TELEVISION

October 1967
Volume XXIV
Number 10
One Dollar

Trouble Ahead in Television's Union Relations

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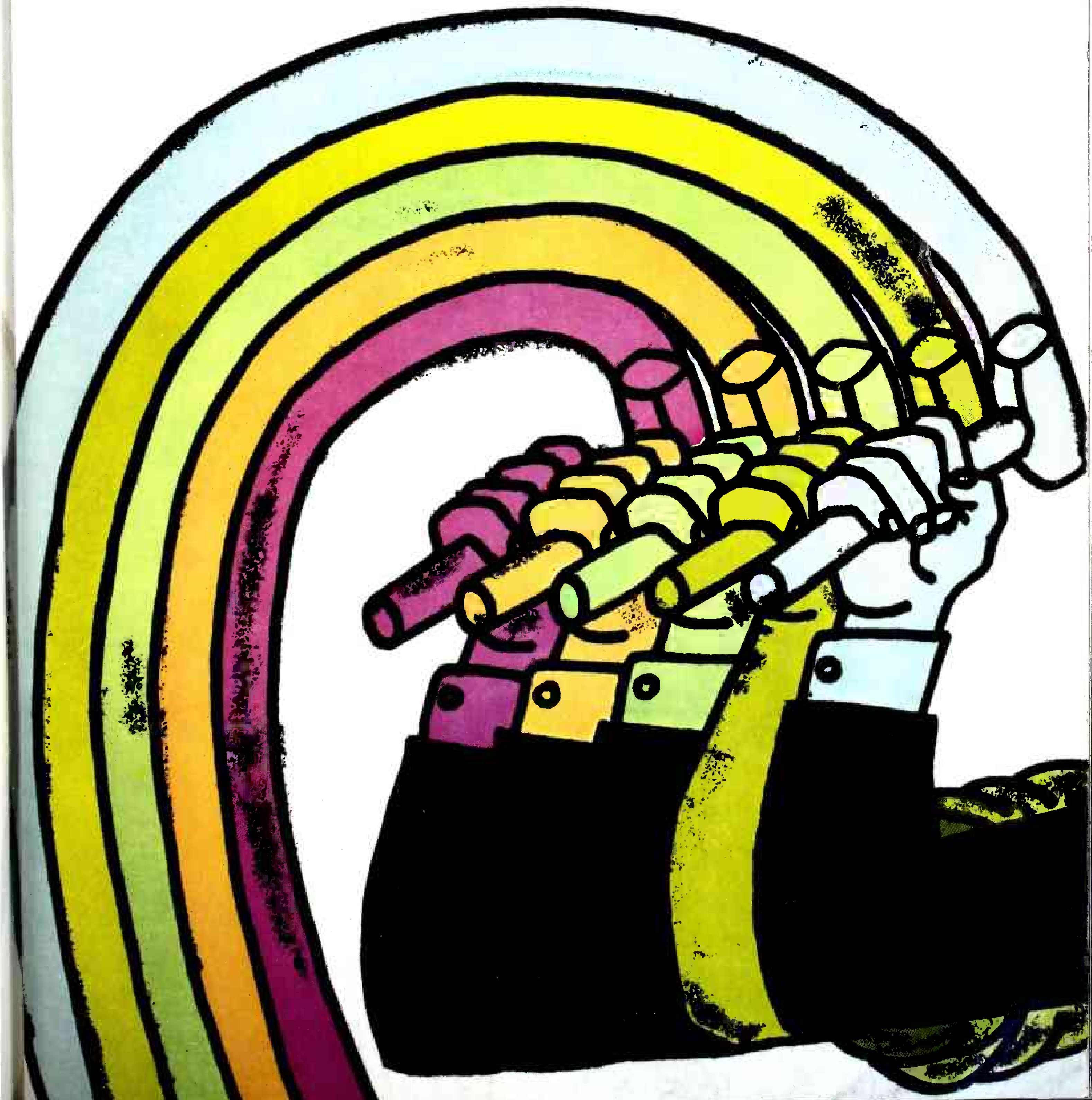

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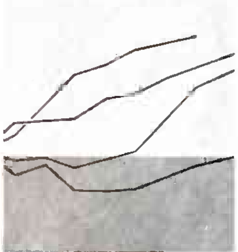

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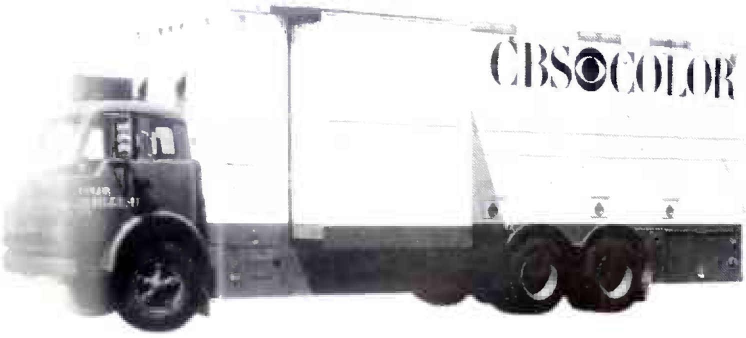

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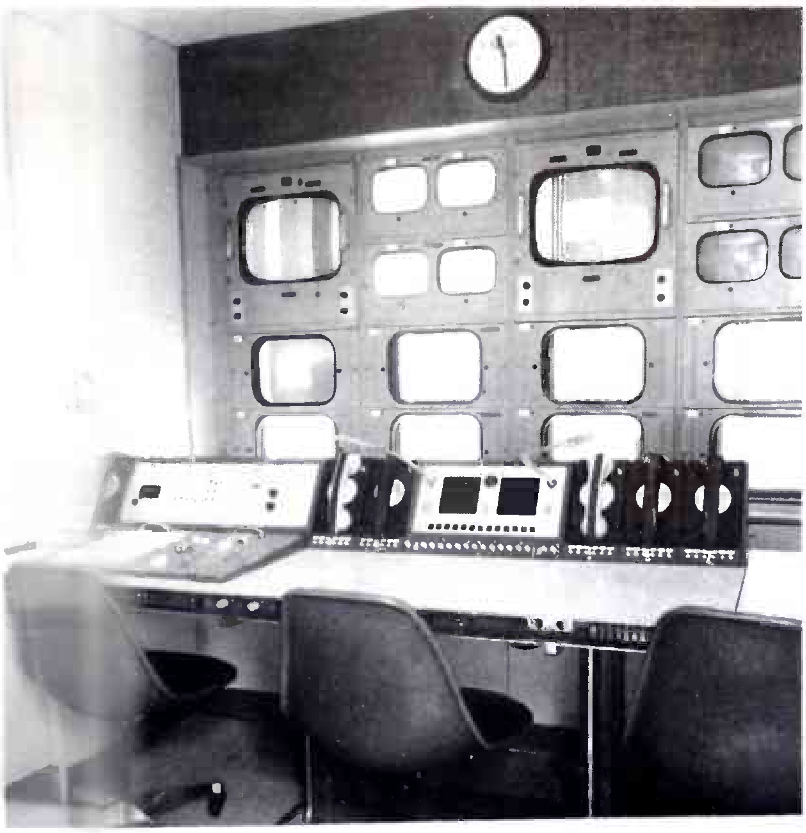

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The editors of TELEVISION have been gratified by much friendly comment about the contents and appearance of the September issue, the first in the new format of the magazine. The editors may make some claim to responsibility for the contents of the book, but they had little to do with the magazine's appearance. The design of the new TELEVISION is the work of our art director, Jack Lefkowitz.

Lefkowitz is an unusual combination of artistic ability and amenable temperament. In the uncomfortable gestation of a new TELEVISION design, he abided the incessant interference of inartistic editors with the patience of a born social worker. He even persuaded our writers that he had some respect for words.

Lefkowitz

Lefkowitz is a 32-year-old New Yorker who graduated from the Cooper Union for the Advancement of Science and Art and who landed in Washington because the girl whom he was later to marry was resourceful enough to get him a job there as he was leaving the Army. That was nine years ago, and he has been doing art direction and graphics in Washington ever since, except for a year with a New York studio and another year in Florence, Italy, where he designed books.

In his spare time Lefkowitz is an instructor of design and typography at Washington's Corcoran School of Art, which puts him on something of an academic par with his wife, an instructor of English literature at George Washington University.

On pages 52 and 53 of this issue is another submission from Gerald Gardner whose first TELEVISION work was exhibited last month and who is hereby appointed editor in charge of keeping things in perspective. Gardner and his collaborator, Dee Caruso, got together originally as writers on NBC-TV's *That Was The Week That Was.*

Gardner

They were head writers and story supervisors for NBC's *The Monkees* last season. This year they have written a movie for Columbia Pictures, "Such a Gorgeous Kid Like Me," and three scripts for comedy series aimed at the 1968-69 season, *Like Father, Like Son* for NBC, *The King Thing* for Four Star, and *The Aviators* for Screen Gems, and are working on the book for a Broadway musical from a story by Art Buchwald and Russell Baker, "The Spy in G Flat."

The Telestatus report beginning on page 68 provides estimates of multiset homes in all of the television markets of the country, and is another service that the new TELEVISION will regularly supply.

Telestatus is prepared under the direction of Erwin H. Ephron, vice president and director of media research for Papert, Koenig, Lois, New York, who has become TELEVISION's research adviser.

Ephron came out of Swarthmore College, the Harvard Graduate School of Fine Arts and the New York University Graduate School of Business Administration, in that order, and has a master's degree in economics. His introduction to media was in the A. C. Nielsen Co., New York, from which he went to BBDO as associate media director in charge of media analysis and computer applications and then to PKL.

Ephron

the perfect match

Cupid uses a computer.

And the result is a sparkling half-hour of television entertainment every weekday.

The participants are three young ladies and three young men, previously matched by a computer, and brought together on the show.

Each one who correctly guesses whom the computer has chosen as his (or her) "perfect match" wins a host of prizes. And a chance for romance!

Already sold in New York (WABC-TV) and Los Angeles (KTLA).

When screened before a test audience of adult women, they indicated a strong preference for THE PERFECT MATCH over many current popular network daytime programs.

Your Screen Gems representative has the full story on THE PERFECT MATCH.

Available in color videotape exclusively from **SCREEN GEMS.**

Confidence builders.

General Electric PE-240
Color-film camera

In reality, General Electric color TV cameras. The color-film PE-240 . . . the live-color PE-250.

In our customers' minds, confidence builders. That's what General Managers and Chief Engineers of successful TV stations repeatedly tell us.

"Broadcaster confidence. That's why we bought your cameras. We looked at all the others and bought General Electric because it showed us the best pictures, the most stable and reliable performance, the most economical operation."

You get the best when you buy General Electric color TV cameras. Color you can have confidence in, cameras you can rely on.

Read about our PE-250 and PE-240 in the brochures we'll be glad to send you. And if you need more than that to build your confidence in these cameras, visit us in Syracuse where we build them. Visual Communication Products Department, Electronics Park, Syracuse, New York 13201. GE-46

GENERAL ELECTRIC

General Electric PE-250
Live-Color camera

STIMULATING

Emblematic of the spirited excitement which makes Chicago great. The Picasso is now an integral part of the mood of the city.

WGN Television,too,is part of that mood. Quality programming in color. Award-winning public affairs and documentaries. Imaginative children's and musical programs. Thoughtful news coverage and thorough sports reporting. Great movies. WGN Television, indigenous to Chicago. That's why we say with pride . . .

WGN IS CHICAGO

the most respected call letters in broadcasting

TELEVISION ON LOCATION

Washington: tightening bind on cigarette ads.
Why nobody in New York sits up to read reviews.
In Hollywood: the anxiety of waiting for ratings.
Hefner's Chicago pad: home video gone wild.
London: color is a-coming in—but not very fast.

WASHINGTON:
FCC memoranda look forbiddingly official, but once you get past the first chapters you may find them packed with delightful turns of phrase, convolutions of logic, all the niceties of legalistic bickering, even individual asides and animadversions on wayward decisions therein. Cavil may run rampant through a document that comes to a unanimous conclusion.

So it is with one that begins "FCC 67-1029 5063" in the matter of the application of the fairness doctrine to cigarette advertising. Parts of it could be mistaken for phrases lifted from a Television Bureau of Advertising promotion kit. At one point it says: "The attractiveness of the broadcast media, particularly television, as a means of effectively reaching the vast majority of the American public with advertising, as well as other messages, is without equal."

Commissioner Nicholas Johnson, on his own account, refers to broadcasting as "the most powerful medium of mass communication in our society" and later adds "there is no social force more powerful than broadcasting today." At a Madison Avenue media workshop these endorsements would have to be taken for unseemly official bias. But in their context they have been used as some of the reasons for treating broadcasters in a rather special way when it comes to cigarette advertising.

As the most powerful influencers, broadcasters find themselves subject to unusual restraint. At one time it was enough to say they were charged to operate the public airwaves in the public interest; now it seems the weight of their influence is relevant to the dose of government regulation they must take.

As a most unhealthy product, but one with a large economic influence, the cigarette (its sale and promotion) is officially seen as mostly all right but a little bit wrong. So it seems that advertising it on television is officially mostly all right but a little bit wrong. As a rule of thumb it seems about three parts all right to one part not all right. That's the unofficial ratio of promotion to antipromotion suggested for broadcasters by FCC counsel. It puts one in mind of a man whose lungs are three parts cancerous and one part healthy who, in his terminal hours, can be one-quarter grateful to the government that he is still breathing.

The memorandum referred to above amounts to a reaffirmation of an earlier FCC decision that found the fairness doctrine applicable to the advertising of cigarettes. That is, significant amounts of broadcast time (free if necessary) must be devoted to antismoking messages to balance the advertising by tobacco companies. The commissioners agreed by a vote of six to nothing (one absent) that they had been right the first time, arguments of the advertising and broadcasting industries to the contrary notwithstanding.

In coming to its conclusion, the commission, being a creature of Congress, pays its most humble respects to something called the intent of Congress. In the case of cigarettes it finds some ambiguity of intent and apparently feels obliged to perpetuate the ambiguity. Thus the FCC finds that to require equal time for antismoking comment would be carrying things too far. It would not only violate a station's prerogative in determining its own obligations under the fairness doctrine but "would be inconsistent with congressional direction in this field provided in the Cigarette Labeling Act."

It says the practical result of a one-to-one ratio of cigarette promotion and antismoking messages would be the elimination or sharp reduction of broadcast cigarette advertising. But through some strange calculus it finds itself "not persuaded that the effect of our ruling on the amount of cigarette advertising presented on broadcast media will be significant." Thus one-to-one equals possible elimination of $200 million in cigarette billings while something like three-to-one equals no change. For the FCC to be logical in the midst of a generally illogical government approach to the cigarette issue would be difficult indeed.

The commission's neurosis is not too difficult to analyze. After all, Congress did appropriate $2 million through the Department of Health, Education and Welfare to educate the public to smoking perils, and the Public Health Service has provided stations with spot announcements on smoking and health. HEW has reinforced the 1964 Surgeon General's Report on Smoking and Health with another report forging a still stronger link between smoking and disease and estimating that 42% of our population smokes and that half of our young people are smokers before they are 18.

In coming to its decision the commission seemed convinced that the application of the fairness doctrine to the advertising of a product was within the bounds of legal propriety. It came to this position although the rule, which requires stations to give reasonable opportunity for presentation of conflicting views on issues of public importance, was originally written to deal with news and commentary, not commercials.

Commissioner Lee Loevinger disagrees vigorously with this new application of the doctrine. He argues eloquently on behalf of the broadcasters' position that using the rule this way puts the commission on a slippery slide to a pit full of decisions on the social desirability of other broadcast-advertised products. After demolishing his colleagues' reasoning to his own satisfaction, he turns around and votes with them. In effect he admits to the same step he attributes to them: voting as a result of senti-

ON LOCATION

from page 9

ment rather than legal conviction.

Commissioner Nicholas Johnson who is not troubled by the novel use of the fairness doctrine, dismisses the slippery slide argument as specious. He says: "By drawing the line at cigarette advertising we have framed a distinction fully as sound and durable as those in thousands of other rules laid down by courts every day . . ."

Not all of the problems facing cigarette advertising are coming from the commission. There's some new legislation in the hopper designed to give more definition to that hazy intent of Congress. Senator Robert Kennedy (D-N.Y.) introduced three bills that would authorize the FCC to limit the volume of broadcast tobacco advertising, prohibit any cigarette sponsorship during heavy child-viewing hours and require strong health warnings in the commercials themselves.

He also proposes to exact a sliding excise tax on cigarettes, prorated on tar and nicotine levels, so that America, which would otherwise be readjusting to the new longer Benson & Hedges, might be persuaded to re-readjust its cigarette lengths or its tobacco budgets instead.

Perhaps the FCC and Congress will grow to better understand each other's feelings about tobacco. This could lead to shorter, more concise and less personalized FCC memoranda and perhaps to a considerable saving of legal staff.

