or lack of them—or what they are, anyway," one SEC source told us. If no agreement is reached, more witnesses probably will be summoned by SEC.

Perkin-Elmer Corp., Norwalk, Conn. maker of electronic instruments, reports slight increases in sales & earnings in the 6 months to Jan. 31:

	1960	1959
Net sales	\$8,656,174	\$8,166,112
Net income	342,919	326,757
Per common share	30¢	30¢
Common shares	1,146,350	1,090,330
For the quarter to Jan. 31:		
Net sales	\$5,409,453	\$3,880,764
Net income	287,369	172,361
Per common share	25¢	16¢

Gabriel Co. reports a decline in profit despite sharply increased sales in 1959. The Cleveland producer of automotive parts, antennas, microwave equipment (Gabriel electronics div.) notes an "extraordinary charge" in 1959 of \$40,901, representing a loss on the settlement of a gov.-contract claim of a now-merged subsidiary. For the year ended Dec. 31:

	1959	1958
Net sales	\$28,836,253	\$22,825,684
Net income	536,906	545,066
Per com. share (after pfd.)	77¢	80¢
Common shares	675,838	661,038

Minnesota Mining & Mfg. Co. scored record sales & earnings in 1959. Its first consolidated report for worldwide operations shows a net income of more than \$63.5 million (\$3.74 a share) on sales topping \$500 million. Tape & allied products accounted for 21% of total 3-M sales. Domestic & Canadian operations for the year ended Dec. 31:

	1959	1958
Sales	\$446,580,323	\$376,293,016
Net income	60,262,440	43,879,033
Per common share	3.54	2.58

Speer Carbon Co. (components) reports record sales & net income in 1959. For 12 months to Dec. 31 (1958 per-share earnings adjusted to reflect 2-for-1 split in July 1959):

	1959	1958
Net sales	\$23,525,268	\$18,338,899
Net income	1,970,817	1,176,034
Per common share	2.20	1.30

Standard Coil Products Co., Melrose Park, Ill. producer of TV tuners, nearly tripled income on a healthy sales rise in the year ended Dec. 31:

	1959	1958
Net sales	\$73,765,428	\$69,489,636
Net income	1,523,379	558,887
Per common share	77¢	36¢
Common shares	1,983,553	1,568,182

Globe-Union, Milwaukee maker of batteries, automotive parts, electronic components (Centralab div.), netted strong sales & profit gains in 1959, according to the preliminary consolidated report for the year ended Dec. 31:

	1959	1958
Net sales	\$65,170,127	\$59,246,085
Net income	2,269,746	1,466,621
Per common share	2.72	1.78
Common shares	834,190	825,310

Erie Resistor Corp. reports a substantial 1959 decline in net income, stemming mainly from a 3-month strike in the 2nd quarter. For the year ended Dec. 31:

	1959	1958
Sales	\$24,506,569	\$21,202,186
Net income	359,340	510,441
Per common share	35¢	57¢

Textron Electronics scored net earnings of \$384,000 (18¢ a share on 2,140,000 common shares) on \$9,884,000 sales in the 7 months of 1959 following its formation. Textron Electronics, subsidiary of Textron, Inc., was organized in mid-1959 to take over the operations of Textron div. MB Electronics, subsequently acquired other businesses in the electronics & related fields: Globe Electronics (Council Bluffs, Ia.), G. C. Electronics (Rockford, Ill.), Schafer Custom Engineering (Burbank, Cal.). For the full 1959 year, the divisions now owned by Textron Electronics had a combined net profit of \$892,000 (31¢ on 2,890,000 shares) on \$22,609,000 sales. Textron Electronic sales currently are running at an annual rate of \$27.5 million. The company "hopes" to acquire other companies, expand into a large electronics concern.

Sonar Radio Corp., Brooklyn-based maker of marine electronic & radio equipment, last week made a public offering of 180,000 shares of common, priced at \$3 a share (Vol. 16:5 p22). The offering was by George, O'Neill & Co. Inc., and associates. After the sale, Sonar will have 410,940 shares of common outstanding. Proceeds will be used to establish new production, research and development facilities, increase working capital, etc. Sonar was formed in 1946. Sales climbed from \$474,400 for the fiscal year ended June 30, 1957 to \$806,500 in the 1959 fiscal year.

Telectro Industries expects that its 1959 net will finalize at about \$175,000 (about 30¢ a share) on sales topping \$5.1 million. Pres. Harry Sussman forecasts the 1960 volume at \$7.5 million, and notes "we are in good shape to handle the growth that lies ahead." Expected to help Telectro's 1960 sales picture are a transistorized tape recorder & a slow-scan TV system known as Telectro-Vision.

Midland Mfg. Co. & subsidiary Wright Electronics, Kansas City makers of quartz crystals for the TV & electronics industries, have been acquired through an exchange of stock by Pacific Industries Inc., San Francisco concern with various products & activities, including processing of motion picture & TV film. Pacific Industries entered the electronics manufacturing field last year with the purchase of Computer Measurements Co. The San Francisco corporation anticipates fiscal-1960 sales of more than \$20 million, up from \$15.9 million in the 1959 fiscal ended Aug. 31. Midland & Wright forecast 1960 sales of more than \$4 million.

Monogram Precision Industries has sold its Los Gatos, Cal.-based Lewis & Kaufman div., producer of electron power tubes, to a group headed by Robert A. Lehman, former Monogram senior vp & div. chief who resigned Dec., 1959. The Los Gatos facility has been organized as the Lewis & Kaufman Electronics Corp. Monogram Pres. Benjamin A. Smith said his concern received some \$200,000 for the division's assets, principally equipment & inventory. The division operated in leased facilities.

Electronic Communications Inc., St. Petersburg, Fla. maker of electronic devices & communications equipment, proposes to acquire W. L. Maxson Corp., N.Y. producer of electronic components & devices. Terms of the planned merger—approved by the boards of the 2 concerns and now subject to the agreement of their stockholders—call for the exchange of one share of Electronic Communications common for 1¼ shares of Maxson stock. Electronic Communications has 593,684 shares outstanding; Maxson, 739,185 shares.

Indiana General Corp., formed by the merger last year (Vol. 15:40 p18) of Indiana Steel Products Co. (permanent magnets) and General Ceramics Corp. (magnetic materials), set record sales in 1959—one-third higher than the companies recorded in the preceding year, before merger. Pres. Robert F. Smith, in the annual report, said that consolidated net earnings reached \$1,552,449 (\$2.76 per share on 564,261 shares) on consolidated net sales of \$19,865,218. Comparative 1958 performance (adjusted to reflect the "pooling of interests"): net earnings of \$888,245 on \$15,283,018 net sales.

Dynamics Corp. of America has acquired, for 9,800 shares of stock & an undisclosed cash sum, Winston Electronics Ltd., Shepperton, England. The latter makes military, commercial and medical electronic equipment. Winston is Dynamics' first overseas subsidiary, and "it will add immediately to Dynamics' earnings," Chmn.-Pres. Raymond F. Kelley said. The English subsidiary will continue under the management of Chmn. F. Winston Reynolds, and construction of facilities to increase production space is already under way.

Cornell-Dubilier Electric Corp. acquired U.S. Dynamics Corp. last Jan. (Vol. 16:7 p24) for \$113,690 and 8,000 shares of common stock valued at \$175,400 for purposes of the transaction. Details of the acquisition of the Boston maker of semiconductors & silicon rectifiers are contained in Cornell-Dubilier's application for listing on the NYSE of an additional 3,000 shares, to increase the authorized total to 515,389 shares.

Electronics companies are lining up to get in on the boom in electronics stocks. Reported to be preparing stock issues for public sale, are Applied Electronics, Arco Electronics, Ionics, American Electronics and Vitramon, says Mar. 5 *Business Week*.

Ling-Altec Electronics, Culver City, Cal. maker of electron tubes, components, TV & communications gear, had record sales & earnings in the year ended Dec. 31. Chmn. James J. Ling reported a net income of \$1.8 million (\$1.31 a share) on sales of \$48 million. Direct comparison with 1958's performance would not be meaningful, he said, because of changes in accounting periods and the subsequent acquisitions of University Loudspeakers Inc. and Continental Electronics Mfg. Co., whose operating results are included from dates of acquisition.

Bendix Corp. is the new name approved by the stockholders of Bendix Aviation Corp., effective June 1. Pres. Malcolm P. Ferguson told the stockholders meeting that electronics accounts for more than 40% of the company's current output. Of the company's \$683.8-million sales last year, he said military & aviation sales totaled \$388.7 million (57%), missile & space equipment sales \$103 million (15% of total, 22% of military sales), automotive industry sales \$114.3 million.

Electronic Assistance Corp., Red Bank, N.J. maker of communications, radar, ultrasonic apparatus, has obtained stockholder approval to increase the authorized common stock to 1.5 million shares from 500,000. This will pave the way for a 2-for-1 stock split. The 255,632 shares outstanding will be increased to 511,264 and an additional share for each one held will be distributed this month to holders of record March 10.

Servonics Inc., Alexandria, Va. maker of electronic systems & components, has submitted an SEC registration (File 2-16171) for 76,600 common stock shares to be offered stockholders for subscription at the rate of one new share for each 5 held. The subscription price is to be supplied by an amendment to the statement. Part of the proceeds would be used to retire a \$100,000 bank note.

United Telefilms Ltd. has been re-named Creative Telefilms & Artists Ltd., following its 1-for-4 consolidation of common stock (Vol. 16:6 p24). Canada's *Financial Post* reports that the Toronto-based concern "is placing \$10 million (U.S.) convertible debentures, and an option on an additional \$5 million, privately with Louis Chesler & other investors."

Times-Mirror Co. (KTTV Los Angeles, *Los Angeles Times*, *Los Angeles Mirror*) will split its common stock 3-for-1, subject to approval by stockholders at the April 5 annual meeting and to authorization by the state of California. Stockholders will be asked to increase authorized stock from 1,469,000 shares of \$10 par to 4,470,000 of no-par value shares. If the split is effected, the Times-Mirror Co. will have 3,601,434 shares outstanding.

Reports & comments available: RCA, review, Hirsch & Co., 25 Broad St., N.Y. 4 . . . ITT, review, A. M. Kidder & Co., One Wall St., N.Y. 5 . . . Siemens & Halske and Philips' Lamp Works, discussions, Ralph E. Samuel & Co., 115 Broadway, N.Y. 6 . . . Sonar Radio Corp., prospectus, George, O'Neill & Co. Inc., 30 Broad St., N.Y. 4.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
British Industries . . .	Q	\$0.12½	Mar. 31	Mar. 11
ITT	Q	.25	Apr. 15	Mar. 18
NT&T	Stk.	2%	Apr. 30	Apr. 1
RCA	Q	.25	Apr. 25	Mar. 14
Textron Inc.	Q	.31¼	Apr. 1	Mar. 18
Times-Mirror	—	.30	Jun. 1	May 10
Universal Pictures . . .	Q	.25	Mar. 30	Mar. 21
Western Electric . . .	Q	.90	Mar. 31	Mar. 21

Texas Instruments scored record sales & earnings in 1959 with gains of 110% in volume & 136% in net income over the previous highs set in 1958. In their annual report to stockholders, Chmn. J. E. Jonsson & Pres. P. E. Hagerty brought out these facts: The Dallas concern more than doubled assets, employment and production facilities during the year. Each of its 6 divisions set sales & earnings records, with the semiconductor-components div. making "particularly rapid progress." Sales growth for 1959 "far exceeded" the average 38% annual gain of the past 13 years. Order backlog rose to \$101 million at year's end vs. \$61.4 million at the end of 1958. And TI more than doubled its owned facilities to nearly 1.5-million-sq.-ft. Presently under construction is a 320,000-sq.-ft. addition to its 310,000-sq.-ft. semiconductor-components div. plant. For the year ended Dec. 31 (including full-year results of Metals & Controls Corp. acquired in April, 1959—Vol. 15:13 p23):

	1959	1958
Net sales	\$193,212,809	\$91,953,845
Net income	14,142,788	6,000,928
Per com. share (after pfd.)	3.59	1.84
Common shares	3,914,730	3,256,988

Clevite Corp. set sales & earnings records in 1959. Chmn. James L. Myers & Pres. William G. Laffer made that point to stockholders in the annual report last week. Profit more than doubled as sales rose to \$84.6 million from \$63.3 million. Each of the Cleveland-based concern's 9 divisions & subsidiaries contributed to the record performance, the officials said. "Our electronics divisions," the report noted, "showed sharp increases in sales & profits. Rapidly growing demand for Clevite transistors & diodes resulted in approval of plans for a new \$4-million plant in Waltham, Mass., which is under construction." Increased sales in 1960 are forecast by all divisions. For the year ended Dec. 31:

	1959	1958
Net sales	\$84,650,821	\$63,354,991
Net income	6,493,961	3,109,246
Per com. share (after pfd.)	3.36	1.60
Common shares	1,872,429	1,807,152

Electronics Corp. of America, Cambridge, Mass. manufacturer of electronic devices, semiconductors, automation systems, reported a decline in 1959 sales & earnings. Pres. Arthur G.B. Metcalf attributed the reduced earnings to a non-recurring cost of \$159,681 in connection with the initiation of its new Electronics Corp. Pan America subsidiary, in San Juan, P.R. Metcalf said the elimination of non-recurring expenses, coupled with an anticipated increase in industrial sales, should produce a sharp increase in 1960 earnings. For the year ended Dec. 31:

	1959	1958
Net sales	\$6,391,343	\$6,639,121
Net income	175,767	208,001
Per com. share (after pfd.)	21¢	25¢
Common shares	710,328	707,603

Western Electric's profit climbed to \$102 million from \$86 million on a 7% sales increase during 1959, Pres. H. I. Romnes reported last week. The manufacturing unit of AT&T (which owns 99.82% of WE stock) attributed some \$1.5 billion of its total \$2.3 billion sales to Bell System companies. For the year ended Dec. 31 (per-share earnings based on average number of common shares outstanding in each year):

	1959	1958
Total sales	\$2,315,370,000	\$2,154,703,000
Net income	102,188,000	85,936,000
Per common share ...	5.92	5.17

Metropolitan Bestg. Corp., which reported record 1959 sales & profits before acquisitions of WTVH Peoria, KQVR Stockton and radio WIP Philadelphia (Vol. 16:8 p24), has filed an SEC registration plan (File 2-16227) for a \$6-million debenture offering. The convertible subordinated debentures, due in 1975, would be put up for public sale by an underwriting group headed by Kuhn, Loeb & Co. and Carl M. Loeb, Rhoades & Co. The interest rate, offering price & underwriting terms are to be supplied to SEC by an amendment to the registration statement. Of the proceeds, \$5 million would be used to repay a temporary bank loan for recent & pending acquisitions. The balance would be applied to general funds. Metropolitan's prospectus accompanying the SEC application showed that principal holders of 1.69 million common shares are Chmn.-Pres. John W. Kluge (186,193) and King & Co., N.Y. (308,000).

Universal Pictures racked up a net profit of \$1,850,000 (about \$2 per share) in 1960's first fiscal quarter (ended Jan. 30), compared with the operating loss of \$862,000 suffered in the year-ago quarter. Universal also announced its first quarterly dividend on common stock since Dec. 1957—a 25¢ payment per share, payable Mar. 30 to stockholders of record Mar. 21. Pres. Milton R. Rackmil forecast for stockholders at the annual meeting that net profit in the 2nd fiscal quarter (ending April 30) will top \$1.5 million (more than \$1.60). "The 3rd & 4th quarters will be profitable," he added. "We won't do as well [compared with the first & 2nd quarters] but we'll do well." Replying to a stockholder's query, Rackmil said there are no plans "at the present moment" to sell or lease Universal's post-1948 movies to TV (Vol. 16:10 p3). As of Dec. 31, 777,985 shares of Universal's 893,390 outstanding shares were held by Decca Records. On the same date, Universal held 241,700 of Decca's 1,527,401 outstanding shares.

National Theatres & TV Inc. (NTA Inc., WNTA-TV & WNTA Newark, WDAF-TV & WDAF Kansas City) reports improved revenues & income for fiscal-1960's first quarter. The net income reported is after giving effect to capital gains (net) of \$866,000 in 1959, \$240,000 in 1958. For the quarter ended Dec. 29:

	1959	1958
Revenues	\$17,475,631	\$12,237,695
Net income	401,159	362,843
Per common share	15¢	13¢
Common shares	2,705,699	2,699,486

NT&T stockholders will vote on several amendments, including one increasing the number of authorized shares of stock from 3,750,000 to 5 million, when they meet in Los Angeles March 15. They will also vote on an amendment adopted by the directors last Nov. for the company's stock-option plan, extending the termination date to Feb. 15, 1965. Another amendment is the sinking fund provision of the company's 1958 debentures with the Chemical Bank-N.Y. Trust Co.

Foreign

Russia's TV-radio broadcasters have been ordered to update their policies & techniques to improve their propaganda & entertainment programming. The joint decree of the government & Communist party, which followed a study of programs & facilities they control, is detailed in the latest edition of the party's *Party Life* magazine. Radio got the hardest raps because it's older and has broader coverage—more than 50 million radios & plug-in speakers vs. 4 million TV sets. TV-radio fare was denounced as dull, ineffective as propaganda, limited in variety.

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WEEKLY **Television Digest**

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SUMMARY-INDEX OF WEEK'S NEWS

Congress

FORD'S BAPTISM BY HARRIS takes new FCC chmn. into heavy House hearings on agency ethics. Question: When is unusual hospitality not unusual? (p. 1).

OVERSIGHTERS VS. DICK CLARK: Reps. Moss & Mack cry for "decency & fair play," denounce Rep. Bennett for demanding payola hearings now (p. 17).

FCC

FCC's PAYOLA CRACKDOWN brings stern warnings to stations—and networks—to eradicate the concealed practices uncovered by answers to questionnaires (pp. 2 & 3).

PROGRAMMING INQUIRY ADDENDA FILED with FCC by NBC, ASCAP, Dartmouth's Elmer Smead, others (p. 5).

Film & Tape

WGA STRIKES TV FILM AT NETWORKS: progress is made in talks with non-Alliance producers; SAG is nearer agreement with majors (pp. 3 & 14).

Technology

FM STEREO MARKET may be ready by year's end. FCC's tentative timetable envisions FM stereo standards this year. AM stereo system may take another year (pp. 6 & 19).

Stations

SPOT SALES BOOMING. Gross time spending by national & regional advertisers rose 13.3% in 1959's final quarter, TvB reports. Reps we surveyed foresee spot business swelling (pp. 2 & 7).

NAB LEADER SELECTION DEFERRED by special committee named to find successor to late Harold Fellows. No decision seen before convention—if then (p. 3).

NO BLOCK-BOOKING "GRAVY" for stations in terms of re-written feature contracts says judge in govt. anti-trust trial against 6 major film distributors (p. 9).

Manufacturing & Distribution

TV-STEREO PROMOTION drives stymied by disputes & lack of interest, EIA hears. Manufacturers take further moves for import labeling at EIA spring meeting (pp. 19 & 20).

RCA MAKING AUDIO TAPE: sets up production plant in Indianapolis; will manufacture 2 billion feet in first year; will move into production of TV tape at a later, unspecified date (p. 20).

JAPAN RADIO PRICES dip on export market as floor price for 6-transistor radios is cut from \$14 to \$11. Nippon Victor starts battery TV output (p. 21).

JAPANESE COLOR COMING: Delmonico readies import of 21-in. model; expects to announce delivery, price and technical data in about 10 days (p. 21).

Finance

CBS SALES & PROFITS AT PEAK: 1959 volume climbed 8% to more than \$444 million; profit rose 3% to top \$25 million for first time; TV network sales also gained 8%, while TV stations div. jumped 19% (p. 24).

Other Departments

NETWORKS (p. 10). **PROGRAMMING** (p. 12). **PERSONALS** (p. 18).

FORD'S BAPTISM BY HARRIS: Incoming FCC Chmn. Ford had no sooner taken over March 15 from outgoing Chmn. Doerfer (Vol. 16:11 p2) than he had to speed from his new office to face up to FCC's nemesis—House Commerce Committee Chmn. Harris (D-Ark). Subject of confrontation: Commission ethics.

Ford had no time to get adjusted to new hatrack before he was subjected to full glare of Capitol Hill hearings on bills—especially massive measure (HR-4800) by Harris himself—to purify federal regulatory processes of politics, favoritism, ex-parte manipulations, assorted other evils. And—as always—FCC was Harris target No. 1 for proceedings. As interlude to his Legislative Oversight Subcommittee forays into payola (Vol. 16:11 p12), full Committee legislative hearings had been scheduled to spread over other agencies, too. But instead Harris stuck mostly to FCC, which may be called back when hearings resume March 22.

"Where's the other one?" Harris smiled at outset of last week's 3-day session as Ford took his place on hot seat—flanked by gen. counsel John L. FitzGerald & litigation div. chief Max D. Paglin, while remaining 5 FCC members lined up along front row of spectators' seats. Harris reference, of course, was to Doerfer, who had been Oversighters' latest scalping trophy. Titter ran through packed hearing room 1334 of New House Office Bldg., where touring schoolchildren stood 3 deep along walls for field lessons in civics.

Tone of hostility to Ford & FCC was thus reset by Harris for hearings, during which most Commission office work was suspended. Yet Ford came out of it well. Best evidence of that was that spectators & reporters

who first crowded in to catch expected excitement quickly thinned away. Neither Harris nor other Commerce Committee members seemed able to think up more explosive questions to toss at Ford. Testimony dealing with proposals to shake up & reform administrative agencies may have been important to future of FCC & industry—but it was dull.

"Look before you legislate, please" was import of Ford's exhaustive testimony, which early in hearings ran 2 nearly-uninterrupted hours while he went through 76-page Harris bill almost line by line. FCC's own analysis of that omnibus measure, setting up \$10,000 fines & one-year prison terms for infractions of elaborate & rigid rules of official conduct, ran 18½ closely-packed pages.

FCC members would be locked in "ivory tower," incapable of dealing adequately either with internal problems or industry issues, if all of Harris bill became law, Ford said. His testimony deviated little from what other FCC spokesmen had said last year at Senate proceedings (Vol. 15:24 p3) & Legislative Oversight panel hearings (Vol. 15:25 p2) on same subject.

Case of Doerfer & his yachting became case in point—although Committee interrogators delicately refrained from coming right out with it—when Ford was brought around to discussing Sec. 103 (a) (1) of Harris bill. It would outlaw "any money, gift, favor, unusual hospitality, loan, service, employment or thing of value" used by anybody to influence FCC.

"What is unusual hospitality?" Ford asked earnestly. Could it be lighting somebody's cigaret? He got no definitions from Harris or anybody else on Committee. Rep. Mack (D-Ill.), one of sharpest of sharp-shooting Oversighters, and Rep. Younger (R-Cal.) finally agreed this provision should be deleted entirely.

Committee also seemed to be in retreat on ex-parte prohibitions proposed by Harris. As has every FCC spokesman before him in recent history, Ford said Commission endorses legislative moves which would effectively eliminate possibility of under-cover approaches to FCC in attempts to fix decisions. But Ford & Comr. Bartley, who came from his chair to join Ford, pointed out that this could go too far. They said that if all-embracing ex-parte rules were enforced literally, FCC members quickly would be reduced to impotence and to talking to themselves in rule-making as well as adjudicatory cases.

Week's hearings were enlivened briefly by Harris when he challenged Ford on AP story which quoted new FCC Chmn. as saying in interview that Commission already has enough authority from Congress to deal with "proper areas of programming." Harris demanded to know whether Ford meant no more legislation at all is needed. Ford said he didn't, and Harris appeared mollified.

Spirited note also was injected into hearings by Sen. Proxmire (D-Wis.). He denounced Doerfer as being guilty of misconduct in accepting industry hospitality, urged enactment of no-loophole ethics-in-govt. law. "Without a prohibition against this notorious misconduct, any ethical code might be regarded by the cynical as namby-pamby, fool-the-public-in-election-year waste of time," said Proxmire. But even that didn't make for big Harris headlines last week.

FCC MEANS BUSINESS ON PAYOLA: If FCC has been reeling from industry scandals uncovered by House investigators & FTC, it recovered last week, producing forceful, uncompromising answers to critics who say Commission seems incapable of hearing or seeing evil in broadcasting—or of doing anything about it.

Deceptively-titled FCC Public Notice 85460—"sponsorship identification of broadcasting material"—is sweeping indictment of payola & plugola practices in which Commission minces no words (see p. 3). It spells out what has been going on at many TV & radio stations—and at networks, too—and lays down law for industry to follow.

Congressional denouncers of FCC inaction won't be stilled by this manifesto, which was issued coincident with first week of new Chmn. Ford's regime. But it's convincing demonstration to stations that FCC means business in its own attacks on broadcasting evils. And it makes auspicious start for Ford, even if Public Notice 85460 was in FCC works long before he took over.

SPOT SALES STILL CLIMBING: Spot-TV spending rose 13.3% in 1959's final quarter, 18% for year, TvB reports, and outlook for 1960 is better than ever. To gauge current year's sales climate, we surveyed cross-section of top industry reps and came up with predicted increases ranging to 20%. Optimism for heavy spot business is high & general. Although some reps note some first-quarter softness, all forecast big finish, more than one anticipate record year. For complete TvB report & comments of reps, see p. 7.

NAB LEADER CHOICE DEFERRED: There'll be no quick action by NAB to name successor to Pres. Harold E. Fellows, who died March 8 (Vol. 16:11 p1). This became apparent last week following appointment of special selection committee which made no moves to meet prior to NAB's Chicago convention April 3-6—and the choice may not be made then.

"I'd like for us not to do any rushing on this thing," one member of the nominating group told us. "We are going to need lots of time to think about it & talk about it before we reach any decision." He said "a dozen men anybody could mention" have already been talked about—inside & outside the industry—as possibilities for NAB leadership, but that committee had not yet drawn up even tentative list of candidates.

The 8-man NAB selection committee, picked by the chairmen & vice chairmen of the TV Board & the Radio Board—G. Richard Shafto (WIS-TV Columbia, S.C.) & Payson Hall (Meredith Stations) and Daniel W. Kops (WAVZ New Haven) & Thomas C. Bostic (KIMA Yakima)—is headed by C. Howard Lane of KOIN-TV Portland, Ore. Hall was named vice chairman of the nominating committee, and Bostic also took a place on it. Other members are John E. Fetzer (WKZO-TV Kalamazoo), John S. Hayes (WTOP-TV & WTOP Washington), Dwight W. Martin (WAFB-TV Baton Rouge), William D. Pabst (KTVU Oakland-San Francisco), W. D. (Dub) Rogers (KDUB-TV Lubbock, Tex.).

Some of the committeemen met briefly in Washington March 11, the day of Fellows' funeral, but conducted no business. They decided then to delay their first formal session until some time during convention. Election of successor to Fellows ultimately will be done by joint NAB TV-Radio Boards.

Meanwhile NAB secy-treas. Everett B. Revercomb carried on at Washington hq as acting administrator. Supervising on policy questions was caretaker committee of broadcasters headed by Clair R. McCollough (Steinman stations). TV Board Chmn. Shafto and Merrill Lindsay (WSOY Decatur, Ill.) are serving with McCollough on the emergency committee.

WGA STRIKES FILM AT NETWORKS: Already striking the TV Alliance & TV at the major studios, WGA has now struck the film series produced by networks. Negotiations between writers & nets collapsed long ago, but Guild delayed strike, hoping threat of one would help it in its current negotiations with networks on live TV & radio.

Strike will have little impact in near future, since most network-produced series have finished season's production. But a prolonged strike would hurt next season's production (see p. 14).

The FCC

More about

CRACKDOWN ON CONCEALED PRACTICES: Stern guidelines for conduct by TV & radio stations to skirt clear of payola & plugola were drawn last week by FCC, which said "wilfulness, misrepresentation or serious neglect" had already been exhibited by many licensees. There'll be no excuse from now on for any station to plead misunderstanding of what payola means and what is proscribed, Commission said—and instances of infractions already on file will be handled "on a case-to-case basis and appropriate action will be taken in each case."

Reporting on abuses disclosed by broadcasters in answers to the questionnaires sent to all outlets preliminary to pending Commission rule-making on payola (Vol. 16:10 p6), FCC issued a public notice (No. 85460) calling on all stations to watch their step. Nor did networks escape FCC's lash. Copies of the report on "Sponsorship Identification of Broadcast Material" were being mailed by FCC to all of the more than 5,000 stations. The report also will be published in the *Federal Register*.

The 7-page single-spaced document detailed practices uncovered by the questionnaires, which, FCC said, showed "many station licensees have failed to comply with the requirements" of Communications Act & Commission rules covering unannounced sponsorship of broadcast material.

The same ground was covered—but sketchily—by ex-FCC Chmn. Doerfer in his last appearance before the House Commerce Legislative Oversight Subcommittee March 4 (Vol. 16:10 p1). At the session which led to his resignation (Vol. 16:11 p2), Doerfer was asked for more detail. Last week's public notice—first such issued in new Chmn. Ford's regime—supplied some of it.

The most common forms of concealed commercials uncovered by the questionnaires were these, FCC said:

(1) "Recorded material provided to licensees and/or their employes & independent contractors for actual air use or for some other use by these groups (prizes to listeners, door prizes at 'record hops,' etc.)."

(2) "Promotion of outside activities in which a licensee, employe or independent contractor participated and from which he received financial or other benefits."

(3) "Acceptance of travel expenses, accommodations or other valuable consideration by a licensee or its employes or independent contractors in exchange for 'plugging' a place, product, service or event."

(4) "Payments for 'plugs,' expressed or implied, without accompanying revelation that the particular broadcast material was, in fact, sponsored."

FCC then said it would be "pertinent" to discuss these practices and to lay out some admonitions to licensees—and networks:

Free records: "Information before the Commission indicates that virtually all broadcast stations receive some free musical recordings from manufacturers, distributors

or other parties interested in promoting the recording itself or the performer or musical selection displayed thereon . . .

"The Commission is of the view that the receipt of *any* records by a station which are intended by the supplier to be, or have the practical effect of being an inducement to play those particular records or any other records on the air, and the broadcast of such records, requires an appropriate announcement pursuant to Sec. 317 . . . an announcement merely stating the trade name on the record label, for example, without the added indication that consideration (in the form of the recording itself or otherwise) was supplied or furnished is insufficient."

Promotion of outside activities: "The most frequent activity falling into this category is the promotion of 'record hops.' . . . If the station or its employes do not have the beneficial interest in the enterprise, the station personality acting as 'record hop' master of ceremonies may receive a salary or portion of the profits . . .

"The Commission is of the view that appropriate announcements must accompany *all* broadcast material (announcements, playing of records, etc.) where a *profit* is to be derived from these 'record hops,' or where recorded or other broadcast exposure is being provided (whether based upon an express or implied agreement) in exchange for all or part of a performer's fee or in exchange for the donation of records, prizes, hall rental, etc."

Expense-Paid Remote Pickups

"Remote" expenses: "The Commission's attention has been directed to the fact that transportation & accommodation expenses, and equipment operation & origination expenses incurred in 'remote' pickups have been paid in part or in full by persons or organizations as an inducement to the broadcast of program material . . .

"When inducements of the type set forth above result in the broadcast of any type of program material, it is especially important that an appropriate announcement be made. In such instances, the public may reasonably believe that the licensee considered the place, event, etc., to be of sufficient news or entertainment value so as to justify extraordinary expenditures in order to provide broadcast coverage . . ."

"Sneaky commercials": "Instances have come to the Commission's attention in which 'trade out' announcements—announcements in exchange for which the station receives services or products—have failed to disclose the fact that the particular matter broadcast is commercial & is supported by some form of consideration. For example, the Commission considers such statements as 'travel arrangements made through Trans-State Airways' to be the substance of the 'plugs' themselves. Such announcements do not indicate that consideration (free transportation) was provided *in exchange* for the particular broadcast exposure or 'plug.'"

Syndicated plugs: "The Commission has also been advised that networks & other producers & suppliers of program material have made surcharges (in the form of products & 'promotional fees') for the publicity value to a manufacturer resulting from a showing & description of his product on TV programs . . . The Commission . . . considers this matter a serious one inasmuch as such practices, engaged in without the knowledge of the stations broadcasting such programs, have the effect of preventing individual licensees from complying with the Commission's sponsorship identification & logging requirements."

"Teaser" announcements: FCC last Sept. turned down

an NAB petition for rule-making to permit "teasers" (Vol. 15:37 p4). "However, it has come to the attention of the Commission that practices similar to the broadcasting of 'teaser' announcements have been utilized subsequent to the date of this order. We wish to emphasize [that such practices are] proscribed."

Movie music: "We also believe . . . it should be obvious that such practices as periodically playing a song from a current motion picture, when such is inspired by an express or implied agreement with a local theater or distributor to do so (or as a 'bonus' for purchasing a number of spot announcements advertising the movie) and is not accompanied by an appropriate sponsorship announcement, violate Sec. 317 of the Act."

FCC said it recognized that "misinterpretation" of the law & rules had been responsible for some non-compliance by stations. Commission added that it wasn't "delineating precise situations or circumstances which will warrant the imposition of sanctions for past violations." But it warned that such "misinterpretation" wouldn't be "a sufficient excuse for non-compliance occurring in the future."

Doerfer's successor: Scuttlebutt about President Eisenhower's choice of a man to fill out ex-FCC Chmn. Doerfer's unexpired term was heard all over Washington last week. But at our press-time no appointment had been announced. Sources at the White House, Republican National Committee and FCC told us they didn't know who the appointee may be, and new Chmn. Ford hadn't yet been consulted by the White House. One report had it that a top-ranking Justice Dept. lawyer would step into the FCC vacancy until the June 30, 1961 expiration of Doerfer's term. Other rumors had an FCC staffer taking the job.

Miami Ch. 7 "influence" case—pending at FCC more than a year (Vol. 15:9 p6 *et seq.*)—finally will get under way June 16. And it may start sooner if the second Miami Ch. 10 conspiracy trial of ex-FCC Comr. Richard A. Mack & Thurman Whiteside is concluded before then. The new date for rehearing the circumstances of the Commission's grant to Biscayne TV Corp.'s WCKT (Cox-Knight-Trammell interests) was set last week by special FCC examiner Horace Stern at a Philadelphia pre-hearing conference. All hands in the proceedings—including associate FCC gen. counsel Edgar W. Holtz, the Justice Dept. and counsel for Mack—agreed that the rehearing should be deferred until the Mack-Whiteside Ch. 10 retrial is concluded. Mack & Whiteside figured in *ex-parte* allegations in both Miami cases when they were first developed in 1958 by the House Commerce Legislative Oversight Subcommittee. Meanwhile it appeared likely that the second Miami Ch. 10 trial would proceed in Washington's U.S. District Court April 25, as scheduled (Vol. 16:7 p9). Released from Miami's Jackson Memorial Hospital following a month of psychiatric examination & treatment, Mack was reported ready & eager to face trial again. The retrial had been put off because of Mack's illness, but the hospital said no evidence had been found of "any major mental disease."

Weather isn't politics, FCC ruled in rejecting an equal-time plea by an opponent of weather newscaster Jack Woods of KWTX-TV & KWTX Waco, Tex., who is running for the state legislature. William H. Brigham had complained that he was unfairly handicapped in his campaign for the legislative job by the regular appearances on the air of Woods. But FCC agreed with KWTX-TV gen. mgr. M. N. (Buddy) Bostick that weather newscasting is "not political in nature."

PROGRAMMING INQUIRY ADDENDA: The massive record of FCC's 19-day, 90-witness hearings on broadcast programming & Commission powers (Vol. 15:50 *et seq.*), which had already filled 4,775 pages of transcript & exhibits, was further fattened last week by a half-dozen additional filings.