If they don't, who's going to straighten out the two young men who were handing out free samples of the new 100 millimeter Pall Mall cigarettes in front of FCC headquarters a few weeks ago? Unaware of the machinations inside, they probably thought they were doing society a favor. They weren't exactly flower children, but were similarly occupied in an earnest give-away game and, better than some petal pushers, they weren't shoving their goods in your face.

JOHN GARDINER

NEW YORK:

In this fun city of advertising men, network executives and a few other inhabitants the annual ritual of reading and even collecting the works of the critics of the season's new programs continues at its necessarily gluey pace.

At each of the networks the verdicts, both local and out of town, are carefully read, digested, pasted down and filed. But the tension of a Broadway opening or the premiere of a Hollywood film is absent. As in past seasons, detached men dispassionately read horrible invective or grudging praise about programs on which they've staked their reputations, sometimes their careers. They read the stuff, and then return to the job of ordering 26 or 30 more episodes of the show that has been denounced as having "all the plot cliches of TV westerns" (Bill Irvin, *Chicago American,* on ABC-TV's *The Legend of Custer*) or dismissed as "a rather conventional horse opera" (George Gent, *New York Times,* on CBS-TV's *Cimarron Strip*).

The annual hazing seemed to be absorbed this year with more aplomb than usual, and a check of all three networks on whether in fact they had reacted at a lower key uncovered the usual trichotomy of opinion you get when you try for any consensus in network television. Were the critics any more measured and balanced than in previous seasons? The answers: Better. Worse. The same.

Was the state of the art of television criticism any better this season? Worse. Immensely improved. Hard to tell.

Do television critics have any effect on regular entertainment programing? A consensus, at last: None. None. None.

On the grounds of delicacy and sheer fright, many of the comments that follow were made off the record. (The critics may be powerless to affect the direction of commercial programing, but they seem to have the cobra's ability to paralyze or at least inhibit speech among the people who have to deal with them.)

"I find the critics are even less analytical this year than in previous years," said a spokesman for one network.

"Frequently, the critic's tastes are the opposite of the public's taste and that's why it's hard to pay serious attention to them," said a man from another network. "Certain types of critics dislike out of hand certain types of shows. Jack Gould *hates* all situation comedies."

"Critical comment is much more reasoned, and reasonable, than in the past," said Ed Bleier, vice president-information, ABC, who doesn't mind being quoted. Bleier, who concedes he may be influenced by a large and friendly file of *Africa* clippings in his office, thinks that critics understand "as never before the difficulties in TV programing, the difficulty of maintaining esthetic standards week to week and by and large are reviewing popular entertainment series for what they are."

Now that the number of daily newspapers in this largest of metropolitan areas has been reduced to three, *The New York Times,* with its new type face and its swinging women's page, becomes even more important. And so does Jack Gould, its radio-TV critic, who remains the most respected and most disagreed with observer around. In recent weeks Gould has unaccountably been devoting a good deal of space to individual new shows whereas in the past he tended to use two or three sentences to cut them up as though they were, well, turkeys.

No one here is arguing any longer that TV critics don't know what they're talking about and ought to be sent back to Shipping News, or that they're biased because television is getting all that advertising money while still another daily newspaper, somewhere, just folded.

The argument still seems to be that TV critics are beside the point because their reviews follow, rather than precede, the event and because they have nothing in common with the guy in Gary, Ind., with the T-shirt and the can of beer. "Reviewers write for *readers,* not for that hard-core viewer," says one sales-oriented executive. Another thing that seems to bother people is that an educated critic in one city can write vitriol about a show that inspired an educated critic in another city to write a love letter.

Meryl S. (Bud) Rukeyser, vice president, public relations, NBC-TV, says that this year, with almost no exceptions, "there isn't a new series where you couldn't find a rave or a pan. It's curious, but you can always find the opposite point of view."

There remain areas in which the TV critics exercise considerable influence—in news, news specials and general cultural programing. In this area, where the success or failure of the programing doesn't depend entirely on audience and advertiser acceptance, critics perform a valuable and valued service, and the news departments are especially sensitive to what is said.

It may sound terribly cynical, but favorable reviews have a function for which they were never intended: judiciously chosen quotes help to get awards. They are also helpful to a degree in entertainment programing where advertiser support is negligible or where station clearances are in doubt.

Still, the collection and analysis

Only Yesterday

...And Tonight, Too

The year was 1938.

A long-shot pilot named Doug Corrigan made his "wrong-way" flight from New York to Dublin.

A long-shot horse named Lawrin won the Kentucky Derby.

And the longest-shot of all—a fellow named Bob Hope—began his career as a regular broadcaster with NBC.

Today, hardly anyone discusses Doug Corrigan or Lawrin any more, but they're still talking about Hope—even though he keeps threatening to sue.

Chances are they'll be talking about him even more spiritedly this season, his 30th as an NBC headliner.

The merriment is spread over nine productions this year—an increase of three shows over past seasons. Bob will be starring in seven comedy-variety presentations, one "book" show, and his annual 90-minute Christmas special from U.S. overseas bases.

In the mercurial world of show business, it's an exceedingly rare achievement for a performer to be starting his 30th year with the same broadcasting company.

But then, Mr. Hope is a pretty rare guy.

The National Broadcasting Company

ON LOCATION

from page 10

of TV reviews goes on. If the review is bad, it just doesn't matter; if it's good, it's a thing to take home to the kids. RICHARD DONNELLY

HOLLYWOOD:

To the casual observer it was a time like most any other in Hollywood in the last month. The same, good old, tinsel scene was glittering, and all seemed right with the world.

Princess Grace (the ultimate in local-girl-makes-good stories) came calling, took the Universal studio tour with her family and later, reportedly, bad-mouthed it for being too commercial. Ronald Reagan (the ultimate in local-boy-makes-good stories) came south from Sacramento to be feted by such people as Universal's Jules Stein, *Batman's* Bill Dozier, *The Lone Ranger's* Jack Wrather and Seven Arts' Jack Warner.

And those were only a couple of turns in this season's social whirl. For though there's no raising of the flag in centerfield to mark the onset, sure as residuals follow a rerun, Labor Day in Hollywood is followed by a major-league schedule of rubber-chicken banquets and indigestible after-meal speeches. Surely the Hollywood TV and movie colony has to be rated with the stormers of the bastille when it comes to fraternity and brotherhood.

It probably has something to do with the decentralization of the place, and Freudians can make a case for the effects of insecurity on the psyche. But for whatever reasons, people in Hollywood need little excuse to get together, slap a back, exaggerate about business, inflate the ego a little, bend an elbow and listen to an honored guest from the top tell how it is to climb those last few rungs.

Thus did the Hollywood Radio and Television Society and the Southern California Broadcasters Association and the Pacific Pioneer Broadcasters all open their doors to another long, long round of industry camaraderie, while the Advertising Club of Los Angeles, Merchandising Executives Club and Western States Advertising Agency Association girded for their own near-at-hand social campaigns.

The talk was mostly small and decidedly incestuous. What's Ken Hyman, the new boss at Warner Bros.-Seven Arts, really like? Do you think NABET will strike? Hey, what about *Time* Magazine buying into MGM? And will Edgar Bronfman of Seagrams get a seat on the MGM board?

All in all quite an ordinary month. Yet there was something else in the wind. It hardly seemed right for glamorous, frippery Hollywood. But there was an unusual stir of anxiety in the air.

It was all but buried beneath the avalanche of affability and all but lost in the language that's too slick for squares and too square for the sub-cultures. ("OK, I'll check with you on Monday, sweetheart, and we'll see if we can bring off that project before the fizz goes out of the pop.") Why the concern? Vietnam? Romney's brainwashing? The hippies and their pot? Racial tensions? Not on your XKE, baby. All those were playing second banana to Hollywood's real current bag, the new television season.

Funny? Not here it isn't. Maybe $125 million is riding on television production, and most of it is being spent in an area little bigger than a star's estate.

Hollywood knows little beyond the reason for its being, film-making. Don't seek reactions in Hollywood to piggyback commercials. The complexity of explaining what a piggyback is will hardly be worth the opinion given in reply. Forget about questions involving the FCC. These are creative people or creative camp followers, remember, and would you expect Rembrandt to dismantle a carburetor? When FCC Commissioner Lee Loevinger came to speak at the Hollywood Radio and Television Society last month, some of the film-makers looked on him as a sort of bureaucratic plastic man who spoke a strange language full of legal-sounding non-sequiturs.

But they know about the new season, and what they know is cause for anxiety. It wasn't well received by the critics and seemingly that's always cause for a turn of the innards. But then their offerings traditionally are denigrated by intellectuals and critics, after all, are merely intellectual fellow-travellers. It's as if the program producers come each new season, scrubbed bright and clean, to humbly ask, do you love me?

An observer of the scene has only to circulate to see the anxiety lines forming. The quotes are from three men, anonymous because their names would not add anything. One, a veteran network public-relations executive over a table at lunch: "Did you read the *Times* review of the show? After you get past the first graph it really wasn't bad, was it?" Two, a young executive for a film-production company in the back of a studio as a show is in progress: "Did you see our thing last night? It was a mess, wasn't it? I don't know how we could have turned out something like that." Three, the high-flying producer of one of television's past big hits over a cup of coffee in a studio commissary: "Did you see what they said about our show? I don't care, I still think it was funny as hell. The thing that really got me was the complaints about the canned laughter. Don't the idiots know we film before a live audience and use that laugh track?"

Put all these expressions together and they spell anxiety—anxiety over who wins, who loses, whose option is renewed, who gets another season. That's what Hollywood was all about last month and maybe in the next few months, as well. Not so much anxiety about loss of job and security. There are only just so many creative people in good standing, and the accepted ones can easily bounce back. It's the same kind of anxiety that's there with a speculative stock. So what if an investment is lost? It's missing a grab at a lifetime annuity that really hurts. MORRIS GELMAN

CHICAGO:

"You are cordially invited to attend brunch at Hugh Hefner's mansion on Monday at 10 a.m., 1340 North State Parkway, Chicago, in honor of Lee Bailey, host of our new series, *Good Company,* David Susskind, executive producer, and John Moxey, director."

That's what ABC-TV's telegram said. Brunch on the day defense attorney Bailey would take a color television tour with the king of bunnyland, *Playboy* and other assorted fantasies.

Coffee and rolls: brunch? Well, fill the cup once more and go down to the front of Hefner's cavernous, two-storied living room. The dark paneling is relieved by bright splashes of color in pillows, paintings. At the broad stairway entrance to the rear two medieval suits of armor stand guard, each with battle lance ready.

Here, try the end of this long low sofa near the fireplace. Hef often sits here, but he's sleeping now. Late party last night. (Parties at the house are quite proper, inmates assert, complete with Andy Frain ushers and trained lifeguards at the pool.) From here he can reach the controls of his array of Ampex (Model 351) stereo tape gear.

Susskind and Bailey are joining the group, sitting down at the table

ON LOCATION

from page 12

in front of the massive gray mantel. Above and behind them hangs a reclining nude. Original Picasso, $35,000 worth.

Now to plans for today's Hefner tape. Bailey thinks the ideal way to shoot is to tape as much in one running gulp as possible. Preserves the mood, freshness.

But today's shooting will not work out that way. The many levels of the mansion, the complicated technical problems posed by the subterranean swimming pool and grotto bar, Hefner's total-environment-controlled bedroom, plus the varied personal equations —all will combine to make this remote a hard day's night.

Hefner's house is a stately mass of brick and stone, edged by much-manicured, much-watered greenery and a high black fence. It spreads a few doors north of the Ambassador West in a neighborhood of luxury high rises and town houses. This morning Tele-Tape Productions' big color van hugs the mansion. Black cables snake in and out, tentacles calculated to suck up every precious drop of the delicious juices that surely must be flowing within. The technical crew of nearly 50 had begun the installation about 8 a.m. It would be 24 hours of push and pull before they mop their sweat and pick it all up again.

The mansion has regular power lines of 800 amperes going into it. Today Commonwealth Edison has brought in another transformer to push it up higher still to feed the batteries of floods and spots. Six live color cameras will capture the wonders of America's most publicized pad.

The day wears on, Susskind delaying start of taping in deference to Hefner who knows no time and may work in a three-day around-the-clock spurt, then sleep two. It's around 7 p.m. Finally the taping begins. But it comes in bits and pieces. Bunnies titter on the sidelines waiting occasional cues. Bill Cosby, a house guest, comes down to watch. Still later Zsa Zsa Gabor pops in briefly. Slow night for celebrities, a Hefner regular muses, checking his watch.

Now it is the next morning, dawn. The bits and pieces on Tele-Tape's reels finally total 30 minutes, plus 10 for insurance. Susskind decides it's time good company goes home. The crew begins ripping cable.

What the Susskind cameras didn't capture, however, was Hefner's private hobby world, the big plush-carpeted electronics room just off his bedroom. It is packed with television monitors for all local channels, a custom automated Ampex (Model 660) video-tape recorder, solid-state Marconi camera (he has another in his bedroom, to record conferences), a Swiss Thorens turntable, Marantz FM tuner, Ampex (Model 354) professional stereo recorder and mixer, James B. Lansing graphic controller etc. etc.

It all is rigged so Hefner can lie in bed (big, circular, rotating, with time-set vibration patterns—ripple head to foot or circular) and by remote control choose his programing from the previous 24 hours. Or listen to the Tijuana Brass, Sinatra, Nancy Wilson. He likes it loud, so he can feel it, not just hear it.

Or he can choose from among the 225 reels of Ampex video tape, cross indexed, which fill a wall of the electronics room and contain his personal TV appearances, favorite programs and movies. Lots of movies, especially oldies. Especially Laurel and Hardy, Bogart. Each 12-inch reel is Ampex special order, containing 5,500 feet (regular reel is 4,800 feet) which will play over five hours on the helical scan Model 660. At bulk rate each reel came in for about $247, recalls George Alton, Hefner's fulltime electronic engineer.

Five tons of air-conditioning feed into the electronics room behind the equipment. Constant temperature of 72 degrees and humidity of 45% is maintained. The basic layout style was created by Dan Czubak, Hefner's personal designer for nearly everything. The gear here, together with assorted big-ticket items elsewhere, represents an investment of a quarter-million dollars. Included are the pair of Century theater-model 35mm movie projectors off the living room (films, Sunday afternoons at 4), the General Precision Labs Model 611 arena-type TV projector (Hefner buys special rights to closed-circuit fights, pays per head for guests, gets the feed on special microwave via links atop the Ambassador), remote controlled panel-hidden Conrac monochrome monitor and Zenith color receiver, plus scores of hi-fi speakers, MacIntosh, Scott and Fisher amplifiers, etc. in the ballroom and personal quarters.

If anything can be concealed and still quickly pulled out to service or operate, Alton has built it that way, with the help of George Fujimori, who heads Hefner's personal furniture-design shop. There three other fulltime craftsmen and Fujimori make every table, chair or desk in Hefner's living quarters, his conference rooms or the offices of his key executives. These offices, in *Playboy's* newly acquired Michigan Avenue headquarters (formerly the Palmolive Building opposite the Drake), also are electronically fitted to the utmost for both sight and sound communications.

Collectively they are all linked to a private all-channel coaxial distribution system leased from Illinois Bell with the head-end patched into the master TV antenna system operated by Central Television Co. atop the 1000 Lake Shore Drive Building, across Michigan Avenue from the Drake. The coaxial link has five intermediate amplifiers to feed Hefner's distant house, seven to get into the *Playboy* offices less than a stone's throw away. Alton says the cable runs well over a mile around the north side and then back through the Drake to get into *Playboy*. That happens to be the only route under Michigan Avenue.

The same TV-electronics sophistication is built into Hefner's apartment overlooking the East River in New York and the penthouse he has atop the Playboy Club on Hollywood's Sunset Strip. Hefner has become very color conscious, Alton observes, and wants his electronics room VTR gear converted to color as soon as it can be worked out.

Designer Czubak is ecstatic over interior styling plans for Hefner's newly acquired DC-9 jet. Delivery of the $1.5-million craft is scheduled for early 1969. Then custom outfitters will turn it into "the most luxurious penthouse flying in the sky, completely electronically equipped with every possible device for the entertainment and comfort of the guests," Czubak explains. Top of the list of exotic devices is the new TV playback system recently announced by CBS.

Will Hefner come out of hiding when he gets his plane, perhaps get back into television program syndication? "It may be a lot sooner than that," personal assistant Dick Rosenzweig says, indicating a Hefner package could even pop up to fill in for some dropout in this season although not likely. Talks with producers go on continually, negotiation with a Hollywood packager waxing especially warm just now.

Hefner wants to get into all forms of commercial communication and entertainment, especially TV. Color, star-studded, high-budget, full-time series, with Hefner as host. Maybe some specials

ON LOCATION

from page 15

too. Timing awaits Hefner's own time. But when it happens it is to be a very much upgraded version of the syndicated monochrome series of *Playboy Penthouse* which a few years ago made it into several dozen markets before running out.

Sit a few moments longer in the dining area off the great ballroom and sip the 20th cup or so of coffee. Listen to the lyrics of that song playing in the background music system: ". . . looking for the dream that's never quite there."

LARRY CHRISTOPHER

LONDON:
The grass, observed the television critics in hushed tones, was green—except where it was brown and dusty. The balls were white, and the stuff in the bottles with which the players refreshed themselves between games was lime-and-orange. Color television had arrived in Britain, six months early, in time for the Wimbledon lawn tennis championships in June this year. But only a few hundred sets could receive the new transmissions, which continue at a few hours a week until the scheduled opening date in December, when the rate goes up to 25.

Even then the take-off in color is not expected for two or three years—a sad disappointment to makers of television sets, who see that Britain, with 14 million black-and-white sets, or one for every three people, is a replacement market until color comes. And since two-thirds of Britain's sets are rented, profits (such as they are) have to be shared with the rental and relay companies. Only one manufacturer, Sir Jules Thorn's Thorn Electrical Industries, is heavily involved in set rental.

This rental habit would encourage the British to change over to color more quickly than are the Americans, since it obviates the heavy capital outlay of buying a set, if rental prices can be brought down. Because color sets are so expensive, rentals are $5 a week (and 42 weeks rent has to be paid in advance, part of the government's credit restrictions) against $1 or so for ordinary black-and-white sets. And viewers of color have to pay a $28-a-year license fee, double the normal figure. Manufacturers bravely talk of 50,000 sets this year, and double that figure next, but there are many skeptics who point out that it will be a job to equip each of Britain's 10,000 retail outlets with demonstration sets this year, let alone with some to sell.

The other major problem is that all the color hours for a couple of years will be on the BBC's second channel. This is Britain's first UHF channel. Inaugurated in 1964, and now reaching about two-thirds of the country's population, it has not been very popular. The programs have been mainly of minority interest; the reception, at its best, has been excellent. But too often, British viewers (and installers) have found the complications of 625-line UHF beyond them, since they were used to Britain's normal 405-line VHF transmissions, which have given the country excellent reception since 1937. So the changeover will be slow until 1970. Then both the BBC's first (and more popular) service and the commercial channel will also be available on 625-line UHF—and in color as well. This is in preparation for the eventual switch when this will be the standard British format and VHF will be abandoned. So only in 1970 will the manufacturers (and the rental companies) have a set that will be simply UHF (and not dual-standard UHF and VHF) and yet able to receive all available programs.

This set-up is not without its critics. The Independent Television Authority had hoped to start color on its present channel, but most independent observers agreed that the technical standard on 405-line VHF color was not good enough. Some observers had hoped that all three services could have been fitted into the present VHF channels—even if it meant dislodging a few channels reserved for the police and taxis. But since the British expect everyone in this crowded and hilly island to get all services perfectly, the 80%-85% coverage possible with three 625-line VHF services was not considered adequate.

So while waiting for 1970 (when demand could possibly escalate to a million sets a year very quickly) the only people who are happy are the makers of broadcast equipment. New cameras are needed, and numbers of new transmitters—26 major stations, each transmitting for both ITA and BBC, as well as dozens of relay transmitters within the next four years, a minimum expenditure of $150 million in this country alone. Then there are the exports. Britain's Marconi and Electrical & Musical Industries (Marconi is part of the English Electric group and EMI is best known in the United States for its Capitol Records subsidiary) as well as Pye and Peto Scott, both owned by Philips, have a long lead in Europe in the production of studio and transmission equipment—Marconi has even broken into the United States TV camera market. Exports are bound to increase because Europe is changing over to color at the same time as Britain. And all countries in Western Europe (with the exception of France) will probably standardize, as Britain, Germany, Italy, Switzerland, and the Netherlands already have done, on the German PAL system, which is a European refinement of the NTSC system used in the U. S.

Within a couple of months of his startling shake-up of Britain's independent television system (see TELEVISION, August 1967) Lord Hill, chairman of the Independent Television Authority, has been appointed by Premier Harold Wilson to be chairman of the board of governors of the rival BBC, as successor to Lord Normanbrook, who has just died. This step is held to be a promotion for Hill as thanks for his toughness with the commercial companies, and a rebuff for the BBC's director-general, Sir Hugh Carleton Greene (brother of novelist Graham), who has encouraged liberal elements in the BBC who have been responsible for some sharp criticism of the Labor government.

As expected the former commonwealth secretary and chief whip, Herbert Bowden, was appointed chairman of ITA at the end of August. Now Prime Minister Wilson has a faithful supporter at ITA but a former conservative minister, Lord Hill, at BBC. Since both these men are politicians, they can be expected to receive with sympathy suggestions at the next election that party leaders should be allocated more air time. This would suit Wilson; he is notoriously fond of appealing over the heads of the press direct to the people on television. For the rest, Bowden's appointment means little change in the tough policy toward common TV companies inaugurated by Lord Hill. The new chairman has a number of problems on his plate notably relating to attempts by big TV companies to lord it over small ones as in the old days and disposal of studio space in London left vacant by the shot-gun marriage of both present companies, ABC and Rediffusion.

NICHOLAS FAITH

they must be writing something right

A writer knows that he gets to people when they buy his music. The writers and publishers affiliated with BMI must be reaching pretty nearly everybody—according to 1967 Gold Record Awards, certified by the Record Industry Association of America. To date this year, recordings of music by BMI writers came out on top. 13 out of 16 Singles Gold Record Awards went to BMI composers. 24 of the 30 certified long playing albums contained music licensed by BMI. What this signifies is a spectacular talent for pleasing people. To qualify for an RIAA Gold Record Award a single must have amassed a sale of at least one million copies. A Gold Record Album must have earned a minimum of $1 million in sales at the manufacturer level. ☞ That's why we say BMI composers must be writing something right.

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CLOSEUP

ARNOLD ZENKER Five months after the AFTRA strike early this year it looked as if Arnold Zenker was a 29-year-old has-been. After filling in for Walter Cronkite for nine glorious days, Zenker retreated once more into the obscurity of CBS management. Early in September, however, Zenker announced he was moving to Boston where he would serve as WBZ-TV's anchorman on its evening news report. On Oct. 1 Zenker cleaned out his desk at the CBS Production Center in New York where he has been manager of program administration and right-hand man to Bill Leonard, vice president of CBS News. A switch from the management end to the talent end of things is a strange direction to take, but Zenker's career is notably irregular. A graduate of the University of Pennsylvania school of law and a member of the New York Bar, Zenker began as a labor relations lawyer for ABC in 1962. "I never wanted to practice law as law," he says. Zenker was involved in the original contract negotiations with AFTRA that resulted in the strike this year—the freak event that projected him into on-camera news. "It was very ironic because I knew the whole cast of characters involved in the strike." In 1965, Zenker joined CBS as assistant director of business affairs. He liked the work he was doing for CBS, and, although he received several offers after the strike, none was tempting enough until Westinghouse proffered a local news show in the fifth largest market in the country. Although the opportunity was an accident, Zenker's ambitions did not fall out of the blue. He started off in college-radio news, and by the time he was 19 he had his first professional radio job. He maintained announcing jobs all the way through law school, first for WDEL Wilmington, Del., then WPXN at the University of Pennsylvania, finally at WCTC New Brunswick, N. J. Zenker was born in Philadelphia, is married, and plays tennis.

DR. PETER C. GOLDMARK As history is recorded, the president of CBS Laboratories may well go down as one of the pantheon of the emerging McLuhan Age. Already the 60-year-old immigrant has in large part modulated the listening habits of much of the civilized (and electrified and transistorized) world. And it would appear he is about to have a profound impact on the viewing and learning pattern as well. It was under Dr. Goldmark's direction that CBS Labs developed its revolutionary new video playback device that can be connected to an ordinary television receiver to economically show up to an hour of any material recorded on special photographic film cartridges. Most observers feel this development may have far greater world impact than his last major development of mass application: the 33⅓ RPM phonograph record in 1948. (The improved reproduction of sound provided by the Lp record was of special interest to Dr. Goldmark, who plays piano, cello and holds chamber music recitals at his Stamford, Conn., home.) Although commercial projects have brought much of the public recognition to Dr. Goldmark's lab, a large proportion of its work is done under the tightest security on such top secret government projects as developing means of receiving pictures from space vehicles. Dr. Goldmark was born in Vienna, studied at the Universities of Berlin and Vienna, took a PhD in physics and came to the United States in 1933. Three years later he joined CBS as chief engineer of its fledgling television division and became a naturalized citizen. In 1954, he was named president of the laboratories and a vice president of parent CBS Inc. During his rise to scientific prominence he has had one major project which rates mixed reaction in review: He made a niche in history by developing the first practical color-television system in the laboratories and making the world's first color broadcast, on Aug. 27, 1940, from a CBS transmitter in New York. But CBS lost out when RCA's color system was selected.

ROBERT REINHOLD PAULEY Only a supremely confident man, one who revels in combat and intrigue, could possibly want Pauley's new job: making a second try at starting up a fourth television network. As president of United Network, Pauley is in television for the first time. There are those who say he is confident enough and combative enough to do what is required, and there are those who insist it is no job for a novice in TV, that not only Pauley can't do it. No one can. Only time will tell. "The problems facing United," he has said, "are much less than those I faced when I took over ABC Radio in 1960." The reference is to the difficult chore the executive faced in bringing that network out of its deep hole and increasing its sales. Pauley was able to do those things and if he does anything comparable for United he will be the most sought-after wonder man of the year. At the moment, Pauley is sought after, for one of his avocations is public speaking. When last heard from, he had given an address in Dallas only days after speaking in Boston. Pauley got his start in broadcasting in 1950 with a part-time sales job with WKOX Framingham, Mass. At the time, he was attending Harvard Business School to get his masters in business administration. Before the war, he attended Harvard College, then served as a merchant marine officer. For several years after discharge, he sold space for Ideal Publishing Co. He then served with WOR New York as an account executive until 1953, at which time he joined NBC Radio. He went on to stints with Benton & Bowles and CBS Radio before joining ABC in 1957. Married, Pauley lives with his wife and four children in New Canaan, Conn.

FOCUS ON FINANCE

Manuafacturers and programers lead a rising market in television-associated stocks

While prices in general rose on a relatively strong market, television stocks bounded to their best month of the summer in the Aug. 14-Sept. 13 reporting period. The TELEVISION Magazine index of leading industry stocks showed an over-all gain of 4.75%.

Leading the climb were manufacturing stocks, up 9.4% and programing stocks, up 8.7%. Wall Street observers credited the manufacturing increase to growing optimism over color-TV-set sales. RCA, parent company of NBC and the largest maker of color sets, had an 11% gain in stock price as it announced that factory sales through August were 30% higher than the record number sold in the same period last year. Admiral, General Electric, Magnavox, Westinghouse and Zenith showed similar stock gains.

The programing stocks rose with the growth of enthusiasm over the start of the new network season. Columbia Pictures went up 5% as the Banque de Paris et des Pays-Bas announced sale of its 36% interest in the production company. The French bank said it was selling 19% to J. B. Williams Co., a New York maker of pharmaceuticals and toiletries, with the remaining 17% going to a group that includes Greek shipping magnate Stavros Niarchos, two Columbia employe stock funds and two mutual funds: Investors Variable Payment Fund Inc. and National Securities Growth Stock Series.

Stock in Walt Disney Productions was up 13% as directors declared a two-for-one stock split to be distributed Nov. 15. Filmways went up 14% as it announced acquisition of Cinefx Inc., a Hollywood firm specializing in production of titles and optical effects. Four Star TV jumped 44% as controlling interest in the company was bought by a group of investors led by Lewis Bracker, director of corporate finance for the western division of McDonnell & Co., New York brokerage house. Metro-Goldwyn-Mayer was up 9% as proxy-fighting stockholder Philip J. Levin announced he was selling out his holdings, with 420,000 shares being purchased by distillery magnate Edgar Bronfman and another 300,000 shares by Time Inc. MGM's continuing talks with John Blair & Co. over possible acquisition of the station representative also boosted Blair's stock in the service area 6%.

Screen Gems shot up 18%, apparently on the basis of audience reception for some of its new season TV programing, including ABC's *The Flying Nun.*

Trans-Lux's stock was off 15% despite a report of slightly higher earnings for the six months ended June 30. Earnings per share were 42 cents, up two cents from the comparable 1966 period. Twentieth Century-Fox stock was up 3% as it announced higher first-half earnings of $2.57 a share (compared to $2.09 the previous year) but postponed action on a proposed stock split.

In other areas, strictly television stocks were up 3.2%. CBS's announcement of development of a revolutionary prerecorded film cartridge system for use in ordinary television sets had surprisingly little effect on the company's stock. It rose only 1% during the period.

Wometco Enterprises stock went up 16% as the Miami-based corporation announced acquisition of National Studios Inc. and Professional Color Services Inc., two New York firms specializing in TV-slide production and special effects.

CATV stocks were up an average of 3%, primarily on the basis of Jerrold Corp.'s 28% leap in value. This sudden increase is attributed to announcement of plans to merge the Philadelphia-based CATV manufacturer and multiple-system owner with the General Instrument Corp. of Newark, N. J.

Television with other major interests finished the month almost exactly even. Avco Corp. stock was down 7% as it announced postponement of a stockholders' meeting called to vote on the proposed merger of the Cincinnati-based firm with the Paul Revere Corp., Boston holding company.

Cowles Communications was off 8% as it announced plans to halt publication of its *Insider's Newsletter* next January because of declining circulation and rising postal costs. Fuqua Industries dropped 14% as it revealed cancellation of previously announced plans to acquire Hall Motor Transit Co. of Harrisburg, Pa. The diversified group broadcaster plans to go ahead with previously announced purchases of two small Georgia manufacturers: Rome Industries, a producer of tractor equipment, and McDonough Power Equipment Co., maker of lawnmowers.

Gulf & Western Industries, new owners of Desilu Productions, was down 12% as it announced a change in terms for its proposed merger with Consolidated Cigar Corp. Exchange of stock still will be valued at about $150 million.

Meredith Publishing Co.'s stock was up 6% as it announced a record high in revenues for its fiscal year ended June 30. Per-share earnings were $2.57, as compared to $2.53 the previous year.

Stock in C-E-I-R shot up 24% on the basis of reports that Control Data Corp. is negotiating to buy the Washington-based research and computer services company that includes American Research Bureau.

Comsat stock was down only 1%, despite second-quarter earnings of 9 cents a share, compared to first-quarter earnings of 12 cents a share.

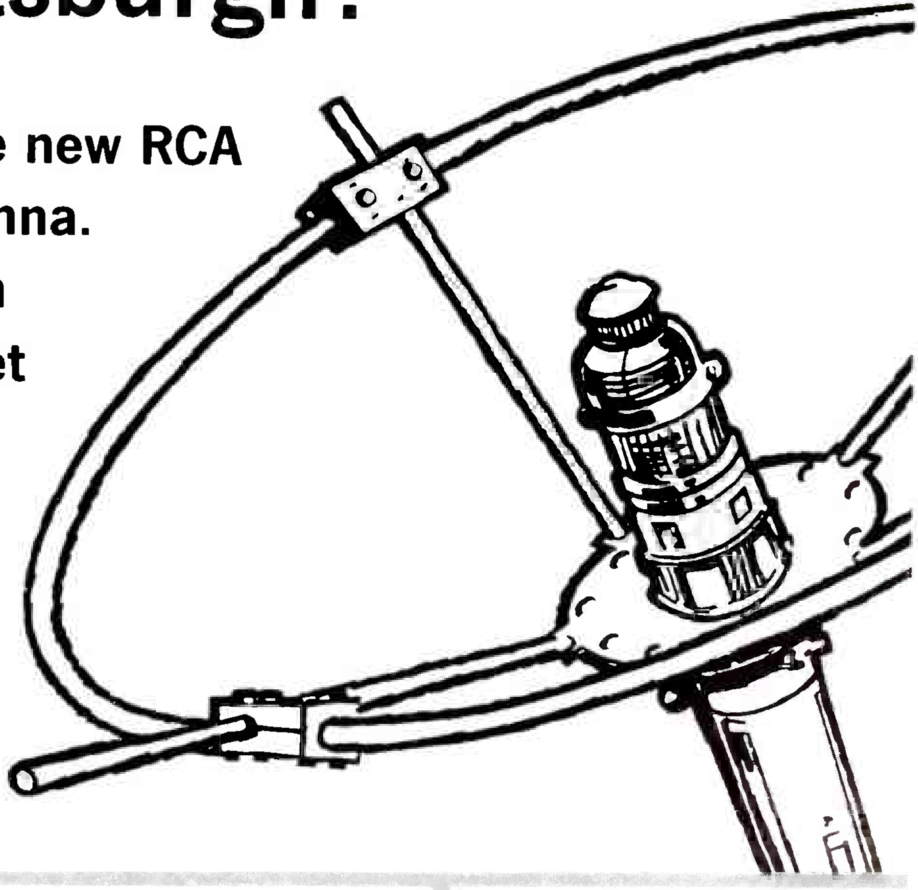
Agency stocks fluctuated. Foote, Cone & Belding was down 6% after reporting its second-quarter earnings dropped to 35 cents a share from 42 cents for the comparable period in 1966. Grey Advertising, however, was up 16% as it reported gross billings up 25% in the first half of the year and per-share earnings of 65 cents, compared to 63 cents the year before. Ogilvy & Mather, on the other hand, was down 10%, despite its report of a 14% increase in billings during the first half of the year and per-share earnings for the period of 75 cents, compared with 66 cents in 1966.