In terms of bulk, the major document submitted to FCC's chief hearing examiner James Cunningham for inclusion in the *Record* was a 27-page "supplementary memorandum of law" by NBC's counsel Cahill, Gordon, Reindel & Ohl. ASCAP also was heard from again; a Dartmouth professor buttressed his earlier defense of FCC policies; and other statement-makers got in some late licks.

In response to a request by Comr. Lee during NBC Pres. Robert W. Sarnoff's hearing testimony Jan. 28 (Vol. 16:5 p2), the network's attorneys offered a comparison of legal opinions on FCC's programming authority which had been given by NBC, NAB's special counsel Whitney North Seymour and Washington communications lawyer W. Theodore Pierson (Vol. 16:3 p5).

The NBC memorandum said there were differences "in emphasis & terminology" in the 3 opinions, but that they added up to this:

Dangers of FCC Programming Actions

"The memoranda & testimony received in this hearing abundantly demonstrate the dangers & difficulties of any entry by the Commission into the regulation of programming. The danger of any govt. encroachment on freedom of expression is multiplied by the dynamism of the medium & the magnitude & variety of its audience.

"In formulating the means of allocating frequencies necessary to prevent chaos in broadcasting, Congress wisely forbade all censorship, and depended on competition to insure a variety of programming commensurate with the varied tastes of the American public.

"The Commission may properly perform the function confided to it by encouraging broadcasters to exercise their individual responsibility reasonably & thoughtfully in determining what they will broadcast in response to audience needs & interests. It may properly prevent licenses from falling into the hands of persons who are deceitful or irresponsible.

"It is submitted that the First Amendment, the Communications Act, and the demands of sound policy join in restraining the Commission from any regulation of programming beyond that necessary to perform this narrow function."

ASCAP plunked down a 20-page joint statement by Pres. Stanley Adams & gen. attorney Herman Finkelstein as a sort of sur-rebuttal in its acrid, running argument with its competitor BMI. Adams had been challenged by FCC at a Jan. hearing session to come up with some facts when he accused BMI of practicing payola (Vol. 16:3 p5) —a charge vehemently denied by BMI.

ASCAP produced no evidence to support its payola case against broadcaster-supported BMI, but repeated that there ought to be a law banning broadcasters from the music business. The ASCAP brief also called for FCC rules or legislation by Congress making payola a crime. And it cited FTC & press reports in estimating that "at least 53% of the records which achieved top popularity in 1959 were released by companies involved in payola."

Dartmouth govt. prof. Elmer E. Smead, who came to FCC's defense in a letter to the *N.Y. Times* (Vol. 16:8 p4) after testifying in the hearings (Vol. 15:51 p4), filed a

15-page "2nd statement." He analyzed many pro-&-con programming-control points made by other hearing witnesses, added this "personal note":

"I would like to conclude by saying that the FCC in its hearings has given a public demonstration of democracy at its best. In addition, the Commission has been trying to solve the problems involved in program regulation in a constructive & statesmanlike fashion."

An inter-faith committee of N.Y. religious leaders, organized by Mayor Robert F. Wagner's Youth Board, filed a pleading for FCC supervision—"in some manner"—over TV industry self-regulation. The committee said only 4 of 7 N.Y. stations subscribe to NAB's code, that in any event the code is "too often a pious veil behind which a station feels free to program as it pleases."

FCC should "give serious attention to the question of program balance & program content," the religious committee said. "In a true sense, the moral foundation of the future generation of American citizens is more in [FCC's] power to mold than it is in ours."

Herbert Cheyette, N.Y. attorney for the Sam Fox group & other music publishers, urged FCC to improve TV & radio programming by requiring each station to file "periodic notice of each & every use of music by it."

Barney Young, representing the "smallest music-performing rights organizations in the country," called on FCC to "order an immediate divestiture of BMI stock by the broadcasters." He said he spoke for Life Music Inc., Colored Performing Rights Society of America Ltd. and National Juke Box Music Inc.

Equal-time rules aren't involved in CBS's refusal to accept political broadcasts at the same time they're heard on another network, FCC decided recently, rejecting Democratic National Chmn. Paul M. Butler's protest against the network's policy (Vol. 16:10 p6). Moreover, it would be "arbitrary for the Commission to direct CBS to change its announced general policy and to broadcast a particular program at a specified time," FCC said in a letter to Butler. The Democratic spokesman had argued that CBS could discriminate against his party by refusing time for multi-network replies to any all-network statements from the White House. But FCC said Butler had raised no issue covered by the Communications Act's Sec. 315 requirements for equal time for qualified candidates for office.

Joint payola-quiz rigging comments filed recently by a score of TV & radio stations on FCC's rule-making proposals to prevent deception (Vol. 16:10 p6) supported Commission's "general objectives" but objected to some details. Submitted by attorney Ernest W. Jenness, the 18-page document argued that: (1) Proposed payola rules should be modified so that stations are required only to adopt procedures "reasonably calculated" to block the practice. (2) Both payola & quiz rules should be "licensed policies rather than in the form of prohibitions punishable by criminal sanctions."

New Conelrad rules proposed by FCC would require installation by stations of automatic push-button devices to transmit attention signals & alert messages, take stations off the air, then switch to emergency transmission. Deadline for comments on the rule-making, obligating TV, AM & FM stations to invest \$150 or more in equipment, has been extended by FCC at NAB's request to April 11, with reply comments due April 25.

Technology

FM STEREO SYSTEMS: NSRC's FM stereo report, filed last week with FCC (see p. 19), gives the technical specifications of 5 basic systems, but makes no specific recommendations. It contains summaries of the work of 5 panels—only the field-testing panel report being missing. (Field tests will be conducted between now & the end of July.) RCA, not a member of NSRC, submitted its own separate evaluation of various FM stereo approaches, but didn't come up with its own proprietary system. Non-member CBS didn't file comments.

"These reports come to no conclusions," wrote EIA Pres. David Hull in his letter to the FCC, accompanying the NSRC panel reports, "nor do they offer any recommendations, as the technical studies of the various proposed stereophonic radio systems could not be completed." Nevertheless, FCC sources agreed that the NSRC data—particularly the comparative system specifications—will be extremely valuable and will considerably lighten the Commission's burden. Highlights of the panel reports:

System Specifications Panel

Acting Chmn. William T. Wintringham (Bell Labs) wrote that the panel feels that until field tests are complete and certain questions answered "there is not sufficient technical information available for the choice of a system." The panel noted that "the optimum system might well contain elements of more than one of the systems already proposed."

Four different stereo system proposals were narrowed down to 5 basic types, the panel rejecting those systems which it felt were "not serious contenders for consideration" (but appending their specifications to its report). Several systems were withdrawn by their proponents—Philco (whose system was similar to Zenith's), E. W. Lipincott, C. C. Neeley, L. Schweitzer and I. G. Volpe.

Except for one system (the EMI-Cossar proposal), all 5 NSRC-classified systems use the "sum-&-difference" technique—the main FM carrier containing the sum of left & right stereo channels, the subcarrier containing the "difference" signal, or left minus right. All systems are "compatible"—that is, they are designed to provide a full monophonic signal to standard non-stereo FM receivers. Basic descriptions of the 5 chosen systems:

System 1 (Crosby-Teletronics system). This uses a frequency-modulated subcarrier, permits full 15-kc bandwidth (frequency response) in both left & right sound channels. A station using this system for stereo cannot simultaneously transmit additional multiplex services (such as functional music). With regard to signal-to-noise ratio in the stereo output, this system showed up the best of any of the 4 sum-&-difference systems.

System 2a (Calbest). This employs an AM subcarrier, has full bandwidth on both channels, but stereophonic separation exists only at frequencies up to 7 kc. Additional subcarriers (functional music, etc.) can be used by the station simultaneously with the stereocasts.

System 2b (Multiplex Development Corp.). Commonly called the Halstead system, it uses an AM subcarrier, with stereo separation at frequencies up to 8 kc. It provides room for additional multiplex subcarriers and is claimed to be compatible with current AM-FM 2-station simulcast stereo operations. The panel reported an "unbalance of noise which appears to be 6 db greater in the right channel than in the left."

System 3 (EMI-Cossar). Also known as the Percival system, "this system differs from previous proposals in that no attempt is made to have the left & right output signals reproduce the left & right input signals," the stereo reproduction being achieved through the precedence effect in human hearing. Noise level of this system was extremely low.

System 4 (Zenith) & System 4a (GE). AM subcarrier, full separation at all frequencies, both permit use of additional multiplex subcarriers.

System 5 (GE). Another AM-subcarrier system which gives full-frequency separation and permits the use of additional multiplex channels.

Interconnecting Facilities Panel

"The problem of stereo networking . . . is somewhat more complicated than was at first thought," the panel reported, "and development effort would need to be applied in order to provide a nationwide network of stereo circuits similar in extent to that now available for monophonic transmission."

Broadcast Transmitter Panel

This panel listed requirements for needed modifications to monophonic transmitting gear required by each proposed system, and concluded that most systems require alterations which are "intermediate" in magnitude—that is, neither in the category of a major overhaul nor a casual home-built hook-up.

Receiver Panel

Crux of this report—a chart on receiver complexity for each system—was still in the mail to FCC at press time and was not available for review.

Subjective Aspect Panel

On the basis of tests by listener juries, this panel's most significant contribution was the discovery that stereo separation is not critical at frequencies above 8 kc. "Although many listeners can tell the difference," the report noted, "practically all listeners consider that this modified stereo presentation bears a good spatial resemblance to the original and they also express little or no preference for one or the other."

Other Industry Comments

RCA's own report on stereo systems made these conclusions: (1) "In all multiplex systems considered, the quality of monophonic reception is reduced." (2) Crosstalk into the monophonic channel in poorly aligned receivers is likely to be one of biggest problems in FM stereo transmission. (3) To provide good stereo, the separation between left & right channels should exist down to frequencies as low as about 150 cycles. (4) A system using a frequency-modulated subcarrier and with no provision for additional subcarriers (such as the Crosby-Teletronics system) would have the best signal-to-noise ratio, but only slightly better than an FM subcarrier system with provision for 2 subcarriers. (5) AM subcarrier systems will always have a poorer signal-to-noise ratio than FM subcarriers. They will also be more vulnerable to crosstalk, and their noise power is concentrated at low frequencies where it is most objectionable.

Zenith urged the FCC to approve its AM-subcarrier system (System 4), terming it the cheapest from the standpoint of receiver manufacture.

GE backed one of its systems (4a) with a filing, pointing out that only a single-tube converter would be

necessary to adapt present FM tuners for stereo reception.

NBC urged that FCC designate "one specific sub-carrier" for stereo, so that receivers may be standardized. It also asked the commission to permit non-broadcast services on stereo channels at times when they're not being used for stereo.

Missile-borne TV camera, which instantly relays to a ground receiver the results of a firing, was successfully launched for the first time last week at the Army's White Sands range. RCA provided both the airborne-transmitting & ground-receiving TV equipment. In the test, the miniature TV camera & transmitter were housed in a small capsule and ejected from the missile during flight, at a 40-mile altitude. As the capsule fell, it transmitted TV pictures of the target area to a receiver some 75 miles from the impact point. RCA defense-electronics exec. vp. Arthur L. Malcarney said the quality of the TV picture is better than that of commercial TV. "The TV system," he explained, "incorporates a new video technique called 'slow scan,' which results in a series of high-resolution still pictures. The 'slow-scan' technique makes possible transmission of high-quality pictures to the ground receiver, using a very narrow bandwidth." He said the bandwidth required was only 1/100 of that normally needed.

Spotmaster tape-cartridge recorder-playback units for automatic announcement programming & cueing will be marketed by Visual Electronics Corp., broadcast industry sales specialist. Spotmaster is made by Broadcast Electronics Inc., 8800 Brookeville Rd., Silver Spring, Md. Its officers are Ben Strouse, chmn.; Ross Beville, pres.; William T. Stubblefield, asst. to pres.; Jack Neff, sales vp. Strouse is also pres.-gen. mgr. of radio WWDC Washington; Beville is WWDC engineering & labor relations vp; Stubblefield is a TV-radio station management consultant.

Atomic-age TV camera, capable of withstanding nuclear radiation for long intervals, has been built by ITT's industrial products div. The camera, about the size of a shoe box, is constructed of special elements (magnesium, silicon, titanium, zirconium, etc.) which allow atomic radiation to pass through it without harmful effects. The camera's vidicon tube is made of quartz. The new unit permits close-up closed-circuit TV inspection of nuclear reactors where radiation is too intense for observation windows.

First outdoor night colorcast of the Mardi Gras was made by WDSU-TV New Orleans with GE's new GL-7629 low-light-level camera tube (Vol. 15:49 p8). "Station personnel set up the huge 3-tube color camera on a platform outside the studios to televise the colorful parade & celebration," reports GE. According to GE, the "see-in-the-dark" camera tube requires only a tenth of the light needed by conventional tubes: 40 foot-candles for color & 10 foot-candles for b&w.

Slow-scan TV system designed for transmitting non-moving material (maps, charts, pictures) over long-distance telephone lines has been demonstrated by ITT at the Air Force's Rome Air Development Center. A 500-mile circuit between Rome and Buffalo was used. Existing telephone lines can be used.

Do-it-yourself TV repair shop has opened in Toronto. For \$2, handy set owners can use the shop's facilities, tools and test equipment to repair their TVs under the watchful eye of an expert. Replacement parts are extra, of course, and technicians stand by to rescue amateurs in trouble.

Stations

More about

OUR SPOT SALES SURVEY: With Spot TV for 1959 reporting an 18% gain over 1958, indications are that time-buying in this area by national & regional advertisers may intensify throughout 1960 to reach a new record level. This picture of boom & prosperity is implicit both in the 4th-quarter 1959 compilations released this week by TvB & N. C. Rorabaugh and in the results of our own survey of national sales reps.

Spot business in 1959's final quarter rose to \$165,732,000—up a healthy 13.3% from the \$149,105,000 of the year-ago quarter. The figures are based on the volumes of 316 stations, which account for about 90% of total spot revenue. This Oct.-Dec. 1959 spending was also well ahead of the 3rd-quarter volume of \$133,581,000 (Vol. 15:50 p7).

For all of 1959, spot TV billings rose to \$605,603,000 from \$511,770,000 in 1958. (TvB told us the complete 1959 report will be available within a few weeks.)

Night TV accounted for 49.4% of the 4th quarter's spot dollars—\$81,960,000. Day TV attracted 37.6%—\$62,297,000. The balance of 13%—\$21,475,000—was invested in late night TV.

Announcements continued as the primary form of spot activity, accounting for 77.2% or \$127,971,000 of the total investment. Programs cut a 12.1% slice (\$20,066,000); IDs were used for the remaining 10.7% (\$17,695,000).

Food & Grocery Products Top List

The 4th quarter's top spender by category was food & grocery products, with a total investment of \$47,744,000 in TV spots. Major increases in spending (4th-quarter 1959 vs. 4th quarter 1958) were racked up by automotive, which gained 181% to \$5,435,000 from \$1,936,000; tobacco products & supplies, up 56% to \$9,023,000 from \$5,800,000.

Procter & Gamble was the quarter's leading spender, in a class by itself with an investment of \$12,035,400 in gross time billings. Runners-up: Adell Chemical (\$4,424,200); General Foods (\$3,592,200); Bristol-Myers (\$3,536,600); Colgate-Palmolive (\$3,266,300).

New faces among the Top-100 spot spenders: Contadina Foods (\$382,500), Kayser-Roth Hosiery (\$440,100); Lanvin Parfums (\$379,400); Louis Marx & Co. (\$417,000); North American Philips (\$630,600); Quality Bakers of America Co-operative (\$449,500).

To ascertain the spot-business outlook for 1960, we made our customary survey of the national sales reps. Some of their comments & predictions follow:

Blair-TV (exec. vp Edward P. Shurick): "Spot TV business presently very strong. This condition should exist throughout spring season ahead. Again face perennial problem of persuading advertisers to take advantage of superior availabilities & franchise opportunities that develop in slower months of mid-summer and mid-winter. Plan to hitch-hike Blair Television Companies' new industry presentation 'See It, Hear It, Learn It Now' with facts about summer television. Showings are being staged throughout country to sell medium *per se*.

"Some concern about economic conditions in general before year is out, which might have temporary negative effect upon advertising in general. Past experience of recent years, however, shows quick bounce back. All in all, looks like record year for spot TV affording a wonderful opportunity to put house in order as far as trade practices are concerned."

Blair Television Associates (exec. vp Richard L. Foote): "The outlook is excellent . . . In the majority of our key markets, we expect national spot volume to gain 18-20% for 1960, and in certain markets the gains will be substantially greater. That prediction is not offhand optimism. It represents the convictions expressed by managers of our 10 regional offices—based on specific analyses of advertising accounts & market conditions in their own areas . . . There seems no room for doubt that spot TV will continue its forward march during the current year.

"Marketing executives generally recognize that our giant soap companies have complete knowhow in getting top-value from ad dollars, and certainly it is something besides sentimental interest that leads them to invest from 72-86% of their ad dollars in television . . . In the food field, no company can be sure of staying in business without aggressive advertising. As a result, regardless of economic ups or downs, the makers of mass market products must continue to advertise aggressively. And it is only logical for them to continue the media strategy already proving so effective—i.e., investing more dollars in spot TV than in any other medium.

"From the longer range viewpoint, I am equally optimistic about the continued growth of spot TV for still another reason: With each passing month, color telecasting moves ahead, both in number of national & local colorcasts and in numbers of color receivers tuned in. Sooner than we might realize, advertisers now using other media because of color, will find spot TV has become their best medium for color advertising."

George P. Hollingberry Co. (Harry H. Wise Jr.): "Television spot business right now is coming along nicely. After a rather slow start at the first of 1960, business has picked up considerably, and except for some unforeseen events that would affect the confidence of advertisers, I feel business during this election year should be excellent."

Peters, Griffin, Woodward Inc. (vp Lloyd Griffin): "With national spot TV now thoroughly entrenched as a primary advertising medium, we find more & more major advertisers supplementing their network schedules in the major markets and extending their spot schedules into medium & smaller sized markets. In addition, there has been a pronounced increase in program sponsorship in the spot field, using the advantages of a product-program tie-in for merchandising & stronger viewer impact.

"Also, there is an increased interest in the 30-sec. announcement unit between network programs both day & night. The prime time 20-sec. announcement has re-established itself as the most-sought-after schedule in spot broadcasting with daytime & late evening "plan" schedules holding a close second. A most encouraging sign is the number of new products going into television . . . General Foods' Gravy Train and Minute Sliced & Mashed Potatoes; Lever's Dinner Ready; and the re-entry of Gulf Oil."

Television Advertising Representatives Inc. (vp-gen. mgr. Larry H. Israel): "With a healthy first quarter already on the books, 1960 should be another excellent year for spot TV. This real workhorse of the industry will

continue as the fastest growing ad medium. The overall picture for 1960 will be contingent on the state of the general economy. If, as the initial forecasts indicate, continued growth & prosperity prevail in 1960, then spot TV can be expected to attract a record number of advertising dollars. But even if there are temporary fluctuations in the economy, in my opinion, spot TV would be the least affected among ad media. Advertisers who want to move merchandise and energize their sales staffs, can take advantage of the dynamic flexibility spot television offers without long term commitments. However, I don't feel spot TV can get a free ride. In light of increasing competition, we must improve our performance. It is incumbent upon the national spot representative business to become one of ideas as well as mechanics. Reps can no longer afford to be mere middlemen between station & client. We must aid and abet the pursuit of good marketing strategy wherein advertisers are able to make their expenditures pay off by achieving the greatest potential in the shortest period."

Venard, Rintoul & McConnel Inc. (Pres. Lloyd George Venard): "Spot TV in 1960 will surpass in total volume network television dollars for the first time in history. There will be a great deal of selective television buying and all markets may not be treated alike. There will be a tendency to get away from the purchase of 2 or 3 stations in the major markets and to add more individual markets with the same money. The demand for 1-min. will continue, but more advertisers will buy 20-sec. nighttime."

Weed Television Corp. (Pres. Joseph J. Weed): "In our experience, business in 1959 showed a substantial gain over 1958, and orders signed over the last 60 days indicate a continuation of this same rate of growth into 1960."

Special temporary authority to Capital Cities TV Corp. to operate WTEN (Ch. 10) Albany should be withdrawn "because it is contrary to law," Veterans Bcstg. Co. has told FCC. Citing a Court of Appeals decision denying use of Ch. 9 in Baton Rouge temporarily by WAFB-TV (Vol. 16:7 p9), Veterans said in a petition that continuance by FCC of the STA for WTEN since Oct. 1957 was invalid. Veterans, a contender for the grant when WTEN won it, pointed to the Court's admonition to FCC in the Baton Rouge case against "temporary" operation which "may well last 2 or 3 years." The petition asked that the Albany STA be cancelled within 30 days and that WTEN be required to submit a trusteeship plan by which Veterans should participate in operation of Ch. 10.

Pres. Oscar S. Stauffer of Stauffer-Capper Publications Inc. (WIBW-TV Topeka, radios KSEK Pittsburg, Kan.; KSOK Arkansas City, Kan.; KGFF Shawnee, Okla., variety of newspapers & magazines) has announced the demise of *Capper's Farmer*, effective with the April issue. Stauffer said the discontinuation of *Capper's Farmer* developed from an "untenable position since [the magazine] was selling its advertising in competition against our own 8 state farm papers."

Alaska sale of Midnight Sun Bcstg. Co.'s TV-radio holdings for \$1.2 million to Ketchikan CATV operators Randall D. Jansen & Edward W. Christiansen (Vol. 16:8 p13) has been approved by FCC.

NO BLOCK-BOOKING 'GRAVY': Existing feature-film sales contracts between film distributors & TV stations probably won't be torn up by the govt. and rewritten in favor of stations. This was indicated last week by U.S. District Court Judge Archie O. Dawson in N.Y. as the block-booking anti-trust suit against 6 major TV film distributors continued (Vol. 16:11 p14).

The question of renegotiation of contracts came up early when defense counsel Louis Nizer asked E. K. Jett, vp & gen. mgr., WMAR-TV Baltimore, if he sought renegotiation of the contracts. Mr. Jett replied that he was not seeking renegotiation, but if the court permitted it, "we would want to get on the gravy train." Judge Dawson interjected: "You can go on home to Baltimore now. Don't count on any gravy train."

Other witnesses who testified in the slow-moving trial last week were David Stickle, film mgr., WMAR-TV; Norman C. Kal, formerly exec. vp. of WAAM Baltimore (now WJZ-TV); James J. Kilian, program mgr., WJZ-TV; Freeman W. Cardall, formerly asst. gen. mgr., WBAL-TV Baltimore; James E. Kovach, formerly program mgr., WBAL-TV; Sidney Barbet, former consultant, WBAL-TV; John Downing, program mgr., WBOC-TV Salisbury, Md.; Norman L. Bacon, film buyer, WHTN-TV Huntington, W. Va.; and Irvin Abeloff, gen. mgr., WXEX-TV Petersburg, Va. The govt. originally planned to call more than 100 witnesses, but last week indicated it will reduce that number to speed up proceedings.

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Another anti-trust film trial, citing Screen Gems for blocking competition by distributing 2 competitive film libraries, opened in N.Y. Federal District Court last week before Judge William B. Herlands. Screen Gems distributes both pre-1948 Columbia Pictures and Universal-International feature backlogs. Burton O. Hanft, former SG vp & comptroller, testified on SG's general business policies and activities. The defense hopes to prove, by citing examples in different U.S. markets, that there was no lessening of competition on the part of Screen Gems, we're told. Govt. is prosecuting under Sec. 7 of Clayton Anti-Trust Act.

Add payola settlements: Three more record distributors—all in Philadelphia—have signed FTC consent orders forbidding them to make undercover payments to anybody to get their records broadcast. Agreeing to the stipulations in FTC's anti-payola-plugola campaign (Vol. 16:11 p13) were: Universal Record Distributing Corp., 1330 W. Girard Ave., and Pres. Harold B. Lipsius, secy.-treas. Clara B. Lipsius and vp Harry Finfer. Main Line Distributors Inc., 1510 Fairmount Ave., and Pres. Haskell Golder & secy. Barry Golder. Raymond Rosen & Co. Inc., Parkside Ave. at 51st St., and Pres. Thomas F. Joyce, exec. vp Joseph B. Elliott, vp Jack S. Rosen, secy. Edward H. Rosen and treas. George M. Mintner.

"Pay TV will be welcome at WXIX if Zenith or anyone else wants to give it a trial," Lew Bryer, exec. vp of the Milwaukee uhf station, told us last week. He would not amplify trade reports that Zenith & WXIX Pres. Gene Posner (now vacationing in Europe and due back April 4) have been conferring on a subscription-TV test since last July. "We certainly wouldn't be averse to it," Bryer commented. "We're operating in the black, sales are good, and we're willing to give pay TV or any other advance a try." Zenith plans to apply to the FCC shortly for authorization to test operate its Phonevision system (Vol. 16:11 p19).

NEW & UPCOMING STATIONS: Sleeper starting last week was WSLA (Ch. 8) Selma, Ala., which began programming March 17 without having first signed network affiliation. It's had CP since Feb. 1954, but attempt to get permission to build a 2,000-ft. tower at a site 25 mi. from Montgomery. After FCC turned down application last year (Vol. 15:24), it proceeded with construction of a 300-ft. tower 3 mi. W of Selma on Land Line Rd. Selma is 40 mi. W of Montgomery, which has one vhf and one uhf outlet. WSLA principals, holding 45% each, are Pres.-gen. mgr. William J. Brennan and treas. William E. Bennis Jr. Each also is 50% owner of Vulcan Tower Co. Felix Robinson is WSLA sales mgr.; Bill Wills, program dir.; Cyril Brennan, from radio WBAM Montgomery, chief engineer. Base hourly rate is \$125. Rep not chosen. Net starter changes on-air total to 563 (87 uhf).

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

KEYC-TV (Ch. 12) Mankato, Minn. has ordered RCA equipment for summer delivery and is planning an early fall start, writes Herbert R. Ohrt, exec. vp of Lee Radio Inc., which recently acquired 70% control of CP (Vol. 16:9). It is just starting construction of studio & transmitter and will use a 1,116-ft. Kimco tower. Rep. will be Branham.

WGTV (Ch. 8, educational) Athens, Ga. is installing a 10-kw RCA driver and a 25-kw transmitter. It hopes to begin programming about April 1, reports Gerard L. Appy, associate dir. of communications div. of grantee U of Ga.'s Center for Continuing Education. It has a 931-ft. Stainless tower with RCA antenna. Work is nearly completed on microwave connection to hook studios (used for closed-circuit programming for some time) with transmitter on Jacks Creek Mt., near Monroe, Ga., 17-mi. WSW of Athens. The station will be part of the University's \$2.5 million Center for Continuing Education.

CHSA-TV (Ch. 2) Lloydminster, Alta. has a 5-kw GE transmitter and expects to meet a June programming target. Studio-transmitter building is nearly completed as is a 605-ft. Micro tower. Personnel list not yet released. Base hour not set. Rep not chosen.

Channel Seven Television Ltd. (Ch. 7) Winnipeg, Man., which hasn't call letters as yet, plans a Nov. 1 start. Equipment hasn't been ordered, but studios will be at Polo Park Shopping Centre, transmitter on Hwy. 75, 16 mi. S of Winnipeg. It will use a 1,000-ft. tower. Jack M. Davidson, ex-exec. vp of Winnipeg radio CKY, is gen. mgr.; Stewart MacPherson, ex-gen. mgr. of Winnipeg Enterprises (sports), is program director. R. S. Misener is pres. of Channel Seven; Lloyd E. Moffat, owner of CKY, vp; T. O. Peterson, ex-owner of radio CFOB Fort Frances, Ont., treas.; Campbell Haig, secy. Also on board of directors are Roland G. Couture, managing dir. of radio CKSB St. Boniface, Man. and W. E. Kroeker, pres. of radio CFAM Altona, Man. Rep not chosen.

WTIC-TV (Ch. 3) Hartford came back quickly with a reply to the petition of WWLP (Ch. 22) Springfield, Mass., which asked FCC to shift WTIC-TV to a uhf channel and give Ch. 3 to Providence (Vol. 16:10 p6). It stated that FCC had given the Hartford Ch. 3 assignment long & careful consideration and that the Court of Appeals had upheld the allocation as "not only rational, but reasonable."

Toronto's 9 Applicants: The contest for Toronto's 2nd TV channel became keener last week as the BBG reviewed the briefs of 8 applicants and slated a Sat. session to hear the bid of a 9th (Vol. 16:2 p9). The winner of coveted Ch. 9 won't be named for several weeks, but observers indicate it's a safe wager that the assignment will go to one of 3 contenders: Baton Aldred Rogers Bestg. Ltd., Upper Canada Bestg. Ltd., or Caldwell TV Bestg. Co.

The applicants who pushed their case before the BBG were virtually unanimous in their conviction that Toronto needs and will support a 2nd station, that such a station will be successful financially, despite heavy competition from CBC's CBLT Toronto, CHCH-TV Hamilton, pay TV in suburban Etobicoke, and U.S. network TV which hops the border via Buffalo's 3 commercial TV stations: WBEN-TV, WGR-TV, WKBW-TV. *Toronto Telegram* publisher John Bassett (associated with the Baton Aldred Rogers group) told the BBG that Toronto advertising is worth more than \$66 million annually. Of this sum, CBC's CBLT (Ch. 6) takes \$3.9 million. He estimated that the new station could attract more than \$3.2 million in its first year. The 9 applicants:

Beland H. Honderich, vp & editor-in-chief of the *Toronto Star*, for a company that will be controlled by the *Star* and include E. E. Fitzgibbons & A. G. Day of Famous Players Canadian Corp. Ltd. (Paramount Pictures).

Caldwell TV Bestg. Co., headed by Spencer W. Caldwell, TV film producer, Canadian agent for CBS Films, and operator of a radio sales & ad agency. His backers include ex-CBC vp Ernest Bushnell.

Upper Canada Bestg. Co., whose membership includes British program contractor Granada TV (25%) and Canadian comedians Johnny Wayne & Frank Shuster.

Consolidated Frybrook Industries, owned by Jack Kent Cooke, whose various properties include radio CKEY Toronto, the Toronto Maple Leaf baseball team. He told the BBG he plans 64.4% Canadian content from the first day of operation.

Baton Aldred Rogers Bestg. Ltd., whose officials include *Toronto Telegram* publisher John Bassett, who said his paper will have 51% control; TV personality Joel Aldred, who'll be pres.-gen. mgr.; Canadian sportscaster Foster Hewitt.

Rogers Radio Bestg. Co., operator of radio CFRB. J.S.D. Tory, for a company to be incorporated and to include the *Toronto Globe & Mail*, British TV interests, the J. Arthur Rank organization in Canada.

Maclean-Hunter Publishing Co. and Britain's ATV. Toronto Telecasters Syndicate, a group of 60 shareholders headed by Henry Borden and backed by the Southam Publishing Co., which publishes 7 Canadian newspapers, has other TV-radio interests.

Canada's Board of Broadcast Governors last week blasted 2 border stations—CKLW-TV Windsor and CKWS-TV, Kingston—for relying too heavily on filmed U.S. programs & old movies. Both stations, up for a renewal of their 5-yr. licenses, defended their status on the basis of their close proximity to U.S. network stations, and competition for listeners & dollars. BBG Chairman Dr. Andrew Stewart indicated that the Board prefers one-year licenses, presumably to keep a closer check on stations. CKLW-TV pointed out that it had started in 1954 when Windsor people had already had 6 years of U.S. TV from Detroit. BBG's new rule calls for 45% Canadian content for all stations by April 1961 and 55% by 1962.

Networks

Gillette's Big ABC Buy: The largest single chunk of Gillette's \$12-million annual budget for TV-radio sports (about \$8.5 million) will now go to ABC-TV for a year-round schedule of NCAA football (13 wks.), Sat.-afternoon major league baseball (25 wks.) and a Sat.-night schedule of boxing (co-sponsoring with Miles Labs).

To bag this advertising prize, ABC-TV has invested heavily in network sports in recent weeks. The NCAA deal, for example, will cost ABC-TV \$6,251,140 over 2 years. This was the high network bid for NCAA rights—previously held by NBC-TV for about \$2.2 million per year.

ABC-TV has thus also acquired the Gillette boxing billings, which NBC-TV had made no bones about unloading, in the wake of the payola & quiz probes. (Gillette, however, said ad vp A. Craig Smith, is continuing its relationship with NBC-TV, which will carry events like World Series and All-Star baseball games and Rose Bowl game.) ABC-TV has no intention of interfering with the Gillette-sponsored sports shows. "We are carrying events operated under the licenses of the states involved, and there will be no administration of the events," said program vp Tom Moore of the boxing schedule, which will be shifted from its present ABC-TV Wed.-night spot to Sat. this fall.

The Gillette schedule will be launched on ABC-TV April 16 with major league baseball. Football starts Sept. 17 and boxing commences Oct. 8. Commercials will feature Gillette's safety razors and a new male deodorant, Right Guard, currently being test-marketed on the West Coast.

* * *

NBC-TV affiliates, who may have wondered just why so much Gillette business was going ABC's way, received late last week, from NBC Chmn. Robert W. Sarnoff, a telegram which explained that NBC had become "deeply concerned with the public disrepute into which boxing has fallen." He confirmed that NBC had asked Gillette to drop the Fri. *Cavalcade of Sports* boxing series. NBC, however, was far from being shut out of the Gillette ad program, Sarnoff reminded the stations. The Gillette-NBC deal for the World Series, said Sarnoff, is now on a 5-yr. contract basis beyond the 1962 season for a time-&-talent price of \$19 million, plus an additional \$4.2 million for All-Star Baseball. ABC-TV, stated Sarnoff, could afford to outbid NBC-TV by \$1 million annually for the NCAA games because network affiliate rates on ABC-TV are lower than NBC-TV, enabling ABC to make a profit from a deal which would represent a loss to NBC-TV.

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A blast at professional (and TV) boxing appears in the new (April) *Reader's Digest*. Featured along with "Too Tired To Love" (a consideration of the insufficient sex drive in matrimony) is "Abolish Professional Boxing," which characterizes fighting as "a sordid business designed to yield maximum profit to the men who control the fighters, the arenas and the TV outlets." In another attack on TV in the same issue—on "bad taste" in commercials—the editors take video to task for "bringing the bathroom into our living room," apparently forgetful of the fact that they themselves have just brought the bedroom into the bathroom.

CBC plans a \$70,000,000 radio-television city in Toronto's suburban Don Mills. City approval has been won for the project, which will rezone 117 acres for CBC buildings & studios, a shopping plaza and 1,230 apartments.

Revenue Loss From New CBS Rules? CBS-TV may lose revenue as a result of its newly promulgated "guide lines" covering taste & time standards in TV commercials (Vol. 16:11 p14), we're told by Herbert Carlborg, dir. of editing for the network. He acknowledged that the network has received resistance from some advertisers, but indicated there will be no retreat from the announced policy. He added that he thought it would be good for the industry if NBC-TV and ABC-TV adopted the same "guide lines."

Carlborg said there's been little reaction to the rulings regarding content, because CBS-TV has been "pointing in that direction" for so long. Placement, on the other hand, is "quite revolutionary . . . People in the main are in favor of our objectives, but you run into cases where they are not conforming. They appreciate our objectives, but have to consider the realities of their own situations. We are working with them, trying to solve the problems." Carlborg added that while there have been comparatively few objectors to date, he expects more.

The executive revealed that in another area, a headache to the networks is the continual parade of plug requests it receives from various charities. He made clear that he was not referring to such traditional institutions as Red Cross, but to those in the "gray area"—local or regional in nature and with no national organization. Pointing out that a 30-sec. plug on a network program costs a sponsor about \$30,000, Carlborg said the network seeks to protect the advertiser by keeping charity pitches to a minimum. In many cases, a charity will attach itself to a name star who demands the right to plug it on his show. "The sponsor is put over a barrel by these stars," remarked Carlborg.

Acknowledging widespread criticism from CBS-TV comedians to the network's edict calling for announcement that a laughtrack has been "technically augmented," Carlborg commented, "We're listening seriously to them. We don't pretend to know all the answers." But there was no indication of a reversal of policy on this.

On-air TV editorials will begin in the "near future" on CBS-TV's 5 o&o outlets, CBS stations div. Pres. Merle Jones told the AFA's 9th dist. convention in Lincoln, Neb. The o&o's, said Jones, "are now busily engaged in developing editorial staffs" and will present the stations' editorial opinions on community events "at whatever frequency is deemed advisable." Another o&o project in the works, according to Jones: "A weekly program on our stations reviewing the press." Added Jones, taking a sly dig at newspapers that blast TV sex & violence on TV pages and play up sex-drenched courtroom testimony on page one: "We might want to make some observations regarding the size of type, the headline and front-page position given by some newspapers over the past 2 or 3 months to the affairs of Dr. Finch & Carole Tregoff."

Moving to CBS builds ratings, sales administration vp William H. Hylan asserted to agencies & prospective CBS-TV clients in a letter recently. The scorecard: In the past 6 years, 20 TV shows have either moved from other networks to CBS, or have moved out of the CBS shop. Those moving in "increased their audiences by 4.4 rating points—a gain of 24%." Audience shares also increased, by 19%. On the other hand, programs moving from CBS-TV dropped an average of 6.2 rating points, with shares falling 31%, Hylan reported. "If you are thinking of switching networks, we hope you are coming this way," said Hylan. "this country," Stanton said.

ABC's New Rate Structure: Granting advertisers the usual 6-mo. notice, ABC-TV issued a new rate card last week that sets new floors under the network discounts, and—like recent CBS-TV & NBC-TV rate revisions—adjusts rates to take into account seasonal & time-period set usage. A letter from sales vp William P. Mullen said:

1. ABC-TV advertisers must now purchase for each show, effective Oct. 1, 1960, "a minimum cleared gross for station time equivalent to \$85,000 for each class A hour."

2. A new winter-summer relationship. There will now be a 36-wk. "winter season" and a 16-wk. "summer season," with the electronic summer starting May 28. Discounts for the summer period have been scaled higher.

3. Big-budget advertisers, who may spend a total of more than \$5.2 million annually on ABC-TV "may elect to receive a 30% overall discount in lieu of all other discounts."

NBC-RKO General swap agreement, covering exchange of NBC's WRCV-TV & WRCV in Philadelphia for RKO General Inc.'s WNAC-TV & WNAC in Boston, was signed officially Mar. 18. The agreement, in the works for months and related to NBC's dealings for an o&o outlet in San Francisco (Vol. 16:9 p1), is subject to FCC and Justice Dept. approval.

NETWORK SALES ACTIVITY

ABC-TV

Daytime programming, participations starting April 8 for 8 wks.
Sunbeam Corp. (Perrin-Paus Co.)

Jubilee U.S.A., Sat., 10:30-11 p.m., participations starting April 9 for 25 wks.
Carter Products (Ted Bates)

American Bandstand, Mon.-Fri., 4-5:30 p.m., participations starting April 6, 26 wks.
Positan Corp. (Kastor, Hilton Chesley, Clifford & Atherton)

CBS-TV

Hotel de Patee, Fri., 8:30-9 p.m., alt. wk. sponsorship eff. April 15.
Carter Products (Sullivan, Stauffer, Colwell & Bayles)

Be Our Guest, Wed., 7:30-8:30 p.m., alt. wk. one-thirds.
Whitehall Labs. (Ted Bates) & *Helene Curtis* (Edward H. Weiss)

Captain Kangaroo, Mon.-Sat., 8:15-9 a.m., once wkly. 15-min. segs.
Union Hardware Co. (Graceman Advertising)

NBC-TV

Another Evening with Fred Astaire, Mon., May 9, 10-11 p.m., repeat of last Nov.'s colorcast.
Chrysler Corp. (Leo Burnett)

Daytime programming, participations representing "\$1.5 million"
Coty Inc. & Rexall (both BBDO) *Brown & Williamson* (Keyes, Madden & Jones), *Procter Electric* (Weiss & Geller), *Sweets Co. of America* (Henry Eisen)

The Deputy, Sat., 9-9:30 p.m., renewal of alt. wk. sponsorship for 1960-61 season.
General Cigar Co. (Young & Rubicam)

Programming

SUMMERTIME RE-EXAMINED: Although many TV critics are convinced that what TV needs most is a fresh supply of summertime programs, A. C. Nielsen's latest annual study of summer TV audiences gives that theory scant support. Summer viewing drops almost exactly 33% from maximum Jan.-Feb. winter levels, Nielsen stated, and most advertisers are just about as well off with rerun program fare as with shows that strive to maintain a year-'round freshness. Highlights of the Nielsen *Study of Summer TV*:

1. **Winter-vs.-summer audience loss:** The summer viewing drop-off varies with time & geography. In the early evening, the seasonal decline is more than twice as heavy as it is after 9:30 p.m. In the late evening, there's also a seasonal decline, but it's "relatively uniform throughout the week," said Nielsen. Since the South & Pacific areas have a more consistent climate, the early-evening summertime potential audience is "26% higher in the South & Pacific areas than in the rest of the country," said Nielsen. "In these 2 areas, TV usage drops 35% below winter viewing levels as compared with 45% elsewhere." Geographically, potential audience for late-night summer shows "is relatively uniform," with the seasonal decline representing only 15% in the South & West Coast areas vs. 25% elsewhere.

2. **Summer audience composition:** Advertisers reach about the same kind of TV audiences in summer as they do in winter. "The number of viewers during the summer is approximately halved, although distribution among men, women, teens & children is essentially the same," Nielsen stated of early-evening viewing. The same trend, although not as marked, was at work later in the night. For late-evening summer shows, said Nielsen, "the summer decrease in viewers is only 22%, evenly distributed between groups."

3. **Summer program fare:** During the summer months, ad advertiser has a choice of 3 program paths:

Programs using reruns last year drew an average rating 36% lower than the winter average. But when balanced against the all-over 33% summer drop-off in audience, reruns produced a break-even situation for the summer advertiser who manages to reduce winter program costs in the same proportion as audience losses.

Summer replacements, contrary to widespread belief, generally don't do well. The loss in delivered homes for summer replacements is 41% (vs. the seasonal drop-off of 33%) and the share-of-audience performance is 14% lower.

Programs operating on a 52-wk. basis with new material do the best job of attracting summer audiences. Such programs lose only an average of 26% of their winter viewers and emerge with an audience share 9% higher than the winter levels. They are not necessarily ahead economically, because program costs do not drop in summer.

Olympics were an audience success on CBS-TV, advance reports from Nielsen's 2nd Feb. rating cycle indicate. On Thurs. Feb. 18, CBS began TV coverage of the winter sports event with an AA rating of 24.2 (slightly more than 10 million homes) and a share of 37%. On Feb. 19 the ratings dipped, then bounced back to hit a peak for the first 4 days of 25.9 AA (11,345,000 homes) and 62.3% audience share in the 2-5 p.m. period Feb. 21. "It started out as a public-service gesture," a CBS News spokesman told us, "but we were delighted to find we had a hit."

THOSE WESTERNS STILL LEAD: Nielsen's latest review of national rating behavior of basic TV program types reveals that audience figures are finally catching up with many predictions made recently by program executives at leading ad agencies. Two stand out:

1. The strongest bread-&-butter 30-min. shows are still those in the Western & situation-comedy categories, we've been told by a number of admen recently. And the Nielsen figures bear out the theory. In Jan.-Feb., all 30-min. nighttime network commercial shows drew an average total audience level of 21.8% of U.S. TV homes. Westerns were clearly above this average, with the shorter-length (19 of them) drawing an average total audience of 26.8%. One 30-min. pulled a top figure of 44.9% in the category. Runner-up, and also above-average in total audience, was situation comedy, with 16 series in the 30-min. length drawing a total-audience average of 24.9%. Variety shows in the 30-min. lengths (11 series) edged past the average mark with a 22.8% total-audience figure, and general drama shows squeaked by with a 22.1%.

On the wrong side of the 30-min. all-evening-programs average, 3 program categories fell short of the mark. Quiz & audience-participation shows (11) managed to pull 20.3%, and suspense-mystery (15) drew 20.0%. Low mark was scored by 30-min. shows in the adventure category (5) which pulled only a 16.0% average total audience figure.

2. Action-adventure 60-min. shows have become a strong trend, while dramatic specials of this length haven't generally been successful, we've been told by agency men shopping among the new crop of pilots & network fall offerings. (Network program buying also confirms this thinking; each network, particularly ABC-TV, has plans for an increased number of filmed action-adventure 60-min. shows.)

Among longer-length shows, the Nielsen figures again give statistical weight to current program theory. Their Jan.-Feb. measurements found 60-min. Westerns (9) drawing a 31.7% total-audience average rating to top the field, and comfortably above the average for 60-min. shows—27.6%. This is not to say that all 60-min. Westerns are automatically above-average successes. In this category, the low-high spread is large. One hour-long Western (*Wagon Train*) pulled in a whopping 51.0% total-audience average during the rated period of Jan.-Feb., but another (Nielsen wouldn't say which) corralled only 17.5%. What the figures *do* mean, for admen who like to play the Nielsen tote board, is that the general chances for audience success are above-average in the longer-length Westerns.

Suspense-mystery 60-min. shows weren't far behind the longer Westerns. They (5) scored a 30.1% average, again topping the general average. Hour-long variety shows & specials did fairly well with an average total-audience level of 28.5% on 9 series. On the bearish side of the all-program-average fence was the 60-min. category which Nielsen terms general drama, with a total-audience average of 20.1% on 5 series (and with a high-low spread ranging from 25.4 down to a mere 11.8%).

Network news team Chet Huntley & David Brinkley has nosed out longtime champion Doug Edwards on the basis of homes-reached, NBC's research dept. claimed last week. Texaco-sponsored series now draws an average-audience level of nearly 7.7 million homes (more than 15 million viewers) which compares with Edwards' AA score in Nielsen's 2nd Feb. report of nearly 7.4 million homes (13.9 million viewers). This is Huntley-Brinkley's first Nielsen victory over CBS-TV's Edwards.

CBS Censors Dobie: The last show on TV many a program executive might think was "controversial" is 20th Century-Fox's *The Many Loves of Dobie Gillis* (CBS-TV, Tues. 8:30-9 p.m.). But a *Dobie Gillis* episode last week became the first program casualty under CBS-TV's new "get-tough" policy of closed-circuit advance screenings, which was first announced at the recent Washington meeting of CBS affiliates by program practices vp Joseph Ream.

The decision to scrap the episode wasn't the network's, we learned by querying Ream. The questionable episode, which dealt with a comedy-of-errors situation in which Dobie's father suspected him of teen-age parenthood, was first piped to the full network. A total of 12 stations, representing affiliates in a cross-section of U.S. markets, responded. All responses were unfavorable, and a rerun episode was hastily substituted.

"We don't have a regular network screening schedule for CBS shows," Ream told us. "It's very informal and occurs only when we think there might be a question. In this case, the stations agreed that there was."

* * *

Philip Morris isn't leaving as co-sponsor of the successful *The Many Loves of Dobie Gillis*, we were told by a spokesman for CBS-TV's sales dept. A Hollywood report had hinted that the cigaret firm was under fire from various groups for sponsoring a show with teen-age leads & considerable teen-age appeal. "It's a family show," said CBS.

More problems for *Startime*, the expensive Ford-sponsored specials series on NBC-TV's Tues.-night schedule, appeared late last week. Sample: After May 17, all shows in the *Startime* series will be taped repeats, except for a few (possibly one in every 4 or 5) new variety packages. Another sample: Announcement of future *Startime* shows will be through J. Walter Thompson (Ford's agency) and NBC-TV, rather than through the Robinson-employed Arthur P. Jacobs PR firm, we learned from the auto firm's agency. Hailed originally as the biggest thing to hit TV in the way of specials, and filled with unrealized promises to deliver star names like Marilyn Monroe and Marlon Brando, *Startime* now seems to be just riding out its 39-program string as quietly & inexpensively as possible.

Televised political debates & discussions should be "exempt from the equal-time law so that viewers will have an opportunity to see & hear candidates do more than just promote themselves or their own parties," CBS vp for corporate affairs Richard Salant told the season's final RTES timebuying seminar March 15. "CBS is ready, willing and anxious to provide prime time for the major Presidential candidates if equal time doesn't have to be provided for lesser opponents," said Salant. "Why must the government direct broadcasters' activities concerning political campaigns when newspapers are not told they must set aside certain columns for any one candidate if they publish anything concerning another?" he asked. Discussing TV's recent image dilemma, Salant said "the hullabaloo over payola & rigged quiz shows is not a sinister conspiracy to cut down TV, but is genuine & justified and will result in some necessary reform."

"Imported robot tapes" for use as background music in U.S. TV filmed shows & movies would be banned under a bill (HR-11043) by Rep. Pelly (R-Wash.) which sets up criminal penalties. Pelly, himself an honorary AFM member, said the Musicians' Union "wholeheartedly endorses this bill."

Film & Tape

Dropping Name-Dropping? Buyers, once starry-eyed in their attempts to line up famous personalities for series, are now concentrating on properties more than on names. The reason's not hard to understand. Series featuring better-known personalities did not fare too well this season, with the exceptions of Robert Taylor's *The Detectives*, and *The Deputy*, starring Henry Fonda.

June Allyson's series has not lived up to sponsor's rating expectations, although this is partly due to the time slot (10:30 p.m. Mon.). Betty Hutton's comedy series has been in trouble from the outset and seems doomed. Joel McCrea's Western, *Wichita Town*, has been axed. Even *Ford Startime*, which has presented many celebrities, has not brought the anticipated ratings (see adjoining column).

On the other side of the ledger, those few new shows which have done well this season were not featuring big names, aside from the Fonda and Taylor series. These are *The Untouchables* (which, while starring Robert Stack, attained success chiefly because of fine production, with Stack not even appearing regularly at first), *The Many Loves of Dobie Gillis* (with Dwayne Hickman, Bob Denver and sometimes Tuesday Weld), *Dennis the Menace* (with Jay North) and *Hennesey* (Jackie Cooper) and *Mr. Lucky* (starring John Vivyan and Ross Martin). Logical conclusion of buyers is that viewers are more interested in quality than names.

Commercial Marriage: Another N.Y. film commercial producer has joined the trend toward affiliations or mergers with larger concerns. This time, the deal was between Robert Lawrence Productions (estimated 1960 billings: about \$4-5 million) and RKO General Inc. div. of General Tire & Rubber. The affiliation, according to a joint announcement by RKO General Pres. Thomas F. O'Neill and RLP Pres. Robert L. Lawrence, "involves no change in the management & personnel of either company."

The RLP move follows a pattern set last year by several other commercial film producers. Elliot, Unger & Elliot, formerly an independent, is now a div. of Columbia-owned Screen Gems. Filmways formed a facilities exchange & financial alliance with Warner Bros. whereby Filmways is the only company permitted to shoot commercials on the Warner lot. And Transfilm, following a buy-up by diversification-conscious Buckeye Corp., late last year arranged a merger—under the Buckeye corporate umbrella—with longtime independent Caravel Productions.

"New techniques for films, TV & video tape" will be the theme of SMPTE's May 1-7 convention at Los Angeles' Ambassador Hotel. Among the highlights announced by convention vp Reid H. Ray: A session on acoustics & architecture of studios & stages; discussions of TV tape splicing, editing, cueing, leaders & storage and transfers from tape to film and film to tape; paper on thermoplastic recording by GE's Dr. W. E. Glenn; progress report on video-tape standardization by Ampex's Charles Anderson; special session on training personnel for TV & motion pictures. Herbert Farmer, U. of Southern Cal., is chmn. of the papers program.

CBS-TV last week fired William Talman, "district attorney" in *Perry Mason*, after he was arrested for allegedly cavorting with others in the nude at a Hollywood party. No replacement has been set.

WGA STRIKES NETS' FILM OPERATIONS: Writers Guild of America last week extended its strike to TV film operations at the networks, following their refusal to grant overseas residuals. Thus the Guild—on strike against the Alliance of Television Film Producers and major-studio TV since Jan. 16 (Vol. 16:11 p10)—is striking all except non-Alliance independent producers and live TV & radio at the networks. WGA was reported to be making further concessions to non-Alliance companies.

Screen Actors Guild and Assn. of Motion Picture Producers are making progress in their negotiations and there is hope the strike against the movie majors, which began March 7, may soon be settled. The thorniest issue of all—post-1948 movie-to-TV revenue for actors—appears well on the way to being resolved, with a face-saving compromise which will give SAG a better pension deal. Executives of the networks, the Alliance and TV operations at the major studios met last week and decided to ask SAG to present its demands so that negotiations could begin.

Here's the latest rundown of all management areas & unions involved in Hollywood's labor crises:

Live TV Unaffected Until March 31

NETWORKS: Outlook here is contingent on TV film-WGA talks elsewhere. WGA struck March 18. SAG contract extended to May 31. WGA contract in live TV-radio expires March 31. Directors Guild of America contract expires April 30. There is no IATSE contract with nets on TV film (IATSE works under contracts with majors or independents which film network series).

WGA, which had delayed striking TV film at the networks in the hope this would aid its current negotiations with the nets in live TV & radio, struck the nets last Fri., apparently unable to make much headway in its live TV-radio talks. Included in the Guild's strike are NBC's Cal. National Productions and CBS Film Sales Inc. The series hit by this strike include CBS-TV's *Gunsmoke*, *The Perry Mason Show*, *Have Gun—Will Travel*, *Rawhide*, *Hotel de Paree*, *20th-Century and Conquest*, and NBC-TV's *Bonanza*. While pay TV was not an issue in network talks, overseas residuals were, and the nets wouldn't budge on that point. It's expected WGA will also strike live TV and radio at the networks when its contract in those fields expires March 31.

MOVIES: SAG struck the majors March 7, but current situation looks favorable.

A wholly new & optimistic climate surrounded the SAG-majors negotiations to end the movie strike, as the ticklish issue of post-1948 movies sold to TV apparently neared resolution. In effect the majors told SAG that if it would drop its demand for a cut of the post-1948s, they'd give the actors a pension fund retroactive to 1953. SAG reacted favorably to this face-saving compromise. When this issue, pay-TV and post-1960 payments are agreed on, SAG will likely stop its strike which has paralyzed movie production at the majors.

In an effort to avoid another stormy issue, SAG is negotiating now on terms for post-1960 movies which may be sold to TV. The Guild's original demand, asking that 6% of the gross of TV revenue for such pictures be placed in a pension fund, has been turned down and a new solution is being searched. The majors are willing to negotiate this issue, whereas they showed a distinct aversion to talks on

the post-1948s.

Regarding pay TV, SAG, unlike WGA, has not made any money demands. Recognizing that pay TV is not yet an established medium, the Guild merely seeks a clause allowing reopening of negotiations when & if there is pay TV. The majors won't discuss pay TV because they consider it an extension of the theatrical boxoffice.

ALLIANCE OF INDEPENDENTS: No progress. WGA on strike vs. Alliance since Jan. 16. Contracts expire for SAG May 31; DGA April 30; IATSE Jan. 31.

Again there were no negotiations between striking WGA and the Alliance last week, as the Guild concentrated on seeking an agreement with non-Alliance producers. One hopeful note here was that neutral industry individuals were working behind the scenes to bring about a settlement of the 9-week-old strike. Alliance producers weren't too bothered by the strike at this point, the lowest ebb of production running from March 15 to April 15.

However, they were perturbed by a statement from SAG exec. dir. Jack L. Dales at a membership meeting, to the effect that the Guild will seek overseas residuals from TV producers when it goes into those negotiations. Dales predicted this would be a "very tough issue." Some producers, unwilling to budge on overseas residuals, felt this could lead to a SAG strike, which would shut down production. They talked of getting sponsors to use reruns next fall, and begin first-run programming in 1961. The idea, of course, would be to hold out that much longer against the writers and any potential SAG strike. One exec. commented gloomily: "This is a most discouraging time, all we can do is be patient."

Meanwhile, non-Alliance producers were meeting with the Alliance to discuss current negotiations. The Directors Guild of America requested that negotiations begin with the Alliance, but did not set any date for such talks.

Production overall was not badly hurt, this being the slow season, and cameras were busy where series still are in production. Scripts appeared to be available, but executives weren't talkative about their sources.

Another Crisis Due March 26

UNORGANIZED INDEPENDENTS: Progress being made, but big issue is overseas residuals. WGA contract expires this week—March 26. Others: SAG, May 31; DGA, April 30; IATSE, Jan. 31, 1961.

Progress is being made in this area, with WGA relinquishing its demand that residuals be based on agreed compensation rather than minimums, as in the former contract. There was also a report that WGA would give up its demand for payments of 7th, 8th, and 9th runs. Although a major obstacle, the overseas residuals question, remains. But well-informed sources said producers might recognize this in principle, provided WGA would recognize that the overseas market today is not lucrative and would act accordingly. The WGA concessions motivated a belief that the strike may not continue for months, as many have predicted.

MAJOR STUDIO TV OPERATIONS: Outlook contingent on results in other areas, such as negotiations with non-Alliance group. The WGA contract expired Jan. 16, on which date the strike began. Contracts expire for SAG May 31; DGA April 30; IATSE Jan. 31.

There were no negotiations between WGA and the TV operations of the major studios last week. But in an action attributed to the WGA strike, Warner Bros. placed *Maverick* stars Jack Kelly & James Garner on suspension, exer-

cising the *force majeure* clauses of their contracts. WB's reason: no scripts available. Garner's attorney, Martin Gang, immediately notified Warner Bros. that he considered this a violation of his client's contract. Signed last year, it calls for salary 52 weeks a year. Gang added that WB's action left Garner a free agent. The actor's agent, Bob Coryell of Rosenberg-Coryell, was already lining up other jobs for him. WB notified Garner that if he followed Gang's advice he would be considered "in default." Gang's argument was that since production on *Maverick* has been completed for the season, WB has exercised *force majeure* as a "deliberate" means of avoiding Garner's salary. He draws about \$100,000 a year for movies & TV. It seemed evident that the argument would wind up in the courts, since WB was unlikely to let Garner take a walk. Production on *Maverick* was finished in Feb. WB sources told us.

Jim Garner told us he's received a number of offers, one of them to star in MGM-TV's *Diamond Jim Brady* series. Garner said while he liked the Brady series, he prefers to work in movies after having been in *Maverick* since its inception. Said the TV cowpoke: "I no longer consider myself in the employment of Warners. They suspended Clint (*Cheyenne*) Walker, Kelly and myself by using the *force majeure*, and Clint also has a 52-week deal. They made the one film on next season's series so they could say they ran out of scripts. It's a plot to save on salaries. When you've been with a series as long as I have, there's only one place to go—down."

Jack Kelly told us: "We have reason to believe there is an area to investigate thoroughly," and said his attorney is now looking into it. Kelly, whose contract has 4 years to run, said his investigation is not a move to get out of the contract. However, he added, "I don't feel their use of *force majeure* is correct. If there has been an infraction of the contract on their part, I want to know. There is a question as to the validity of their position."

Other strike developments:

SAG exec. secy. John L. Dales quashed rumors that the Guild would allow production of 8 movies halted by the strike, saying this wouldn't be permitted until SAG was "assured of an equitable deal." But some studio sources said they wouldn't go ahead even with the SAG permission because movies, once stopped, are difficult to resume—and "We don't want to operate with a sword hanging over our head."

Musicians Guild of America said it would help SAG and WGA to find a formula on residual payments.

IATSE, in negotiations with newly-formed TV film companies, is seeking a favored nations clause whereby it will receive residuals if other unions or guilds are granted them. IATSE anticipates no difficulties with TV film companies when negotiations begin in Nov., unless producers make concessions in the residuals area. IATSE wants to hold residuals down for fear it will hurt production and result in unemployment, one IATSE source told us.

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No shortage of theatrical films is seen by Motion Picture Assn. of America, despite the Hollywood strikes. By MPA's estimate, "about 150" new movies are waiting on the theatrical beltline and the general supply won't dry up "for another 3½ to 6 months." A small but steady flow of new features will also come from overseas and from companies like Universal Pictures and various independent producers who have settled with the guilds. "Movie attendance this year could hit 45 million weekly," said an MPA spokesman, who admitted however that the figure "doesn't compare with the salad days before TV."

HOLLYWOOD ROUNDUP

Tape will be next to get the attention of Hollywood unions, predict observers here. They believe the growth & expansion of tape in the entertainment field may be retarded and labor costs will rise, once SAG, AFTRA and the technical unions settle their jurisdictional disputes. Insiders theorize that unions will then contend "Why should there be one price for guild & union workers in tape, and another in film?" The result, in their opinion, will be an upping of tape costs to the TV film level.

QM Productions has been formed by producer Quinn Martin, with *The Woman in the Case*, an anthology crime series and the first TV venture on its schedule. QM will hq at Metro . . . Paul West has been signed by Screen Gems to write a series, *Bringing up Mother*, as soon as the writers strike is settled. Harry Ackerman produces.

CBS-TV has shelved 2 pilots originally planned with Rod Serling's Cayuga Productions. One was a 60-min. Western, *The Loner*; the other a fantasy, *Mr. Bevis*. Serling told us the network wanted him to write a minimum of 6 to 8 scripts on each series and act as story editor, and he replied he couldn't do this, particularly since he also has *Twilight Zone*, currently on CBS-TV. The deals collapsed.

Four Star Television, to avoid agency or sponsor objections, has changed the character of Willie Dante in the series of that name so that he now operates a nightclub, not a gambling casino. Four Star Pres. Dick Powell played the Dante role in several *Four Star Playhouse* episodes some years back, and Howard Duff stars in the new pilot.

WGA West elections for the screen board and TV-radio board will be held May 19. Nominees for 4 posts on the latter are Arthur Alsberg, Richard Collins, Fran Van Hartesveldt, Richard Berg, Les Crutchfield, John Elliotte, Phil Leslie, Louis Pelletier, Rod Serling, Sterling Silliphant and Barry Trivers. The first 3 are already on the board.

Clarence Hopper, vp of CBS Inc. facilities and CBS-TV for staff facilities, is in Hollywood regarding expansion of the network's Television City . . . Desilu Productions has named Jerry Thorpe exec. producer of *The Untouchables*, to replace Quinn Martin.

Eric Fleming is being dropped from CBS-TV's *Rawhide* . . . Jack Kelly and May Wynn's new company, Majak Productions, is working on plans for 2 series—a 60-min. modern adventure & a comedy to star Miss Wynn (Mrs. Kelly). It also plans to do movies.

NBC-TV has bought *Klondike*, an adventure series, from Ziv TV for next season. Ralph Taeger, James Coburn, Mari Blanchard and Joi Lansing star in the series which will be produced by William Conrad.

Warner Bros.' *Bourbon Street Beat*, on ABC-TV, won't be back next season. WB & ABC-TV are replacing it (in the same time slot) with another 60-min. private-eye series, *Surfside Six*, set in Florida. It hasn't been cast.

Production has been completed on *Hennessey* (Jackie Cooper) . . . Pilot of *I Married a Dog*, a comedy starring Marcia Henderson and Hal March, has been finished by producer Phil Rapp, who is in association with Philip N. Krasne.

Jack Ballard has resigned as mgr. of film programming of NBC to join CBS Films as mgr., programs, Hollywood. John F. Meyers is program dir., Hollywood, for CBS Films.

NEW YORK ROUNDUP

Filmways' \$1-million Manhattan film-tape studios were completed recently primarily to house TV commercials & TV film program production. But it has been doing considerable business with its older rival, movies. For the past 6 weeks, 20th-Century Fox has been completing feature production of "Murder, Inc." at Filmways, which also expects a rental contract this summer for an untitled Elia Kazan feature. At the moment, no TV series are shooting at Filmways.

Add syndication sales: Screen Gems' *Medicine 1960*, taped public affairs series (12 programs), has been bought by 25 stations, the latest being KRCA-TV Los Angeles & WJXT Jacksonville, Fla. . . MCA TV's *Mike Hammer* has been bought for upstate N.Y. markets by John Labatt brewery and for 3 Canadian markets by Sealy Mattress Co. and Perth Cleaners . . . NTA's tape-syndicated *Play of the Week* is now in 24 markets.

Fundamentals of tape-commercial production are explained in a new 35-page book, *Questions & Answers About Video Tape Commercials*, prepared by NTA Telestudios. Among key points cited are tape's "presence, which increases believability, association and acceptance;" tape's "coverage, which is 82 markets representing 95.5% of the viewing audience;" tape's costs & production problems.

Cal. National Productions is the 3rd major house to blueprint a 30-min. adult-appeal animation series. CNP, which would not disclose to us details of the series, termed it "an adult humorous cartoon show in full color." Previously sold this season: Screen Gems' *The Flagstones*, produced by Hanna-Barbera, and Warner Bros.' *Bugs Bunny*, both to ABC-TV for fall scheduling.

Advance film-rerun buying is reported by Screen Gems for its *Rescue 8* 30-min. syndicated series—although the first-run showings are still on the air. WTVJ Miami, KRCA-TV Los Angeles; WXYZ-TV Detroit and KCRA-TV Sacramento have bought, in advance, from 3 to 4 runs of the show in their respective markets. *Rescue 8*, produced by Herbert B. Leonard, is now in its second year.

N.Y. Giants football star Alex Webster has been signed to appear in CBS Films' *Turnpike* in a supporting role. Just to keep it in the family, the same team's Frank Gifford is *Turnpike's* star . . . ABC-TV will telecast reruns of NBC-TV's *Steve Canyon* series Thurs., 7:30-8 p.m., starting April 7.

Animation Producers' Assn. last week elected the following officers: Jack Zander, Pelican Films, pres.; Lew Gifford, Gifford-Kim Productions, vp; Sam Magdoff, Elektra Films, treas.; Bill Weiss, CBS-Terrytoons, secy.

Ross-Danzig Productions is negotiating for Walter Winchell to narrate a new series. The columnist told us he may also narrate Twentieth Century-Fox Television's *Whodunit* series, which has been optioned by NBC-TV.

Edgar Peterson has been named producer of ABC-TV's forthcoming series based on the memoirs of Sir Winston Churchill . . . Keefe Brasselle will host CBS-TV's *Be Our Guest*, replacing George De Witt who recently resigned.

Robert L. Miller has been named asst. to Richard Carlton, Trans-Lux TV sales vp . . . Julian Ludwig has been named gen. mgr., West Coast operations, Flamingo Films.

Advertising

THE QUESTION OF TAPE: Taped TV commercials are still in the "growing pains" stage, and producer opinion concerning them varies widely. This was evident recently when we questioned the heads of 2 of the largest commercial operations in the field: Jerry Madden, dir. of NBC-owned Telesales, and Martin Ransohoff, pres. of independently-owned Filmways.

Operating closely with the parent network, Telesales' tape-commercial production has boomed. After a year of operation, its annual billings are nearing the \$1-million mark, Madden told us. "Tape was over-sold at the beginning, but it is now catching up to the point where it makes sense as an adult commercial medium," he added.

About 75% of the tape commercials shot by Telesales wind up in network shows, and thus do not face the problems of making & shipping extra tape prints for spot use, by Madden's estimate. Many of the remaining taped commercials are used in spot, however, but distributed (once the original master tape has been edited to final form) through high-quality film kinescopes. Costs are about \$30 for a 1-min. tape duplicate copy as against only \$5-\$6 for a film kine copy. A recent Telesales order from a major advertiser called for 120 kines of a 1-min. taped commercial, with no taped copies, Madden told us.

On the independent-producer side of the fence, Filmways' Ransohoff takes the position that "tape has its place, and it's not going to replace film, nor is it a panacea." Agencies are now taking "a calm, calculated look at tape," Ransohoff told us. "In many cases, because of shooting techniques, the problems are much greater than in film commercials."

Filmways, which expects to gross between \$6 & \$7 million this year from TV commercials, TV programming and studio rentals, was one of the earliest independent film makers to install tape equipment. Although it has encouraged the use of tape by agencies, its project has been far from a resounding success. "We've lost at least \$100,000 on our initial tape investment at our 95th St. studio," Ransohoff admitted, although he denied a report that Filmways had sold its Ampex VTR and British-made TV camera chain.

Film rules the roost at Filmways presently, and Ransohoff expects that during the first 6 months of 1960 he will bill "in excess of \$3 million in N.Y. film commercials alone." Total commercial billings, including film commercials shot on the West Coast under a facilities-exchange agreement with Warner Bros., "may exceed \$4 million in the first half of the year." Tape facilities are planned for the firm's new 127th St. studios in Manhattan (2 sound stages, each 10,000 sq. ft.), however, and should be in operation by May. Said Ransohoff, somewhat tartly: "The video-tape hysteria among agencies has abated somewhat."

How TV molds public opinion is demonstrated in a new study for TvB by Pulse Inc. The study, conducted last Oct. in Boston, Philadelphia and Seattle-Tacoma on the heels of a 4-wk. TV spot campaign by Tyrex (a 5-firm trade group of companies making Tyrex cord for car & truck tires), showed vastly greater inroads for the institutional message among viewers than among non-viewers. Of those who had seen the TV spots, 43% were favorable toward Tyrex, 53% had no opinion, and only 4% were unfavorable. Among non-viewers, a scant 6% were favorable, 13% were unfavorable, and the great majority—81%—had no opinion.

Ad People: Paul J. Caravatt Jr., ex-Ogilvy, Benson & Mather, appointed a Foote, Cone & Belding vp . . . Howard S. Johnson named Cunningham & Walsh senior vp; George F. Kleitz, ex-Needham, Louis & Brorby, named C&W media dir. . . Russ Ford, TV-radio commercial dir., named Doherty, Clifford, Steers & Shenfield vp . . . Raymond D. Reiss named MacManus, John & Adams media dir. . . Dougals C. Manson, ex-Benton & Bowles vp, has opened Doug Manson Agency for advertising & communications (1 W. 47th St., N.Y.) . . . Lee H. Bristol, Bristol-Myers chmn., elected Advertising Council chmn.; Edwin W. Ebel, ad vp, General Foods Corp., named vice-chmn.

William H. Thomas appointed director of radio-TV & media, Tatham-Laird . . . Sydney W. Morrell, ex-ITT PR vp, named exec. vp of McCann-Erickson's Communications Affiliates Inc. . . . Sigurd S. Larmon, Young & Rubicam chmn., reappointed to USA's Advisory Committee on Information by President Eisenhower.

FTC consent order, forbidding alleged misrepresentation of Life cigarets in TV commercials & other advertising, has been signed by Brown & Williamson & its agency Ted Bates. Settling an FTC complaint filed last Dec. (Vol. 16:50 p10), the 2 respondents admitted no violations of federal law. But they agreed to stop advertised claims that Life cigarets contain "the least tar or nicotine" and that the claims are supported by the govt. The Brown & Williamson case was one of the first in which FTC cited an ad agency & an agency executive as well as a product's manufacturer, Bates vp & account exec. David Loomis having been named in the original charge of deception. FTC dismissed the complaint against Loomis, however, holding he had no authority to direct or control the policies of the 2 companies. The settlement followed a general agreement in Feb. by the tobacco industry with FTC to eliminate tar & nicotine claims (Vol. 16:6 p12).