Rollins Inc. was up 13% as it also reported all-time highs in revenues and earnings for its quarter ended July 31. Earnings per share were 56 cents, as compared to 51 cents in the comparable 1966 period.

Service stocks rose an average of 5.6%. END

First in Pittsburgh!

Only WIIC-TV has the new RCA Traveling Wave antenna. Here's what people in the Pittsburgh market are telling us about our new signal . . .



Mr. J. J. Gdovka, Carmichaels, says: Great improvement. In color we no longer have to fine tune.

Mrs. Jesse Pore, Monessen, agrees: reception perfectly clear.

Mrs. Dorothy Kacharian, Baden, writes: three cheers for the tower of power!

Mrs. Harry F. Lilly, New Brighton, claims: better reception . . . everything nice & sharp.

Mrs. J. H. Stewart, Washington, says: New Tower Power gives us a much better picture.

Mrs. Elliott Dunn, Greensburg, thrills: Now! Wow! Picture comes in clear.

Our new "Tower of Power" is just another step in our continuing effort to give Pittsburgher's the finest viewing possible. And you the best market possible.

CBC

FULL COLOR WIIC-TV11

Basic NBC Television Affiliate. Represented by Blair Television.

Cox Broadcasting Corporation: WIIC-TV, Pittsburgh; WSB AM-FM-TV, Atlanta; WHIO AM-FM-TV, Dayton; WSOC AM-FM-TV, Charlotte; WIOD AM-FM, Miami; KTVU, San Francisco-Oakland

The Television stock index

A monthly summary of market movement in the shares of 68 companies associated with television.

FOCUS ON FINANCE

	Exchange	Closing Sept. 13	Closing Aug. 14	Change from Aug. 14 Points	Change from Aug. 14 %	1967 High	1967 Low	Approx. Shares Out (000)	Total Market Capitalization (000)
Television									
ABC	N	78¼	77½	+ ¾	+ 1	102	73	4,682	$366,400
CBS	N	62⅛	61½	+ ⅝	+ 1	76	60	23,050	1,432,000
Capital Cities	N	51⅞	47½	+ 4⅜	+ 9	53	35	2,746	142,400
Corinthian Broadcasting	O	25¾	26½	− ¾	− 3	27	24	3,384	87,100
Cox Broadcasting	N	57⅛	52⅛	+ 5	+10	59	35	2,662	152,100
Gross Telecasting	O	31½	31½	—	—	34	24	400	12,600
Metromedia	N	61	57	+ 4	+ 7	63	40	2,192	133,700
Reeves Broadcasting	A	8¼	8⅞	− ⅝	− 7	10	5	1,807	14,900
Scripps-Howard	O	31	34¼	− 3¼	− 9	34	26	2,589	80,300
Taft Broadcasting	N	45¼	41¼	+ 4	+10	45	32	3,361	152,100
Wometco	N	34	29⅜	+ 4⅝	+16	34	21	2,226	75,700
							Total	49,099	$2,649,300
CATV									
Ameco	A	9¼	9½	− ¼	− 3	13	7	1,200	11,100
Entron Inc.	O	6¾	7	− ¼	− 4	7	5	617	4,200
H&B American	A	16⅛	15⅞	+ ¼	+ 2	17	4	2,618	42,200
Jerrold Corp.	O	49	38¼	+10¾	+28	50	21	2,318	113,600
Teleprompter	A	33½	31¾	+ 1¾	+ 6	37	13	846	28,300
Vikoa Inc.	A	11¾	13¼	− 1½	−11	15	11	1,359	16,000
							Total	8,958	$215,400
Television with other major interests									
Avco	N	56½	60⅞	− 4⅜	− 7	65	22	13,983	790,000
Bartell Media Corp.	A	8⅞	7⅛	+ 1¾	+25	9	4	2,045	18,100
Boston Herald-Traveler	O	62	62	—	—	72	58	540	33,500
Broadcast Industries	O	2⅞	3½	− ⅝	−18	4	1	632	1,800
Chris-Craft	N	36⅛	36⅛	—	—	42	22	1,663	60,100
Cowles Communications	N	15⅝	17	− 1⅜	− 8	21	14	2,944	46,000
Fuqua Industries	N	56	65	− 9	−14	74	27	706	39,500
General Tire	N	29¼	30¼	− 1	− 3	38	29	16,719	489,000
Gulf & Western Industries	N	52½	59⅞	− 7⅜	−12	64	31	11,282	592,300
LIN Broadcasting	O	24⅝	22¼	+ 2⅜	+11	29	7	789	19,400
Meredith Publishing	N	32½	30⅝	+ 1⅞	+ 6	38	26	2,662	86,500
The Outlet Co.	N	24¼	24½	− ¼	− 1	27	15	1,033	25,100
Rollins Inc.	A	49½	43½	+ 5¾	+13	49	23	3,087	152,800
Rust Craft Greeting	O	41½	38½	+ 3	+ 8	43	28	727	30,200
Storer	N	45⅛	45	+ ⅛	—	59	40	4,157	187,600
Time Inc.	N	100¾	104¾	− 4	− 4	115	89	6,560	660,900
							Total	69,529	$3,232,800
Programing									
Columbia Pictures	N	50½	48	+ 2½	+ 5	53	33	2,065	104,300
Disney	N	94	83¼	+10¾	+13	106	75	2,013	189,200
Filmways	A	27	23¾	+ 3¼	+14	27	13	724	19,500
Four Star TV	O	8⅝	6	+ 2⅝	+44	9	2	666	5,700
MCA Inc.	N	58½	57⅜	+ 1⅛	+ 2	59	35	4,707	275,400
MGM	N	61	55⅞	+ 5⅛	+ 9	62	33	5,298	323,200
Screen Gems	A	30⅛	25⅝	+ 4½	+18	34	21	4,009	120,800
Trans-Lux	A	22¾	26⅞	− 4⅛	−15	30	14	718	16,300
20th Century-Fox	N	52⅝	51⅛	+ 1½	+ 3	60	32	2,924	153,900
Walter Reade-Sterling	O	5⅝	5⅝	—	—	6	1	1,583	8,900
Warner Bros.-Seven Arts Ltd.	A	33½	33¼	+ ¼	+ 1	39	20	2,547	85,300
Wrather Corp.	O	4⅛	3¾	+ ⅜	+10	4	2	1,753	7,200
							Total	29,007	$1,309,700
Service									
John Blair	O	34	32	+ 2	+ 6	36	15	1,017	34,600
C-E-I-R	O	18¼	14¾	+ 3½	+24	19	6	1,555	28,400
Comsat	N	64	64¾	− ¾	− 1	75	41	10,000	640,000
Doyle Dane Bernbach	O	48¼	44¾	+ 3½	+ 8	49	22	1,994	96,200
Foote, Cone & Belding	N	16¾	17¾	− 1	− 6	21	14	2,146	35,900
General Artists	O	6¾	7	− ¼	− 4	8	4	600	4,100
Grey Advertising	O	23½	20¼	+ 3¼	+16	25	16	1,201	28,200
MPO Videotronics	A	12¼	11¼	+ 1	+ 9	13	6	469	5,700
Movielab Inc.	A	24⅞	17⅞	+ 7	+39	26	10	1,099	27,300
Nielson	O	36¼	40½	− 4¼	−10	42	29	5,130	186,000
Ogilvy & Mather International	O	17	18⅞	− 1⅞	−10	17	10	1,087	18,500
Papert, Koenig, Lois	A	6½	6¾	− ¼	− 4	9	6	791	5,100
							Total	27,089	$1,110,000
Manufacturing									
Admiral Corp.	N	26½		+ 2¾	+12	38	21	5,062	134,100
Ampex Corp.	N	38¾	36¼	+ 2½	+ 7	41		9,480	367,400
General Electric	N	111¾	103¼	+ 8½	+ 8	114	82	91,068	10,176,800
Magnavox	N	48⅞	43½	+ 5⅜	+12	48	34	15,410	753,200
3M	N	88½	85⅞	+ 2⅝	+ 3	94	75	53,466	4,731,700
Motorola Inc.	N	129⅛	129	+ ⅛	—	135	90	6,114	789,500
National Video	A	34¾	31⅜	+ 3⅜	+11	46	23	2,779	96,600
RCA	N	59⅞	53⅞	+ 6	+11	60	43	62,435	3,738,300
Reeves Industries	A	5⅜	4⅝	+ ¾	+16	6	2	3,327	17,900
Westinghouse	N	75⅛	63⅞	+11¼	+18	76	46	37,571	2,822,500
Zenith Radio	N	70¼	66⅞	+ 3⅜	+ 5	71	48	18,783	1,319,500
							Total	305,495	$24,947,500
							Grand Total	489,177	$33,464,700

N-New York Stock Exchange
A-American Stock Exchange
O-Over the counter

Data compiled by Roth, Gerard & Co.

DISTINCTIVELY DETROIT

Photograph by Kirsch Studios

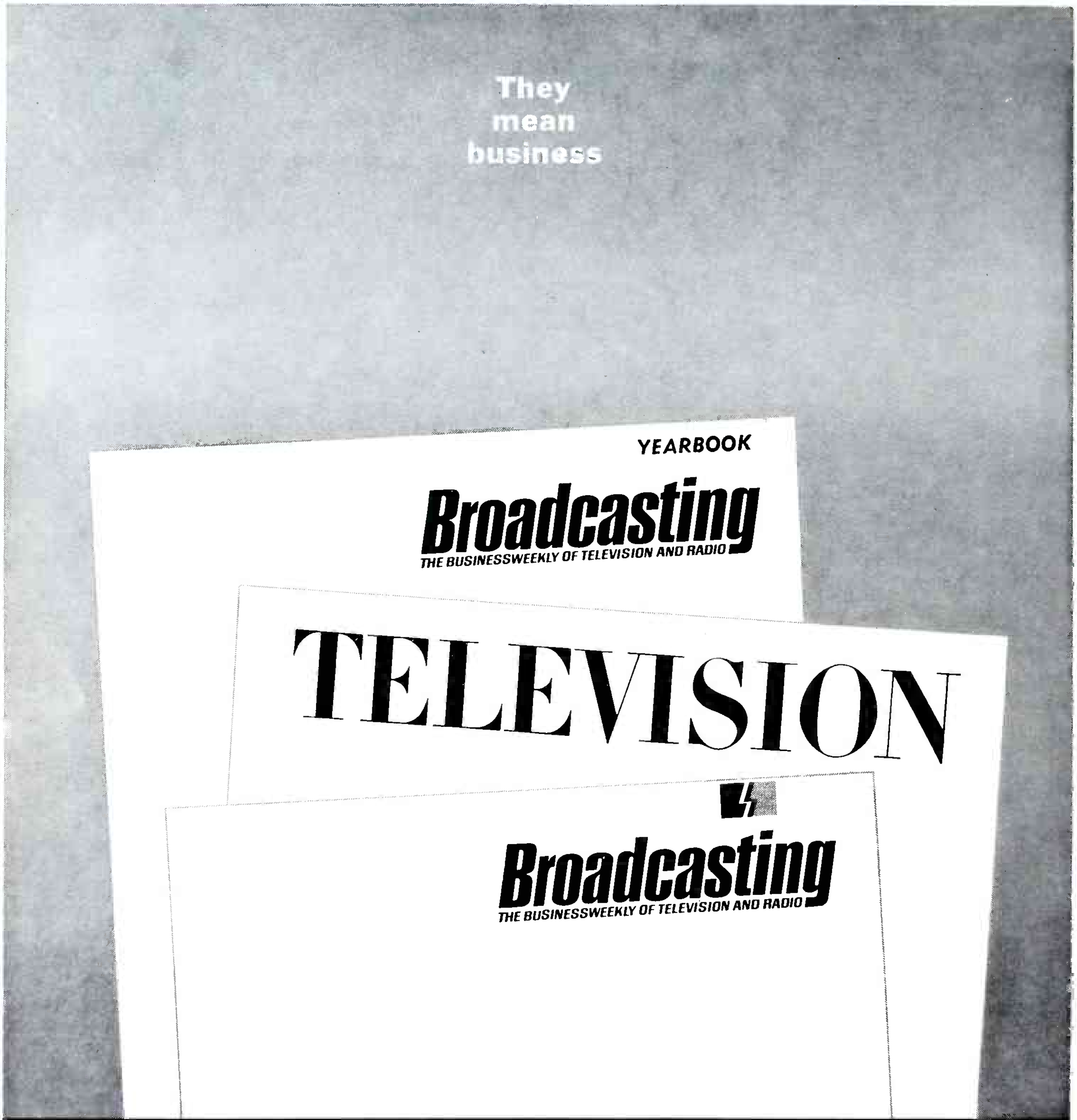
UNITED FOUNDATION TORCH DRIVE. *In 1949, the Detroit UF pioneered the concept of "give once for all" campaigns now in operation in some 2,000 cities throughout the nation. The 1966 campaign raised over $27.4 million, the largest sum ever collected by any united fund campaign anywhere.*

Just as Detroiters regard this bright, brave beacon as distinctive of Detroit, so they have regarded The WWJ Stations as distinctively Detroit for 47 years. Why? Because of programming that reflects the city's own interest in local news, sports, entertainment, public affairs, and community service. And, because of WWJ's home-ownership by The Detroit News. When you ask a Detroiter which radio and TV stations are distinctively Detroit, he'll instinctively tell you "WWJ."

WWJ and WWJ-TV

OWNED AND OPERATED BY THE DETROIT NEWS. AFFILIATED WITH NBC.

NATIONAL TELEVISION REPRESENTATIVES: PETERS, GRIFFIN, WOODWARD, INC. • NATIONAL RADIO REPRESENTATIVES: McGAVREN-GUILD-PGW RADIO, INC.


They
mean
business
YEARBOOK
Broadcasting
THE BUSINESSWEEKLY OF TELEVISION AND RADIO
TELEVISION
Broadcasting
THE BUSINESSWEEKLY OF TELEVISION AND RADIO

LETTERS

Reader reaction

I am delighted that our latest development merited a position in the premiere edition of your new TELEVISION, and I hope that good fortune will attend both.

You will not need my opinion to know the book is off to a handsome start. While I had no quarrel with the earlier incarnation, I can see the advantages in the new one. When all is said and done, it will be the product which carries the day, and you need only keep up the good work . . .
Frank Stanton, president,
CBS Inc., New York.

(The "latest development" is CBS's sophisticated Electronic Video Recording system which promises to result eventually in inexpensive TV playback equipment for the home and was described in the lead story of TELEVISION's September 1967 issue.—Ed.)

I found the September issue of TELEVISION most interesting. The articles were far more pertinent to my particular interests than the contents of the magazine heretofore. I am only a little sorry to see the page size reduced.

I hope that the reaction you get from others is as favorable as mine. Congratulations.
C. Wrede Petersmeyer,
president,
Corinthian Broadcasting
Corp., New York.

The "new" TELEVISION is simply great. The layout is superb, and your choice of content could hardly be improved upon. And, almost best of all, it now fits easily into my brief case so that it becomes a welcome addition to my weekend reading at home.
Edward Codel, senior
vice president,
The Katz Agency,
New York.

I have just had an opportunity to see the new TELEVISION. It is not only good looking, but I think first rate in every respect, and compelling . . .
Larry H. Israel, president,
station group,
Westinghouse Broadcasting
Co., New York.

. . . I think you and your staff are to be complimented on the changes you have made. It seems to me to be much more practical, and I have found the editorial content most interesting. The feature articles on the future of television broadcasting are very provocative and certainly present a great deal of food for thought.
Lester W. Lindow,
executive director,
Association of Maximum
Service Telecasters,
Washington.

You're not only handsome; you're useful. The new "Telestatus" ought to be a winner. It's marvelous at last to find up-to-date information in areas that badly need it.
Sam B. Vitt, senior vice president and executive director,
media-program department,
Ted Bates & Co., New York.