FTC crackdowns on TV advertising are just part of the Eisenhower Administration's "leap-year liberalism," according to the March *Democratic Digest*, published by the Democratic National Committee. In an article titled "TV Advertising Finally Losing Its 'Invisible Shield,'" the *Digest* said that "it has been the avowed policy of the men appointed by President Eisenhower to run the federal regulatory agencies so as *not* to interfere with the affairs of their big business friends." But now: "With an election coming on, the Republicans cannot afford to ignore the malpractices of their big business friends any longer."

Just because FTC is out to clean up TV & radio "hucksterism & deception," Chmn. Earl W. Kintner said reassuringly last week, "sackcloth & ashes" needn't be donned by broadcasters. Repeating much of what he said in a speech 2 weeks earlier to CBS affiliates in Washington (Vol. 16:10 p2), Kintner told the Ind. Bestrs. Assn. in Indianapolis that "we need good entertainment & good showmanship" on the air. Pointing out that FTC's targets include deceptive newspaper advertising as well as fraud in TV & radio commercials, he said broadcasters shouldn't conclude that FTC has a special doghouse for them.

Standard Brands has denied FTC charges that its TV commercials for Blue Bonnet margarine are deceptive (Vol. 16:3 p8). In a formal answer to FTC's Jan. complaint, the company said that for several years it had used "substantial identical" advertising which FTC examined & failed to find objectionable. Standard Brands' agency Ted Bates denied any deception in the "flavor gem" commercials.

Congress

Oversighters vs. Dick Clark: A tug-of-war inside the House Commerce Legislative Oversight Subcommittee over how—and when—ABC-TV's Dick Clark should be exposed to public hearings on payola (Vol. 16:11 p12) was joined last week by Reps. Moss (D-Cal.) & Mack (D-Ill.).

Following private & public exchanges between Rep. Bennett (R-Mich.) & Chmn. Harris (D-Ark.), who instructed the subcommittee staff at one point to keep Bennett from seeing files on the *American Bandstand* jockey, Moss & Mack took up positions. They supported Harris, who had urged caution in calling Clark, and opposed Bennett, who had demanded immediate hearings.

Moss & Mack said Bennett's attempt to hurry Clark hearings "violates the American concepts of common decency & fair play." They called for "careful, orderly procedure," said "there should be no disclosure of unevaluated material gathered by the Subcommittee staff," and appended a memorandum from Subcommittee counsel Robert W. Lishman, who said:

"Every effort is being made to expedite & complete the investigation at as early a date as possible. However, the complex nature of Clark's broadcasting & other activities has required more time, overtime and manpower than was originally anticipated. We should be able to have the case ready for presentation at public hearings in the near future."

Federal-aid-to-ETV bill by Rep. Roberts (D-Ala.), which cleared the House Commerce Communications & Power Subcommittee last month—but without recommendations for action (Vol. 16:9 p14)—has been snagged in the full Committee. The measure (HR-10609) is for \$52 million to match federal grants to all states, D.C. and Puerto Rico for ETV equipment. It was Item No. 1 on the Committee's agenda at an executive session March 17, but, after an all-morning discussion, the Committee under Chmn. Harris (D-Ark.) recessed without voting on the bill, thereby dimming chances that it will reach the House floor this session. The Roberts measure is a compromise version of a Senate-passed bill (S-12) by Senate Commerce Committee Chmn. Magnuson (D-Wash.) which would authorize \$1 million ETV grants by the govt. to each state & D.C.

TV-debate bill, co-sponsored by Sens. Magnuson (D-Wash.) & Monroney (D-Okla.), to require networks to give 2 hours weekly to discussions of campaign issues by the major Presidential candidates (Vol. 16:11 p13) is getting bandwagon backing in the Senate. Additional signers of the measure (S-3171) include Sens. Case (R-S.D.), Clark (D-Pa.), Hartke (D-Ind.), Mansfield (D-Mont.), McGee (D-Wyo.), Gruening (D-Alaska), Bartlett (D-Alaska), Moss (D-Utah), Fulbright (D-Ark.), Cannon (D-Nev.), McNamara (D-Mich.), Engle (D-Cal.), Anderson (D-N.M.), Sparkman (D-Ala.), Yarborough (D-Tex.), Hennings (D-Mo.). Joining with Magnuson & Monroney in introducing the bill were Sens. Smathers (D-Fla.), Pastore (D-R.I.), Church (D-Ida.), Kefauver (D-Tenn.). A similar bill (HR-11233) was introduced by Rep. Johnson (D-Colo.).

"Worldwide TV" is one of the practical goals of the U.S. satellite program, said the National Aeronautics & Space Administration in its semi-annual report to Congress. Manned space flights are long-range NASA objectives, but of more immediate promise are other developments, including TV relays, dir. T. Keith Glennan noted.

Television Digest

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Personals: Robert D. Swezey, former exec. vp-gen. mgr. of WDSU-TV & WDSU New Orleans, appointed Labor Dept. troubleshooter by Secy. James P. Mitchell in such areas as enforcement of new union regulations, manpower resources, apprenticeship training . . . Robert G. Patt resigns as dir. of promotion & advertising, WRCA-TV N.Y., to take similar post at WCBST-TV & WCBST N.Y. . . . James T. Larkin named to new post of business mgr., ABC international div. . . . Frederick J. Schuhmann appointed ABC-TV dir. of product services.

Burton H. Hanft, ex-Screen Gems vp & treas., elected NBC vp, talent & program contract administration . . . Bernard I. Paulson has been appointed NBC dir. of design, art & scenic production . . . Raymond Eichmann named client presentations & sales promotion dir. in NBC-TV network sales planning; David H. Hedley named program presentations dir.; Nicholas Gordon appointed sales development dir.; Ronald J. Pollock, sales development mgr.

Victor F. Davies named CBC comptroller, succeeding A. M. Henderson, appointed auditor-gen. of Canada; Robert E. Keddy named personnel & organization dir.; Guy Coderre appointed associate personnel & organization dir. . . . Lawrence Grant Wilson and Paul Roussel named program officers, CBC's new bilingual FM radio network, scheduled to start in April.

Leslie Winik, film producer, named a vp of International Telemeter div. of Paramount . . . Aaron Cohen named sales development supervisor, WPIX N.Y. . . . Ted Yates, former TV & movie script writer (*Peter Gunn*), named news & public affairs dir., Metropolitan Bcstg. Corp.'s TV stations (WNEW-TV N.Y., WTTG Washington, KOVR Stockton-Sacramento, WTVH Peoria) . . . Norman J. Ostby, ex-Don Lee Bcstg. System vp and MBS Western div. gen. mgr., appointed MacKenzie Electronics gen. mgr.

Sidney W. Winslow Jr. elected to new post of chmn., Boston Herald-Traveler Corp. (WHDH-TV & WHDH Boston); Robert B. Choate succeeds Winslow as pres. . . . Jack Dolph, ex-program dir. of WCAU-TV Philadelphia, named CBS News asst. sports dir., succeeding Tex Schramm, who resigned to become gen. mgr. of the Dallas National Football League club . . . Will Fowler named dir. of news & public affairs, KTTV Los Angeles . . . Harry A. Babcock, FTC exec. dir., resigns effective April 1 to join Washington communications law firm of Weaver & Glassie . . . John H.

Battison, ex-gen. mgr. of KAVE-TV Carlsbad, N.M., April 1 opens engineering consultant's office in Washington at 1028 Connecticut Ave., NW (Phone: Republic 7-0458) . . . Harold S. Meden named RAB promotion mgr.

Willard J. Purcell has retired as advanced planning & research mgr. at radio WGY Schenectady after 38 years with the station. A radio pioneer, Purcell built N.Y.'s first broadcasting station (in Hoboken) for the Dempsey-Carpentier fight on July 4, 1921.

Meetings this week: National Educational TV & Radio Center meeting of program mgrs. of affiliated stations (March 20-23), KUHT, Houston . . . Canadian Assn. of Bcstrs. annual convention (21-23), Chateau Frontenac Hotel, Quebec, Que. . . . IRE international convention (21-24), Coliseum and Waldorf-Astoria, N.Y. . . . Bureau of Bcst. Measurement annual meeting (23), Chateau Frontenac Hotel, Quebec, Que. . . . RTES round table on radio as an ad medium. Speakers: D. C. Marschner, Shell Oil sales promotion-ad mgr.; Albert B. Richardson, Chesebrough-Ponds ad vp; James Stocker, Scott Paper ad mgr.; George Arkedis, CBS Radio network sales vp; Maurice McMurray, Storer Bcstg. Co. national sales dir.; Hotel Roosevelt, N.Y.

Obituary

John F. Howell, 40, CBS Films vp & gen. sales mgr., was killed March 16 under the wheels of a subway train in N.Y. Surviving are his widow and 3 children.

Auxiliary Services

Fox Off SEC Hook: Matthew M. (Matty) Fox, pres. of Skiatron of America, and of Television Industries Inc., cleared himself of difficulties with the SEC by voluntarily signing a consent decree enjoining him from selling or offering stock in Television Industries Inc. unless it is first registered with SEC. Television Industries is a TV film distributing firm, successor to Fox's C&C Super Corp.

The judgment, entered in N.Y. federal court, includes a disclaimer by Fox of any personal buying or selling of unregistered stock in the past. Fox had obtained loans from commercial lenders to help finance the business of Skiatron of America, using his 68,840 shares of Television Industries stock as security. Because of defaults by Fox, one of the lenders sold 12,800 shares of Television Industries stock in the open market without Fox's knowledge or consent, according to an affidavit signed by Fox.

Meanwhile in Washington, protracted SEC hearings for Skiatron Electronics, accused of making inadequate disclosures of stock deals with Matty Fox and his Skiatron of America (Vol. 16:11 p22), were recessed until April 4. No further testimony in the Skiatron Electronics case was taken at a brief SEC session March 17, when SEC attorneys asked examiner Robert N. Hislop for a 2-week delay to work out stipulations with the pay-TV company's lawyers on its business outlook. At the same time SEC's ban on trading in Skiatron Electronics stock was continued.

Telemeter's Toronto pay-TV system will get Golden Gloves boxing, which has been off TV for the past 7 years, The East vs. West finals, to be staged in N.Y.'s Madison Square Garden March 21, will be piped by closed-circuit long lines to Toronto. Viewing price for Telemeter subscribers will be 75¢. Telemeter also told us last week that "negotiations for televising legitimate theatrical productions are currently in progress."

Trade Report

MARCH 21, 1960

FM STEREO MARKET BY YEAR'S END? Manufacturers can begin active design & planning of a new consumer electronic product—FM stereo radio—by year's end, if FCC meets its own schedule to establish standards for the new broadcast service.

Don't hold your breath waiting for AM stereo standards, though. It looks now as if stereo radio will have a year's headstart on the FM band before it's permitted on the standard AM broadcast band. The Commission is giving priority to FM systems, probably won't even formally ask for AM system proposals until next fall, when FM deliberations are well under way.

Mass output & marketing of radios specifically designed to receive dual-channel FM broadcasts can be in high gear by summer 1961, if the system designation comes toward end of this year, as expected. EIA Pres. David Hull says he's hopeful that FCC will have FM stereo standards ready as early as next fall. Not until FCC delineates the standards for the new service will manufacturers be able to work out actual production design of circuits for the new FM multiplex tuners.

Stereo phono sales have gotten off to good start this year, we were told in Washington last week by manufacturers attending EIA's spring conference—and most hi-fi makers look for introduction of real stereo radio to add to momentum of whole stereo field. FM stereo radios would be merchandised both as part of stereo phono systems and as 2-speaker table sets.

One of FCC's stereo radio deadlines passed last week, as industry comments on FM stereo systems were filed. The Commission received the intra-industry report from EIA's National Stereophonic Radio Committee (NSRC), and this will provide basis for Commission's notice of proposed rule-making, expected soon. As anticipated, NSRC report makes no specific recommendations as to system, but outlines specifications of 5 basic system proposals. Commission's rule-making proposal is expected to be equally non-committal. Details of the NSRC report and other industry stereo-FM filings with FCC will be found on p. 6.

Best guesses as to Commission's further timetable on FM stereo: Deadline for comments on proposed FM stereo rules will probably be July 29, same deadline FCC gave to NSRC's field-test panel for completion of its tests, which will use facilities of KDKA-FM Pittsburgh (Vol. 16:11 p8). FCC hopes to have its staff work completed in summer or early fall, for a final Commission decision and new rules before year's end.

There could be slip-ups in this timing, of course. There's hot controversy over FM stereo systems, centering mainly around question: Should the system be one which also permits FM stations to transmit non-broadcast material (such as functional music for stores) in addition to the 2 channels of stereo? The issue will be hard-fought, because many FM stations now are using 2-channel multiplexing for private radio services. They don't want to give up this lucrative business, nor do they wish to be frozen out of stereocasting. Those who oppose the multiplexing of extra channels with the stereo material argue that such a dual-purpose system would result in degradation of stereo sound reproduction. Field tests are expected to tell whether & how much the signal is degraded.

RCA, which is not a member of NSRC, filed its own 222-page detailed evaluation of proposed FM stereo systems with the FCC. Its principal findings are digested on p. 6.

TV, STEREO PROMOTION DRIVES STYMIED: EIA has dropped its planned fall campaign to promote sales of TV sets, and the companion "stereo de-confusion drive" seems headed for the same fate.

Although last year's hastily-concocted TV promotion had been deemed a success (Vol. 15:21,30, 33), disagreement among TV set makers last week sounded the death-knell for the proposal for a more elaborate campaign this year. Convening at the manufacturer organization's spring meeting last week in Washington, members of EIA consumer products div. executive committee couldn't get together on a theme for the drive, or on what aspects of TV to promote.

The campaign to develop better consumer understanding of stereo (Vol. 15:48-49) is also dying for want of support, although EIA members were impressed by the promotion plans drawn up under phono section Chmn. L. M. Sandwick, of Pilot Radio. Group had hoped to raise war chest of \$300,000 and had decided to undertake the campaign if companies accounting for 75% of industry phono output came along. To date, about a dozen firms have subscribed, but since some of the largest companies are holdouts, goal hasn't been met. If some of the big firms change their minds, campaign could still get off the ground—but in Washington last week, EIA phono makers weren't very hopeful.

Problem of Japanese imports again was a prime topic at EIA's spring meeting—particularly in the tube & semiconductor, parts and consumer products divisions. Main effort at this meeting was directed toward moves to tighten & enforce product labeling laws.

One new "buy American" law was recommended by EIA's board of directors—at request of the tube & semiconductor div. Patterned after Canadian law, EIA wants legislation to require permanent non-removable country-of-origin labels on all foreign-made tubes & semiconductors. EIA also endorsed House-passed HR-5054 which would require country-of-origin labels on containers of foreign-produced articles which are repackaged for sale here (Vol. 16:6 p20).

The 3rd prong in EIA's product-labeling drive will be request to FTC to act on infractions of present laws which require labeling of products containing foreign parts. (Example: radios made in U.S. with some Japanese parts.) EIA will also ask FTC to rule whether product advertising must state country of origin.

Foreign radio makers haven't been complying with FCC radiation-control regulations, and the EIA's consumer-products executive committee voted to take the issue up with the Commission. FCC rules require all set makers to certify that their products come within maximum limits on radiation and won't be cause of interference. To date, it's understood, Sony has been only Japanese set maker to file certification with FCC.

For more news of EIA spring meeting actions, see story below.

TV-RADIO PRODUCTION: EIA statistics for week ended March 11 (10th week of 1960):

	March 4-11	Preceding wk.	1959 week	'60 cumulative	'59 cumulative
TV	102,939	107,794	96,653	1,236,818	1,091,090
Total radio	350,468	318,650	275,592	3,463,321	2,804,791
auto radio	149,147	122,507	109,063	1,499,947	1,061,428

RCA Making Audio Tape: Close on Pres. John L. Burns's disclosure last month (Vol. 16:8 p19) that RCA has been producing magnetic recording tape for several years in experimental quantities and would go commercial in 1960, the company announced over the weekend that it was open for business in a new business—the full-scale manufacture of audio tape.

RCA already has set up production shop in a renovated Indianapolis plant and is turning out audio tape in quantity for commercial, professional and home use. It expects to produce more than 2 billion feet of tape in the first year.

Initially RCA will concentrate on the production of audio tape. Later, at an unspecified time, it will move into magnetic tape for use in TV tape recorders and electronic data-processing systems.

Group exec. vp Charles M. Odorizzi said that the new activity will come under the jurisdiction of the RCA Victor record div. The audio tape will be marketed both by that division and the RCA electron tube div.

RCA's entry into the new field of operation, he said, was preceded by "years of research to develop the highest quality tape available today and to provide the consumer with a superior product." Prior to establishing its own production facilities, RCA purchased tapes for use in producing RCA Victor records and pre-recorded tapes, and for sale in blank form under its own brand name.

EIA Meeting Actions: EIA Pres. David R. Hull was chosen the winner of EIA's 1960 Medal of Honor for "distinguished service contributing to the advancement of the electronics industry." The award will be presented to the Raytheon vp at EIA's annual convention next May in Chicago. Previous winners: Dr. W. R. G. Baker (1953), Robert C. Sprague (1954), Leslie F. Muter (1955), Paul V. Galvin (1956), Max F. Balcom (1957), H. Leslie Hoffman (1958), Frederick R. Lack (1959).

Other actions taken at EIA's spring meeting in Washington last week:

The consumer-products div. executive committee authorized EIA exec. vp-secy. James D. Secrest to prepare a seal which manufacturers may affix to hi-fi sets complying with EIA's Music Power Rating measurement system (Vol. 16:8 p17). The same committee voted to be represented at Congressional hearings to oppose FCC's proposed law to require uhf tuners in all TVs (Vol. 16:6 p2).

The board of directors named H. F. Bersche, RCA electron tube div., a director of the Electronic Parts Show Corp., representing EIA. Pres. Hull named 3 past-presidents to the EIA nominating committee: H. Leslie Hoffman, Hoffman Electronics; Leslie F. Muter, The Muter Co.; Robert C. Sprague, Sprague Electric. Muter was chosen as chmn. of the 1960 convention committee, and Charles N. Hoffman, Warwick, was named to the committee.

JAPAN RADIO PRICES DIP: Japan will formally lower the export floor price for 6-transistor radios to \$11 from \$14 April 1. The Japan Machinery Export Assn. made the decision on the grounds that the existing floor price (check price) was no longer realistic and has been circumvented by the trade.

Low prices at which 6-transistor sets have been selling in the U.S.—in some cases just a little above \$20—have been cited in Tokyo as proof that some set makers have been exporting at less than the floor price, a condition widely known in the U.S. trade. If exported at \$14, transistor radios must sell at around \$30 to allow for shipment cost, 12½% *ad valorem* duty, markups, etc.

Increasing economies resulting from high production rates have enabled Japanese manufacturers to fill large export orders at unit prices of \$10-12.

U.S. importers & distributors of Japanese radios have been reducing prices recently. Latest reductions—albeit mainly on paper—came last week from Sampson Co., Chicago, sales representative of Hitachi. Although dealer & distributor price changes were termed “nominal,” suggested list prices of Hitachi radios have been cut by \$10 on most models. Pres. Robert Sampson said distributor & dealer margins are still competitive with most imports and greater than domestic brands. Lowest-priced set reduced: 6-transistor radio, \$39.95 to \$29.95. Highest priced: 8-transistor 2-band marine portable, \$75 to \$59.95.

(Note: Because of the increasing significance of Japan to the U.S. TV & radio market, TELEVISION DIGEST is now supplementing its direct reports from Japanese sources with its own Tokyo correspondent.)

* * *

Second transistor portable TV set to go into production in Japan is an 8-in. receiver manufactured by Nippon Victor, Japanese affiliate of RCA Victor. Sony Corp. put out the first set in Jan. (Vol. 16:4 p15), and it is being demonstrated in the U.S. for the first time at this week's IRE convention at the N.Y. Coliseum.

The Nippon Victor set has 25 transistors & 11 diodes. It is powered by alkali batteries made by Nippon Victor's parent company Matsushita Electric (which also has announced it is bringing out a transistor battery set of its own). It will go on sale in May at a list price of about \$180.

Nippon Victor's U.S. importer is Petely Enterprises, which markets radios & phonos under the Hi-Delity label (RCA does not handle Nippon Victor products here, and the “Victor” brand is not used on them). Its president, Michael E. Lee, told us in Jan. he hopes to handle U.S. distribution of the Nippon Victor portable TV (Vol. 16:4).

Price reductions of 15-45% in its semiconductor products were announced last week by the U.S. semiconductor products div. of United Industrial Corp. The reduction, said div. vp & sales dir. Joseph C. Worth, was a “reasonable step” following the semi-automation of various production processes. Affected are the concern's tantalum capacitors, zener diodes, other solid-state devices. The most expensive products, including diodes, were slashed to \$30-35 from \$48-60.

Distributor sales of Admiral TV sets during the first 2 months of 1960 were 37% higher than in the comparable 1959 period, Admiral Sales Corp. electronics vp Ross D. Siragusa Jr. announced last week. He said 23-in. sets now represent 66% of the company's large-screen set sales.

JAPANESE COLOR TV COMING: Don't place any bets against the U.S. debut soon of “low price” made-in-Japan color TV sets. At least one major importer is moving decisively to bring in a Japanese model, which, we are told, is well under “the cheapest American-made set.”

Thompson-Starrett's Delmonico International div., no stranger to Japanese products, has samples of a Nippon-made 21-in. color set at its Long Island City hq, has a top executive in Japan working out the details, and expects to announce delivery, price, and technical details in 10 days.

Delmonico exec. vp Herbert Kabat told us that while no decision has been made on the Japanese color set, the question is “when rather than if” it will be brought in. He declined to identify the Japanese set-maker.

“My partner Albert Friedman is in Japan right now exploring the situation,” he told us. “We won't be in a position to make a final decision until he returns, in about 10 days. Until then, any discussion of the set or our sales plans would be premature.”

Kabat did tell us, however, that the present thinking is to import cabinet as well as chassis from Japan and equip the chassis here with an American color picture-tube.

“Color tubes aren't available in Japan,” he pointed out. However, this situation may change soon. Several Japanese firms which have announced plans to produce color-TV sets are also licensed to use RCA color-tube patents. These firms include Toshiba, Sony, Matsushita.

Note: As color interest revives in U.S., more firms are planning to go back into the color set business. One of the most recent to make this decision is Hoffman Electronics, which now plans to resume output of color sets. As before, Hoffman will manufacture its own sets. The color fever is spreading to Canada, where the Canadian EIA has urged the govt.'s Board of Broadcast Governors to permit color-casting there. Canadian EIA Pres. Stuart D. Brownlee said that Canadian Admiral, which he also heads, will begin color-set production in May.

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Trade Personals: S. Martin Fassler named mktg. mgr., GE TV receiver dept. He was formerly radio-receiver dept. mktg. mgr., and succeeds I. L. (Chuck) Griffin, now mgr. of Hotpoint refrigerator dept. . . . George L. Mansour, ex-vp-gen. mgr. of the record div., named to new post of consumer products vp, RCA Victor Co. Ltd. (Canada); Robert G. Simpson promoted from sales mgr. to record div. mktg. mgr. . . . John R. Halligan, treas. & asst. to the pres., appointed vp-secy., Hallcrafters Co.; Edward Bishop Jr., formerly controller, named treas.

Martin Dubilier, one time Philharmonic Radio executive, promoted from gen. mgr. to pres. of ITT's International Electric Corp.; he succeeds F. H. Lanahan, now IEC chmn. . . . William Lawrence, ex-Bell Aircraft, Radio Condenser & Magnavox, named dir. of operations, Stromberg-Carlson electronics div. . . . Anthony Dillon has resigned as national sales mgr., Roland Radio Corp.

Archer E. Mohr named production engineering mgr., RCA's new plant under construction at Mountaintop, Pa.; Charles J. Smith, Jr. named purchasing, production & materials control mgr. . . . Paul S. Heflin appointed to new post of engineering vp, General Instrument Corp.'s semiconductor div. . . . Robert O'Brien resigned as gen. sales mgr., Stromberg-Carlson special products div.

'Captive Credit' Rises: Four company-owned finance subsidiaries have reported further growth in 1959. The biggest TV-appliance credit organization, GE's non-consolidated General Electric Credit Corp., handled \$649,986,000 in credit contracts last year—22% greater than the \$533,692,140 in 1958. Net income, however, declined 8% to \$7,567,000 from 1958's record earnings of \$8,301,520.

Westinghouse reported in its 1959 annual report that its wholly-owned subsidiary Westinghouse Credit Corp. expanded its volume of financing last year to more than \$90 million, an increase of 66% above 1958. The parent company's investment in the credit company was \$26 million at year's end.

Motorola reported that its investment in non-consolidated Motorola Finance Corp. increased in 1959 to \$6,275,059 from 1958's \$4,941,391, while net earnings of Motorola finance rose to \$333,668 from \$231,863.

Appliance Buyers Credit Corp., the "captive finance" house which handles credit for RCA Victor, Whirlpool & Carrier products, also reported substantial growth in 1959. ABCC is 80% owned by Whirlpool, 20% by Carrier Corp. Its total assets at the end of 1959 were \$162,847,257, compared with \$93,196,184 a year earlier. Whirlpool Corp.'s annual report notes that Whirlpool's share of ABCC's net income totaled \$605,234 in 1959, up from \$230,451 in 1958.

As many as 6.6% of rural householders may be in the market for a TV set this year, according to a survey by the National Rural Electric Cooperative Assn. A survey made among the 4.2 million members of 957 rural electric co-ops, indicated that 256,200 may "possibly" buy a TV set this year, while 67,200 (1.6% of total) "definitely" planned to buy one. Among the 20 commonly-used electrical items & appliances listed in the questionnaire, TV was 4th in the "possibly" category—exceeded in number of responses only by freezer (386,000), frypan (289,800) and water heater (281,400). In the "definitely will buy list," however, TV came midway between top & bottom, running 11th.

Spray TV—the poor man's remote channel-changer—may have been born last week at Southside Hospital in Bayshore, N.Y. When Edward McBride, an appendectomy convalescent, casually depressed the trigger button on a can of spray deodorant, he produced simultaneously a change of program on his rented remotely-operated TV set. Each time he pressed the button, the set switched channels. Interested hospital officials took over from bed-ridden McBride, tested the pressurized can on 15 other TV sets, produced remote channel tuning on 10 of them. A TV repair man theorized that the hissing sound produced by the deodorant can is attuned to the ultrasonic device within the TV sets that operates the remote channel-changer.

"Bonded-Shield" 23- & 19-in. tubes now constitute more than half of Sylvania's picture tube production for set manufacturers, Sylvania Electronic Tubes equipment sales mgr. W. O. Spink said last week. He added that the proportion is expected to continue to rise. The occasion for the statement was the announcement that the company has started production of 19-in. Bonded-Shield tubes.

Symphonic Electronic Corp., which now has "virtually decided to go into the TV set business," according to Pres. Max Zimmer (Vol. 16:11 p20), hopes to begin selling sets May 15. The sets would be produced in the company's New Brunswick (N.J.) plant.

Finance

Dynamics Corp. of America, N.Y.-based manufacturer of communications equipment and numerous electronic & electrical devices & products, netted a 57% profit gain on a 16% sales increase in 1959. Pres.-Chmn. Raymond F. Kelley, in the annual report released last week, said DCA anticipates a "substantial increase in sales & earnings" for 1960. Orders topping \$60 million were obtained during 1959, more than doubling the 1958 volume, and the backlog on Jan. 1, 1960, was approximately triple that of a year ago. For year ended Dec. 31:

	1959	1958
Net sales	\$37,606,308	\$32,386,037
Net income	1,447,128	921,145
Per com. share (after pfd.)	36¢	16¢
Common shares	2,756,683	2,667,094

Collins Radio's sales & earnings for the 3-month & 6-month periods ended Jan. 31 were the highest for any quarter & half-year in the concern's history, the company announced in its report last week. For the 2nd fiscal quarter to Jan. 31, Collins reported net earnings of \$2,187,130 on sales of \$49,776,356 (no comparative quarterly figures). For 6 mos. ended Jan. 31:

	1960	1959
Sales	\$91,779,750	\$48,159,426
Net income	4,211,447	986,227
Per common share	2.16	45¢
Common shares (1960) ..	1,935,749	1,935,749

General Bronze Corp., manufacturer of metal work, TV-radio antennas and other electronic products, virtually doubled profit on record sales in 1959. Consolidated report for the year ended Dec. 31:

	1959	1958
Net sales	\$35,379,193	\$26,691,810
Net income	619,895	312,885
Per common share	1.61	82¢
Common shares	383,937	380,377

Stewart Warner Corp., Chicago-based maker of automotive, electronic and industrial products & equipment netted substantial increases in sales & earnings in the year ended Dec. 31 (Shares are adjusted to reflect 2-for-1 split effective Dec. 22, 1959):

	1959	1958
Net sales	\$114,309,343	\$91,412,303
Net income	7,883,729	5,144,307
Per common share	2.40	1.60
Common shares	3,288,902	3,222,706

Sprague Electric Co. reports record sales & earnings in 1959. The company's annual report lists current assets at \$22,423,528 at the end of 1959, current liabilities \$5,824,212, net worth \$29,791,419. For year ended Dec. 31:

	1959	1958
Sales	\$56,351,571	\$43,193,717
Net income	3,502,328	1,761,719
Per common share	2.61	1.41
Common shares	1,340,229	1,247,912

Philips' Lamp Works, huge Netherlands-based electrical-electronics combine, last year passed the \$1 billion-sales mark. Year ended Dec. 31:

	1959	1958
Sales	\$1,108,290,000	\$952,675,000
Net income	93,015,000	64,660,000

Lafayette Radio Electronics Corp., mail-order distributor of electronic parts & hi-fi components, has placed on the market 225,000 shares of common stock at \$5 a share. The offering is through D. A. Lomasney & Co.

Hazeltine Corp. registered a 21% profit gain in 1959 despite a sharp sag in gross income from 1958's peacetime peak. Pres.-Chmn. W. A. MacDonald, in the 36-year-old electronics firm's annual report, attributed the profit increase to operating efficiencies & concentration of production at its own facilities. During the year, he noted, Hazeltine initiated "a carefully planned expansion program to broaden the company's scope of interest without diminishing its depth of capability." The Little Neck, N.Y. concern is among the nation's 100 largest defense contractors. For the year ended Dec. 31 (1958's stock listing is adjusted for a 2-for-1 split in July, 1959):

	1959	1958
Gross income	\$55,883,841	\$62,424,060
Net income	2,724,772	2,242,226
Per common share	1.80	1.50
Common shares	1,509,910	1,499,910

NT&T stockholders voted to increase the number of authorized shares to 5,000,000 from 3,750,000 at the annual meeting in Los Angeles last week (Vol. 16:11 p24). The authorization will facilitate payment of future stock dividends, allow exercise of stock-purchase warrants involved in the acquisition of NTA and provide shares for future public issue or for acquisitions. Pres. B. Gerald Cantor warned stockholders that a decline in demand for TV films coupled with the SAG strike may slice NT&T's 1960 earnings. "This is a volatile business," he said. "It's hard to make earnings projections."

NAFI Corp., automotive-accessory & broadcast concern (KCOP Los Angeles, KPTV Portland, radio KXYZ Houston) plans a public offering of 200,000 additional capital shares, Pres. John G. Bannister reports. The Oakland, Cal. corporation is acquiring boat-maker Chris-Craft Corp., and \$6 million of the stock-sale proceeds will go to repay a bank loan made in connection with the purchase. NAFI has arranged to buy all outstanding common shares of Chris-Craft for \$40 million—including \$11 million in cash.

GE has filed an SEC registration statement (File 2-16260) for 1.2 million common stock shares for use in the company's savings & security program for employes.

Universal Pictures turned in a healthy \$1.8 million profit in fiscal-1960's first quarter, rebounding smartly from the operating loss incurred in the year-ago period (Vol. 16:11 p24). The fiscal-1959 quarter's net income is exclusive of \$3,676,510 net profit from the sale of studio facilities. For the 13 weeks ended Jan. 30:

	1960	1959
Net income (loss in '59)	\$1,857,039	(\$864,575)
Per com. share (after pfd.)	2.03	
Common shares	893,390	927,254

Decca Records reports a decline in earnings in 1959, compared with the preceding year. However, the 1958 figure includes a non-recurring capital gain on the sale of Universal Pictures' studio facilities. As of Dec. 31, Decca held 777,985 of Universal's 893,390 outstanding shares. For the year ended Dec. 31:

	1959	1958
Net income	\$2,321,923	\$2,776,382
Per common share	1.81	1.82
Common shares	1,285,701	1,527,401

Technicolor Inc. reports a sharp drop in net income for 1959 despite a rise in net sales. For the year ended Dec. 31:

	1959	1958
Net sales	\$27,250,407	\$26,778,621
Net income	237,160	558,172
Per common share	12¢	28¢
Common shares	2,034,346	2,027,680

RCA's Assets—\$805 Million: The world's largest corporation specializing in electronics—RCA, whose sales exceeded \$1.395 billion last year (Vol. 16:9 p18)—had total assets of \$804,914,000 at the end of 1959. This was an increase from \$736,256,000 in one year.

Current assets totaled \$535,733,000 (up from \$482,764,000—and all following parenthecized figures are for 1958), including cash of \$56,473,000 (up from \$49,851,000). Investments totaled \$56,834,000 (\$52,255,000), the largest of which was RCA's 1,158,563 shares of Whirlpool common stock, carried at cost of \$21,600,000. Plant & equipment (less depreciation) was carried at \$210,261,000 (\$198,579,000), patents & patent rights (less amortization) at \$1,499,000 (\$1,511,000).

Current liabilities were \$219,631,000 (\$174,781,000), long-term debt \$245,220,000 (\$249,995,000), deferred liabilities & income \$17,110,000 (\$16,041,000), total shareholders equity \$322,953,000 (\$295,439,000).

The results of RCA's unconsolidated wholly-owned foreign subsidiaries in Argentina, Australia, Brazil, Canada, Cuba, England, Japan, Mexico, Switzerland & Venezuela, were not included in the parent company's consolidated earnings statement—except to the extent of cash dividends received in 1959 (\$1,797,000). Sales of these subsidiaries last year totaled \$58,912,000, resulting in a net profit of \$741,000. At year's end, the net assets of these subsidiaries, says RCA's annual statement, exceeded the "RCA carrying value of its investments by \$11,941,000 after increasing the reserve against investments from \$1 million to \$3 million by charging expense in 1959." The wholly-owned foreign subsidiaries are carried on the balance sheet at \$11,695,000.

Philco stockholders will be asked to vote to increase the authorized common number of shares from 5 million to 10 million at the company's annual meeting April 7 in Philadelphia. According to the proxy statement, the increase will permit management to act quickly on acquisitions "or otherwise expand & strengthen the business." Philco said there are no plans to issue the new shares.

Reports & comments available: Andrea Radio Corp., prospectus, W. C. Langley & Co., 115 Broadway, N.Y. 6 . . . GT&E, prospectus, Paine, Webber, Jackson & Curtis, 25 Broad St., N.Y. 4 . . . International Rectifier Corp., prospectus, Blyth & Co., 14 Wall St., N.Y. 5 . . . Lafayette Radio Electronics Corp., prospectus, D. A. Lomasney & Co., 39 Broadway, N.Y. 6 . . . Barnes Engineering Co., prospectus, Hayden, Stone & Co., 25 Broad St., N.Y. 4 . . . Avnet Electronics, report, Grimm & Co., 2 Broadway, N.Y. 4 . . . Multi-Amp Electronic Corp., report, G. Everett Parks & Co., 52 Broadway, N.Y. 4 . . . Textron Inc., comments, Bruns, Nordeman & Co., 52 Wall St., N.Y. 5 . . . Tung-Sol Electric, memo, Hardy & Co., 30 Broad St., N.Y. 4 . . . Electronics Capital Corp., report, James Anthony & Co., 37 Wall St., N.Y. 5 . . . CBS, analysis, Blair & Co., 20 Broad St., N.Y. 5 . . . AT&T, report, Oliphant & Co., 61 Broadway, N.Y. 6 . . . Lear, discussion in *Investor's Reader*, Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., N.Y. 5.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
General Bronze	Q	\$0.37½	Mar. 30	Mar. 21
Hudson Radio & TV ...	Q	.06	Apr. 8	Mar. 21
Time Inc.	Q	.20	Apr. 30	Apr. 15
Time Inc.	Stk.	4%
Universal Controls	Q	.07½	Apr. 30	Apr. 15

CBS SALES & PROFITS AT PEAK: CBS Inc. last week put the official stamp on its record 1959 performance (Vol. 16:7 p24). To stockholders went the annual report and confirmation that sales & profits were the highest in the company's 32-year history. Chmn. William S. Paley & Pres. Dr. Frank Stanton reported that net income rose 3% over 1958's previous high to top \$25 million. Sales climbed 8% to more than \$444 million.

The outlook is for "continued progress in 1960," they said. "The positive indications are that the economy will break all records in 1960. With the rise of the national income & consumer expenditures, advertising expenditures are expected to reach new high levels, and sales of consumer & industrial electronic products are expected to join in this rapid growth." Paley & Stanton pin-pointed these highlights of the record year:

The CBS-TV network increased sales 8% over 1958, ran 13% ahead of the sales of the other 2 networks, and for the 6th consecutive year "was the world's largest single ad medium." For the 5th straight year, the network attracted the largest average audiences.

The TV stations div., embracing o&o's, spot sales, CBS Films Inc., and 2 overseas offices, scored a 19% sales increase.

CBS News became a separate division, provided 18% of the network's TV programming & 30% for radio.

Columbia Records div. jumped total sales by 25%, achieved the highest dollar volume in its history, and "attained first position in the record industry." By the end of 1959, the report claimed, Columbia Records held 21% of total industry sales.

CBS Electronics became the new name for the company's manufacturing division (replacing CBS-Hytron), "reflecting the planned expansion into broader & more diversified areas of electronic products" which now include electron tubes, semiconductors, radios, phonos and accessories. Dollar sales for the division were up "substantially" over 1958, although "considerably below sales goals," due in large part to "industry-wide price cutting."

Consolidated report for the 52-week 1959 fiscal year ended Jan. 2 (vs. the 53-week 1958 fiscal, in which the per-share earnings are adjusted to reflect a stock dividend):

	1959	1958
Net sales	\$444,311,357	\$411,800,203
Net income	25,267,187	24,428,812
Per common share	3.11	3.01
Common shares	8,382,239	8,118,649

Music Corp. of America topped its 1958 net earnings by 20% in 1959, Chmn. Jules C. Stein stated in MCA's annual report last week. Gross income for the big talent-&-program supplier hit a new high of \$57.7 million, but a breakdown of the figures revealed that MCA was taking in about \$6 from TV film production & sales (including sales of Paramount TV features and studio rentals) to every \$1 that came to MCA as "agency commission" on performer earnings. Net earnings were at the strong rate of \$5.1 million (up from \$4.3 million in 1958). For the year ended Dec. 31:

	1959	1958
Total income	\$57,786,616	\$48,429,749
Net income	5,186,066	4,328,442
Per com. share (after pfd)	1.28	1.18

National Video Corp. Chicago, the industry's 3rd largest maker of TV picture tubes, was admitted to listing on the American Stock Exchange last week. Symbol: NVD-A.

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

Allied Artists. Roger W. Hurlock bought 200, held 19,000. Albert Zugsmith bought 8,100, held 144,100.
 American Bosch Arma. William P. Smith bought 400, held 1,500.
 American Electronics. George K. Otis II bought 2,000, held 2,500.
 Ampex. Murray Innes Jr. sold 1,000, held 1,000 personally, 667 in trusts. Nathan W. Pearson sold 1,000, held 750.
 Amphenol Borg. Arthur J. Schmitt exercised option to buy 3,250, held 33,108.
 Arvin Industries. Harlan Foulke sold 909, held 7,010.
 Avco. C. Cohurn Darling bought 364, held 7,000. James R. Kerr exercised option to buy 5,000, held 9,366. Frank S. Larson exercised option to buy 1,900, held 4,703. Kendrick R. Wilson Jr. bought 7,900, held 16,000.
 Beckman Instruments. Frederick L. Ehrman sold 4,000 through Lehman Bros., held none in Lehman Bros., 3,000 personally.
 Belock Instrument. Jack J. Fischer sold 600, held 34,898.
 Clarostat. Irvin Lavine sold 500, held none. George J. Mucher sold 2,200 for wife, held none for wife, 10,868 personally.
 Clevite. Wilhur D. Prescott exercised option to buy 500, held 500.
 Collins Radio. Max W. Burrell bought 3,120, held 6,296. J. G. Flynn Jr. bought 1,000, sold 51, held 1,008. Albert H. Gordon bought 34 through Kidder Peabody & Co. sold 600 through Kidder Peabody & Co., held none in Kidder Peabody & Co., 1,040 personally.
 CBS. Henry C. Bonfig bought 1,000, held 1,212. Arthur Hull Hayes bought 8,278, held 8,278 personally, 132 in joint ownership. Edmund W. Pugh Jr. sold 100, held 200.
 Consolidated Electrodynamics. Robert F. Bacher exercised option to buy 750, held 1,100 which were exchanged for equivalent stock of Bell & Howell in merger. T. P. Morgan exercised option to buy 500, held 700 which were exchanged for equivalent stock of Bell & Howell in merger.
 Consolidated Electronics. Charles G. Munn sold 480, held 2,000.
 Cornell-Dubilier. Edward Bierma bought 100, held 100. Frank H. Rohy bought 100, held 100.
 Corning Glass. Norman J. Vang sold 2,000, held 500.
 Decca Records. Milton R. Rackmil bought 200 as co-trustee, held 11,600 as co-trustee, 1,713 personally.
 Filmways. L. Douglas Nolan received 250 as bonus, held 2,351. Richard B. Sage received 200 as bonus, held 9,305.
 GE. Hubert W. Gouldthorpe sold 148, held 1,214. Cramer W. La Pierre sold 1,000, held 3,955. Robert Paxton bought 1,000, held 25,727. Carter L. Redd exercised option to buy 108, held 3,310 personally, 8 for wife, 542 for son, 1,350 in trusts.
 General Transistor. Theodore A. Bruinama sold 5,020, held 2,000.
 Globe-Union. Harold M. Sauters sold 100, held 474 personally, 1,970 for wife.
 Hoffman Electronics. Bruce L. Birchard exercised option to buy 100, held 1,600.
 IBM. William J. Mair bought 225, held 3,137. Bernard F. Wiegand exercised option to buy 220, held 879.
 ITT. Charles D. Hilles Jr. received 126 as bonus, held 16,358.
 Litton Industries. Roy L. Ash sold 1,000 as custodian and 10 more through partnership in exercise of option by employees, held 2,400 as custodian, 10,597 in partnership, 119,452 personally. Myles L. Mace sold 5,000, held 16,685. Joseph A. Thomas sold 5,000 through Lehman Bros., held 15,000 in Lehman Bros., 206 in trust, 15,312 personally.
 Loew's Inc. Nathan Cummings bought 700, held 58,300. William H. Harrison bought 100, held 100.
 Loral Electronics. Leon Albert sold 3,500, held 129,500. Edward J. Garrett bought 600, held 10,600. A. Gerald Merlin sold 100, held 400.
 Magnavox. Walter O. Menge bought 160, held 400.
 P. R. Mallory. G. Barron Mallory sold 1,500 from trusts, held 84,992 in trusts, 4,492 personally.
 Microwave Associates. Vessarios Chigas sold 3,200, held 22,300. Julian Pathe sold 3,100, held 11,100.
 Oak Mfg. G. Corson Ellis bought 200 jointly with wife, held 300 jointly with wife, 125 personally.
 Packard Bell. Thomas C. Deane bought 100, held 100. Richard B. Leng exercised option to buy 1,000, held 9,900.
 Philco. Charles S. Cheston bought 700, held 3,000.
 RCA. Lewis L. Strauss bought 500, held 500. James M. Toney sold 103, held 35. Incentive awards: Martin F. Bennett received 103, held 1,431. Meade Brunet received 112, held 1,086. John L. Burns received 102, held 20,513. John Q. Cannon received 117, held 975. Ralston H. Coffin received 112, held 612. Charles R. Denny received 178, held 1,219. Orrin Elmer Dunlap Jr. received 144, held 898. Elmer W. Engstrom received 178, held 3,321. Douglas H. Ewing received 173, held 186. Frank M. Folsom received 202, held 10,225. Ernest B. Gorin received 153, held 253. Vincent DeP. Goubeau received 114, held 1,190. Charles B. Jolliffe received 160, held 1,622. Howard L. Letts received 127, held 276. Arthur L. Malcarney received 158, held 399 personally, 200 jointly with wife. George R. Marek received 142 and exercised option to buy 1,800 more, held 2,669. Charles M. Odorizzi received 154, held 10,681. Robert W. Sarnoff received 177, held 10,081. Frank Sleetser received 145, held 2,151. Douglas Y. Smith received 139, held 327. Theodore A. Smith received 180, held 2,923. Edward M. Tuft received 169, held 2,024. William Walter Watts received 164, held 777. Robert L. Werner received 181, held 1,394.
 Raytheon. Edward L. Bowless sold 3,819, held none. Roger C. Damon bought 100, held 100. Roy C. Ellis sold 200, held 1,841. Thomas H. Johnson exercised option to buy 750, held 750. E. Nevin Kather exercised option to buy 385, held 753. Ernest F. Leatham exercised option to buy 525, held 1,762. Percy L. Spencer exercised option to buy 7,350, held 7,798. Thomas C. Wisenbaker exercised option to buy 682, held 682.
 Republic Pictures. Victor M. Carter sold 32,300, held 315,420.
 Siegler. Lloyd G. Hallamore exercised option to buy 2,060, held 6,113. Pierpont M. Hamilton bought 1,500, held 32,856.
 TV Industries. Matthew Fox bought 1,000 in Nov. 1958 and 110 more in Jan. 1959, reported 38,900 sold by pledge from Oct. 1958 to Nov. 1959 to satisfy unpaid indebtedness, held 37,350 reported pledged as collateral against loans.
 Texas Instruments. W. F. Joyce sold 1,500, held 12,062. Bryan F. Smith sold 800, held 10,565 personally, 150 in trust.
 Thompson Ramo Wooldridge. E. C. Brelsford sold 280, held 1,000.
 Westinghouse. William C. Rowland sold 524, held 258.
 Zenith. Leonard C. Truesdell bought 100, held 100.

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

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SUSPENSION OF 'IDENTIFICATION' EDICT likely as FCC listens to industry pleas (p. 1). Dept. (p. 15).

EDWARD K. MILLS GETS NOD for FCC, second time in 3 years. Ex-GSA No. 2 man, 54-year-old N.J. attorney (p. 2).

Congress

NETWORKS, FCC PAYOLA hit by Harris in brace of new bills carrying out stern legislative recommendations of his Legislative Oversight Subcommittee (p. 3). Dept. (p. 15).

ETV

FEDERAL AID TO ETV gets new chance in House, Commerce Committee approving of amended Roberts bill cutting grants from \$52 million to \$39 million (p. 4).

UPCOMING STATIONS: A recapitulation of U.S. educational outlets scheduled to start operation in 1960. Low-power Canadian satellite on air (p. 7).

Stations

KFRE-TV ASSENTS TO UHF SHIFT in unique move, agreeing to go from Ch. 12 to Ch. 30, waiving hearing rights after FCC votes Fresno all-uhf (p. 4).

NAB CONVENTION TV AGENDA will be highlighted by report on industry's "Time for Decision" by Code Review Board Chmn. McGannon. Other features (p. 5).

NAB FIELD—OFF & RUNNING as 25-30 entries in leadership hunt are filed with NAB committee selecting successor to late Pres. Harold E. Fellows (p. 6).

Manufacturing & Distribution

NEW TAPE CARTRIDGE system, developed by 3M & CBS Labs as competitor to stereo disc, demonstrated in N.Y. Repetition of LP-vs-45-rpm war seen (p. 18).

LISTENER STEREO TESTS by GE indicate full-range 2-channel system "listens best;" all stereo better than monaural (p. 19).

IRE CONVENTION HIGHLIGHTS: Non-glare picture tubes, transistor radio batteries, wireless stereo remote controls, new TV-radio tubes & transistors (p. 20).

MORE NIPPON COLOR TV: Hitachi swings into mass-production of 21-in. color set that is slated for fall distribution here by Chicago-based Sampson Co.; Hitachi set & tube use RCA license (p. 21).

17- & 21-IN. SETS still being introduced—latest being 4 RCA 17-in.—but many manufacturers are de-emphasizing those sizes in favor of 19- & 23-in. (p. 21).

Networks

LOOK-ALIKE GROUND RULES developing informally between CBS & NBC as CBS drops its labels on canned laughter (p. 9).

NETWORK ADVERTISERS total rose to 320 last year and they purchased \$627,311,530 worth of time, TvB reports (p. 10).

Film & Tape

WGA MAY DROP KEY ISSUE of foreign residuals in its 10-wk. old strike (p. 11). Situation at a glance (p. 12).

Other Departments

ADVERTISING (p. 8). **TECHNOLOGY** (p. 14). **PROGRAMMING** (p. 16). **PERSONALS** (p. 17). **AUXILIARY SERVICES** (p. 17). **FINANCE** (p. 22).

SUSPENSION OF 'IDENTIFICATION' EDICT LIKELY: FCC is inclined to give industry a breather from the onerous requirements of its tremendously upsetting March 16 document—"Sponsor Identification of Broadcast Material" (Vol. 16:12 p2-3). Though it hadn't acted at week's end, indications were that it would incorporate its interpretation of law on payola, plugola, etc., into rule-making and give industry a chance to tell what's wrong with it.

Seldom has industry been in such a furor. Most of it is about free records. FCC said stations must announce the donor. This hits almost every station in its minute-by-minute operations. NAB, networks and stations reacted with urgent pleas that Commission hold off enforcement, listen to industry's plight, modify its decision, give stations some rules they can live with.

Biggest concern of stations was that FCC requires them to clutter up programs with announcements that "Such-&Such Record Co. supplied following record" or words to that effect. FCC sources say that isn't quite true, that an announcement every 15 min. sounds reasonable. Furthermore, they assert, stations can arrange programs so as not to make announcements unwieldy—by bunching records from each donor into 15-min. groups.

"But what about our libraries?" stations ask. "We don't know which we bought or which were given to us." FCC reaction: Do your best to find out. Show good faith. The law doesn't exempt those.

What irks operators further is that the announcements would have to be logged as commercials and counted in their reports to FCC—thus amounting to a huge increase of as much as 1,000-1,500 spots a week—giving their operations an extremely "overcommercial" impression.

There are many, many other problems & questions, very disruptive to industry's way of doing business. Industry's examples, as filed with Commission last week, point out the ludicrous, such as announcing source of press releases. FCC has said nothing, will discuss problem this week, is expected to remove pressure.

Industry speculated endlessly about reasons for FCC's hasty & disturbing action. Main answer, naturally, is desire to impress Congress with a show of firmness, as if to say: "You say we've been lax about payola, etc.? Okay. Here. Here's what the Communications Act says. If our action was too tough, or impractical, or ridiculous—change the law."

But many attorneys disagree violently, asserting that Commission is cockeyed in its reading of the law and that any court would tell it so. There's no major move afoot yet to amend law. Rather, industry is hoping to persuade FCC into reasonableness. Failing that, appeals to courts are likely—though lawyers aren't certain that the troublesome document is appealable. It's simply a "public notice," spelling out FCC's understanding of the law.

Industry hopes that Commission will be able to ease off gracefully, that it won't give anyone impression that it's "backing down," that Congress will understand FCC's intentions but make it easy for it to "re-interpret" the law.

NAB moved to alert all stations to make their reactions known to powers that be, sending members & non-members copies of "petition for further proceedings" which it had filed with Commission.

NAB's petition, in brisk language, epitomized industry reaction well. Excerpts: "This document is of a sweeping nature, affecting many established & unquestioned practices in the broadcasting industry and would require extensive changes in the day-to-day operations of practically every station in the country. Because many of the concepts set forth are so substantive in nature, it is submitted that they should not be adopted through the medium of an interpretive memorandum . . .

"Until now it has been regarded as inconceivable that the broadcasting of a recording which was received either free or at a nominal charge, without an announcement to that effect, could by any stretch of the imagination be held to be a violation of Sec. 317 of the Communications Act . . ."

Some stations are now feeling around, attempting to meet what they think are FCC's requirements. They use such language as: "Some of the records in this program were supplied by the manufacturers & distributors." (FCC officials say that isn't enough—that names of suppliers must be given.) But most stations, on legal advice, are sitting tight, expecting clemency. Some, however, have started buying their records. NBC for one, said it will pay for all discs from now on, and that it was examining all programs to determine what announcement it should add where, to comply with its understanding of FCC's requirements.

Last week was also deadline for comments on FCC's proposed anti-payola rule (Vol. 16:7 p7). NAB, networks & several group owners filed. All agreed with Commission purpose but all said that proposed language would put impossible burden on licensees of policing program preparation at stages way beyond their reach. They generally suggested that FCC require stations to apply "due diligence" in suppressing payola—not expect them to guarantee suppression absolutely. Some suggested that law governing under-counter payments be extended to program producers not controlled by licensees. Others asked Commission to supply guidance as to what kinds of licensee controls it wants—in a question-answer type of document such as Commission's "Use of Broadcast Facilities by Candidates for Public Office."

EDWARD K. MILLS GETS NOD FOR FCC: Someone in the White House certainly likes Edward Kirkpatrick Mills Jr., because he has been tapped for an FCC vacancy twice in 3 years. First time, in May 1957 (Vol. 13:19-20), he was offered chairmanship to succeed George McConnaughey, but opposition developed and offer was reduced to membership—whereupon Mills declined job. But last week he was ready to accept the position, and President sent his name to Senate.

Big question now is whether Democratic-controlled Senate will choose to pigeonhole nomination pending election, in hopes of substituting a Democrat in Jan.

Mills is an attorney, was No. 2 man (deputy administrator) of General Services Administration from May 1956 to Jan. 2, 1960. He's native of Morristown, N.J. who endeared himself to Eisenhower camp when he

served as chmn. of Morris County Citizens for Eisenhower Committee. He has enthusiastic backing of Sen. Case (R-N.J.), is classified as "liberal Republican." He was mayor of Morristown in 1949-50. Before joining GSA, he was partner in Mills, Jeffers & Mountain law firm there from 1940 to 1956.

Term would last until June 30, 1961, filling out unexpired term of ex-Chmn. Doerfer. Though an early report stated Mills had agreed not to seek full term after that, he says he has taken no position on matter.

Mills was 54 on March 19, is noted as hard worker. In fact, friends blame overwork for his heart attack last year. Apparently, he has recovered well. At GSA, he actually held down several jobs, including acting commissionership of public-building services. He says his attack was "very mild—I didn't even know I had it, at the time."

Associates say he's "fair, pleasant, tough—and tough on himself." He hasn't endeared himself to AT&T, for he led fight which ended with FCC's reduction by 15% of the rates it charges govt. for long lines service, including big SAGE defense system.

Mills had this to say to us about agency conduct: "Members of regulatory agencies like FCC owe the highest integrity to the public in the discharge of their duties. Contested hearings before regulatory bodies are no different in substance than court proceedings and should be decided strictly on the record & the merits."

He's leery of FCC fingers in programming, said that Commission shouldn't try "to determine what programs should be offered to the American public by radio & TV" but that public demand should produce improvement and is now calling for "less emphasis on crime & violence." As for quiz-rigging & payola: "It is discouraging to find this type of thing going on and it should be eliminated." He said he'd hold off suggested cures until he knows more about it.

Mills' nomination was a surprise, just as his selection was in 1957. His name hadn't figured in public speculation, and selection was made only week before it was announced.

He married Shirley R. Burks in 1944, has 2 daughters—12 & 10 years old. During World War II, he was a pilot, attained rank of major. He was educated at Princeton & Yale Law School.

He's an inventor of what he calls "Rube Goldberg things," holds patents on a land-air-sea vehicle, airplane & car safety-seat device, a car bed-seat combination, elementary pilot trainer for youngsters. He has application pending for a "new type of clothes horse," a replacement for the closet.

Meanwhile, Republican Comr. Lee's re-appointment still hangs fire and his chances still look good—better perhaps because of Mills' nomination, since it's doubtful Senate would want to keep 2 FCC vacancies dangling. Commerce Committee is expected to set Lee's hearing for an early date when it meets April 13.

Ex-Chmn. Doerfer hasn't decided what he'll do next, says he's considering several offers, but wants time "to look at this in perspective." (For NAB's talent hunt for late Pres. Harold Fellows' successor, see p. 6.)

NETWORKS, FCC, PAYOLA HIT BY HARRIS: Rep. Harris (D-Ark.), who wears 3 legislative hats as chmn. of House Commerce Committee and of its Legislative Oversight and Communications & Power Subcommittees, had another busy time last week.

Drastic broadcasting reform bills to license TV & radio networks, stiffen FCC regulations and outlaw payola & program rigging were tossed at the industry by Harris, who had promised them since Feb. report by Oversighters (Vol. 16:6 p1).

Harris this week moved away from FCC to FPC in hearings on agency ethics (Vol. 16:12 p1), forcing admissions that FPC had been subjected to secret pressures in gas-rate case. He sent staffers out on more evidence-gathering forays for yet-unscheduled payola hearings for ABC-TV's Dick Clark (Vol. 16:12 p17). And he produced one of few actual legislative accomplishments by Commerce Committee so far this season—approval of federal-aid-to-ETV bill (see p. 4).

Harris TV- & radio-control measures probably won't get far before Congress adjourns. But his 2 bills probably will get the biggest push of any reform proposals at session (Vol. 16:7 p1). One (HR-11340) would prohibit station-license trafficking by forbidding FCC to approve transfers within 3 years of grants unless public hearings prove they're in "public interest." Other (HR-11341) is omnibus—and ominous—catch-all. Among other things, it would: (1) Require network licensing. (2) Instruct FCC to set up rules obliging networks to take full responsibility for all material supplied affiliates. (3) Prohibit payola. (4) Make it crime to fix contests on air. (5) Authorize FCC to discipline broadcasters by suspending—instead of revoking—licenses.

For once, Harris-hearing headlines were shifted away from long-spotlighted FCC, however. It was FPC Chmn. Jerome K. Kuykendall's turn to get treatment ("FPC Chief Admits Seeing Pipeline's Lawyer in Secret") after FCC Chmn. Ford emerged unscathed from 2nd week of full Committee hearings on govt. ethics.

Finally releasing Ford from stand, Harris paid him unaccustomed compliments, in fact. Harris said Ford exhibited "patience & diligence as well as persistence" in testimony against some rigid features of Harris bill (HR-4800) to ban ex-parte influences on all regulatory agencies.

Week's hearings wound up with Ford-supporting testimony by ex-FCC gen. counsel Warren Baker. Testifying for Federal Communications Bar Assn., Baker said that Harris measure, as written, is so constricting that agency officials would be unable to accept "a ride downtown in a snowstorm, the loan of a match, the gift of a souvenir."

Oversighters' hearing stage was being prepared meanwhile for Dick Clark, billed as top witness when Subcommittee returns to payola hearings after Committee's ethics hearings are concluded. Subcommittee sources told us no date had been set for Clark's performance, that it may be weeks yet before full Committee finishes with FPC, FTC, CAB, etc. Getting ready for event, Subcommittee counsel Robert W. Lishman & other staffers were amassing more file documents, including Clark's contracts with ABC-TV and Triangle Publications, Inc., whose WFIL-TV Philadelphia is Clark's originating station.

FEDERAL AID TO ETV GETS NEW CHANCE: After many starts & stops, weakened proposals for govt. grants to states to set up educational TV stations were headed last week for House vote and possible approval by Congress this session.

Cut-down ETV bill for \$39 million in federal funds by Rep. Roberts (D-Ala.) survived House Commerce Committee delays & opposition (Vol. 16:12 p17) and was approved for floor action. If measure (HR-10609) is passed by House, it must go to conference with Senate, which last year voted for \$51-million ETV bill (S-12) by Sen. Magnuson (D-Wash.).

Advocates of states' rights & govt. economy slashed away at Roberts bill in closed House Committee session, putting through 3 watering-down amendments before permitting it to be reported out to floor. Comfortable majority of 25 Committee members at meeting voted for amended measure, but opponents indicated they'd file minority report, promising floor battle.

Amended House bill authorizes matching grants by govt. up to \$750,000 for each state, D.C. & Puerto Rico—to pay for half of construction costs of ETV facilities operated by colleges, state agencies or foundations. Total federal grants possible were reduced from \$52 million to \$39 million. Limit of federal aid for any station was set at \$150,000, but each state could claim \$10,000 in govt. funds for pre-construction ETV surveys.

Eisenhower Administration is against idea of federal aid to ETV, but Roberts predicted President will not veto his measure if it wins Congressional approval. Once before—in Aug. 1958—House Commerce Committee approved ETV bill (Vol. 14:33 p5) but it died before reaching floor vote. That one authorized \$51 million.

KFRE-TV ASSENTS TO UHF SHIFT IN UNIQUE MOVE: A vhf operator agreeing to shift to uhf—an unprecedented action—occurred last week. Triangle Publications' KFRE-TV (Ch. 12) Fresno, immediately after FCC announced that it proposed to make the city all-uhf—and not all-uhf as previously proposed—announced that it would waive all rights to a hearing and agree to the shift. Instead of starting long siege of litigation to fight shift, Triangle TV-radio vp Roger W. Clipp stated:

"When the Commission approved the transfer of KFRE-TV to Triangle, there was outstanding the Commission's proposal that KFRE-TV be changed from vhf Ch. 12 to uhf Ch. 30. At that time, it was determined by our engineers that the people of Fresno could receive a good signal on uhf Ch. 30 from KFRE-TV's present transmitter site. Provided Ch. 30 can be made available to us—and it appears that the present proposal in fact contemplates this—we will in all fairness waive our rights to a hearing and acquiesce in the creation of the new all-uhf area of Fresno."

Though FCC proposes to give KFRE-TV Ch. 53, it also proposes to shift Ch. 30 from Madera to Fresno, which would make it available to KFRE-TV. Commission is undecided about what to do with Ch. 12. It proposes 2 alternatives: Reserve it for educators in Fresno (instead of present Ch. 18) or shift it to Santa Barbara for commercial use. It also proposed to put Ch. 59 in Madera.

Two other telecasters most affected are Fresno's KMJ-TV (Ch. 24) & KJEO (Ch. 47). Principals of both

said they need to study decision before commenting. Also vitally affected are Bakersfield's one vhf & 2 uhfs—KERO-TV (Ch. 10), KLYD-TV (Ch. 17) & KBAK-TV (Ch. 29). As in Fresno, the 2 uhfs had been slated to get vhf channels. But with reversal in Fresno, trend is now toward shifting KERO-TV to uhf. Said FCC:

"ABC proposed that the area be made all-V or all-U and that at least 3 equally competitive services be made available in both Fresno & Bakersfield in either band. While there is self-evident merit in the course urged by ABC, in view of the fact that Fresno & Bakersfield are adjoining markets in the San Joaquin Valley, with vhf service from Bakersfield extending into the service area of Fresno uhf stations, we find it appropriate & desirable to defer for separate consideration the particular problems associated with uhf deintermixture of the Bakersfield market. The Commission is prepared to give consideration to any proposal interested parties may wish to submit in this regard."

Commission voted 4-1 for the move, Cross dissenting, Craven absent (not voting because his engineering firm participated in case before he joined FCC). Though 4-1 vote is a strong one, it shouldn't be assumed that big trend to uhf deintermixture is necessarily in works. Fresno was unusually ripe for move, particularly because TV Allocations Study Organization (TASO) had singled it out as exceptionally good for uhf, noting that uhf coverage was virtually as good as vhf. Furthermore, the all-vhf plan previously under consideration would have moved all stations to Patterson Mountain, 43 miles from Fresno, cutting strength of signal in city "to undesirably low levels."

Though FCC has proposed other vhf-to-uhf shifts, none is still live except plan to shift Evansville's WTVW from Ch. 7—and station has been fighting it bitterly for years.

The week also brought an unusual petition from WEAU-TV (Ch. 13) Eau Claire, Wis. It asks waiver of duopoly rules to permit it to operate both WEAU-TV and a new uhf Ch. 25 station in Eau Claire. WEAU-TV has NBC-TV affiliation; new station would seek CBS-TV. Station says area needs second station and that uhf would be stimulated throughout country if vhf operators were given opportunity to build—and take the risks.

Stations

NAB CONVENTION TV AGENDA: "Time for Decision"—a report by TV Code Review Board Chmn. Donald H. McGannon on the industry's trials & tribulations—heads the TV program at NAB's 38th annual convention April 3-6 at Chicago's Conrad Hilton Hotel.

NAB TV vp Thad H. Brown will preside at the first TV assembly 2:30-5 p.m. April 4 in the hotel's Waldorf Room, where McGannon & other Code Board members will review self-regulation measures & problems. A report by TV Information Office dir. Louis Hausman and an analysis ("Washington 1960—an Election Year") by NBC's David Brinkley & NAB staffers will follow.

The annual closed TV management & ownership conference, including TV Board elections, will be conducted 10 a.m.-12 noon April 5 with Board Chmn. G. Richard Shaf-to in the chair.

TvB takes over an April 6 TV assembly at 2:30 p.m. with a presentation ("How Good Must We Be?") by Pres. Norman (Pete) Cash, station relations dir. William McRae and central div. dir. George Lindsay. Panel discussion of "Spending Money to Make Money" will follow. Participants will include NAB personnel & economics mgr. C. H. Tower and Roger Read of WKRC-TV Cincinnati.

Major convention speakers include: Clair R. McCollough (Steinman Stations) keynoting the opening general assembly at 10:30 a.m. April 4 in place of the late NAB Pres. Harold E. Fellows. Secy. of State Christian A. Herter, addressing the April 4 luncheon. FCC Chmn. Ford, replacing ex-Chmn. Doerfer on the program, as the April 5 luncheon speaker. ABA Pres.-elect Whitney North Seymour, NAB's special counsel on Constitutional issues of FCC program controls, addressing the April 6 luncheon.

For radio members at next week's convention, April

3 will be FM day. The agenda for radio assemblies will include: April 4—Chmn. Cliff Gill of NAB's Standards of Good Practice Committee, Chmn. Robert T. Mason of the all-industry radio-music license committee, managing dir. Lawrence Webb of the Station Reps Assn. April 5—RAB presentation. April 6—"Radio's Public Relations—Your Job" by Chmn. Robert L. Pratt of NAB's radio public relations comm., Broadcasters' Promotion Assn. presentation.

Note: We cordially invite all subscribers and other NAB attendees to TELEVISION DIGEST's suite No. 1319 at the Conrad Hilton. We'll look forward to seeing you.

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Assn. for Professional Bestg. Education will hold its annual convention April 2 in the Conrad Hilton Hotel, Chicago, prior to NAB's convention there. All NAB members are eligible to attend sessions of the NAB-affiliated organization of colleges & universities which offer broadcasting courses. The featured luncheon speaker at APBE sessions will be gen. supt. Dr. Benjamin C. Willis of Chicago schools. Other speakers will include NAB personnel & economics mgr. Charles H. Tower, Chmn.-designate E. K. Hartenbower (KCMO-TV Kansas City) of the TV Code Review Board, vp Avery Gibson of H-R Reps, vp H. W. Bussman of A. C. Nielsen Co.

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Add NAB-convention-associated meetings: Assn. of Maximum Service Telecasters, April 3, Bel Air Room, Conrad Hilton Hotel, Chicago.

NAB TV Code staff expansion, including establishment of a N.Y. office under an asst. Code-affairs dir., and appointment of an aide to asst. dir. Frank Morris in the Hollywood office (Vol. 16:1 p6), is due by May 1. Men for the new jobs will be selected after the convention.

NAB FIELD—OFF & RUNNING: Informal nominations, recommendations and suggestions for a successor to the late NAB Pres.-Chmn. Harold E. Fellows (Vol. 16:12 p3)—ranging all the way from President Eisenhower down through the ranks of the broadcasting industry itself—began piling up last week.

"We already have 25 or 30 names on hand—some of them just dreamed up," Chmn. C. Howard Lane (KOIN-TV Portland, Ore.) of NAB's 8-member selection committee told us. He begged off mentioning any of the names, since his nominating group won't even get together for a preliminary look at the field until next week's convention.

Lane refused to join in speculation about who his committee might settle on for the NAB leadership. But he agreed that in letters & telephone calls, the talk about likely possibilities for the job already has taken in top national non-TV-radio figures as well as broadcasters who have won public stature.

"We'll be damned lucky to find somebody like Hal Fellows," Lane said. "He was a combination of a respected front-running spokesman for the industry and an administrator." If an available top-caliber candidate combining those qualifications can't be found, it's possible that the nominating committee will recommend to NAB's joint boards that the job be split, Lane added.

If one thing about the NAB succession is sure, Lane told us, it's that no selection will be made during the April 3-6 convention. He hopes to call his committee into its first formal meeting April 3 to begin sifting possibilities.

Meanwhile, Lane called for general participation by NAB members in the hunt. He urged them to come up with ideas and telephone or write him (Mt. Hood Radio & TV Bestg. Corp., 140 S. W. Columbia St., Portland, Capital 8-3333) or nearest members of the selection committee:

Payson Hall, Meredith Publishing Co., Des Moines, Ia., Atlantic 8-8511. Thomas C. Bostic, Cascade Bestg. Co. Inc., Box 702, Yakima, Wash., Glencourt 2-9111. John E. Fetzer, Fetzer Bestg. Co., 590 W. Maple St., Kalamazoo, Mich., Fireside 5-2101. John S. Hayes, Washington Post Co., 40th & Brandywine Sts. NW, Washington, D.C., Emerson 2-9300. Dwight W. Martin, Modern Bestg. Co., Box 2671, Baton Rouge, La., Dickens 4-8571. William D. Pabst, San Francisco-Oakland TV Inc., Jack London Sq., Oakland, Cal., Templebar 4-2000. W. D. (Dub) Rogers, Texas Telecasting Inc., 7400 College Ave., Lubbock, Tex., Sherwood 4-2345.

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Name-droppers are having a field day with the NAB presidency by keeping the rumor mill busy with highly imaginative speculations. Some of the oft-mentioned candidates: President Eisenhower, Richard M. Nixon, Adlai Stevenson, Treasury Secy. Robert B. Anderson, Eric Johnston, Red Cross Pres. Gen. Alfred Gruenther, ex-NAEB Pres. Frank Schooley, FCC secy. Mary Jane Morris, Madison Ave.'s Oliver Presbrey, ex-Secretary of State Dean Acheson, ex-FCC Chmn. Paul A. Porter, CBS-TV program practices vp Joseph H. Ream, ex-WDSU-TV New Orleans exec. vp Robert D. Swezey, ex-FCC Chmn. John Doerfer.