. . . There is one paragraph on page 64 that seems to me to misinterpret some details of what I have been trying to communicate. It is the paragraph beginning with "Hult disagrees on a major technical point with Armstrong." Synchronous satellites are by definition synchronized with the earth's rotation period and thus can have inclinations with respect to the equatorial plane. However, this does not mean that they will be almost directly overhead to any earth station with which they may wish to communicate. By high-angle radiation from a broadcast satellite, I have meant compared with the near horizon radiation used in most terrestrial broadcast systems. Compared to terrestrial broadcast, the satellite signals should be relatively easily discriminated from most terrestrial man-made interference. I think Cole Armstrong probably meant to say that even satellite broadcasting can develop interference problems which would not be encountered in cable systems, and I would certainly agree.

On the whole, I think you have done an excellent, high-fidelity job of translating technical jargon and ideas into terms understandable to a layman, and therefore my principal comment must be to compliment you for a job well done.
John L. Hult,
The RAND Corp.,
Santa Monica, Calif.

I want you to know that I consider the special "future of communications" section in the September issue of TELEVISION Magazine one of the clearest, most comprehensive treatments of this important and difficult subject that I have seen. . .

Congratulations on TELEVISION'S new format. The first issue has set high standards of quality in both appearance and editorial content.
Irving B. Kahn, president,
Teleprompter Inc.,
New York.

The new look that you've given to an old friend, TELEVISION Magazine, is modern and attractive. Its content is even more meaningful than ever.
Thomas J. McDermott,
senior vice president,
media services and
programing,
N.W. Ayer, New York.

. . . TELEVISION's first issue with its new format was one of your very best. I judge a trade magazine's value to me by the amount of its material that I can clip and file. At the moment it seems simplest to save the entire issue.
George C. Castleman,
advertising and promotion,
Red Bank, N. J.

. . . Your new format is well conceived, smart, attractive and captivating . . .
Frank M. Headley,
chairman,
H-R Representatives,
New York.

. . . I must say this is probably one of the best issues of any magazine on the broadcasting business I have read.
Melvin A. Goldberg,
vice president, John
Blair & Co., New York.

I could number the great new things you've done with your publication, but actually they contribute to the overall effect which is a knockout. I liked the old TELEVISION, but I like the new one better . . .
Dave Bennett, manager,
members services, American
Business Press Inc.,
New York.

Extra mileage

This will be our sixth year as an advertiser on NBC's *Tonight* show. We would very much appreciate your permission to reproduce the story called "The Late Night: TV's Frontier" by Richard Donnelly in your August 1967 issue. We would plan to . . . circulate it to our sales force as additional information on the *Tonight* show, for them to use it as merchandising material.
John M. Bunch,
advertising manager,
Chap Stick Co., Lynchburg, Va.

(Permission granted.—Ed.)

(PLAY BACK)

A monthly measure of comment and criticism about television

Riot coverage—part one

In the *Los Angeles Times* of Sept. 6 Harry S. Ashmore, executive vice president of the Center for the Study of Democratic Institutions, wrote:

"Complaints of distortion in television coverage of recent racial disturbances have been serious enough to prompt the suggestion of Senator Hugh Scott (R-Pa.) that the broadcasters draw up a volunteer 'code of emergency procedure to be followed in reporting riots.'

"The senator's proposal was promptly and predictably rejected by the senior spokesmen for TV, who tend to flinch at the mention of the word 'code,' even when it is used to describe the largely unenforced standards for programing and advertising set by their own National Association of Broadcasters.

"President Frank Stanton of CBS offered a statistical disclaimer to Senator Scott's charge that TV tended to concentrate on the sensational aspects of the troubles in Newark and Detroit, and to include 'frequent broadcasts of appeals to riot by extremists.' From July 13 to Aug. 1, the season of maximum discontent, H. Rap Brown of SNCC appeared on CBS News only twice, while moderates like Roy Wilkins and Martin Luther King were seen several times. All told, Dr. Stanton's count showed that on his network the cool cats outnumbered the red hots by a score of 66 to 15.

"There may be good reason to sustain Dr. Stanton's objections to what he calls 'censorship by voluntary agreement,' but I do not think they can be found in this numerical exercise. The question is not who appeared and how often, but what general impression the viewer drew from the flaring scenes that have confronted him on the television tube during this and the previous long hot summers.

"It ought to be clear by now that the ordinary standards of balance and objectivity that might apply to newspaper coverage often have little relation to news presented in the form of moving pictures. One does not have to join Marshall McLuhan's communications cult to concede that in the case of an emotionally loaded event like a race riot the impact of instantaneous audio-visual reporting is going to be primarily sensory and only incidentally rational. . . .

"It seems probable that the total impact of television coverage of our continuing racial troubles is currently working against the Negro cause. . . . This is taking the form of a revival of the simplistic notion that tougher laws and more stringent policing can suppress deep-rooted social unrest, coupled with a petulant refusal to support programs designed to get at its cause.

"The situation was reversed a few years ago. There is a responsible body of sociological opinion that holds that a primary factor in unleashing the Negro's increasingly militant drive for betterment is television's entertainment fare, including the commercials. Once the ghetto dweller could see for himself the rose-colored picture of the average American home with its new refrigerator full of beer, multiple automobiles and TV sets, and white, white laundry he decided it was time he had these things too.

"The manner in which the visual medium tends to reduce the news to a sort of elementary morality play also tended to work in the Negro's favor while the action was largely confined to the South. There the downtrodden black was cast as innocent victim, as indeed he often was, and the red-necked sheriff was the villain in the piece.

"But if the generalities that came through were essentially true, the details were often distorted and even reversed, and it may be that they contributed much to our obvious national failure to comprehend the basic realities of Negro-white relationships. . . ."

Riot coverage—part two

Roy Wilkins, executive director of the National Association for the Advancement of Colored People, in an interview on KMOX-TV St. Louis, said:

"You know, there's a curious thing about the media in this country. Both the air and the printed word. They have given more attention, they have actually built up the so-called extremists and militants. They have created people who didn't exist, and who even now head only 10 or 15 people.

"In any other circumstance in this country this would be laughed away. Who gives attention in the financial world to a man who runs a business of $25,000 a year and has eight employes? You don't say: 'Do you think he's a threat to General Motors?' Of course you don't.

"And in the civil-rights field, every militant who comes up and stamps his foot and says a dirty word, and shakes his fist, and pounds the desk, and tells the mayor to go to you-know-where, he is instantly the harbinger of the new trend."

The new season

Bob Talbert, in his column in *The State* of Columbia, S. C., reports:

"By now I have been so bombarded with what's in store for me on television this fall I may just skip the new season entirely. These network come-on's are supposed to get me so excited for the new season that I'll rush to the calendar and rip dozens of days off at a time in hopes Saint New Season gets here sooner. These 60-second previews of new shows and schedule shifts have the gall to take the approach that I have enjoyed such-and-so show so much this past year that the net is shifting it over to a new time for my convenience.

"But the thing I wish the networks would really do at this time is give us a preview of the new commercials for the upcoming season. There is nothing I would like more than to find out how they intend to get rid of my bad breath, cure my dandruff, teach my wife to make a good cup of coffee, and get rid of the family's perspiration problem and bathtub ring."

Another open letter to the color TV commercial film industry:

When it comes to color TV commercial film processing, Movielab has always been number one.

Since the advent of television advertising, Movielab has continually sought and engineered advanced film processing and printing methods to give "Madison Avenue" top quality, faster service and the right price. Our aim is to insure that your presentations of your sponsors' products represent the utmost in technical perfection.

Since our last open letter to you, we have, as always been moving ahead. This is a report of progress in which we are sure you will be vitally interested.

While we already have the largest optical reduction color spot printing capacity of any laboratory in the country, we are now completing construction of the first additive color scene-to-scene version of the Octette.

Thus, Movielab will become the first laboratory in the world to produce eight 16mm color prints at one time from an original 35mm optical negative by means of superior optical reduction printing . . . with obvious benefits to our customer in quality, service and economy.

Meanwhile, we can fulfill the demand for color commercials using the contact method, having increased our capacity over fivefold. In this connection, our double rank equipment (which utilizes a double rank negative) enables us to now give faster service and better quality with added assurance to our customer that the life of his negative will be maintained longer by this unique method of printing.

Movielab has also introduced the first double rank sound track recording equipment in the country, by means of which two negatives are recorded or transferred simultaneously at very little extra cost. This gives our customer two advantages: extra speed in release printing plus insurance that should anything happen to one side of the negative, production is not held up and delivery dates will be kept.

Another upcoming Movielab exclusive will be the first electronic production control system to be used in printing of commercial spots. This automatic device will double check production output on a multiprint order so that if a shortage should occur, it is spotted electronically and the order can be completed immediately while the job is still "in work." Designed to meet the industry problem of shortages in delivery, our new "Spot Check" is just one more innovation in our program for constant improvement of customer service.

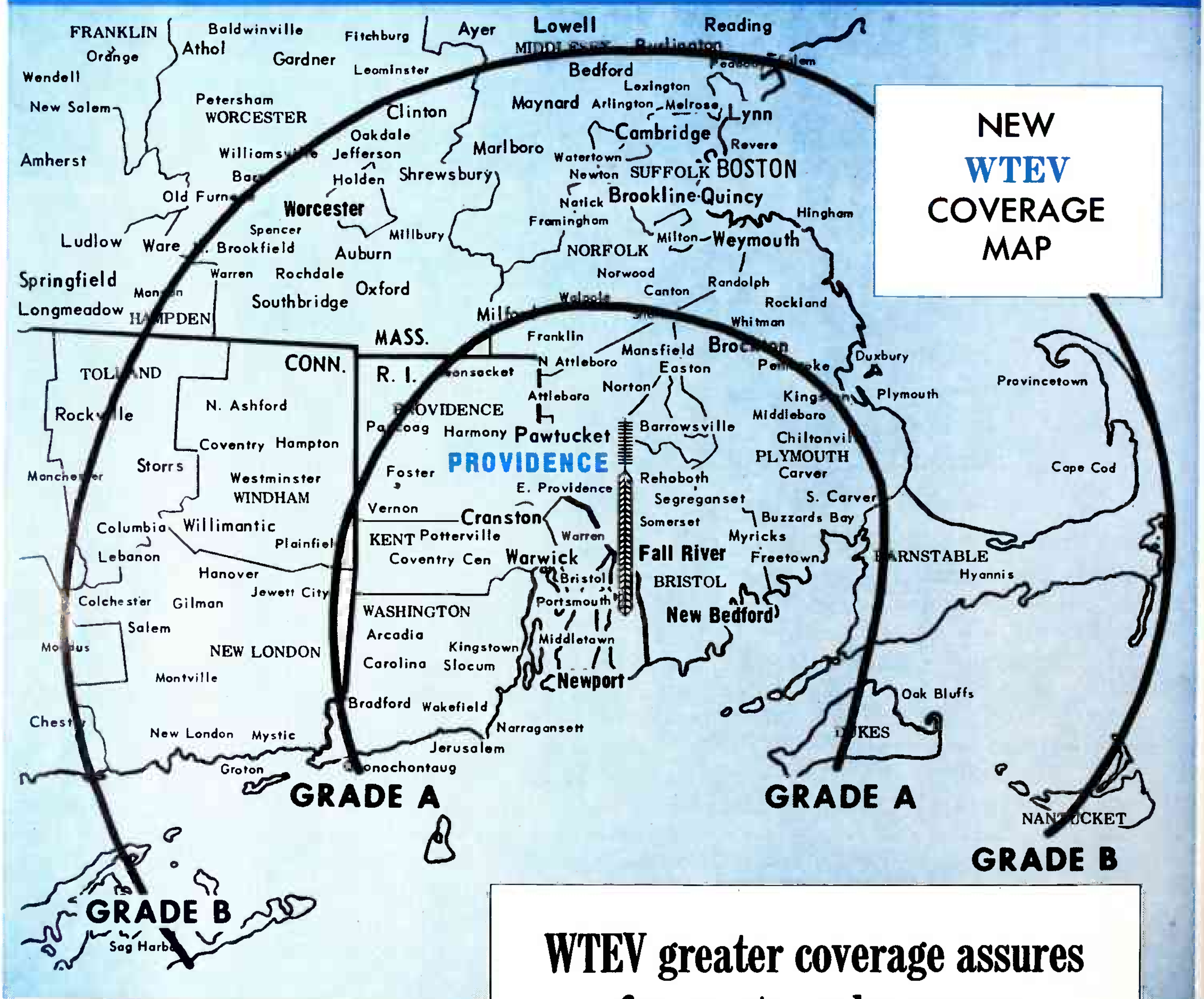
Backed by more than 35 years of experience, Movielab continues as the industry's pacemaker in color and black and white TV commercial film processing. When you buy film processing, remember there is no substitute for quality of product and dependable service. At Movielab, progress is our business. Profits are continually reinvested for growth and technological advancement in the best interest of our stockholders and customers. For sponsor satisfaction you can depend on Movielab—where the customer is always Number One.

Saul Jeffee

Saul Jeffee
President
Movielab, Inc.

MOVIELAB, INC. Movielab Building, 619 West 54th Street New York, N.Y. 10019. JUdson 6-0360 Cable: MOVIELAB. Telex: 12-6785.

Serving the Greater Providence Area



WTEV greater coverage assures far greater sales power

The NEW WTEV antenna reaching 1049 feet above sea level which achieves 100 Kw ERP has greatly increased the WTEV coverage area and audience reach. The entirely new antenna system plus transmitter, as well as aggressive, skillful programming and a never-ending desire to serve viewers in the Greater Providence Area, assures advertisers a much larger, sales-responsive audience.

Represented by

HR Television, Inc.

WTEV

Providence, R.I.
New Bedford-Fall River, Mass.
Vance L. Eckersley, Sta. Mgr.

6 abc

Serving the Greater Providence Area

STEINMAN TELEVISION STATIONS • Clair McCollough, Pres. • WTEV Providence, R.I./New Bedford—Fall River, Mass.
WGAL-TV Lancaster—Harrisburg—York—Lebanon, Pa. • KOAT-TV Albuquerque, N.M. • KVOA-TV Tucson, Ariz.

TELEVISION
OCTOBER 1967 VOL. XXIV NO. 10

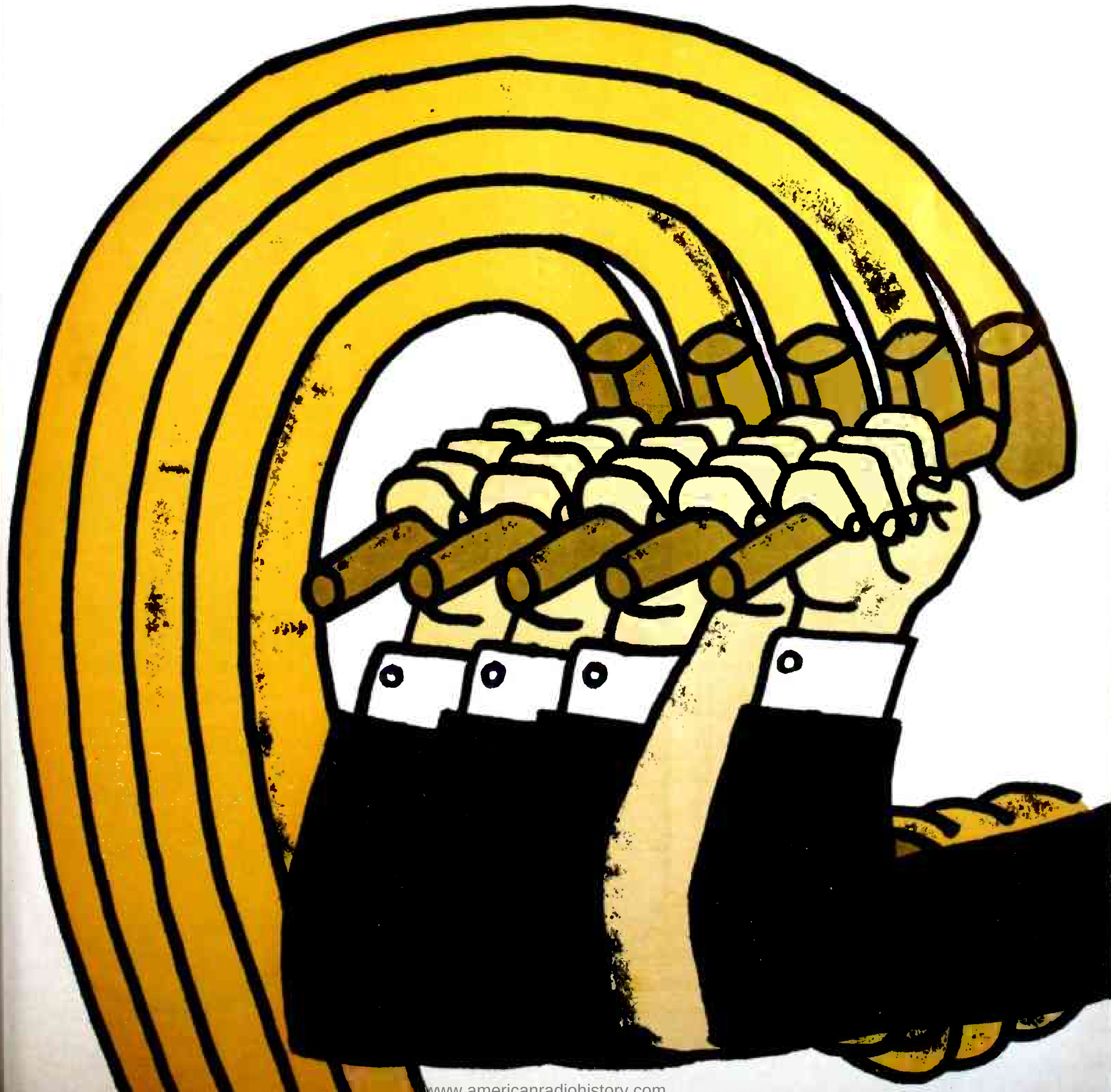
A revolutionary spirit is abroad in the land. The laborers in television's vineyard are in a sour mood. Not the fruit of their labor but the stridency of their demands is setting management's teeth on edge. Small bands of workers, mindful that the wages in the next field are related to their own, are communicating across boundaries that once contained their several voices. Protests that used to lack the weight of numbers are finding a collective voice. The owners' intelligence network need not be especially sensitive to detect that labor has arrived at a new sense of its just rewards and a new sense of how to make sure it gets them.