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Tribute to Harold E. Fellows, NAB pres. who died March 8, has been paid by 3 religious charity organizations for "his willingness, along with his industry, to render a public service." A joint statement by the Bishops' Relief Fund (Catholic), One Great Hour of Sharing (Protestant) and United Jewish Appeal pointed out that one of Fellows' last acts was to send out letters to all broadcasters urging cooperation in the organizations' fund-raising campaigns.

Redundant Block-Booking Testimony: Fewer witnesses will be called by the govt. in its block-booking anti-trust suit against a half-dozen leading TV feature film distributors (Vol. 16:11 p14 et seq.). Govt. trial attorney Leonard Posner and U.S. District Court Judge Archie O. Dawson reached agreement on this point last week, after Judge Dawson complained that the prosecution was putting "repetitious" testimony on record. The March 25 court session was postponed to give the prosecution a chance to trim its witness list, which originally numbered 126.

Heard in testimony last week: Roger Clipp, TV operations vp of Triangle Publications, Inc., who said he had purchased the AAP (now UAA) Warner Bros. library but was pleased with the deal and didn't feel he'd been pressured; Jack Harris, vp of KPRC-TV Houston, who said he'd bought a large NTA feature package because he wanted "to beat opposing stations to the features;" Samuel Gifford, program dir., and Charles McDaniel, film dir., of WHAS-TV Louisville; George Patterson, program mgr., WAVE-TV Louisville; Charles Vanda, ex-gen. mgr., WCAU-TV Philadelphia, now exec. of J. Walter Thompson; and Morton Cohen, film buyer, WCHS-TV, Charleston.

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Restraint-of-trade trial against Screen Gems brought by the govt. in N.Y. Federal District Court is, like the other govt. film suit (see above), moving at a crawl. After 2 days of testimony on behalf of Screen Gems by economist John J. Corson, who stated that feature films are only "one of a number of important factors" in local-level programming, govt. attorneys asked that his testimony be stricken from the record. Judge William B. Herlands took the move under consideration. Earlier, Herlands had denied a govt. motion to block future sales of the Universal-International backlog (distributed in TV by SG) until the anti-trust suit, under Sec. 7 of the Clayton Anti-trust Act, is completed. Just to make things even, he also denied a motion by the defendants to dismiss the suit on the basis that the govt. had failed so far to prove anti-trust violations.

United Artists Associated has created a new national sales div. to aid stations in obtaining "full sponsorship for UAA features & cartoons already purchased, on a national, regional and local basis." Leonard E. Hammer has been named dir. of the new UAA div., reporting to national sales mgr. Donald Klauber.

Add payola charges: FTC's anti-payola campaign (Vol. 16:11 p13) has approached the 70-case mark with filing of complaints against these record manufacturers & distributors, each accused of making under-the-table payments to TV & radio disc jockeys:

Decca Distributing Corp., 445 Park Ave., N.Y., Decca Records subsidiary which distributes Decca, Coral and Brunswick records. Southern Record Distributors Inc., 147 Lafayette St., Nashville, and Pres. John Richbourg. Hull Records Inc., 1595 Broadway, N.Y., and Pres. William Kaslin & secy. Blanche Kaslin. Field Music Sales Inc., 1480 Howard St., San Francisco, and Pres. Richard Field. Dolores Enterprises Inc., 1674 Broadway, N.Y., and Pres. Dolores Fuller & secy. Irving Spice. Carlton Record Corp. & Carlton Record Distributing Corp., 345 W. 58th St., N.Y., and Pres. Joseph R. Carlton, vp Norman Walters and vp Don Genson. Herman Lubinsky (Savoy Music Co.), 56 Ferry St., Newark. W. S. F. Inc., 1674 Broadway, N.Y., and Pres. Jack Waltzer & vp-treas. Monte Freed.

Disc jockeys are "musicasters" at radio WEOK Poughkeepsie. A station announcement said that henceforth use of the term "disc jockey" would be banned on its air because of "unpleasant associations." "Musicaster" will be the only acceptable title for record spinners.

Prescott, Ariz. would get Ch. 7 under rule-making proposed by FCC at the request of radio KNOT Prescott.

Shulton Finds A 4th 'Network': Undaunted by the refusal of all 3 TV networks to clear time for his prize-winning 60-min. documentary, "The Race for Space," because it wasn't a network-produced news show, producer David L. Wolper found a happy ending last week. The show will be aired in prime time during the week of April 24 on what amounts to a custom-made "network" of more than 100 stations willing to clear time, and purchased on a spot basis by Shulton Inc. through Wesley Associates.

Shulton, which wanted the show from the beginning and optioned it despite the lack of network time, didn't lose the opportunity to take a jab at network resistance to the Shulton-Wolper project. "It's expected," said Shulton vp Frank Carpenter regarding the film's hand-made lineup, "that the show will be viewed by a greater audience than originally contemplated through a network telecast. It will have the backing of public-spirited groups everywhere."

The idea of spot-placing the show was Wolper's. He had shot out a spate of telegrams to stations on the heels of WPIX N.Y.'s recent 49.7 Arbitron success with its station-produced non-network "The Secret Life of Adolf Hitler," now being sold on a syndicated basis. Response was immediate. As part of Shulton's deal, stations have a no-charge right to a 2nd run of the show.

Toronto Ch. 9 Award: The *Toronto Telegram*-controlled Baton Aldred Rogers Bcstg. Co. was declared the winner in the 9-way competition for Toronto's Ch. 9. Canada's Board of Broadcast Governors, in making the grant at last week's end, rejected 8 applications, which included *Toronto Daily Star*, *Toronto Globe & Mail*, Southam Publishing Co. (7 dailies) and MacLean-Hunter Publications (57 general circulation & trade publications).

Chmn. of the new Toronto grantee is John Bassett, publisher of the *Telegram*, which owns 51% of the station's stock. TV-radio personality Joel Aldred is pres. Other owners include Foster Hewitt, owner of radio CKFH Toronto; Paul Nathanson of Sovereign Films; and TV-radio producer Ray Purdy. Officials say they hope to get the station on the air by year's end.

UA, out to buy stations, has created a TV-radio stations div., to be headed by former UA-TV exec. vp Bruce Eells, who'll have the new title of dir. of broadcast-station acquisitions. Eells will set up the new UA div. (it's part of the parent company, rather than the enlarged UA-Ziv operation) at the Samuel Goldwyn studios in Hollywood. Ziv-TV, meanwhile, is losing none of its sales energy in the UA merger (Vol. 16:11 pp5&9). NBC-TV said it was purchasing 30 min., ZIV-produced *Klondike*.

Sale of KSBW-TV (Ch. 8) & KSBW Salinas-Monterey, Cal. and its semi-satellite KSBY-TV (Ch. 6) San Luis Obispo for \$3.1 million, was announced last week. Buyers are Paul F. Harron & Gordon Gray, owners of WKTV (Ch. 2) Utica, N.Y. John C. Cohan, major stockholder of the selling group, retains personal ownership of radio KVEC San Luis Obispo.

WMBD-TV (Ch. 31) & WMBD Peoria, Ill. have been sold for \$1.85 million to owners of WCIA (Ch. 3) Champaign, Ill., subject to FCC approval. Sellers are John E. Fetzer (WKZO-TV Kalamazoo, Mich.) & Charles C. Caley, who receive an additional \$225,000, spread over 8 years, for agreeing not to compete during that period. WCIA ownership interlocks with the *Decatur Herald & Review* and the *Champaign News-Gazette*.

Educational Television

UPCOMING EDUCATIONAL STATIONS: The 7 non-commercial outlets which have reported 1960 targets will increase the educational operating total from 46 to 53 by the end of the year. And a few more grants by FCC may bring the 1960 operating total closer to 60 stations. The 7 that have announced 1960 targets include WGTV (Ch. 8, educational) Athens, Ga. (April target).

The new starter for the week was Canadian satellite CHBC-TV-3 Oliver-Osoyoos, B.C., which began repeating parent CHBC-TV (Ch. 2) Kelowna, B.C. on March 27. It's a low-power unattended repeater installation with an RCA transmitter and 50-ft. Western Bridge tower. CHBC-TV also operates satellites CHBC-TV-1 (Ch. 13) Penticton and CHBC-TV-2 (Ch. 7) Vernon, as well as uhf translator CHBC-TV-4 (Ch. 72) Princeton, B.C. CHBC-TV hour is \$170. Reps are Weed and All-Canada.

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In our continuing survey of these educational grantees, here are latest reports from principals:

KPEC-TV (Ch. 56, educational) Tacoma, Wash. still hopes to begin shortly, writes V. F. Miner, director of Vocational Technical School for grantee Clover Park Schools. It has a GE transmitter installed & hooked up with a 175-ft. self-supporting tower. Proof of performance tests began week of March 7.

WIPM-TV (Ch. 3) Mayaguez, P. R., planned as a non-commercial outlet by P. R. Dept. of Education, has an April programming target, reports Delgado Marquez, gen. mgr. of the dept.'s other station WIPR-TV (Ch. 6, educational) San Juan. It has an RCA transmitter on hand and a 202-ft. Ideco tower is scheduled for March delivery.

WFSU-TV (Ch. 11, educational) Tallahassee, Fla. has a 10-kw GE transmitter scheduled for April 1 delivery and hopes to start soon, according to Roy Flynn, dir. of Fla. State U. bcstg. services. Studios, which have been used for closed-circuit programming, are ready. In addition to Flynn, formerly with Birmingham radio WAPI, the staff includes: W. E. Ragsdale, ex-WCTV Tallahassee, chief engineer; Donald E. Wheeler, ex-radio WFIU Bloomington, Ind., program dir.; Richard L. Puckett, studio supervisor.

WGTE-TV (Ch. 30, educational) Toledo, O. expects to be on the air this spring, reports exec. mgr. A. R. Bitner for grantee U. of Toledo. It has a 100-watt GE transmitter and helical antenna on University Hall tower.

KERA-TV (Ch. 13, educational) Dallas, Tex., planning full schedule by Sept. 1, hopes to begin with limited programming around July 1, writes exec. director Martin Campbell, ex-WFAA-TV Dallas. Grantee Area Educational TV Foundation signed contract last Dec. to take over the 300-ft. tower, transmitter and other equipment from WFAA-TV (Ch. 8) for \$400,000. It plans to start conversion of equipment this month and has blue prints ready for construction of a temporary studio near the transmitter on Harry Hines Blvd.

Weber County School Dist., grantee for Ch. 18, Ogden, Utah hasn't ordered equipment as yet, but hopes to be on the air by next Sept., writes school supt. T. H. Bell. Planned as a low-power outlet, it will use a 100-ft. tower.

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Revised directory of educational TV, AM and FM stations, as of Jan., has been published by the U.S. Office of Education, Health, Education and Welfare Dept., Washington 25, D.C. It was prepared by TV-radio education specialist Mrs. Gertrude G. Broderick.

Advertising

FTC TURNS ATTENTION TO PRINT ADS: FTC Chmn. Earl W. Kintner's plans to put his agency's "crash" program of TV & radio advertising monitoring on a regular, permanent basis (Vol. 16:7 p13)—and take in print media as well—became official last week.

From now on in, Kintner said in a speech to the Washington chapter of the American Public Relations Assn., FTC's expanded 12-member hq monitoring crew (10 lawyers, 2 assistants) will pore over newspapers & magazines for frauds in addition to watching commercials.

FTC always has maintained surveillance over deceptive print ads, but the most common sources of the agency's complaints against non-broadcast media have been consumers and/or the advertisers' competitors rather than FTC's staff itself. Now the strengthened monitoring unit will pay as much attention to printed claims as to spoken & animated claims, Kintner said. He expanded on this thus:

"This will include a continuing survey of all newspapers & periodicals, spot checks of advertising of particular products, spot checks of advertising in geographical areas, and studies of advertising appearing during particular periods.

"Every consideration will be given to the feasibility of tackling advertising evils on an industry-wide basis. Voluntary compliance with the law is always to be preferred if it can be made effective. But we cannot let enthusiastic declarations of good intent on the part of business substitute for law enforcement."

Acting dir. Charles Connolly of the monitoring staff said later that it is scheduling 20-25 newspapers & 15 magazines for inspection each week on a rotating basis. He explained that only newspapers in larger cities and magazines which have national circulations will come under regular scrutiny.

As the broadened monitoring program progresses, Kintner added, FTC will determine: (1) Whether advertisers are complying with FTC law & rules. (2) What "problem areas" exist. (3) Whether drafting of additional special guides to honesty in advertising is needed. (4) Whether the agency should move against groups of leaders in offending industries. (5) What formal complaints should be filed against willful violators.

As he has in other recent speeches, Kintner said that the "crisis in confidence" in advertising brought on by last year's TV quiz scandals can be met by industry itself. He told the APRA meeting that there's "a great opportunity for members of the communications industry to demonstrate once again that private citizens & their organizations can discharge their responsibilities with imagination, speed and decisiveness."

Note: Kintner has set something of a speech-making record for a gov't. official since he was promoted to his job last June. As of last week's end, he had made 160 speeches and 35 TV & radio tapes during his 9 months in office. In the last 3 weeks alone he has delivered 12 addresses.

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Renaissance in broadcast advertising is needed, Westinghouse Bestg. Pres. Donald H. McGannon told a luncheon meeting of Chicago's Broadcast Advertising Club March 23. Criticizing some of TV-radio's current advertising excesses, he pointed a finger at "ad-villification," and stated that "knocking the competition . . . is a practice that we could well do without." McGannon reminded his audience of the Elmo Roper survey which found that the public thought

far less about payola & rigged quizzes than it did about false advertising claims. TV has greater impact than print media, he said, and "advertising on TV and betimes on radio is searched more carefully for believability than advertising in published media. Is it possible," he asked, "to sell aspirin in the absence of abdominal explosions and cranial anvil choruses?"

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Eversharp Inc. has been FTC-cited for allegedly deceptive TV commercials for Schick safety razors & blades "which unduly frighten prospective purchasers of competitive razors." Also named in the complaint as co-respondents were Eversharp vp E. E. Ettinger, the company's ad agency Compton and the latter's vp John Hise & account exec. Alex Hoffman. Challenged by FTC was a "typical" Schick commercial which FTC described this way: "The announcer, Bud Palmer, runs an 'old style round head razor' across a boxing glove worn by heavyweight champion Ingemar Johansson, cutting its surface. 'Look! If that can happen to this glove, think what could happen to your face,' the announcer claims. He then runs his thumb over the edge of a Schick razor, which is drawn across the glove without cutting it. During this video sequence, he tells viewers: 'But Schick shields blade corners . . . no danger of nicks or scrapes. Shave with confidence . . . switch to Schick safety razor, so safe you can shave in the shower.'" In a statement replying to FTC's complaint, Compton said the commercials are "completely valid."

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Ban's Greek statue commercials, subject of quiet negotiations between NAB TV Code staffers, Bristol-Myers and the deodorant maker's agency, Ogilvy, Benson & Mather (Vol. 16:5 p11), are scheduled for replacement—probably this week. All hands in the negotiations had agreed on new commercials to eliminate features which the Code Review Board deemed objectionable, but production difficulties have delayed the changes.

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Bill to curb misleading ads that contain "untrue, deceptive or misleading" facts & figures passed the N.Y. State Assembly last week, and has been passed on to the Senate, where it is scheduled to come to a vote in Albany March 29. Introduced by Assemblyman Luigi R. Morano (R), the bill will absolve TV-radio & print media of responsibility for false ads if the media are "without knowledge" of such deceptions. A bill to correct "abuses" in broadcast rating figures is also pending, having been introduced by Assemblyman Bruce Manley (R).

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Rating services have formed their own trade association "to represent the interests of the broadcast-audience-measurement field." Executives of several research firms attended a recent meeting in N.Y., and took initial steps toward setting up a PR program aimed at the trade & the general public. The group included: Edward Hynes, Trendex pres.; Sydney Roslow, pres., Pulse; James Seiler, ARB pres.; Frank Stisser, C. E. Hooper pres. An invitation has also been extended to A. C. Nielsen Co. to join the group, but the Nielsen firm told us it had no present plans to do so.

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FTC Chmn. Earl Kintner will be interviewed by Mike Wallace March 29 (WNTA-TV New York, 8 p.m.). He'll answer agency criticisms calling his TV ad crackdown "unfair & arbitrary."

In Other Media: *Editor & Publisher's* 1960 Year Book reports total U.S. daily newspaper circulation up slightly from 57,594,454 in 1958 to 58,299,723 in 1959. Number of dailies dropped from 1,768 to 1,761. Sundays increased from 558 to 564, with circulation inching up to 47,848,477 from 47,041,203. Ad rates were up in all categories. Evening daily rates (combined) jumped \$8 per agate line (\$215.50 to \$223.50), mornings increased \$2.67 (\$108.55 to \$111.22), and Sundays moved up to \$167.80 from \$167.60.

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Print-media problem is highlighted by the contest being staged by Newspaper Advertising Executives Assn. and American Assn. of Advertising Agencies. They seek a good slogan to explain the advertising virtues of basic circulation figures provided by the Audit Bureau of Circulations. NAEA executives H. James Gediman and John D. Thees in N.Y. said the tendency to project advertising statistics from circulation figures is reaching a dangerous level. "We seem to be returning to precisely the climate of audience inflation that A.B.C. was founded to correct."

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Ad People: Alan S. Perry and Richard B. White elected BBDO vps . . . Victor M. Ratner, ex-Benton & Bowles, named Grey Advertising planning vp . . . Harry L. Niederauer, ex-J. Walter Thompson, named Fuller & Smith & Ross vp & account mgr. for Raytheon . . . Bryan Houston named pres. of Fletcher Richards, Calkins & Holden, succeeding Fletcher D. Richards, who continues as exec. committee chmn. . . . William A. (Bill) Wylie, ex-M-E Productions, named TV-radio dept. vp, Lambert & Feasley . . . William McIlvain, Leo Burnett program vp, moves from Chicago to new N.Y. TV-radio program dept. . . . Hugh C. Ralston named mgr., Ford Motor Co.'s new TV dept., Dearborn.

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Spot TV is "ideal medium" for promoting compact cars, Larry Israel, gen. mgr., of TvAR, Westinghouse-owned rep firm, said recently in a new brochure, *The Impact of the Compact*. "The first domestic compact-car manufacturer who utilizes spot TV properly to drive home his story with the reach, frequency and impact provided by this medium could well become the pace setter in the field," said Israel. The booklet, based on a TvAR survey in the 5 WBC markets, emphasized the weak auto-owner awareness of U.S.-made compact cars, despite growing sales. In brand identification, only 17% of car owners could name all 5 American-made compacts correctly (Vol. 16:9 p3) and only 38% were able to recall even 3 of the specific makes, said TvAR. Foreign compacts, which generally avoid network TV but do use spot, are still a competitive threat to the U.S. makes, with 13% of men who are interested in buying a compact car expressing a desire for an imported auto, and 20% of these falling into the 18-34 age group.

TV's liquid-detergent success story added more lucrative chapters in 1959. Gross-time billings for 6 of the products topped \$35 million—more than double the 1958 outlay—TvB noted last week. The leaders' 1959 TV-time buys (vs. 1958): Adell Chemical's Lestoil, \$17,627,100 (\$12,339,090), Procter & Gamble's Mr. Clean, \$7,593,219 (\$421,300), Texize Chemical's Texize, \$4,611,500 (\$3,619,000), Lever Brothers' Handy Andy, \$4,096,136 (\$740,730), Colgate Palmolive's Genie, \$1,054,600 (\$319,840).

Networks

LOOK-ALIKE GROUND RULES: What amounts to a near-uniformity of quiz-cleanup ground rules is developing informally between CBS and NBC. Last week, TV admen & producers were notified of these changes:

CBS-TV: It's now all right to use canned laughter in comedy shows without terming it "audience reaction technically produced," a March 18 memo from program practices vp Joseph H. Ream made clear. This reversed the stand of CBS and Ream in the Dec. 14, 1959 memo that brought a storm of protest from comedians & producers. Ream's new memo also relaxed the label policy on filmed shows & delayed broadcasts. "We think that after 3 months the TV audience is educated to many basic production techniques, and there's not much further use in cluttering up shows with labels that no longer serve a purpose," Ream told us. "Film, by its very nature, is obvious in a show's own credits, although we will continue to label tape shows, since they could be mistaken for live telecasts."

NBC-TV: A new set of "daytime program commercial practices" is now making the rounds of agencies, and will go into effect March 28. Details of the new NBC-TV rules were contained in a memo from daytime programs vp Carl Lindemann Jr. Primarily, they cover the fringe areas of daytime commercials. Advertisers will now be allowed 5-sec. opening & closing billboards in 15-min. program segments (except in film shows) which can't be used for commercial sell, but must restrict their content to the corporate name and mention of TV-sold products. Lead-ins between program content and commercials must be allowed, with these 10-sec. transitions being "devoid of sell." Lead-outs, on the other hand, will "no longer be permitted." In a 15-min. program segment, the advertiser with multi-product lines may now use "two 30-sec. commercials back-to-back in one commercial position (but not in 2 commercial positions) on his major portion."

Comparison of NBC-CBS ground rules, in light of these new memos, reveals an interesting fact. The new CBS rules covering program labels are now quite comparable to those of NBC, issued Jan. 26, and the new NBC daytime ground rules are not unlike those recently issued by CBS. Will ABC complete the picture of ground-rules uniformity? We asked an ABC vp, who said: "We seem to be doing pretty well with the rules we have, and we don't anticipate any changes in the near future."

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U.S. guide to BBC-TV, the 1960 edition of the British-govt.-owned network's *Handbook*, is now being distributed by BBC's N.Y. office. It is a hefty (274 pages, plus ads & illustrations), detailed job, and points with pride to the fact that BBC: has a staff of over 16,000 and is the largest non-commercial TV-radio organization in the world; maintains 13 full-time orchestras; is building a \$45-million TV center from its own funds; broadcasts in 40 languages; pulls up to 12.5 million viewers for its top comedy & variety shows; and has an annual gross income of \$87 million from TV-radio set fees. On another BBC-TV front, the network's London hq last week revealed that BBC intends to enter the world program market with a 60-min. taped drama series (26 episodes) based on Georges Simenon's well-known detective-novel hero, Inspector Maigret. Using its own conversion facilities, BBC intends to distribute Maigret tapes—which are compatible with "any lines-system in the world."

1959 Had 51 More Net Advertisers: Network TV attracted 320 advertisers in 1959. This figure was up sharply from the 269 participants of the preceding year, TvB reported last week. Procter & Gamble headed the time-buying parade with an investment of more than \$50 million, and Standard Oil Co. of Ohio brought up the rear with a \$3,118 expenditure. LNA-BAR compilations show a total investment of \$627,311,530 in network time by the entire list—vs. 1958's \$566,590,401 (Vol. 16:11 p14).

Among the users of network TV last year were these representatives of the TV-electronics industries: Channel Master Corp. (\$26,808), CBS Inc. (\$126,680), Consolidated Electronic Industries Corp. (\$35,566), General Dynamics (\$20,475), GE (\$6,194,634), GT&E (\$327,700), Philco (\$306,348), RCA (\$3,841,836), Westinghouse (\$5,166,205).

The top 10 network advertisers in 1959 were:

Rank	Company	Expenditures
1.	Procter & Gamble	\$50,293,552
2.	Lever Brothers	32,734,955
3.	American Home Products	28,109,458
4.	Colgate Palmolive	22,478,524
5.	General Foods	20,890,321
6.	General Motors	20,021,744
7.	Reynolds Tobacco	16,123,827
8.	Gillette	13,642,174
9.	Sterling Drug	12,975,463
10.	General Mills	12,919,237

NETWORK SALES ACTIVITY

ABC-TV

Hong Kong, Wed. 7:30-8:30 p.m., co-sponsorship starting in fall 1960.
Kaiser Industries Corp. (Young & Rubicam)

CBS-TV

Masters Golf Tournament, April 9, 5-6 p.m. & April 10, 4-5:30 p.m., co-sponsorship.
American Express Co. (Benton & Bowles) & *Travelers Insurance Co.* (Young & Rubicam)

Game of the Week, Sat. afternoon baseball coverage.
Falstaff Brewing Co. (Dancer-Fitzgerald-Sample), *Colgate-Palmolive* (Ted Bates), & *General Mills* (Knox Reeves)

On the Go, Mon.-Fri. 10:30-11 a.m., alt. 15-min. segs. eff. April 4.
Pharmaceuticals, Inc. (Parkson Advertising)

Captain Kangaroo, Mon.-Sat. 8:15-9 a.m., alt. 15-min. segs. eff. April 2.
General Mills (Dancer-Fitzgerald-Sample)

To Tell the Truth, Thurs. 7:30-8 p.m. co-sponsorship eff. March 31.
R. J. Reynolds (William Esty) & *Helene Curtis* (McCann-Erickson)

NBC-TV

Major League Baseball, starting April 16 for season.
Phillies Cigars (Wermen and Schorr), *Anheuser-Busch Inc.* (Gardner Advertising), *Genesee Brewing Co.* (McCann-Marschalk), *National Brewing Co.* (W. B. Doner & Co.)

Princess Margaret's Wedding, April 21, 10:30-11 p.m., May 6, 4 p.m. & 7:30-8:30 p.m.
Frigidaire div. of General Motors (Dancer-Fitzgerald-Sample)

Paramount-CBS Deal: A production marriage not unlike that existing between Warner Bros. and ABC-TV may be in the making between Paramount Pictures Corp. and CBS-TV. On March 25, CBS-TV Pres. James T. Aubrey Jr. and Paramount Pres. Barney Balaban announced an agreement "opening Paramount's vast Hollywood production facilities to the network," and termed it "the beginning of a continuing & growing relationship between our organization & CBS-TV."

No immediate avalanche of Paramount-produced TV programming will hit CBS-TV channels, however. So far, the deal calls for CBS-TV to move its own house-produced or CBS-owned film packages—such as *Gunsmoke* and *Have Gun, Will Travel*—to the Paramount lot. CBS will also use Paramount as its Hollywood production base on new film pilots, filmed inserts in programs, etc. Co-production deals, a la the Warner-ABC alliance, may come later, and there's every likelihood that they will.

Salaries of CBS Inc. directors who made more than \$30,000 in 1959, as reported in the proxy notice to stockholders for the annual meeting April 20 in N.Y.: Chmn. William S. Paley, \$150,000 salary plus \$144,375 additional paid-out & \$5,625 deferred additional compensation; Pres. Frank Stanton, \$150,000 plus \$144,375 plus \$5,625; CBS-TV network div. Pres. James T. Aubrey Jr., \$68,942 plus \$20,000 paid-out; vp Henry Bonfig, \$50,000; CBS Electronics Pres. Arthur L. Chapman, \$60,000 plus \$12,500 plus \$7,500; Louis G. Cowan, who resigned last year as CBS-TV pres., \$69,808; CBS Radio Pres. Arthur Hull Hayes, \$60,000 plus \$17,500 plus \$2,500; CBS-TV stations Pres. Merle S. Jones, \$75,000 plus \$35,000 plus \$5,000; Columbia Records Pres. Goddard Lieberson, \$67,500 plus \$21,875 plus \$13,125. These amounts are in addition to pension benefits.

Boston affiliation shuffle is currently taking place in the wake of the NBC-RKO general swap of Boston stations (WNAC-TV & WNAC) for a pair of outlets in Philadelphia (WRCV-TV & WRCV). CBS-TV announced March 24 that, not later than Jan. 1, 1961, WHDH-TV—currently a basic ABC-TV affiliate—will become a primary CBS-TV affiliate (since CBS had been displaced from WNAC-TV, which will become an NBC o&o). In the game of network musical chairs, this left ABC-TV and Westinghouse Bestg-owned WBZ-TV lined up as potential partners, and ABC-TV station relations vp Julius Barnathan told us his network was studying the situation closely." WBC already has a station affiliated with ABC-TV (Baltimore's WJZ-TV).

TV has spurred voters "to participate in the choice of our national leadership," said CBS News Pres. Sig Mickelson, speaking on "TV & the Election Year" to the St. Louis Rotary Club. Mickelson traced the increasing complexity of political coverage by the networks—with emphasis on the heavy 1960 convention-election coverage planned by CBS-TV. Although "TV is an enormous force on the political scene," he pointed out that political education can't be done by the TV-radio industry alone. "Training the human mechanism to accept a greater volume of information and thus stimulating greater understanding is a job for all of the educational forces in society, including the home, the school, the church, the club and all communications media."

Second British commercial TV firm to pick a U.S. agency this season is Granada TV network, which has named Papert, Koenig, Lois Inc., to handle U.S. advertising. Earlier Associated-Rediffusion appointed McCann-Erickson International to handle its advertising here.

Film & Tape

WGA MAY DROP KEY ISSUE: First hopeful note in the 10-week-old strike of Writers Guild of America vs. Alliance of TV Film Producers and major-studio TV operations came last week, when it was learned that WGA may drop its demand for foreign residuals on telefilms—the single issue which has prevented agreement. In return, WGA would ask a more generous pension fund. (Our strike chart is on the next page.)

Because it's in the midst of delicate negotiations with non-Alliance producers, WGA was guarded when we asked confirmation. A spokesman said only that "it has been considered, but is only one of several approaches discussed."

WGA, which had granted an extension of its contract with non-Alliance producers to March 26, let the pact lapse without strike action. But producers were informed they can be struck on 48-hours notice if negotiations collapse. WGA has called a membership meeting for March 31 to seek strike authorization covering live TV, radio and freelancers in the network field, as well as some non-Alliance producers. The network contract expires March 31. Extension of the strike to non-Alliance producers was not considered a serious possibility last week, since both sides reported good progress was being made.

Modified Demand on Foreign Payments

WGA had submitted a modified demand on the foreign residuals. Under this proposal writers would get \$1 a film per country as advance payment against 2% of the global gross after the producer recouped his distribution costs. After the producer had received an amount twice his distribution cost, the figure would go to 4% for the writers.

While this was more palatable than WGA's original demands, producers still didn't want to open the door to foreign residuals at this time, because if they did other guilds and unions would want a slice of the same pie. Solution here appeared to be a better pension plan.

In SAG-major negotiations, post-1960s had replaced post-1948s as the major problem. The studios rejected a SAG proposal that actors get 7½% of the gross of post-1960 movies sold to TV, countered by offering all guilds & unions 20% (after deducting 40% for distribution) on movies which made a profit. SAG turned this down.

SAG accused the producers of deliberately stalling in negotiations and some SAG sources asserted this was because an 8-week strike would enable the majors to drop more personnel off the payroll under *force majeure* clauses. A major-studio source dismissed this as "nonsense."

An intangible which is delaying progress in the movie negotiations involves personalities. Major-studio negotiators feel they are not dealing with actors of stature, said one. "We're talking with some bit players & some actors who haven't been in movies for years, and they're telling us how much we've got to pay," scoffed one executive. At the same time it was conceded that SAG faces a problem in that top movie stars usually have their own production companies, so cannot serve as SAG negotiators inasmuch as they are both producers & actors.

Meanwhile, SAG revealed a new policy of signing independent movie-makers even though they are financed by or aligned with major studios. First such company to be signed was Atlantic Pictures, which has a distribution deal with Allied Artists. Contract calls for payment on TV-movies to be a producer-paid pension & welfare plan.

Four Star's Big Year: Four Star Television Pres. Dick Powell, who is consistently accurate in predicting his company's future, expects to have a record number of 15 or 16 series for his firm before the buying season ends. Four Star has 10 series now, and, with 5 new sales already made for next season, is in good position to nail down the No. 2 spot in the Hollywood TV film industry—behind Revue Studios. Here's how Powell broke it down for us:

New sales: *The Tom Ewell Show*, *The Westerner*, *Stagecoach West*, *The Law & Mr. Jones*, and *The Peter Lind Hayes-Mary Healy Show*, bought by Procter & Gamble.

Anticipated renewals: Dick Powell's *Zane Grey Theatre*, *Black Saddle*, *The Rifleman*, Robert Taylor's *The Detectives, Wanted—Dead or Alive*, *The June Allyson Show*, *Johnny Ringo*, *The Plainsman*.

Pilots close to deals: *Michael Shayne* (60-min. private eye made for NBC-TV) and *Willie Dante*.

A Stewart Granger adventure project is problematical because of script problems. Added Powell: "I haven't even mentioned our Westerns. We're also planning a 60-min. series, *The Corrupters*, and an anthology called *Six Star*, for David Niven, Charles Boyer, Joan Crawford, Jack Lemmon, Robert Ryan and Jane Powell." The company is renewing its lease at Republic.

MGM-TV '61-'62 Plans: MGM-TV, now lining up properties for the 1961-62 TV season, has signed Jose Ferrer to produce & star in a 60-min. mystery series, *Hercule Poirot*, based on Agatha Christie's French detective. Ferrer will soon check in on the lot to begin developing the property. He owns a piece of the show.

While there is a slight possibility that MGM-TV's pilot, *The Paradise Kid*, may be sold for next season, the studio is not showing it, planning to submit it for 1961-62. It doesn't consider this a good season to submit Westerns. This studio's 60-min. pilot, *Asphalt Jungle*, now being finished, is also a likely 1961-62 submission. Rexall has bought half of MGM-TV's *National Velvet*, and is currently seeking an alternate sponsor & a time slot.

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20th Century-Fox TV will be back to its 1959 network level this fall, with 3 major series airing nationally. ABC-TV has announced purchase of new, 60-min. *Hong Kong* (starring Rod Taylor) and sale of a major slice of it to Kaiser Industries. Program vp Tom Moore also told us that *Adventures in Paradise*, which got off to a rocky start but has gained steadily, will also be renewed for another season at the end of its 52-wk. run. TCF-TV's 3rd show, *The Many Loves of Dobie Gillis*, has been a hit almost from the beginning on CBS-TV. (But *5 Fingers*, cancelled early in the season on NBC-TV, was not.) . . . Added note on *Hong Kong*: It will be launched by Kaiser this fall in a Wed. 7:30 p.m. slot in a direct attempt to buck top-rated *Wagon Train* on NBC-TV, just as Kaiser's *Maverick* combatted the Steve Allen & Ed Sullivan shows.

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Hong Kong is hot this year as a TV backdrop. In addition to the above, on March 28, CBS News will launch a special sales campaign for "William Holden's *Hong Kong*," a 60-min., one-shot, filmed-on-location news special with actor Holden as host & narrator. It's due to be aired soon in a nighttime prime-time slot. Jack Paar, upon his return to NBC-TV, enthused on his show about the British Crown colony; Arthur Godfrey has dropped in to gather material for his shows; and ABC Films' *Counterthrust* series will feature espionage segments shot in Hong Kong.

STRIKE SITUATION AT A GLANCE

Union	Strike vs. TV-Film Makers?	Strike vs. TV Networks?	Strike vs. Movies?	Effects on TV Management	Prognosis for TV
WGA (Writers Guild of America)	Yes. Against Alliance of TV Film Producers and TV operations at major studios. Began Jan. 16 over residual proposals, including a foreign residual demand which may be dropped in favor of better pension deal. WGA extension of contract with non-Alliance TV film producers expired March 26, but no strike is imminent as negotiations progress—although a WGA membership meeting is scheduled for March 31 to authorize a strike.	Yes. WGA struck TV film at networks March 18, after latter refused to grant foreign residual demands. Contract with networks covering live TV-radio & network staff writers, now in negotiation, expires March 31. Strike authorization vote to be taken March 31. Same key issues as those in strike against TV-film makers.	Yes. Strike began Jan. 16 over demands for share of post-1948 film sales to TV.	Some producers feel script shortage, some pilots have been hindered, but production generally has not been hit badly. Producers are obtaining scripts from various sources, including non-Guild writers; are also remaking previously-filmed scripts. Some Guild writers are working under pseudonyms despite WGA orders. If strike doesn't end in few weeks, it can seriously affect next season's production.	WGA's consideration of pension plan in lieu of explosive issue of foreign residuals may pave way for settlement in several weeks. Key factor here is IATSE threat to seek more residuals if TV producers grant talent-guilds residuals. Pension plan would by-pass residuals. Many writers grumbling about being unemployed 10 weeks. Most optimistic view: Settlements late in April with Alliance and TV operations at majors; earlier with non-Alliance group.
SAG (Screen Actors Guild)	Doubtful. Extension of contract with TV producers expires May 31, and negotiations haven't begun yet. SAG may settle for reopening clause, make no issue of overseas residuals demand. SAG strike vs. major studios, on since March 7, doesn't involve their TV operations.	Doubtful. Extension of TV film contract expires May 31. Situation same as with Alliance.	Yes. SAG struck major studios March 7 over issue of post-1948 movies sold TV. Majors have offered SAG retroactive \$1.5-million pension plan to drop post-1948 demands. SAG has reacted favorably, but is holding out for \$3.5 million. New key issue: post-1960 movies sold to TV. SAG wants 7% of gross. Majors offer 20% (after deducting 40% for distribution) for all guilds & unions, but only for those movies which profited at boxoffice. SAG cool to this proposal. Pay TV another issue. SAG wants reopening clause. Majors consider pay TV an extension of theatrical box office. Little hope for early settlement.	SAG strike has shut down majors' movie production but not their TV-making. No early release of post-1948s to TV is seen even if settlement is made, since majors will sell only when in need of cash.	With SAG striking majors, Guild has no desire to extend strike to TV. Neither side considers this likely.
IATSE (International Alliance of Theatrical Stage Employees)	No. However, IATSE threats of residual demands in event producers allow them to guilds have hindered negotiations. Circumvention of residuals via pension plan is best bet.	No.	No. Contracts of studio unions don't expire until Jan. 1961. Negotiations begin in Nov. IATSE threat to demand its share of post-1948 money is key factor in SAG-majors agreement on pension plan instead of post-1948s.	None.	IATSE seeking residual provisions in contracts with new TV film companies. Won't press post-1948 demands unless SAG or WGA gets such money from majors.
SEG (Screen Extras Guild)	No. Contract expired Apr. 2, 1959. SEG filed unfair labor practices with NLRB last week vs. Alliance of TV Film Producers, alleging Alliance refused to bargain separately with SEG and apart from Assn. of Motion Picture Producers.	No. Contract expired Apr. 2, 1959, negotiations still going on.	Negotiating with Universal-International. Also meets this week with major independents releasing through United Artists.	None.	Same as SAG.
DGA (Directors Guild of America)	No. Contract expires Apr. 30. Proposals presented to Alliance include modified overseas demands. No date set for negotiations. DGA overseas demand is much less than WGA's & it doesn't ask percentage of gross.	No. Contract expires Dec. 31.	No.	None.	No majors crisis anticipated.

Reruns of Rory Calhoun's *The Texan*, now in first-run on CBS-TV, have been sold to ABC-TV for next season, and Calhoun will star in a new 60-min. adventure series on CBS-TV. This neat double-play, executed by Desilu exec. vp Martin Leeds, involves an estimated \$1.2 million for 78 episodes from ABC-TV which will daytime-strip the Western. While Rorvic Productions made *The Texan* series with Desilu, its principals, Calhoun and Orsatti, have formed a new company, Calvic, which with Desilu will produce the 60-min. series. It's tentatively set for 7:30 p.m. Mon. Still untitled, the show will present Calhoun as a Barbary Coast adventurer. Giraud Chester, ABC-TV daytime program vp, negotiated *The Texan* purchase.

TV's impact has forced movies to become "a more selective & discerning medium than it has been in the past," Motion Picture Assn. Pres. Eric Johnston stated before the 36th annual conference of the Child Study Assn. of America in N.Y. last week (March 21). "The movie theater," said Johnston, who pointed out the steady dwindling of brick-&-mortar theaters from 22,000 in the late 1940s to only 13,000 today, "once America's massive popular love, has been jilted for that glassy-eyed siren in the living room." Have TV-caused changes improved movies? "As responsible parents, we should all welcome this growing-up . . . to more mature subjects [which] has resulted in more fine motion pictures than in any previous Hollywood period."

NEW YORK ROUNDUP

Add film projects planned: Cal. National Productions and Fremantle International have blueprinted a 104-episode series of 5-min. children's TV films titled *Henry & His Claymates*, produced by Art Clokey. CNP will handle U.S. distribution; Fremantle will sell it overseas . . . NBC-TV has signed 3 more new film series for possible scheduling during the 1960-61 season: the 60-min *Michael Shayne* (Four Star), the 30-min. *The Westerners* (Four Star), the 30-min. *Big Jake* (Louis F. Edelman) . . . Jackie Coogan, onetime child star, has been signed by CBS Films programs vp Robert F. Lewine to co-star with Reed Maxwell in the pilot of a new adventure series, *Call Me First*.

Fremantle International has signed another co-production deal for a juvenile TV series, this time with Cullen Associates (independent documentary producers), the Golden Press (Golden Books), Hudson Productions, (Little Golden Books) and the Weston Printing Co. The series title is *Goldentoons*, and will feature animated versions of at least 130 Golden books & records. The series is designed to be a segment in a network children's show. Fremantle will hold world distribution rights outside the U.S.

Iron-Curtain sale has been scored by ITC for its syndicated series, *The Four Just Men*. Purchaser is the state-owned TV system in Czechoslovakia. The deal, made by ITC international sales dir. Abe Mandell, is actually the 2nd time ITC has sold a telefilm show to the other world-politics camp. Recently, the *Lassie* series was purchased for telecasting in Yugoslavia.

Foreign-produced TV cartoons are being launched as a new TV syndication package by Cinemagic International Corp. Pres. Arthur Epstein. Titled *Hound for Hire*, the 55-cartoon, 5-min. package is being animated in Europe by studios in France, Germany, England & Yugoslavia. Central cartoon character is "Sam Basset," a dead-pan, sad-faced private-eye type, aided by his sidekick, "Chapultepec," a guitar-strumming Chihuahua. TV-radio writer (*The Danny Thomas Show*, *Father Knows Best*, others) Phil Davis, vp of Cinemagic, created and is producing.

CBS Films Inc. sales staff will hold special sales meetings in N.Y. & Chicago March 31 and April 1, prior to the NAB convention to review sales plans and screen new fall product. Merle S. Jones, CBS Films pres., will officiate.

Screen Gems has sold a group of 12 telefilm series, including *Dennis the Menace*, *Father Knows Best*, and *Rescue 8*, to Tasmanian TV Ltd., new commercial TV outlet in Hobart, Tasmania (Australia).

Add syndication sales: Ziv-UA's *Home Run Derby*, now in 87 markets, has been sold to International Harvester dealers in a major regional buy . . . Official Films' *Almanac*, filmed 5-min. strip series, was bought by 5 stations last week . . . WPIX N.Y. has now lined up 23 station customers for syndicated showings of its 60-min filmed news special, "The Secret Life of Adolf Hitler."

Warner Bros.' *Alaskans*, one of several 60-min. slow starters on ABC-TV this season, scored a 35% share of audience in the latest (Feb.) National Nielsen. *Alaskans* gets 1.9 adults per set in its audience, "ranking first among all 136 nighttime TV programs in this area," the ABC Research Dept. pointed out.

HOLLYWOOD ROUNDUP

Veteran Hal Roach Sr. came out of retirement last week to say he is reactivating Hal Roach Studios, which he founded. He plans an \$8,420,000 movie & TV-film production program, contingent on obtaining financing as well as approval from the trustees. The studio is in bankruptcy, following Hal Roach Jr.'s partnership with Alexander Guterman. Roach said he has a group of businessmen interested, but declined to identify them. His son will not be involved in the proposed operation.

RonCom Productions exec. producer Alvin Cooperman is casting for the leads in a new action-adventure series, *Arena*. He has virtually set Dan Tobin for a supporting role. RonCom has just finished 2 more pilots, *Harry's Business*, a comedy starring Ray Walston & Elena Verdugo, and *Happy*, another comedy starring Yvonne Lime & Ronnie Burns . . . Production resumed last week on the *All Star Golf* series near Indio, Cal. Show is on ABC-TV.

Warner Bros.' Efreim Zimbalist Jr., star of *77 Sunset Strip*, threatened to quit the series when the studio refused to lend him out for several movies. The actor was pacified by a meeting with studio Pres. Jack L. Warner, who assured him of consideration in future loan-out requests. Currently in a 4-month walkout on *Strip* is Edd Byrnes, who seeks a revised contract.

Columbia Pictures producer Charles Schnee has entered into a co-production deal for a series, *Sinbad the Sailor*, with the studio's subsidiary, Screen Gems. Sidney Cole will produce the series for Schnee . . . Screen Gems has assigned Winston O'Keefe as producer of its *Tom Sawyer* pilot.

Industry Film Producers Assn. gave its award of merit to CBS Pres. Frank Stanton at its first annual awards banquet in Los Angeles March 26. The prize was for outstanding public service in filmed documentaries, specifically *CBS Reports'* "Biography of a Missile." CBS News producer Jack Beck accepted the award for Stanton.

Anthony George has received his release from Desilu's *The Untouchables*, after appearing in 13 episodes . . . Darryl Hickman and Dick Davalos will star in NBC-TV's *The Blue and the Gray*, being produced by Gordon Kay . . . Screen Gem's *Alcoa-Goodyear Theater*, an anthology series, has been axed.

Revue Studios is planning a pilot for *Defiance*, a 60-min. adventure series starring Don Megowan, Bing Russell and Denny Miller. John Champion is producer-writer of the pilot, which goes into production this week . . . Producer Jack Chertok will begin production of his pilot *Port of Entry*, this week. Paul Comi stars.

Walden Productions' *The Secret Life of James Thurber*, starring Arthur O'Connell, has been sold, and a time slot for next season is now being sought.

NT&T and its subsidiaries, including NTA, National Television Investments Inc. and Williamsport Cable Corp., moved into their new building in Beverly Hills this week.

Screen Actors Guild and AFTRA have given their members permission to appear free on the Cinema-industry-sponsored Academy Awards telecast on NBC-TV April 4 . . . Academy of TV Arts & Sciences' Emmy telecast on NBC-TV June 20 will be sponsored by P&G and Greyhound.

Technology

NEW VIDEO RECORDERS: A "new approach" to TV tape recording will be placed on the market within about a year by Telechrome Mfg. Corp. So said Telechrome Pres. J. R. Popkin-Clurman in an address to N.Y. security analysts, confirming our story of last Dec. (Vol. 15:51 p3). The new machine, designed to sell at substantially lower price than present videotape recorders, is being developed as a result of an agreement between Telechrome and Epsylon Ltd., a div. of Britain's Stone-Platt Industries.

Popkin-Clurman hopes to demonstrate the new recorder within 4 months. It is understood to be incompatible with the Ampex & RCA 4-head machines. Telechrome's pres. told us earlier that it is "similar in principle to the Toshiba recorder," which uses a single recording head and is now in production by Tokyo Shibaura Electric Co. and scheduled to go on sale this summer in Japan.

The Toshiba recorder is one of 2 known TV tape recorders developed in Japan—both incompatible with Ampex-RCA recorders and with each other. The Victor Co. of Japan has developed a video-tape recorder with 2 recording heads. This mutual incompatibility has led the Japan Broadcasting Federation, a station trade group, to begin a study on the advisability of the setting up of a single TV tape recorder standard to insure compatibility of tapes used by its member stations. Only U.S.-made recorders are currently in operational use in Japan.

How Toshiba Recorder Works

Toshiba's recorder features continuous diagonal recording of video signals on a single tape track. According to Toshiba officials, this is how it works: Recording tape from the feeding reel is wound spirally around the guide drum and is reeled in the winder while being fed at a fixed rate of speed determined by a capstan. The guide drum at the center is divided into upper & lower parts with a slight space left in between.

The head disc, provided with the video recording head, revolves at high speed in this space and the contact point of the recording head & the tape pass along the track. TV picture frames are recorded at every revolution of the guide drum on the even-spaced track. The tape can then be broadcast without special synchronization. The head can be changed easily and there is no need for matching recording heads. The recording process can be monitored with the special monitoring head provided in the assembly.

Production of video tape has been begun in Japan by TDK Electronics Ltd. & Fuji Photo Film Co. Output is due to reach 600 reels a month in May.

In the U.S., meanwhile, Minnesota Mining & Mfg. Co. has lost its monopoly on the production of video tape. Reeves Soundcraft announced it is now in regular production of tape for TV recorders. Minnesota Mining last week announced a reduction of about 8% in the price of video tape in lots of 48 one-hour reels—3rd cut in 19 months.

Ampex's Videotape demonstrations at the NAB convention April 3-6 will feature new production facilities including still-frame viewing of recorded tapes. With all improvements to date, the Ampex tape system now has a 6-db improvement in signal-to-noise ratio.

Ampex denied reports that it has dropped plans to manufacture Videotape recorders in Japan. Press reports in Tokyo stated that Ampex had reached an agreement under which Sony Corp. would make its VTRs.

Completely new film-projection system, developed by Eastman Kodak, will be unveiled by GE at the NAB convention. Designed for use with a Vidicon camera, the system is claimed to project 16-mm images with clarity & sharpness previously obtained only from 35-mm film. The optical system has tilting, rotating mirrors which follow the film as it passes over the projection gate—reflecting an immobilized, stable image. Action is "continuous"—that is, film motion is not intermittent as in standard projectors, but smooth and at constant speed. GE claims the new projector "practically eliminates the effects of scratches & dirt particles on 16-mm film, and projects a steadier image."

Western Union's transcontinental microwave network (Vol. 15:44 p3) is taking on substance with the awarding of contracts for a system to link Boston & Los Angeles. Pres. Walter P. Marshall said the network will cover some 3,700 miles and is slated for completion late next year. GE will engineer the system. RCA will supply the basic radio equipment. WU has indicated that it plans to have a "video" channel, but it hasn't disclosed whether this would be capable of handling TV or would be used only for non-TV pictorial matter. The system will provide a broad-band circuit to be leased to the Air Force, as well as telegraph channels for WU's private-wire, facsimile and other services. WU is procuring sites for 160 relay stations to be located 25-30 miles apart along the route.

Complete film-room mechanization could be attained through novel approaches based on equipment which can be produced today, it was suggested in a paper at last week's IRE convention by chief engineer J. H. Greenwood of WTAE & radio WCAE Pittsburgh. Among his proposals: (1) Slide projection could be mechanized and made more flexible through use of cathode-ray storage tubes to show the picture while slides are being changed. (2) Film projectors which can be started instantly at full speed could be attained by using the technique of audio-tape machines which keep the motor & drive mechanism in operation during the "standby" period. (3) Cartridge-loaded film projectors could be used for short program segments.

RCA 4½-in. image orthicon camera will be unveiled at the NAB convention in Chicago next week. It's the first U.S.-made 4½-in. TV studio camera to be announced—although Ampex is selling the British Marconi 4½-in. camera, and Telechrome will show 4½-in. British EMI cameras, and the Pye counterpart is also due to be merchandised in this country (Vol. 15:51 p7). The new RCA camera, with a unique keystone-shaped case, is designed for maximum clarity in studio & tape use. It has only 2 main operating controls, meaning that a single operator can handle a group of cameras simultaneously. Designated TK-12, it weighs only 130 lb., is one of the first pieces of equipment to use RCA's thimble-size nuvistor tubes.

Outer-space radio signal was scheduled to be beamed live to TV viewers March 27 on NBC-TV's "Time: Present—Chet Huntley Reporting." Pioneer V is estimated to be 2 million miles from Earth. The program, a detailed examination of how Pioneer V works, arranged to pick up the signal at a U.S. tracking station in Hawaii, and transmit it from there to N.Y. for broadcasting.

Industrial Television, 7940 Fareholm Dr., Los Angeles, reports that it has installed more than 70 translator (booster) TV stations, as well as 40 microwave installations. It also manufactures TV & FM transmitters, closed-circuit & studio equipment.

The FCC

Lar (America First) Daly, Chicago's die-hard politician whose equal-time beefs led to Congressional amendment of the Communications Act's Sec. 315 last year, has lost 3 arguments with FCC on the same subject. In separate letters to Daly, Commission rejected pleas by Daly for: (1) Equal time on CBS to reply to comments on a news discussion program. (2) Reconsideration of FCC's denial of his request for time on "6 TV and/or radio networks and 23 TV licensees" to reply to newscasts. (3) Reconsideration of FCC's rejection of his plea for dual equal time as a 2-ticket candidate.

Radio-equipped birds—"experimental birdcasting" is FCC's designation for the in-air communications development—will be set loose by U. of Minn. in a study of their flight & nesting movements. Approving an experimental radio research grant for a National Science Foundation-financed project at the Cloquet Forest Research Center, FCC authorized installation of tiny transmitters on 6 male ruffed grouse. Powered by one-oz. batteries, the radios will transmit different-frequency signals to biologists stationed within a one-mile area.

Transfer of control of WJPB-TV (Ch. 5) Weston, W.Va. from J. Patrick Beacom to Pittsburgh Pirates major stockholder Thomas P. Johnson & George W. Eby (Vol. 16:8 p13) has been protested by WBOY-TV (Ch. 12). It alleges that the WJPB-TV principals made numerous misrepresentations, including concealment of ownership changes & agreements.

License renewal hearing for radio KDB Santa Barbara may be necessary because of "overall programming operations & disparity between program representations & actual operations," FCC notified the station in a letter. The action was another indication of Commission's closer scrutiny of renewal applications.

Engineering data in AM applications must conform after April 25 with new FCC requirements in Form 301 for detailed information on interference studies. FCC has revised the form to speed up processing of applications, putting the engineering data "on a more uniform basis."

WHP-TV (Ch. 55) Harrisburg, Pa. wants to move to Ch. 21, according to a petition filed with FCC. The switch also would require these CP-holders to shift: WRAC-TV Williamsport from Ch. 36 to Ch. 73; WLAN-TV Lancaster Ch. 21 to Ch. 55; WTLF Baltimore Ch. 18 to Ch. 66.

Translator CPs granted: Ch. 73, Yakima & Selah, Wash., & Ch. 78, Cowiche & Naches Hts., Wash., to Yakima Wireless Community TV Assn.; Ch. 71, 77 & 80, Memphis, Tex., to Cap Rock Translator System; Ch. 76, Honohina, Hawaii, to Kaiser Hawaiian Village TV.

KTSF (Ch. 10) Scottsbluff, Neb. received authority to identify itself with Gering, Neb. as well as Scottsbluff. FCC has also rescinded the authority granted WLOS-TV (Ch. 13) Asheville, N.C. to identify itself with Greenville & Spartanburg, S.C.

FCC Comr. Robert E. Lee will keep the store during the NAB convention—remaining in Washington while all other members go to Chicago.

Unfair labor charges against WTVM (Ch. 28) Columbus, Ga., accused by IBEW's radio & TV local 662 of refusing to bargain, have been dismissed by NLRB. It held that the union didn't have a majority of station's employees.

Congress

"Mess in Washington grows & grows," Rep. Bennett (D-Fla.) complained in a *Congressional Record*. He said he himself wasn't pointing "any finger of scorn at anyone," but he cited an editorial in the *Florida Times-Union* of Jacksonville which had scored ex-FCC Chmn. Doerfer's conduct in office, and said new Chmn. Ford "is going to be on the spot." The editorial warned: "Unless he moves fast & in the right direction, the public may be clamoring for a wholesale housecleaning of the FCC to straighten up this phase of the mess in Washington."

TV's "adverse publicity" has been brought on by "the venal & fraudulent efforts of the few" within the industry who have embarrassed it, according to Rep. Blatnik (D-Minn.). "There are producers to whom public service means more than a slogan, and those whose taste earns them a place on my screen," he told the House. As an example of "constructive work" in TV, Blatnik cited Four Star's projected series on men & women in the Foreign Service, planned in cooperation with the State Dept.

"National AGVA Week" would be observed June 5-11 under terms of Congressional resolutions (S. J. Res. 168 & H. J. Res. 624) introduced by Sen. Keating (R-N.Y.) & Rep. Halpern (R-N.Y.). Keating called on the country to "resoundingly applaud the 20,000 members & their families who make up the National American Guild of Variety Artists." Halpern said that "this wonderful group of Americans has an outstanding record of devoted service to every cause without regard to color or creed."

Budget increase of nearly \$82 million to about \$480 million has been voted by the House Appropriations Committee for the U.S. Office of Education, which administers audio-visual research programs under Sec. VII of the National Defense Education Act. It was part of \$197.4 million added to funds of the Health Education & Welfare Dept. above monies requested by President Eisenhower.

Samoan natives who are U.S. nationals—but not citizens—would be authorized to operate radios aboard their own craft, under special legislation (S-3181) introduced by Senate Commerce Committee Chmn. Magnuson (D-Wash.). The measure was requested by Asst. Interior Secy. Roger Ernst, who said that inability of Samoans to get radio licenses from FCC "imposes a serious handicap upon shipping operating in & from the waters of American Samoa." FCC can issue licenses only to U.S. citizens now.

Another booster bill, amending the Communications Act to permit FCC to legalize the devices, has been introduced in the House by Rep. Dixon (R-Utah). The measure (HR-11333) is patterned after legislation (S-1886) co-sponsored by Sens. Moss (D-Utah) & Murray (D-Mont.) which was passed by the Senate last year (Vol. 15:37 p3) but has had no House action.

Budget increase of \$66,595 to \$291,595 for 1960 for the Senate Commerce Committee headed by Sen. Magnuson (D-Wash.) has been approved in a floor vote. Magnuson said more money was needed for stepped-up committee work in jurisdictions ranging from fisheries to surface transportation and including such communications areas as allocations, pay TV, networks, ETV, CATV & boosters.

Ex-President Truman stars in the first of a new series of 13 "public service" TV films to be produced in the Senate studios by Sen. Hart (D-Mich.) for release to home-state stations.

Programming

Block that Song Plug: To curb the possibility of payola in the use of TV background & theme music, the American Society of Composers, Authors & Publishers last week drew up a new set of rules concerning royalties to be paid in TV for such music. The main change is in terms of the distribution to music writers of ASCAP royalties, although the new regulations call for a royalty reduction on background music heard twice or more times weekly to 25% of the maximum paid for such music on a once-weekly basis. The total amount of ASCAP royalties paid by networks is not affected.

ASCAP's move has been made with the blessing of the Justice Dept., since ASCAP is currently operating under a consent decree in exchange for a govt. promise to cease anti-trust proceedings. ASCAP Pres. Stanley Adams stated that the move will "curb incentives for artificial stimulation of performances."

WNTA-TV's N.Y. Storevision experiment is showing results, NTA o&o stations vp Ted Cott stated last week. Cott cited Feb. 29-March 5 Nielsen figures for N.Y. which indicated that the station's *Day Watch* program, telecast 9 a.m.-6 p.m., is now reaching "approximately 1,390,000 unduplicated TV homes." This level, said Cott, is "nearly double the number of *Day Watch* homes that saw the show during the premiere week, Jan. 18-23." *Day Watch* is also seen on nearly 3,200 store TV sets.

Hubbell Robinson Jr. is out as production chief of the troubled *Ford Startime* specials series on NBC-TV. Last week, his N.Y. office closed down and, based in Hollywood, he will direct his further activities toward new TV series. There have been reports, in addition to the show's other problems (Vol. 16:12 p13), of recent sharp disputes between Robinson's firm and the show's sponsor and agency J. Walter Thompson.

Quiz probe is on again in N.Y. as a result of DA Frank S. Hogan's March 23 announcement that he'll probe "any false statements" made by quiz contestants & producers before a grand jury within 2 months. Hogan's quiz probe last fall resulted in a presentment, suppressed at first, but eventually turned over to Congressional probers (Vol. 15:44 p2 et seq.) to trigger the quiz chain-reaction whose effects are still being felt.

"TV 'Free' Film Source Book," 8th edition, published by Broadcast Information Bureau, lists 5,069 public-relations films, of which 1,552 are new titles. Editor Judy Dupuy estimates that the informational films represent an investment topping \$250 million. The source book is obtainable from BIB, 535 Fifth Ave., N.Y. 17.

TV Guide's awards to 7 winners of its readers' poll were presented Friday night during the 60-min. Chrysler-sponsored "TV Guide Award Show," colorcast via NBC-TV. The first nationwide balloting of TV viewers attracted 176,532 votes which selected 5 nominees in each of 7 categories. In the 2nd balloting, readers chose these winners in each category: *Father Knows Best* (favorite 30-min. series), *Perry Mason* (favorite 60-min.-or-longer series), "Turn of the Screw," starring Ingrid Bergman (best single dramatic program), "Another Evening With Fred Astaire" (best single musical or variety program), *Huntley-Brinkley Report* (best news or information program), Raymond Burr (most popular male personality), Loretta Young (most popular female personality).

WCBS-TV N.Y. granted "equal time" immediately after it launched its first on-air TV editorial Mar. 18. In it, the o&o's vp & gen. mgr. Frank H. Shakespeare Jr. had taken a televised swipe at proposals to legalize off-track betting, charging that it would draw most of its revenue from those New Yorkers least able to afford it. Chmn. Robert W. Dowling, of the Mayor's Committee to Legalize Off-track Betting, accepted the station's offer to reply, taped a statement on March 22, and saw it aired at 11:15 p.m. the following night (the same time slot used by Shakespeare for his original 10-min. criticism—which had been repeated on Sat. March 19). Another rebuttal was aired by WCBS-TV on March 19 when state Sen. Joseph Zaretsky, minority leader (D), disagreed with the station's editorial during an appearance on WCBS-TV's *Eye on New York* public-affairs series.

TV's "minuscule percentage of wrongdoing should be weighed in proper perspective with the medium's overwhelming record of public responsibility," NBC standards & practices vp James Stabile told Pittsburgh's radio-TV club. He cited the network's *American Heritage* and *World Wide 60* series as "exemplifying TV's continuing effort to provide quality public-service programming to the maximum number of viewers." Terms such as payola & plugola "which fit neatly into headlines, have diverted attention from TV's consistent record of supplying to some 52 million homes quality entertainment & enlightenment 19 hours a day, 365 days a year," said Stabile.

MCA is entering sports field in TV with the representation of a \$3-million, network-level package on behalf of the American Football League. Both NBC-TV and ABC-TV (which recently landed much of the Gillette sports business) are reported interested. A total of 30 weekend TV grid games will be included in the deal, selected from a total of 56. Harry Wismer, sportscaster & pres. of the New York Titans (one of the league's new teams), stated last week that the American Football League's deal via MCA will offer TV advertisers "twice as many" games as the National Football League, for the same amount of money.

Two instances of station & police dept. cooperation have turned up recently. In Miami, WCKT has set up a lending library of police-series TV shows (*Man Hunt*, *Highway Patrol*, *Decoy*, others) for the city's police dept. to use for "illustrating certain techniques of crime investigation" in its training courses. And in Seattle, KOMO-TV is televising police dept. mug shots & descriptions several times weekly on its 11 p.m. news show. In one campaign against bad-check passers, 33 arrests resulted from 100 telecasts. Several people have turned themselves in after seeing their own faces on screen.

KOMO-TV Seattle scheduled a local public-service double header last week: A 60-min. live telecast from the new Seattle Public Library to celebrate its opening, and the debut of a 30-min. 4-part series, *Alumni Fireside*, featuring distinguished U. of Wash. alumni in conversation with University faculty members. KOMO-TV news editor Herb Robinson is the series host.

Lawrence H. (Bud) Rogers II, recently named operations vp of Taft Bcstg. Co., has instituted a regular series of broadcast editorials for the Taft stations (WKRC-TV & WKRC Cincinnati; WTVN-TV & WTVN Columbus; WBRC-TV & WBRC Birmingham, Ala.; WBIR-TV & WBIR Knoxville, Tenn.; WKYT Lexington, Ky.). Rogers writes the editorials and delivers them on camera.

Television Digest

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Personals: John H. Mitchell, former vp in charge of ABC's KGO-TV & KGO San Francisco, appointed mgr. of Central American TV Network (51% owned by ABC) . . . Ralph S. Mann named dir., NBC talent & contract administration . . . Bart Swift, ex-TelePrompTer, named national sales development dir., Theatre Network Television . . . Harry A. Babcock, FTC exec. dir. who joins Washington communications law firm of Weaver & Glassie this week (Vol. 16:12 p18) after 38 years with agency, has been awarded FTC's distinguished service award for "exceptional accomplishments."

Joseph M. Dealey elected pres. of the A. H. Belo Corp., owner of WFAA-TV & WFAA Dallas, succeeding his father E. M. (Ted) Dealey, now chmn. James M. Moroney Sr. promoted from senior vp to vice-chmn.; Joe A. Lubben, from vp to senior vp; H. Ben Decherd Jr. and James M. Moroney Jr. elected vps.

Tom Coleman, ex-asst. dir. of Assn. of American Medical Colleges, Evanston, Ill., appointed Greater Washington (D.C.) Educational TV Assn. exec. vp . . . W. A. MacDonald named CBC PR dir. . . . Cleveland Lane named exec. vp, John Sutherland Productions (industrial & educational film producers).

Jay L. Schiller, ex-Lennen & Newell, named RAB research mgr. . . . Dr. John W. Meaney, U. of Houston radio-TV-film center dir. and mgr. of educational KUHT & KUHF, takes leave to join U.S. Office of Education as TV consultant . . . Russell C. Tornabene, NBC Washington correspondent, elected treas. of Washington chapter of Sigma Delta Chi, professional journalistic fraternity.

Obituary

Franklin P. Adams, 78, noted newspaper columnist and panelist on *Information Please*, died March 23 of hardening of the arteries. He is survived by his second wife, Mrs. Esther Root, 3 sons and a daughter.

John Lardner, 47, TV-radio columnist for *The New Yorker* as well as *Newsweek's* sports columnist, died March 24 of a heart attack. Coincidentally, Lardner, son of late writer Ring Lardner, was writing the *Newsweek* obituary for his father's colleague, Franklin P. Adams, when he suffered his heart attack.

Former President Harry S. Truman will receive the Broadcast Pioneers' Distinguished Service Award in Chicago April 5 at the banquet held in conjunction with NAB's convention April 3-6. The Pioneers will present to the former chief executive a tape collection of his speeches for the Harry S. Truman Library in Independence, Mo.

RCA Chmn. David Sarnoff was awarded Italy's medal of Commendatore of the Order of Merit at a ceremonial dinner at the Italian Embassy in Washington for his contributions to telecommunications development in Italy. He won the Prize Cristoforo Colombo in Genoa last year.

Meetings this week: Pa. Assn. of Bcstrs. legislative luncheon (March 29), Congressional Hotel, Washington . . . ANA workshop on "How to Use Advertising Effectively in Introducing New Products." (29), Hotel Ambassador, Chicago . . . Assn. of Bcstg. Executives of Texas (31), Statler-Hilton Hotel, Dallas . . . National Assn. of FM Bcstrs. business meeting (April 2), Hilton, Chicago.

Meetings next week: Ore. Assn. of Bcstrs. annual meeting (April 8-9). Howard Bell, asst. to pres. of NAB, will speak, Eugene, Ore. . . . Disc Jockey Assn. membership meeting (9-10), Minneapolis.

"Charley Weaver's Family Album," picture book by Cliff Arquette, will be published April 4 by the John C. Winston Co. (\$1.95).

Auxiliary Services

Intelligent national pay-TV decision "has been made almost impossible for millions of set owners and for the FCC itself," according to the Fund for the Republic. It's "occasional paper," titled "To Pay or Not to Pay" and written for the Fund's Center for the Study of Democratic Institutions by Robert W. Horton, cites "expensive gestures of lavish hospitality and contact with members of Congress in 1958 by a major TV network as a factor in frustrating pay TV in its early stages." As a result of such persuasions, says Horton, the Interstate & Foreign Commerce Committee of the U.S. Senate "apparently yielded to strong outside pressure and requested FCC to postpone pay-TV experiments when the service was about to be initiated in March 1958." Pay-TV interests also "have handled the matter of fees in vague contradictory terms," Horton reports, "and have made no comprehensive or concerted effort to produce realistic estimates of what the public might expect." Horton adds that the pay-TV supporters have strengthened their opponents' hand by ignoring the public "which must ultimately decide the issue."

Television Industries Inc. stock can't be sold by the various firms (Judson Commercial Corp., Mideast Securities Corp., Silver Co.) to which Matthew M. (Matty) Fox, pres. of Skiatron of America pledged his 68,840 shares against loans—at least, not unless the stock is registered with SEC. That's what we were told in N.Y. last week by a spokesman for the SEC office, who added there had been "no new developments since Fox signed a consent decree" (Vol. 16:12 p18). "We've litigated this position over a period of time," said our SEC source.

Jerrold's expansion plans (Vol. 16:10 p20) were further delineated last week in an unusual *Wall Street Journal* ad. "We are interested in purchasing *this* electronics company," read the caption. The text stated that Jerrold wants to buy a company specializing in design, development & manufacture of radio-frequency measuring devices "with sales of from \$100,000 to several million dollars annually."

Trade Report

MARCH 28, 1960

NEW TAPE CARTRIDGES & NEW CONFUSION: The candidacy of tape as a mass-market competitor to the stereo disc last week received an important boost—or setback, depending on how you look at it—with the unveiling of 2 new easy-as-a-record stereo tape cartridges.

Most promising was the widely-publicized Minnesota Mining-CBS Labs system, now virtually ready for production and due to be used next year by Zenith and Grundig (Germany), probably also Columbia and some other domestic & foreign phono makers. As demonstrated by CBS Labs Pres. Peter Goldmark—father of the LP disc—at last week's IRE convention in N.Y., it seemed certain to stir up another LP-vs.-45-rpm war—that is, unless it and its competitors kill each other off in a cloud of confusion.

Thus Goldmark again challenges RCA, which has been marketing its own non-compatible tape-cartridge system for 9 months. The 3M-CBS tape cartridge is ingenious, convenient, compact, has excellent tonal reproduction—and, backed by Zenith, should give RCA cartridge a run for its money.

New cartridges are designed to sell for price of LP records "plus or minus 20%," employ brand new type of tape. Tiny cartridge (3½-in. square, 5/16-in. thick) looks like a slightly oversized graham cracker. It plays up to 64 min. at 1⅞-in. per sec. on new narrow tape only 150 mils (about 1/7 in.) wide, completely enclosed within the plastic cartridge. Five or 6 hours of programming can be carried in the coat pocket, and the tapes can be stacked on automatic tape player for continuous music (Zenith's upcoming set will play up to 6 hours). Home recordings can be made on blank-tape cartridges.

One big breakthrough in the new development is preservation of good frequency response at slow speed ("essentially flat" response from 50 to 15,000 cycles is claimed). To prove this achievement, Goldmark played parts of a regular 15-in.-per-sec. master tape played alternately with same selection on new cartridge. Although there was some dispute among audio engineers attending the demonstration, our ears could discern little or no difference.

More confusion may be added by the provision in the 3M-CBS cartridges for an "optional 3rd track" on the stereo tapes. This track would not affect conventional 2-channel tape reproducers, but special players with a 3rd-channel amplifier would reproduce a "reverberation track." Goldmark said that CBS Labs experiments "have shown that in [the] average living room, a much more exciting & realistic sound can be produced [by reverberation], giving an illusion of 'being there.'" The reverberation track would contain "the stereophonic sum signal delayed & reverberated to an optimum degree."