When television management sits down to bargain with labor leaders, any outrage at union obstinacy is rendered less convincing by a well publicized embarrassment of riches. With the industry's profits up 10% and approaching a half-billion dollars at last official accounting, no arbitrator looking at a national contract would worry that his judgment might cripple the business.

And when labor leaders sit down to bargain with management, they know that whatever they bring home to the rank and file is subject to a local scrutiny that has never been more disdainful of leadership inefficiencies or more ready to reorganize to get what it wants. Local insurgencies are growing out of anger at the extravagance of "international" organizations that are unable to administer to the griev-

TELEVISION UNIONS: A TIDE OF RISING EXPECTATIONS SWELLS UP FROM THE RANKS

by John Gardiner



ances of the far-flung union locals.

The strike by the National Association of Broadcast Employes and Technicians that began at ABC on Sept. 22 bore all the symptoms of this new age of union-management strife. The rank and file had turned down not only ABC's offer that lacked the union negotiators' approval, but also the NBC offer, which had been recommended by union leadership. Some performers in TV's major talent union were honoring the NABET picket lines. And the union's last pre-strike proposal seemed hopelessly far apart from the network's "final" offer. Network management said it was bracing for a long strike.

Television's top labor negotiators see nothing less than a broad social revolution at the bottom of their troubles and nothing short of chaos in labor negotiations ahead. A period of intensifying turmoil is widely expected.

NABETAFTRAIATSEIBEW SAG. If you hack that jungle of alphabet apart at appropriate intervals, you'll produce five sets of initials standing for as many unions whose members do everything from pushing brooms to pulling punch lines:

National Association of Broadcast Employes and Technicians, American Federation of Television and Radio Artists, International Alliance of Theatrical Stage Employes, International Brotherhood of Electrical Workers, Screen Actors Guild.

The rank and file of all of them wear collars—white and blue—in the television business. Of the dozens of national and local labor groups with members in the TV industry, they represent some 50,000 men with jobs in or connected with broadcasting.

Actually cohesiveness has never been their strength. They are already hacked apart for bargaining purposes, their jurisdiction may cross men of similar, even identical profession, their agreements with management run in odd combinations of local, regional, national or company-wide contracts. Rival unions may raid the membership of others.

Television, at its heart, is local

UNION	International Alliance of Theatrical Stage Employes and Moving Picture Machine Operators of the United States and Canada (IATSE)	National Association of Broadcast Employes and Technicians (NABET)
TELEVISION JURISDICTION	A. LIVE AND TAPE stagehands, make-up artists, wardrobe attendants, graphic artists and technicians at some stations, remote lighting crews B. FILM cameramen, soundmen, grips, film editors, make-up artists, electricians, set designers, scenic artists, screen cartoonists	LIVE AND TAPE broadcast engineers and technicians
DESCRIPTION AND SCOPE	**AFL-CIO AFFILIATE** **headquarters, New York; international president, Dick Walsh; total membership, 60,000, 12,000 in TV; 1,100 locals in U.S. and Canada; offices maintained in 15 cities; scope in TV: contracts with stations, film and video tape production companies; major strength in TV through stagehand membership.**	**AFL-CIO AFFILIATE** **headquarters, Chicago; international president, Eugene Klumpp; total membership, 6,063; 57 locals; 70% of members in U.S., 30% in Canada; five regional vice presidents, staff representatives for locals in New York and Hollywood; scope in TV: contracts with ABC, NBC, 51 TV stations.**

station operation and the heart of TV unionism is perforce local organization. Even in their national network agreements the major unions are split; once between talent and technician and again down each of those lines. The fragmentation imposed by the nature of the business and the step-by-step introduction of new unions, as mass entertainment progressed from live to film to tape performance, have been minus factors in union strength. The unions have never dealt television, overall, a serious economic setback.

It is no secret that networks and stations have trained nonunion personnel to dolly cameras and pull plugs when technicians walk out. And when talent has struck there has always been a surplus of film or tape programing on hand against dead air and lost ad revenues, just as there have always been nonunion employes ready to read the news, however shaky their voices or trembly their hands. A network publicist with a hot hand at news releases probably knows how to turn it to pan and tilt maneuvers, and an administrative assistant at a local station, or even the station manager, can be quite handy in the control room.

With all that going against the unions, it may come as a surprise that broadcasters have never been more worried about their labor problems than they are right now, both at networks and stations. While the labor organizations are not as strong as they could be with a modicum of new cooperation, they are nobody's pushovers.

Fragmentation does not guarantee a weak bargaining position. All a union has to hit is the universe embraced by its contract and that may be just one station, one network, or a segment of the program-production business. There are some indications that broadcast-associated unions will be pulling together in a new surge of cooperative vigor. If some bitter inter- and intraunion fighting were stopped, a united labor front would be all the more worrisome to management.

To the networks, unions are an accepted, if increasingly troublesome, fact of life. To some TV stations they are the plague that hasn't yet come to town, to others they are the plague that has already arrived. Local struggles abound, though many never get wide attention.

An example of outspoken distaste for a protracted labor-management conflict is the following report card issued by KPHO-TV Phoenix, while locked in a struggle with its technicians, who are organized by the National Association of Broadcast Employes and Technicians:

"After 20 months as bargaining representative at KPHO-TV here is the NABET box score: 23 meetings—no agreement, one strike—total failure; one FCC complaint—rejected; 21 strikers—no longer employed, one boycott—total failure; one NLRB charge—rejected; one NLRB appeal—denied. Times up—49, strike outs—49, NABET batting average—.000."

While some stations are still fighting off union attempts to organize, others have come to amicable terms with labor groups and find that union contracts provide stability in their personnel rela-

International Brotherhood of Electrical Workers (IBEW)

LIVE AND TAPE
broadcast engineers and technicians, maintenance electricians, construction electricians, studio lighting crews

AFL-CIO AFFILIATE
headquarters, Washington; international president, Gordon Freeman; director for radio television broadcasting and recording, Albert Hardy; total membership, 950,000, 12,000 in TV-radio; scope in TV: national agreement with CBS, contracts with Sports Network Inc., Lew Ron; 176 TV stations organized, 173 with contracts in force.

American Federation of Television and Radio Artists (AFTRA)

LIVE AND TAPE
actors, announcers, newsmen, singers, dancers

AFL-CIO AFFILIATE
headquarters, New York; national executive secretary, Donald Conaway; has president, seven vice presidents (unpaid), professional staff of 20 under national executive secretary; total membership, 17,565; 37 locals (11 majors with 200 or more members); scope in TV: 240 contracts in TV-radio, over 700 signatories; national code for three TV networks and agreements with local stations, video tape commercial code with networks, agencies, producers.

Screen Actors Guild (SAG)

FILM
actors, announcers, newsmen, singers, dancers

AFL-CIO AFFILIATE
headquarters, Hollywood; John L. Dales, executive secretary; 14,300 members; nine branches (locals); scope in TV: performers in filmed television.

tions. The National Association of Broadcasters estimates that 80% of television stations are organized by at least one union. Others in the industry say that figure is much too high, that 50% is more realistic. It is significant that the labor subject is so sensitive at most stations that the precise statistic is not readily available.

A strike can be much more serious to the immediate economic health of an unprepared station than to that of a network. It may be harder for a station to remain on the air during a technicians' walkout. As one NAB official puts it: "In a podunk town you may not be able to get another guy with a first-class engineer's license."

That's only the first problem. The secondary boycott is probably the most effective local-union weapon. In the broadcasting business that means bringing pressure to bear on a station's sponsors to pull back their advertising.

In the evolution of labor law as it relates to television one piece of legislation and one court decision are pivotal on boycotts. The Landrum-Griffin Act gave unions the right to use means other than picketing to effect secondary boycotts and a circuit court decision involving Corinthian Stations' KXTV (TV) Sacramento, Calif., upheld that right.

Unions are free to mail letters to sponsors or visit them with the threat of economic reprisal if they continue their advertising. They may also distribute leaflets at stores handling the advertised products saying the station is unfair and identifying its sponsors.

These rights, which unions consider minimal and broadcasters consider excessive, make a well-planned secondary boycott extraordinarily effective. Industry members claim it's possible for a union to cut off 40% to 50% of a station's revenues within a week with this tool.

In a national sense, television's labor force is getting more difficult to deal with, according to network negotiators, and the principal purported cause is local dissidence. William Fitts Jr., CBS's employe relations vice president, seems troubled by the over-all broadcast labor situation and says he has advised his people that they're probably in for a rough two or three years of national strikes.

According to Fitts, there has been a general loss of control by union leadership. Ever more frequently the rank and file are not going along with agreements negotiated by their local or national offices. Fitts says: "There's no self restraint left. The younger militant union members seem to want much more than they can get. You used to be able to sit down with one or two men, negotiate a deal and be reasonably sure that deal would stick. That's just not so any more.

"The contract pattern has changed. There's more escalation now. Several years ago you could negotiate for one increase that would last two years and provide for a small increment in the third year. They're not buying this any more."

Another fundamental change, says Fitts, is a redoubled emphasis on money. Fringe benefits, which used to lie close to the center of negotiations, have been pushed to the side

American Federation of Musicians (AFM)

LIVE, TAPE AND FILM
orchestrators, arrangers, copyists, leaders, instrumentalists

AFL-CIO AFFILIATE
headquarters, New York; president, Herman Kenin; total membership, 262,880 in 725 locals in U.S. and Canada; scope in TV: agreements with three TV networks, TV film and video tape agreements with production companies, some local agreements with TV stations.

Writers Guild of America Inc. (WGA)

LIVE, FILM AND TAPE
staff and freelance writers

(EAST) INDEPENDENT
headquarters, New York; executive director, Evelyn Burkey; 1,500 members; scope in TV: mainly writers for live and tape programs.

(WEST) INDEPENDENT
headquarters, Los Angeles; executive director, Michael Franklin; 2,000 members; scope in TV: mainly writers for film programs.

Directors Guild of America Inc. (DGA)

LIVE, FILM AND TAPE
directors, associate directors, stage managers, program assistants

INDEPENDENT
headquarters, Hollywood; 2,100 members; national executive secretary, Joseph Youngerman; formed in 1959 by merger of Screen Directors Guild of America and Radio & TV Directors Guild; scope in TV: directors of live, film and tape programing at studios and staff directors at networks and their owned and operated stations.

in favor of more talk about basic salaries.

The CBS labor negotiator allows that a good part of labor's new attitude derives from uncertainty in the national economy and "a fear that a rise in the cost of living will eat up their paycheck even before they get the raise."

Just how big have the yearly union salary increments gotten to be? Walter F. Diehl, assistant international president of the International Alliance of Theatrical Stage Employes and Moving Picture Machine Operators of the United States and Canada (IATSE for short, the biggest union in television), says recent local agreements have provided for step-ups of 7%, 3% and 3% compounded over three years.

Disagreements frequently arise over the actual value of contract packages since the variables involved — paycheck, job security, pensions, insurance and hours— allow room for padding in whatever direction may be convenient for either side.

Diehl says the broadcasters "don't offer different percentage increases to different unions because they'd break their backs if they did." But one of the three networks' labor chiefs maintains the actual percentage figures aren't really known by the unions and that different contracts go up at different rates. These increases, according to the same official, fall somewhere between President Johnson's shattered 3.2% wage guideline and the 5% advances claimed by some unions.

All broadcast unionism is divided into two parts known in the trade as above-the-line and below-the-line labor. Above the line refers to the talent involved in production of a program, essentially performers, directors and writers. Below the line refers to craft personnel, the largest category being technical people such as engineers and cameramen, but including a slew of others from stagehands, carpenters and electricians to makeup artists and wardrobe assistants.

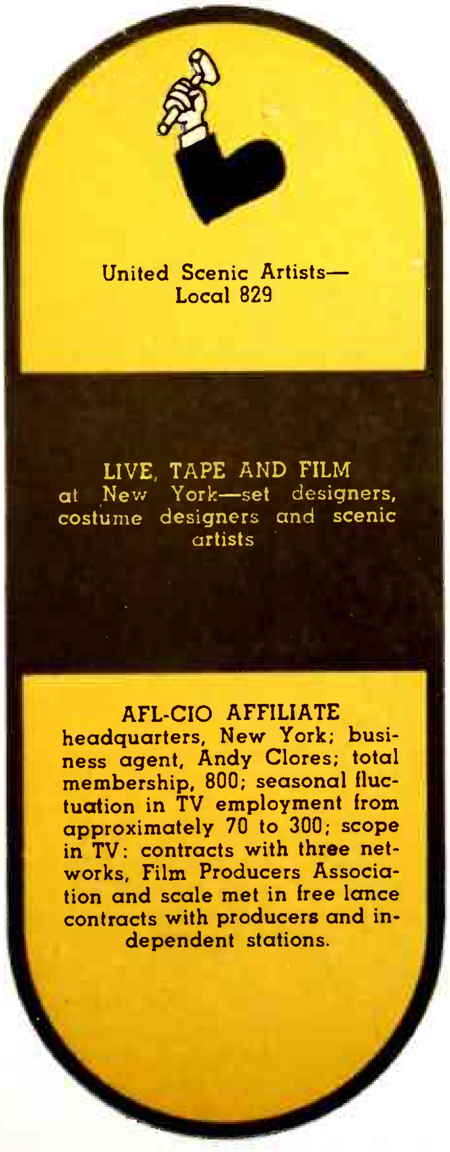
The jumble of separate labor agreements in force has reached the devastating total of 120 at a single network and its owned broadcast facilities around the country and as many as 13 at a single station.

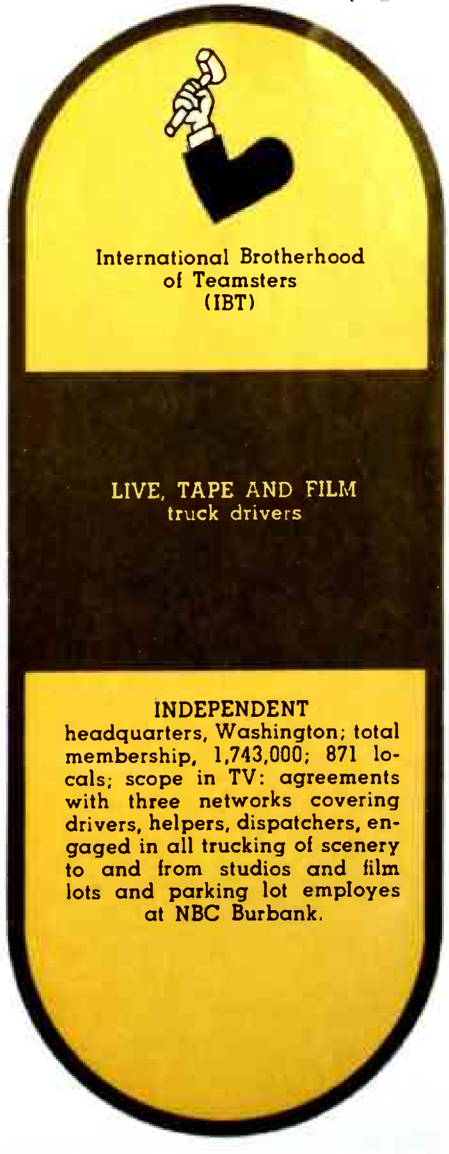
CBS's labor contract list reads with the incessant throb of the *Twelve Days of Christmas;* only it's longer: 38 agreements with IATSE, 23 with the American Federation of Television and Radio Artists, 26 with Directors Guild of America, 12 with the Writers Guild of America, 10 with the International Brotherhood of Electrical Workers, three with the American Federation of Musicians, two each with United Scenic Artists, a pair of painters locals and two air-conditioning-engineers locals and one each with the United Brotherhood of Carpenters and the International Brotherhood of Teamsters.

Negotiators on both sides of the table find some relief in the fact that most of the agreements mentioned above run concurrently within the same parent unions and all run for periods of three years or more. "Anything shorter than that just wouldn't be worth it," says a network man.

All three networks have a similar

Continued on page 63





It used to take 52 different shows to make a year's series. Now it may take only 26. It's the same old story: costs.

FEWER ORIGINALS, MORE REPEATS

While few would accuse network television executives of slavish devotion to artistic dictums, in recent programing seasons they have almost adapted as a business maxim the modernists' cry of "less is more." In this television context the area of application is not aesthetics but production: They are making less (new product) and using it more.

It means audiences are seeing fewer originals. Although the numbers experts say the repeats are attracting almost equal audiences, some media planners are beginning to have their doubts.

One ad agency media analyst notes that, in effect, networks are getting something for next to nothing: more and more duty out of less and less original material. The networks counter that they are simply finding a method to spread out the bill for ever-escalating expense in making originals.

Back in that once-upon-a-time land called the early days of television, series programing faithfully followed the year through a full cycle of 52 weekly episodes. The seasons fell in neat 13-week packs, like suits in a deck of cards. But soon it was noticed that many people went off to do other things in the summer and forgot their television sets. So they threw away one suit and played with only 39 cards. No one seemed to notice too much, so they gradually continued to pare down the number of originals. If you hadn't noticed lately, they're playing the game with half a deck these days.

It means the old pattern of 39 originals and 13 summer repeats is almost as obsolete as the *Lux Video Theater*. Over the past decade originals have dwindled, and repeats grown, to the point where a pairing of 26 originals and reshowing of each is far from exceptional. In fact, it is almost a norm for expensive one-hour shows.

"All of our shows are 26 and 26," says David Bradshaw, vice president and manager of the radio and television division of Young & Rubicam, New York. Lee Rich, vice president in charge of media services at Leo Burnett, Chicago, says: "There just *aren't* shows now with more than 32 originals."

"If you look back, it was film shows that started it," says Salvatore Iannucci Jr., CBS vice president, business affairs. "Live shows went live all year. But when we started filming things, we found they were usable over again. So we started using more filmed repeats with our game and variety shows."

A number of industry veterans say it was *Maverick* in 1959 that more or less lived up to its name in the programing area to establish the first full 26/26 pattern. The trend is now at what most observers feel to be the ultimate—or minimal—limit this season with CBS's *Jackie Gleason Show*: 22 originals, 10 repeats from last year and a summer replacement.

For the most part, the industry pattern has standardized in recent seasons to the 26 original/26 repeat formula for the majority of one-hour shows and a 32/20 or 30/22 pattern for half-hour shows. Burnett's Rich says: "When I was with Benton & Bowles, the half-hour trend started with *Andy Griffith* and *Gomer Pyle* using the 32/20 pattern." And Paul Sonkin, ABC's director of research, acknowledges: "In recent years the half-hours have been following the trend, although there aren't any 26/26 mixes."

Perhaps one of the best illustrations of the shrinking use of originals is the NBC series *Flipper*. In the 1964-65 season, it ran 30 originals and 22 repeats. With the increasing use of specials, the next season it had the same number of originals (30) but only 20 repeats. Last year, it was down to 28 originals and 21 repeats.

Everyone agrees that 26/26 is the ultimate limit for the reduction of originals in a series. "You can't go below 26," says Sonkin. "It's rock bottom."

Some media experts feel that not only has the cycle completed its swing in less than a decade, but that it already has started off in another direction, to the dropping of summer reruns altogether in favor of inexpensive game and variety shows. ABC's *Peyton Place* has proved to be another kind of *Maverick* by going completely in the opposite direction, to 52 weeks of originals and for a simple reason. It's a serial.

Industry sources agree unanimously on the major cause of the dwindling of original product: rising production costs.

"It's obvious," says Samuel Thurm, advertising vice president of Lever Brothers. "With the high cost factor, more reruns bring them in line with what we can afford to live with."

"You just can't afford to make too many originals anymore," says Burnett's Rich, who has seen both sides of the advertising/production coin, having been in the Mirisch organization. "Obviously, the greater mix reduces the total cost."

Rodney Erickson, vice president and radio-TV director of Kenyon & Eckhardt, also has been on both the agency and the production sides of the fence, with a session at Warner Brothers when *Maverick* was created there. "You can make a much better show if guaranteed 26 episodes for which you also have a reasonable amount of money," he says. In addition, a bobtailed production schedule means "producers are guaranteed an income that can pay for a show much sooner," says Erickson. In many cases now a show has earned its cost once through a successful network season without having to wait for syndication.

The shift more or less orignated with the producers as they battled to hold down the steadily rising costs of shooting shows. "Every producer is fighting to keep it in hand," says Young & Rubicam's Bradshaw.

It was accomplished with the reluctant cooperation of the networks, and at least the acquiescence of the advertisers and agencies. If not enthusiastic about it, all at

Continued on page 50

The tables at right tell how far the trend toward fewer originals and more repeats has gone at all three television networks. These are the shows in the 1966-67 schedules. There's no reason to believe that the incidence of originals will be any higher in the 1967-68 season now underway.

ABC

	Originals	*Repeats*
The Avengers*	16	14
Batman	30	22
Bewitched	34	18
Big Valley	30	18
Combat	25	21
Phyllis Diller	30	20
F Troop	31	20
Felony Squad	30	20
The FBI	29	19
The Fugitive	30	19
Hollywood Palace	31	0
The Invaders*	17	16
Iron Horse	30	22
Them Monroes	26	20
Peyton Place	52	0
Rango*	17	16
Rat Patrol	32	18
Love on a Rooftop	30	18
That Girl	30	22
Sunday Movie	25	22
Wednesday Movie*	13	21
Lawrence Welk	11	8
Voyage to Bottom of Sea	26	22

CBS

	Originals	*Repeats*
Andy Griffith	30	20
Beverly Hillbillies	30	18
Candid Camera	30	18
Daktari	28	19
Danny Kaye Steve Allen	30	8
Ed Sullivan	39	12
Family Affair	30	16
Friday Movie	26	25
Gilligan's Island	30	20
Gomer Pyle	29	18
Green Acres	30	17
Gunsmoke	29	19
Hogan's Heroes	30	20
It's About Time	26	22
Jackie Gleason	27	9
Lassie	30	18
Lost in Space	30	18
Lucy; Vacation Playhouse	22	17
Mission: Impossible	28	22
My Three Sons	32	17
Petticoat Junction	32	14
Pistols and Petticoats	26	23
Red Skelton Spotlight	32	6
Thursday Movie	26	23
What's My Line	47	0
Wild, Wild West	28	20

NBC

	Originals	*Repeats*
Andy Williams	26	7
Bonanza	32	20
Chrysler Theater	24	10
Daniel Boone	28	19
Dean Martin	30	20
Dragnet*	17	17
Flipper	28	21
Get Smart	30	20
Girl From U.N.C.L.E.	29	18
Hey, Landlord	31	2
I Dream of Jeannie	31	13
I Spy	28	21
Laredo	26	17
The Monkees	32	16
Occasional Wife	30	14
Please Don't Eat the Daisies	28	17
The Road West	29	14
Run For Your Life	30	18
Saturday Night Movie	27	23
Star Trek	29	21
Tarzan	31	19
T.H.E. Cat	26	19
Tuesday Night Movie	29	20
The Virginian	29	21
Walt Disney	34	16

Added during season

How National Media Match Up This Year

Total Advertising 1967 $5.3 billion

It will be a lean year for spot TV in 1967, according to Ted Bates & Co., and no one should be in a better position to know. The world's largest spot agency, in its annual report on media trends for TELEVISION Magazine, discloses that spot expenditures for this year will not increase significantly over 1966. Between 1960 and 1966, spot TV realized a 74% growth. That spot should come to a grinding halt in '67 has set media folk to wondering.

The slowdown of spot television's dollar growth rate in 1967 is a difficult thing to explain. Justin Gerstle, Bates vice president, media and planning, thinks there are three interrelated factors that contribute to the lack of growth.

"The first is the corporate profit squeeze, and the indecision caused by the conflicting economic indicators and by unsettled factors—the corporate income tax surcharge and the auto strike. Since spot is the most flexible of the big national media, it tends to be affected first.

"Second, a stronger competitive bid by other media against dollars that might ordinarily have gone to spot.

"The third is the increasing sophistication and tighter control national advertisers are employing in their use of spot. Most advertisers have been keenly aware of the heretofore steeply rising spot television ad costs and have not increased their investments but have directed their funds in a more selective and therefore productive manner."

The Bates report is not all bad news, however. Network television still leads the pack with a 94% increase of expenditures since 1960 and a 10% increase in 1967 over 1966. Network radio follows with a rate of increase second only to television in the last seven years: 60%. Magazines, despite a 50% increase since 1960, show a 9% increase this year, while network radio will be up only 8% in 1967. Spot-radio expenditures also are to increase 8% this year. Newspapers and supplements will be up 3% in '67 and 14% since '60. Outdoor, the only hardship case, is down 12% since 1960, but up 2% over 1966.

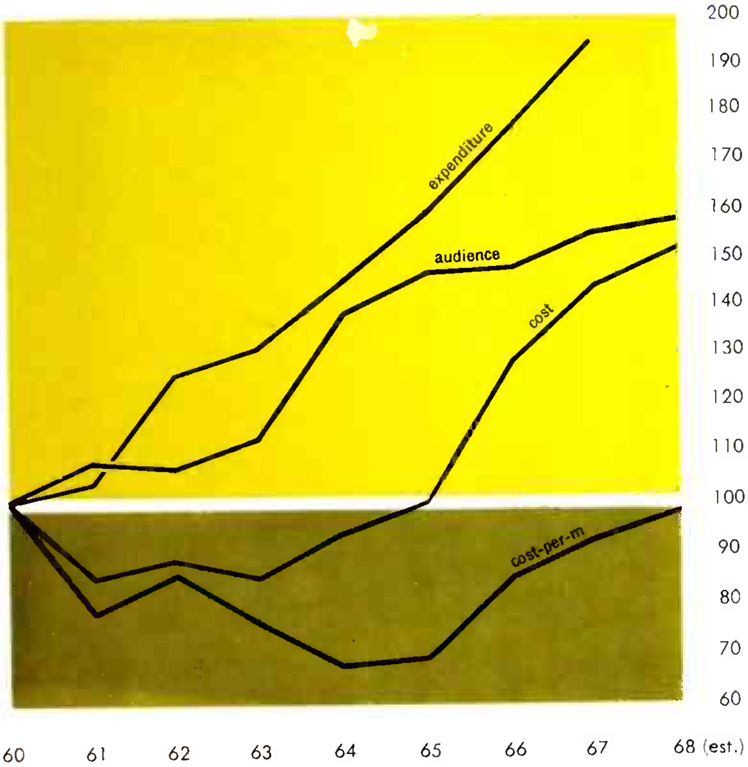
The Bates media survey projects cost increases for 1968, with evening network television showing the biggest upward swing: a predicted 8%. Bates assures daytime network television of a 6% cost increase. Outdoor advertising can also expect a 6% increase this coming year. Spot, both day and fringe, will maintain a steady rate of increase of costs in '68.

Continued on page 53

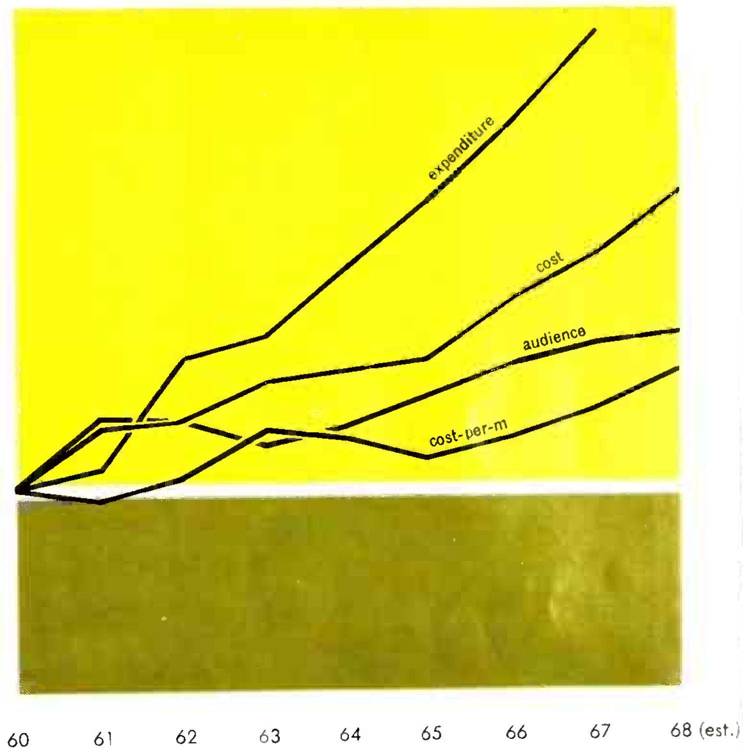
The charts below and overleaf show how each medium has done—and will do in 1968—relative to its own performance in the base year 1960. For each tabulation the value in that year has been set equal to 100.

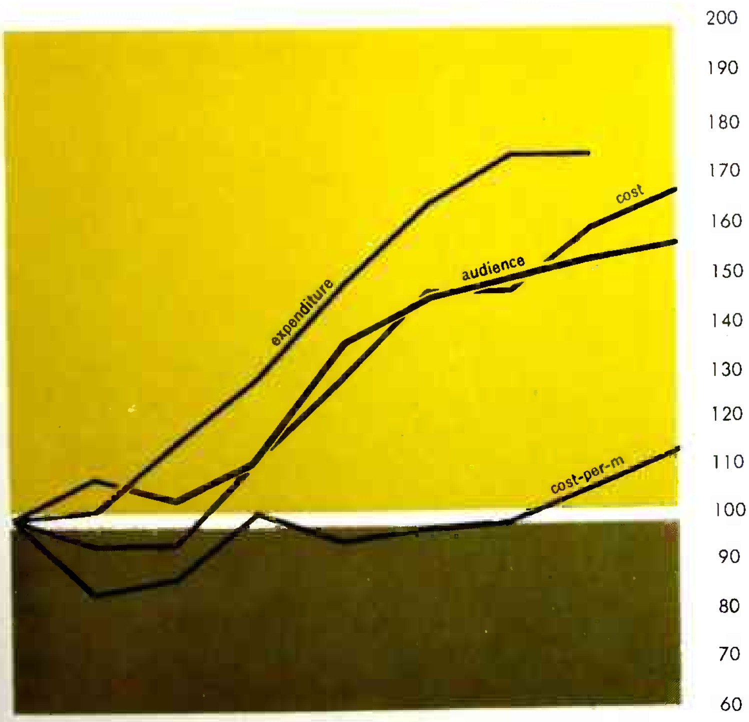
Trends are shown for both audience cost-per-thousand and the cost of unit purchases, e.g., minutes in the case of TV. Also charted are the billings and audience growth of the various media.