RCA's tape cartridges, which contain 2 reels and conventional ¼-in.-wide tape, are considerably larger than 3M-CBS's, and can't be stacked on a changer. Recorded at 3¾-in. per sec., they sell at \$4.95-\$6.95, vs. \$5.95 for most stereo LP discs. RCA has about 100 titles in its cartridge catalog, adds about 6 a month.

"Consumer acceptance of the RCA tape cartridge has reaffirmed our belief that this is the answer to tape recording & reproduction for the mass market," said RCA Sales Corp. Pres. Jack S. Beldon, when asked to comment on the new development. "Sales of our first 2 player-recorders using this system—one stereophonic & one monaural—have met our expectations for a pioneering product and are showing steady increases in areas where dealers are actively promoting & demonstrating the instrument."

Bell Sound Systems, which makes 6 models of recorder-players for the RCA tape cartridge, says it has sold "less than 400 of them—but we feel sales are going well."

Armour Research Foundation, which holds many basic magnetic recording patents, also showed a tape cartridge at last week's IRE meeting. Tape is enclosed in a half-in. thick disc, 3¾-in. in diameter, plays at 3¾-in. per sec. Like 3M-CBS cartridge, the ARF units can be stacked for automatic playing—but they can

also be played on present manual machines. Because 3M-CBS system already has some important industry backing, there seems to be less chance of widespread acceptance for the ARF approach.

Pre-recorded stereo-tape industry, which suffered an almost disastrous depression a year ago as a result of the perfection of the stereo disc and the talk of impending tape cartridges, picked itself off the ground and has been gathering momentum as result of new standards adopted by most tape music manufacturers (Vol. 15:21 p16). Industry standard for pre-recorded tapes is 7½ in. per sec., 4 tracks (2 in one direction, 2 in other), open reels (no cartridge).

The 3M-CBS tape-cartridge development has been demonstrated to most phono & tape-recorder manufacturers—including RCA. Whether tape emerges from the cartridge race as a new & formidable competitor to the stereo disc is anybody's guess—but don't bet if you want to be paid off in the next 2 years.

WHAT TYPE STEREO 'LISTENS BEST'? Which approach to stereo provides most pleasure for the listener? If you disregard economics, forget about furniture, ignore convenience features—in other words, just listen—which type of stereo will your ear like best?

GE's radio receiver dept. undertook such a study and came up with "stereophonic home phonograph system rating guide," which, according to advanced project development engineer Harwood B. Moore, "at least shows a significant trend."

Describing results of limited tests in a paper at last week's IRE convention in N.Y., Moore explained that listeners—one at a time—were placed in a room equipped with loudspeakers and switch control and told to compare "System A & System B" 5 different times—systems being changed after each decision. In each case, a standard full-frequency 2-speaker stereo system was compared with all other systems.

Compared in 2 separate series of tests were a monophonic system, normal full-frequency 2-speaker stereo system, single-cabinet stereo console, a 3-speaker system with mixed lows from both channels in the center speaker, a 2-speaker system with mixed lows in the right speaker, a 2-speaker system with "phantom center speaker," and a "spread stereo" console system in which sound is supposed to appear to come from "beyond the cabinet" through enhancement of the "difference" information.

Four tests were made with two sets of 12 subjects taking 2 tests each. Subjects were technicians, secretaries & other GE employes who did not know which systems they were testing and were asked to compare "sound panorama" of the various systems in "order of preference." Quality of equipment, frequency response & volume were kept identical for all tests. One set of tests used a stereo disc, the other a tape. Separate tests were conducted with subject sitting directly in front of speakers and off-center.

Results could have been influenced by size of room, type of furnishings, statistical method (using normal 2-speaker stereo as standard of comparison), as well as many other non-electronic factors—but nevertheless outcome of experiments are interesting. Here is the summary as outlined by Moore:

Listeners expressed "large preference for normal stereo"—a 2-speaker system with the speakers 10 ft. apart (subject was 10 ft. from speakers). While single-cabinet stereo was widely preferred over monaural, all types of wide-angle and "spread" systems got the nod over one-cabinet 2-speaker sound. For listeners sitting front-&-center of speakers, "phantom center channel" system came out ahead of 2-cabinet "normal stereo" in disc tests, but its popularity went way down when subject moved off-center. Summing up, Moore concluded that "subjective listening tests indicate that 2 full-range speakers widely separated are most preferred for stereo." For complete tables of the test results, see p. 20.

TV-RADIO PRODUCTION: EIA statistics for week ended March 18 (11th week of 1960):

	March 11-18	Preceding wk.	1959 week	'60 cumulative	'59 cumulative
TV	106,733	102,939	91,416	1,343,551	1,186,116
Total radio	349,896	350,468	170,655	3,813,217	3,074,365
auto radio	132,255	149,147	40,218	1,632,202	1,162,191

Country of origin must be labeled plainly on consumer electronic items imported into Canada beginning April 1, under a new order issued under Canada's Marking Act. Products covered are TV & radio receivers, radio-phonos combinations, phonos, record players, tape recorders.

Magazine for distributor salesmen covering the industrial electronics market has been introduced by RCA's electron tube div. *Industrial Market Product & Commercial Tips* will be issued bi-monthly to keep salesmen posted on latest RCA industrial products & promotions.

IRE HIGHSPOTS: While space electronics, microminiaturization, computers, medical electronics and direct conversion of heat to electricity dominated the huge IRE international convention last week, there was something for everybody—as usual—among the more than 800 exhibits and 54 technical sessions. The only difficulty was finding it.

Being principally interested in consumer electronics, we again leave the subject of coil-winders, thermotrockles and canuten-valves to the technical journals, and present herewith some capsule summaries of developments, exhibits & papers which were of most interest to us last week at the N.Y. Coliseum & Waldorf-Astoria:

TV devices: (1) Corning Glass showed its new non-glare laminated "cap" for 19- & 23-in. picture tubes. The treated cap diffuses 75% of reflected light without perceptible loss in resolution, according to the company. Spokesmen told us that several manufacturers are using the new cap in 19-in. sets, although they have been less quick to accept it for 23-in. tubes. (2) Union Carbide (Eveready) displayed a flat 15-volt alkaline battery developed for direct-view transistor TV sets. Weighing 6½ lb., it can be used for about 4 hours, recharged in 10 hours, takes about 50 recharges. A company official said it can be mass-produced as soon as there's a demand.

Stereo & hi fi: In addition to the papers on new tape cartridges and listener stereo ratings (see pp. 18 & 19), 2 new devices described by CBS Labs engineers aroused interest: (1) A wireless ultrasonic continuously variable remote control unit for stereo phonos, controlling volume, balance & record-reject. (2) An automatic stereo phaser for use in record labs & radio stations (now being tested at CBS's KMOX St. Louis) which keeps left & right signals in their proper channels regardless of phase changes.

New tubes: There's plenty of life in the vacuum tube yet, and these new types for TV, radio & hi-fi were shown or described at the convention: (1) RCA's thimble-sized nuvistors, now in commercial production, were shown in 2 vhf TV tuners, 2-stage & 3-stage TV IF amplifiers, a uhf tuner and an FM tuner. An 18-nuvisor TV set was shown in operation. (2) GE showed a new "shadow grid" tube (6FG5), which incorporates extra grid, eliminates some circuit components, drastically reduces noise levels in TV tuners and increases amplification in IF operation. GE also showed a full line of 11 new reliable high-performance audio hi-fi tubes and a TV rectifier tube with new tubular cathode which acts as its own heater and permits a 40% power saving. (3) Amperex Electronics introduced new frame-grid tubes for TV tuners & IF stages, whose gain is claimed to be high enough to eliminate an IF stage.

Transistors: Two RCA engineers described a developmental double-emitter transistor, combining oscillator & mixer functions, for portable & auto radios. This 2-in-1 transistor will make possible simpler & improved transistor radio designs.

Ultrasonic cleaners: First such unit "designed for the mass consumer market as well as for laboratories & industry" was introduced by Narda Ultrasonics Corp., Westbury, N.Y., to sell for "less than \$100." Suggested home uses of the transistorized ultrasonic cleaner: Cleaning contact lenses, eyeglasses, parts & tools for do-it-yourself projects, jewelry, silverware, etc. Principal markets at which the new cleaner is aimed are dental & medical offices, laboratories, barber & jewelry shops, plants handling small parts. Westinghouse, meanwhile, introduced its first portable industrial ultrasonic cleaners for industrial plants.

More about

LISTENER STEREO RATINGS: Preference for 2 widely-spaced (10 ft.) full-range speaker systems in reproduction of stereo discs & tapes was expressed by experimental listeners in GE's recent subjective tests of stereo systems (see p. 19). Two sets of tests were conducted—one using stereo discs, the other tape—with each of 12 people taking each test twice.

GE engineer Harwood Moore, who conducted the tests, said that instrumental selections featuring small musical groups were used for the experiments. In each case, the program material was screened to select recordings in which instruments were grouped so that distinctive sounds originated from left, right & center. He conceded that results might have been different if large-group recordings—symphonies, for example—had been used.

For the disc tests, Moore used the Capitol stereo record, *Donnybrook with Donegan* (3 instruments). In 2nd series of tests, RCA stereo tape *Love in the Afternoon* (5 instruments), was used for program material. In both disc & tape tests, listeners were tested separately sitting 10 ft. in front of speakers at apex of equilateral triangle formed by the 2 widest-spread speakers ("on-center" position), and seated 10 ft. in front but "off-center."

Same stereo-system approaches were compared in both disc & tape tests, except that "spread stereo console" was substituted for "monaural" in the tape tests. No tests of "spread stereo" were made using discs as program material. "Spread stereo" is the system in which sound supposedly seems to originate from beyond the confines of the cabinet.

Here are the listener ratings, as compiled by totaling the number of preferential votes each system received (a vote was allocated to a system for each favorable decision it received by a listener):

System	STEREO PHONOGRAPH RECORD		Total Votes
	Votes (on-center)	Votes (off-center)	
Normal stereo	49	52	101
Phantom center channel ..	52	32	84
Mixed lows in center	28	48	76
Mixed lows at right	31	32	63
Stereo console	19	13	32
Monophonic	1	3	4
STEREO TAPE			
Normal stereo	48	54	102
Mixed lows at right	45	41	86
Mixed lows in center	37	38	75
Phantom center channel ..	34	35	69
Spread stereo console	11	6	17
Stereo console	5	6	11

EIA Board Actions: The EIA board of directors, at its recent spring meeting in Washington (Vol. 16:12 p20), opposed pending legislation which would give the Secy. of Labor broad authority to investigate industry costs & profits before recommending higher tariff rates to offset lower wage levels in countries exporting goods to U.S. In a summary of other actions, in addition to those reported here last week, EIA announced that its board also urged the repeal or modification of the Walsh-Healey Act. Admission of 13 new members raised EIA membership to 342:

Electronic Consultants Inc., Hempstead, N.Y.; Electronics Investment Management Corp., San Diego, Cal.; Harman-Kardon, Westbury, N.Y.; McDonnell & Co., N.Y.; McDonnell Aircraft Corp., St. Louis; Polytronics Labs, Clifton N.J.; Ruder & Finn, N.Y.; Standard Rectifier Corp., Santa Ana, Cal.; Stanford Research Institute, Menlo Park, Cal.; Syntron Co., Homer City, Pa.; Tuccor Inc., S. Norwalk, Conn.; U.S. Transistor Corp., Syosset, N.Y.; Vought Electronics div. of Chance Vought Aircraft, Dallas.

MORE NIPPON COLOR SETS: Japan's interest in the U.S. color-TV market is shifting from academic to epidemic. Last week came word that giant Hitachi Ltd. of Tokyo has swung into mass production of a 21-in. model that is America-bound. The Sampson Co. of Chicago disclosed that arrangements are being finalized for U.S. distribution of the Hitachi set—soon. The color-TV model is slated to debut at the May parts show in Chicago and to hit U.S. sales outlets in the fall.

It's a sure bet that this is only the beginning. Previously, Thompson-Starrett's Delmonico International div. reported that it is preparing for the debut of a still-unnamed Japanese color set—also 21-in. (Vol. 16:12 p21). Other Japanese majors—Toshiba, Sony, Matsushita—are known to be gearing for color, and certainly there'll be no dearth of distributors for Yankee markets.

In keeping with its "policy to license responsible companies here & abroad to use RCA's patent rights on reasonable terms," color-promoting RCA has been responsive to bids from Japanese set & tube makers. Obviously, the prospect that RCA-licensed Japanese color sets may come home to roost is not a worrisome thought—because anything that boosts color TV in the U.S. helps RCA. (Japan recently adopted the NTSC color standards.)

Plans U.S. Marketing This Fall

The Hitachi 21-in. color set is being produced under RCA license, at Hitachi's new Yokohama plant. The picture tube also is being produced by Hitachi. The set, of course, is compatible with U.S. standards and will require no changes or modifications for U.S. reception.

Pres. Robert Sampson of the Sampson Co. said that a team of Sampson executives is in Japan finalizing distribution arrangements. Although the distributor hopes to have the Hitachi color sets "in American stores this fall," Sampson said, price & delivery data will not be available until various details are settled. One detail concerns the completeness of the import. Sampson said it is possible that only the Hitachi chassis & tube will be imported, to be married here to an American cabinet, to save shipping charges. Interestingly, Delmonico International is planning on importing chassis & cabinet, but adding the picture tube in this country. The Hitachi set reportedly uses 28 tubes, 6 diodes and a full-wave silicon rectifier.

Meanwhile, back in Japan, Tokyo-published Feb. *Radio & TV* reports: "The Ministry of Postal Services is in the optimistic opinion that the mass production of color-TV sets will be easier than that of non-color TV sets in the early stage. As regards the price, the domestically-made color-TV sets are 300,000 yen [\$680] a set, while in the U.S.A. it is said to be 200,000 yen [\$520] per set. When they are put into quantity production, it is expected to be lowered to 170,000 yen [\$442], and further to 100,000 yen [\$260] in a few years."

* * *

Sony's Canadian distributor, Winnipeg-based General Distributors Ltd., has been named exclusive Canadian rep of the Japanese concern's newly-formed & wholly-owned Sony Corp. of America distributorship (Vol. 16:10 p16). General Distributors took over the Sony radio line in 1955. Since then, the Canadian distributor reports, it has made Sony "the most wanted brand of transistor radios on the market," has pushed it to the "top sales position with an estimated 30% of total Canadian unit sales against 23 competing name brands."

Sony's battery-portable TV—in its premiere U.S. showing—was a traffic-stopper at the IRE convention last week in N.Y. Even though the Sony booth was tucked in an out-of-the-way corner of the N.Y. Coliseum, there was a continuous crowd watching the tiny 8-in. transistor set (Vol. 16:4 p15)—and asking questions. The model, a pre-production unit, was housed in a transparent plastic cabinet to reveal the neat arrangement of its innards on printed-circuit boards. It gave an excellent picture in the Coliseum, operating on line power or self-contained battery pack and using its own single-rod telescoping antenna. Sony representatives told us it will sell in this country at about \$200, that samples would be here soon, but there will be no large quantities until next year. The set weighs 13 lb. with battery, but feels much heavier because of its compactness. The 12-volt lead-acid battery will operate the set for 3 hours, then must be charged for 10 hours from the power line. The set may be off or on while battery is being charged. The battery can be recharged about 100 times, Sony officials said. In addition to its 8-in. 90-degree tube, the set has one power tube (for charging the battery and operating on line power), 23 transistors, 14 diodes.

First U.S.-made FM-AM transistor portable has been put into distribution by Zenith at \$189.95. Designated the "Trans-Symphony," the deluxe indoor-outdoor radio has 5x7-in. oval speaker, 500-milliwatt undistorted power output, automatic frequency control (AFC), 3 antennas (one for AM, built-in & telescoping antennas for FM), 11 tuned circuits on FM & 8 on AM. It weighs 11¾ lb., is designed to operate 300 hours on 8 flashlight batteries.

17- & 21-IN. NOT DEAD YET: Just as Motorola caused raised eyebrows when it introduced 6 new 21-in. sets as forerunners of its 1961 line (Vol. 16:11 p20), RCA showed its confidence in the popularity of an old standby last week when it announced 4 new 17-in. portables.

Two of the 17-in. sets, designated "Sportabouts," are equipped with a new "Wireless Wizard" remote control which turns the set completely off in addition to performing the traditional remote functions. The remote sets feature a "touch bar" channel-selector. The low-end 17-in. non-remote portables start at a suggested retail price of about \$169.95. Some 14-in. portables are retained in RCA's line.

Also introduced by RCA were 2 new color sets—in early American maple and modern—both carrying "open" list and in the higher-priced bracket.

Although most manufacturers are due to emphasize 19- & 23-in. sets this year, no set maker has unequivocally announced that it will eliminate both the 17- & the 21-in. sizes. Some undoubtedly will, however. Admiral is dropping all 17-in. sets and has indicated that it hopes to drop the 21-in. this summer unless there is special demand. Hoffman is known to be planning to drop both sizes.sylvania, which discontinued 21-in. sets last year, is expected to discontinue the 17-in. size this spring. Westinghouse probably will have only one 21-in. set in its new line, holding over perhaps a couple of 17-in. portables.

Sales of magnetic tapes aren't subject to the manufacturer's excise tax on phono records, the Internal Revenue Service has decided (Rev. Rul. 60-105). Answering questions raised by an unidentified producer of tape-recorded religious music & songs, IRS said such tapes aren't taxable records because they aren't intended "for reproduction by means of a phonograph [or] radio & phonograph."

Trade Personals: Theodore S. Hoffman named Hoffman industrial relations vp . . . James W. Evans, dir. of Hazeltine Electronics advanced planning group, named vp . . . William H. Weed named Raytheon industrial components div. ad & sales promotion mgr. . . S. Champion Titus, ex-BBDO, appointed Ampex Audio ad & sales promotion mgr.

Edward O. Johnson promoted from advanced development mgr., RCA semiconductor & materials div., to chief engineer for the div. . . Carl W. Burrows Jr., ex-Hoffman, named hq sales dir., Stromberg-Carlson . . . Charles W. Carruthers named electromechanical components operations chief engineer, Raytheon industrial components div. . . Frederick H. Brooke Jr. named mktg. mgr., Raytheon A.G., Raytheon wholly-owned European mktg. subsidiary. He will headquarter in Zug, Switzerland . . . Jack A. Rickel to head new Dage Washington office (905 16th St.) . . . Lothar Stern resigns as electronics editor, *Popular Mechanics* magazine, to join Motorola PR dept.

Excise tax status of some TV tuner makers who have been tangled up in a 1955 technical ruling by the Internal Revenue Service would be clarified under a bill (S-3244) by Sen. Hartke (D-Ind). He said his measure is intended to validate procedures by which makers of non-taxed tuners sold them tax-free to set manufacturers although tubes used in the tuners were taxable. Under "the technically correct procedure" of the 1955 ruling, Hartke said, the tuner manufacturers should have paid excises on the tubes, then recovered the taxes from manufacturers of the sets which were taxed. The IRS is now trying to collect tube taxes from the tuner makers although the taxes already have been paid by the set makers, Hartke said.

Radio will outstrip TV in set sales by a ratio of 4-to-one between now & Jan. 1, 1970, predicted RAB Pres. Kevin Sweeney last week before the Spokane Ad Club. Americans, said he, will buy "200 million new radios" by 1970. "A generous estimate," he added, "will give TV another 50 million set sales, of which all but 20 million will be replacements. If newspapers have another 6 million copies daily potential annually by 1970, it will surprise their most enthusiastic advocates, and the chances are that magazines will not gain anywhere nearly as much."

National Co. Inc. has acquired Servo-Dynamics Corp. and will operate the Somersworth, N.H. maker of electro-mechanical components as a wholly-owned subsidiary. Herbert C. Guterman, chmn. of Malden (Mass.) based National, said Servo-Dynamics' present plant & more than 100 employes will be retained. The new subsidiary was acquired from Saco-Lowell Shops.

Most extensive spring advertising-merchandising program in Motorola's history will be keyed to its portable & car radio lines. Robert G. Farris, consumer-products ad & sales promotion dir., said the program will include national magazines, local newspapers, professionally installed window displays and radio-set selling displays.

Dual-function audio signal generator has been designed by Packard Bell Electronics for measuring distortion in hi-fi amplifiers and frequency response of test equipment, hi-fi amplifiers, tone controls and phono equalizers.

New-type TV aerial cable which uses foamy polythene as screening against high-frequency interference, such as that caused by passing traffic, has been introduced by N. V. Hollandsche Draad-en Kabelfabriek, Amsterdam. Low impedance of the cable requires use of adapting transformers at either end.

Finance

Admiral's sales & earnings "should continue to increase in 1960," Pres. Ross D. Siragusa predicted in the company's annual report. He stated, however: "Your management is not in complete accord with economists who have been predicting a boom in 1960. While our outlook is cautiously optimistic for the nation's economy, we believe the effects of the prolonged steel strike will be felt for some time. Of greater concern to us is the specter of increasingly strong competition for American products on the world market from the many nations which have been receiving billions of dollars from the U.S. since World War II." Reviewing Admiral's 1959 operations, Siragusa said: (1) Admiral's portable-TV remote control "helped the company attain first place in the portable field." (2) The company sold more color sets during 1959 than during the previous 5 years it offered the product. (3) Admiral's transistor radio sales increased 25% despite Japanese competition. (4) The \$1-million expansion program begun at Electronics City, Harvard, Ill., will make it the world's biggest single TV plant. Admiral's financial report for the year ended Dec. 31 (preliminary report in Vol. 16:10 p19):

	1959	1958
Sales	\$199,605,609	\$170,777,126
Net earnings	4,108,450	1,375,017
Per common share	1.71	57¢
Common shares	2,405,471	2,372,476

Sonotone capped its 30-year history with record sales & earnings in 1959. Pres. Irving I. Schachtel told stockholders in the annual report that profits soared 41% over the 1958 level and sales gained 15%. The multi-product electronics firm, he said, will add to its line this year its first TV remote-control unit and new stereo phonograph pickups "to cover the entire range of manufactured sets." For the year ended Dec. 31:

	1959	1958
Net sales	\$24,756,708	\$21,513,064
Net earnings	1,132,302	800,473
Per com. share (after pfd.)	96¢	71¢
Common shares	1,148,287	1,070,169

Allied Radio Corp., Chicago, reports a moderate profit increase on a sharp sales rise in the 6 months to Jan. 31. For the quarter ended Jan. 31, net income was \$390,639 (38¢) vs. \$348,161 (34¢) in the same 1959 quarter. The 1959 per-share earnings are based on shares now outstanding. For 6 months to Jan. 31:

	1960	1959
Net sales	\$17,448,535	\$14,967,902
Net income	592,805	536,787
Per common shares	58¢	53¢

Muntz TV profit rose 2½ times plus on a marked sales increase in the 6 months ended Feb. 29:

	1960	1959
Net sales	\$5,939,772	\$3,652,746
Net income	698,705	252,572
Per com. share (after pfd.)	59¢	23¢
Common shares	1,165,376	1,115,376

Emerson has submitted an SEC registration statement (File 2-16310) covering 107,434 capital shares to be offered under its key employes' restricted stock-option plan.

Common Stock Dividends

Corporation	Period	Amt. Payable	Stk. of Record
General Dynamics	Q	\$0.50	May 10
Packard Bell	Q	.12½	Apr. 25
			Apr. 11

ITT posted record profit, sales & revenues and order backlog in 1959. Pres. H. S. Geneen told stockholders last week in the company's annual report. Consolidated worldwide sales & revenues jumped 11% over the 1958 total, consolidated net income rose about 9%. The order backlog at 1959's end totaled \$551 million, up from \$511 million at the start of the year. For the year ended Dec. 31 (1958's per-average-share net income is adjusted for a 2-for-1 split):

	1959	1958
Sales & revenues	\$765,639,896	\$687,451,445
Net income	29,035,688	26,600,168
Per average share	1.90	1.85

ITI Electronics, Clifton, N.J. manufacturer of TV gear, electronic components and communications & test equipment, posted record sales & earnings in the 1960 fiscal year ended Jan. 31. Sales rose 102% over fiscal-1959's level, profit jumped 69%. Pres. Horace Atwood Jr., in the first annual report since the 13-year-old concern became publicly owned last year, forecast "even better results" for the current fiscal. For the 1960 fiscal year ended Jan. 31:

	1960	1959
Total sales	\$781,475	\$387,162
Net profit	38,181	22,605
Per common share	22¢	18¢

Sprague Electric, North Adams, Mass. producer of electronic components, transistors and electrical parts, recorded record sales & profits in 1959. Chmn. Robert C. Sprague & Pres. Julian K. Sprague forecast increased sales & earnings in 1960 and reported plans for expanded transistor production this year. For its 33rd year ended Dec. 31:

	1959	1958
Net sales	\$56,351,571	\$43,193,717
Net profit	3,502,328	1,761,719
Per common share	2.61	1.41
Common shares	1,340,229	1,247,912

American Electronics, Los Angeles development & production concern which produces electronic components & magnetic tape recorders among its various products, recovered from 1958's loss year with profit & increased sales in 1959. The 1958 loss is net after giving effect to a \$1,047,621 tax credit. For the year ended Dec. 31:

	1959	1958
Net sales	\$25,019,132	\$17,396,064
Net income (loss in '58) ..	609,599	(2,285,826)
Per common share	70¢	
Common shares	874,994	869,994

General Transistor Corp. reports a sag in profits despite a healthy gain in sales in the year ended Dec. 31 (1958 shares adjusted to reflect 2-for-1 split in July 1959):

	1959	1958
Net sales	\$10,278,585	\$6,867,879
Net income	537,306	591,356
Per common share	61¢	77¢
Common shares	884,978	769,462

Federal Pacific Electric Co. has accepted tenders for more than 80% of the outstanding common stock (512,390 shares) of Cornell-Dubilier Electric and has extended to March 31 its offer to exchange one share of \$23 par, 5½% convertible 2nd preferred stock for each C-D share. (Vol. 16:7 p24). The new Federal Pacific issue (500,000 shares created in Feb.) is convertible, in turn, into Federal Pacific common at \$28.50 per share.

Telechrome Mfg. Corp. is acquiring the remaining 50% of Hammarlund Mfg. Co. from Pres. Lloyd A. Hammarlund, according to Telechrome Pres. J. Raymond Popkin-Curman. The total price of the acquisition, he said, will be "well under \$1 million." He predicted that sales of the company & subsidiaries will total about \$8 million in the fiscal year ending June 30, 1960, up from \$1,641,194 in fiscal 1959, and profits of \$850,000 vs. \$54,768. In the company's annual report for fiscal 1959, issued this week—although the earnings statement had been reported earlier—Pres. Popkin-Curman stated that Telechrome had originally underestimated its potential in the automation field, that its export business to Japan (mainly color-TV equipment) increased fivefold in fiscal 1959 and that the firm expects to open engineering & manufacturing facilities in England, Germany & Japan.

Varian Associates, Palo Alto, Cal. producer of microwave equipment and specialty power tubes for radar & uhf TV, anticipates sales of \$50 million for the 1960 fiscal year ending Sept. 30, up from \$38,130,311 in fiscal 1959. Finance vp Myrle R. Zinser reports that new orders are running 35% ahead of the year-ago volume and that backlog totals \$23 million vs. \$17 million 12 months ago. For the 2nd fiscal quarter ending Mar. 31, he anticipates about the same performance as that of the first quarter, which produced a profit of \$755,710 (24¢ a share) on \$10,677,551 sales. Varian will complete this year at Palo Alto an expansion program which will step up production capacity to serve a sales volume of \$75 million. Zinser believes Varian should reach that sales level in 2-3 years.

General Mills is negotiating to acquire 2 closely-held electronics firms—Daven Co. (Livingston, N.J.) and Laible Mfg. Co. (Manchester, N.H.), manufacturers of electronic components, instruments and test equipment. C. H. Bell, pres. of the flour, cereal and food giant, said the move is in keeping with General Mills's diversification program. Conclusion of the negotiations may be weeks away, Bell added, but "it is appropriate at this time to say it is the intent of General Mills to operate the business as a subsidiary and to continue to maintain & expand the operations at their present locations." Lewis Newman is pres. of the 2 electronics companies which, combined, employ 1,200.

Andrea Radio Corp. stock is publicly held for first time following offering by radio-TV pioneer Frank A. D. Andrea of 120,000 shares of common at \$16 per share through an underwriting group headed by W. C. Langley & Associates. The shares were sold for Mr. Andrea, the company's sole stockholder, and none of the proceeds went to the company. Following the sale, Mr. Andrea continues as the principal stockholder, holding 130,700, or 52% of the outstanding common stock. Andrea manufactures TVs, radios & stereo for eastern distribution, military electronics.

Latest financing activity by Electronics Capital Corp., San Diego, small business investment company: Purchase of \$800,000 convertible debentures & long-term notes of Duncan Electronics Inc., Santa Ana, Cal. manufacturer of multi-turn potentiometers & component sub-systems. The debentures—amounting to \$500,000—are convertible into 68% of Duncan common stock.

Canadian Marconi Co., Montreal-based TV-radio manufacturer, rebounded from 1958's net loss of \$386,844 with a healthy \$523,686 net profit in 1959. Pres. S. M. Finlayson said sales increased over 1958 "despite a generally reduced market" and increased competition from Japan and Europe.

Ampex Corp. reports profits for the 9 months ended Jan. 21 were double those of the same period the preceding year, while sales were substantially ahead. Chmn. Alexander M. Poniatoff & Pres. George I. Long Jr. told shareholders in an interim report that the 3rd fiscal quarter "saw a fall-off in sales to govt. activities of both data & professional products, and a change in the mix of our over-all product picture from that previously planned." However, they expressed the opinion that the company would realize the \$60-million sales & \$3.9-million earnings they predicted at the beginning of the fiscal year (Vol. 15:26 p19). A stock split Feb. 1 increased the shares outstanding to 7,217,943 after the close of the 3rd fiscal quarter. For 9 months ended Jan. 31: 1960 1959

Net sales	\$46,271,000	\$26,829,000
Net income	2,446,000	1,219,000
Per common share	1.02	66¢
Common shares	2,405,981	1,835,662
For 3 months ended Jan. 31:		
Net sales	\$16,269,000	\$10,682,000
Net income	683,000	554,000
Per common share	28¢	30¢

Wometco Enterprises (WTVJ Miami, WLOS-TV & WLOS Asheville, 47½% of WFGA-TV Jacksonville) will report strong increases in gross income & profit from 1958 to 1959 this week in its first annual report to stockholders since it became a publicly-owned corporation. The consolidated balance sheet of the company, which also owns a theater chain and a food & vending-machine business (recently expanded to include the Bahamas), shows total assets of \$10,540,046 at the end of 1959. Current assets exceeding liabilities by \$1,098,047. The company's first stockholders meeting will be held April 11 at company hq in Miami. For the year ended Dec. 31 (1959 net income includes non-recurring gains of \$228,786):

	1959	1958
Gross income	\$10,364,753	\$9,366,098
Net income	936,336	588,737
Per common share	1.04	65¢

Gross Telecasting Inc. (WJIM-TV & WJIM Lansing-Flint) reports declines in revenues & net income for 1959 as compared with 1958. For the year ended Dec. 31:

	1959	1958
Broadcast revenue	\$2,562,605	\$2,769,918
Net income	672,418	766,373
Per com. & B share	1.68	1.91
Common & B shares	400,000	400,000

Times-Mirror Co. (KTTV Los Angeles, *Los Angeles Times*, *Los Angeles Mirror*) and the New American Library of World Literature Inc. will merge through a stock exchange. The latter is one of the world's largest publishers of paperback books (Signet, Mentor, etc.). It will become a Times-Mirror wholly-owned subsidiary, but will operate as an autonomous unit. For the first half of fiscal 1960, ended Dec. 31, the book concern recorded earnings of \$619,606 on \$7.8 million sales.

Reports & comments available: Magnavox, report, Blyth & Co. Inc., 14 Wall St., N.Y. 5 . . . Consolidated Electronics Industries, study, Jesup & Lamont, 26 Broadway, N.Y. 4 . . . Pentron Electronics Corp., prospectus, Stanley Heller & Co., 30 Pine St., N.Y. 5 . . . Decca Records, review, Gruntal & Co., 50 Broadway, N.Y. 4 . . . Collins Radio, prospectus, Kidder, Peabody & Co., 17 Wall St., New York 5, N.Y.

Pentron Electronics, Chicago manufacturer of tape recorders, components and other electronic products, is offering 250,000 shares of common (\$3 a share) through investment banker Stanley Heller & Co. The proceeds will be used in part for plant renovation & new equipment. After the present financing, Pentron's outstanding capitalization will comprise \$680,186 of sundry debt & 815,000 common shares. For the 6 months ended Dec. 31, the company reported, net income totaled \$103,638 (18¢ a share) on consolidated net sales of \$1,690,161.

General Atronic Corp., Bala-Cynwyd, Pa. firm engaged in research & development of advanced electronics techniques, has submitted an SEC application (File 2-16276) for registration of 155,660 common shares for public sale. The offering, at \$3.50 per share, would be handled by an underwriting group headed by Harrison & Co. Of the outstanding stock, 181,200 shares (35.3%) are owned by Chmn.-Pres. David E. Sustein, 79,000 (15.3%) by Phyllis Sustein.

Lab for Electronics, Boston maker of electronic equipment, plans a subscription offering of new common stock to raise capital & reduce bank loans, according to a prospectus filed with SEC (File 2-16273). At the same time, the company applied for registration of 75,000 common issued or issuable on conversion of outstanding 5½% subordinated debentures, due 1973, which are to be called for redemption in May.

GT&E offering of 775,000 shares of common stock, priced at \$73.62½ per share, is being made by an underwriting group of 119 members headed by Paine, Webber, Jackson & Curtis; Stone & Webster Securities Corp.; Mitchum, Jones and Templeton. GT&E, parent of Sylvania Electric Products, will add the net proceeds from the stock sale to corporate funds. After the offering, GT&E will have 22,896,194 common shares outstanding.

Kollsman Instrument Corp., optical- & precision-instrument producing subsidiary of Standard Coil Products, Melrose Park, Ill. maker of TV tuners, has purchased for an undisclosed cash sum Richardson-Allen Corp., College Point, N.Y. The acquisition will be operated as a Kollsman wholly-owned subsidiary. Richardson-Allen's principal products are rectifiers and DC power supplies.

International Rectifier Corp. offering of 120,000 shares of common stock, at \$30.75 per share, is being made by an underwriting group headed by Blyth & Co. Half the offering represents new financing by the El Segundo, Cal. maker of electron tubes & semiconductors. The balance of 60,000 shares is being offered for selling stockholders. Proceeds from the sale of the company's 60,000 shares will be added to general funds.

Telectro Industries Corp., which makes magnetic tape recorders & other electronic equipment at Long Island City, N.Y., proposes public sale of \$1 million of 6½% convertible subordinated debentures, due 1970, in an SEC registration statement (File 2-16283). Underwriters are headed by Milton D. Blauner & Co. Price: 100% of principal amount.

Transitron Electronics Corp. anticipates that sales in its 1960 fiscal year (ending June 30) will rise to \$45-50 million from \$30.9 million in fiscal 1959. The Bakalar brothers (Chmn. Leo & Pres. David), in a March 23 *N.Y. Times* profile on the Wakefield, Mass. concern, noted that Transitron has no plans to sell its semiconductors to TV-radio manufacturers. The TV-radio industry is "too seasonal," reasons Chmn. Leo.