Network TV (day)

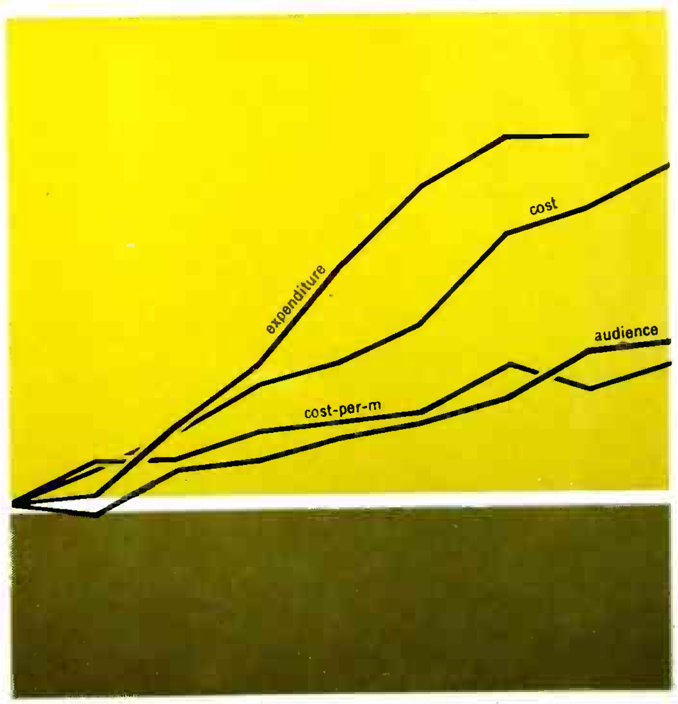


Network TV (eve)





Spot TV (day)

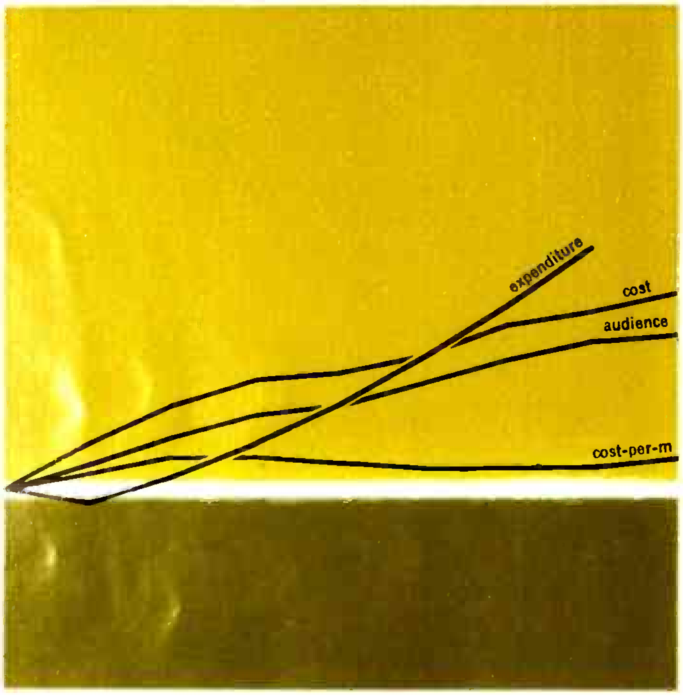


Spot TV (fringe)

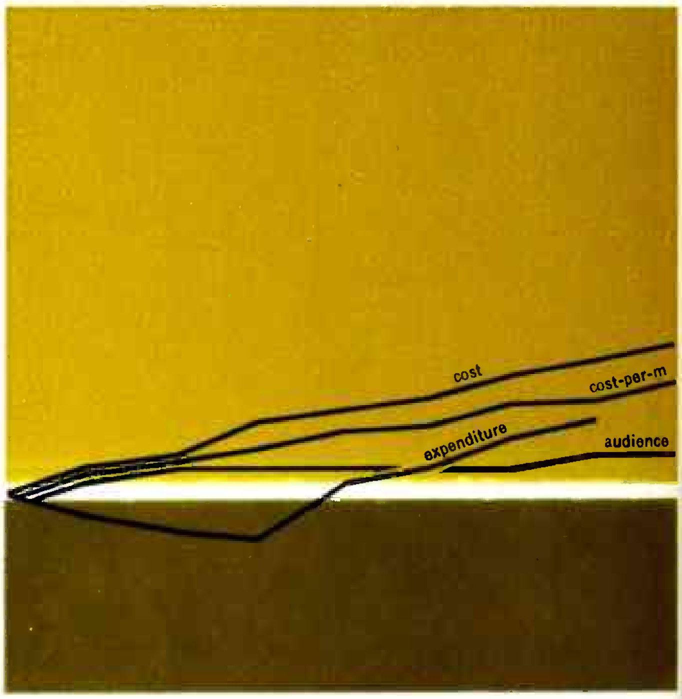
Magazines and newspapers (top charts) demonstrate mixed expenditure and audience trends. Newspaper audience appears level as billings edge upward. Magazine expenditures spurted from 1966 to 1967; audience moved up slightly.

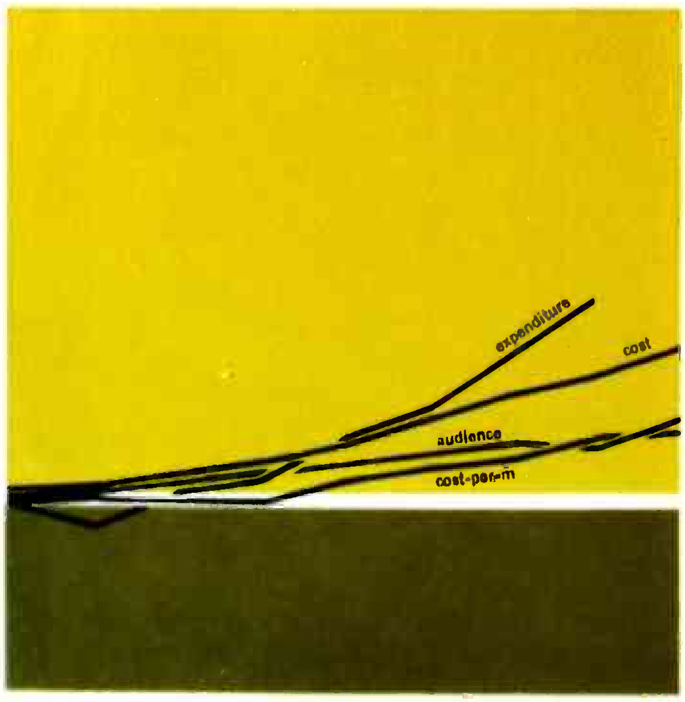
Below, network radio finds its CPM dropping in 1968 as audience inches up, a happy circumstance for salesmen. Spot radio's CPM and audience move ahead at modest rates.

Magazines

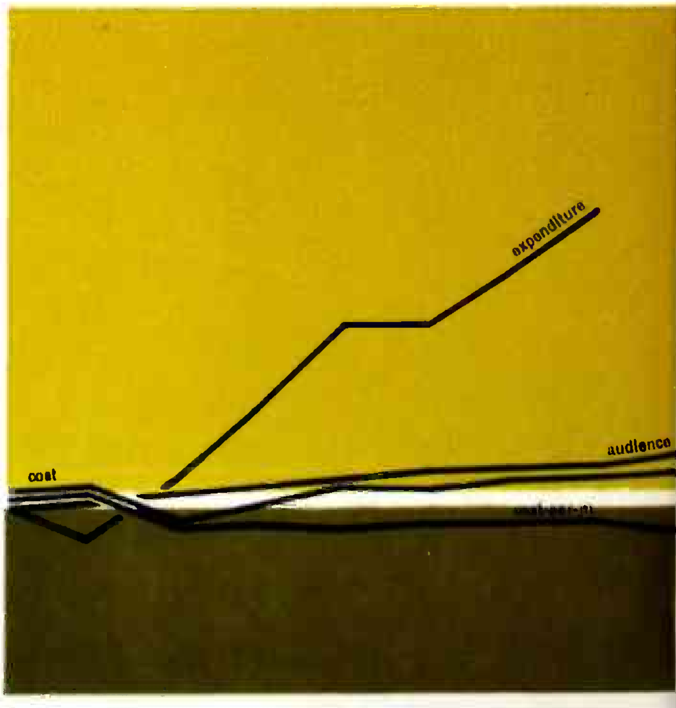


Newspapers





Spot Radio

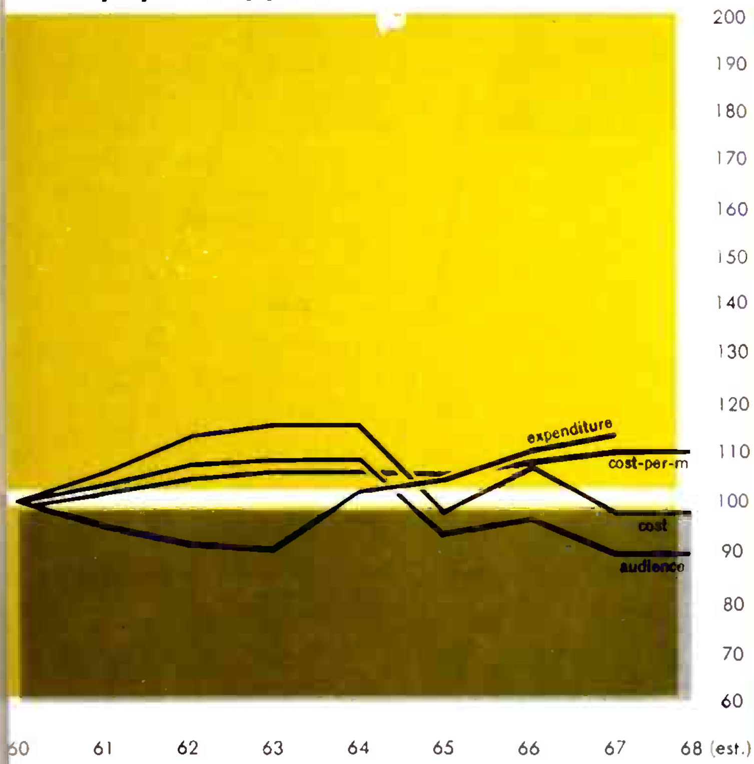


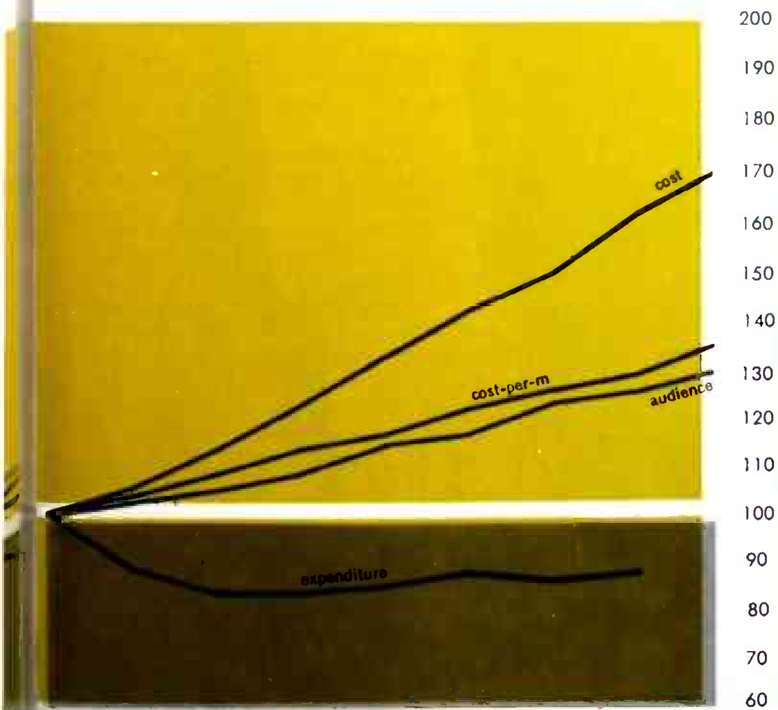
Network Radio

For newspaper supplements it's steady as she goes in 1968 in CPM, unit cost and audience. Outdoor expenditures turned upward in 1967 after a slight decline in the previous year.

The table of figures below is where all the graph information came from. With it you can assign precise year-by-year index values for every graph line in the preceding charts. Bates has provided 1968 estimates for all tabs except expenditure trends. Media are listed across the top and years are in the left-hand column.

Newspaper Supplements





Outdoor

	Television				Print					
	Day Ntwk. (60")	Eve. Ntwk. (60")	Day Spot (60")	Fringe Spot (60")	Mags. (1PBW)	Nspr. (1000Li)	Supp. (1PBW)	Radio Spot	Radio Ntwk.	Out Door (100 Show. Natl.)

Expenditure Trends

	TV Ntwk. (Day + Eve.)	TV Spot (Day + Fringe)	Mags.	Nspr./Supp.	Radio Spot	Radio Ntwk.	Out Door
1960	100	100	100	100	100	100	100
1961	103	101	98	96	97	93	89
1962	125	116	103	93	103	106	84
1963	131	129	110	91	105	121	84
1964	145	148	118	101	113	137	85
1965	159	164	127	104	118	137	88
1966	176	174	138	111	131	148	86
1967	194	174	150	114	141	160	88

Cost Trends

	Day Ntwk.	Eve. Ntwk.	Day Spot	Fringe Spot	Mags.	Nspr.	Supp.	Radio Spot	Radio Ntwk.	Out Door
1960	100	100	100	100	100	100	100	100	100	100
1961	85	111	94	107	110	105	106	102	101	105
1962	89	114	94	115	118	108	113	105	99	114
1963	85	121	112	124	122	113	116	107	100	123
1964	93	124	129	129	124	116	116	112	102	133
1965	100	126	147	136	127	119	99	117	102	142
1966	128	139	147	154	133	123	106	122	103	151
1967	143	149	159	160	136	126	99	127	103	162
1968 (Est)	152	161	167	168	140	130	99	132	105	171

Audience Trends

	Day Ntwk.	Eve. Ntwk.	Day Spot	Fringe Spot	Mags.	Nspr.	Supp.	Radio Spot	Radio Ntwk.	Out Door
1960	100	100	100	100	100	100	100	100	100	100
1961	107	113	109	99	105	105	104	101	100	102
1962	106	114	104	107	111	105	108	104	101	105
1963	112	109	112	109	115	105	109	106	102	109
1964	138	112	135	112	118	105	109	108	103	115
1965	146	119	146	116	122	105	94	110	104	118
1966	148	126	149	121	127	105	98	112	105	124
1967	155	129	153	131	130	108	90	112	105	126
1968 (Est)	158	131	156	132	131	108	90	116	109	131

Cost-per-M Trends

	Day Ntwk.	Eve. Ntwk.	Day Spot	Fringe Spot	Mags.	Nspr.	Supp.	Radio Spot	Radio Ntwk.	Out Door
1960	100	100	100	100	100	100	100	100	100	100
1961	79	98	85	108	105	103	102	101	101	104
1962	86	101	88	108	107	107	105	101	98	109
1963	76	111	101	114	106	109	106	101	98	113
1964	68	110	95	115	105	112	106	104	97	117
1965	69	106	98	117	104	113	105	106	98	122
1966	86	110	99	128	104	118	107	109	98	126
1967	92	116	106	122	104	119	110	113	98	130
1968 (Est)	98	123	112	128	107	122	110	114	96	135

Ted Bates & Co Media-Program Department

why diversification is the name of the game

A study of the conglomerates emerging in television

by Walter Spencer

Who owns a baseball team, bug exterminators, an airline, citrus groves, undersea aquarium, an employment agency, steel-building fabricator, high-brow toy maker, a house-hunting service and the top of a mountain? The broadcasting industry.

Television firms also have diversified into an almost uncatalogueable list of other things, so much so that a casual glance at acquisitions by broadcasting companies during the past decade makes them seem like a housewife turned loose in a bargain basement with a blank check.

Broadcasters have reeled through such an extended and unprecedented buying binge that any attempt to list television holdings at a given moment is like conducting a national rabbit census in the mating season—exhausting, instantly outdated and ultimately of dubious value.

An examination of the networks and the score of major broadcasters who have been doing the bulk of diversification, however, shows that industry acquisition and expansion are far from a grab-bag game of who can scoop up the next business trinket most quickly. There are clearly defined patterns and trends. And if the path down which it all leads is not clearly illuminated, there certainly are sign posts pointing the general direction.

What has turned on the diversification drive? "Cash flow," flatly states Emanuel Gerard, of Roth, Gerard & Co., a New York brokerage house that compiles TELEVISION's monthly index of television and associated stocks. "The broadcasters don't know what to do with all the money they've been making."

"You have a balloon that's filling up too fast. Something has to be done to keep it from bursting," says Hans Jepson, senior analyst for the Value Line Investment Survey. Analysts and broadcasters agree that there are a number of complementing factors, but basically it has all been made possible by the large cash

HOW METROMEDIA CAME FROM NOTHING

September 1955: Two-station broadcasting subsidiary of Allen B. DuMont Laboratories spun off as DuMont Broadcasting Corp. for 944,436 shares of DuMont Laboratories stock with market value of $6,847,161. Gross assets of DuMont Broadcasting, which consisted of WABD(TV) New York and WTTG(TV) Washington, were estimated at $6 million.

June 1957: Acquires WNEW-AM-FM New York for $7.5 million in cash and stock. WABD changed to WNEW-TV.

June 1958: Acquires WHK-AM-FM Cleveland for $700,000 cash. DuMont Broadcasting Corp. changed to Metropolitan Broadcasting Corp.

February 1960: Acquires WIP-AM-FM Philadelphia for $4.8 million in cash and stock.

March 1960: Acquires Foster & Kleiser, outdoor advertising company with headquarters in Los Angeles, for $14 million cash.

August 1961: Acquires KMBC-AM-FM-TV Kansas City, Mo., for $8.5 million cash (KMBC-AM-FM were sold in May 1967 for $2.2 million cash). Name changed from Metropolitan Broadcasting to Metromedia Inc.

May 1963: Acquires Ice Capades ice show for $5 million cash (also now operates Ice Capades Chalet skating centers in Los Angeles).

July 1963: Acquires KTTV(TV) Los Angeles for $10.4 million cash and KLAC-AM-FM Los Angeles for $4.5 million cash.

November 1963: Acquires General Outdoor Advertising Co., New York and Chicago operations, for $13.5 million cash.

February 1964: Acquires WCBM-AM-FM Baltimore for $2 million cash, and Mount Wilson (720-acre mountain top outside Los Angeles) for which no price was ever revealed, though it has been described as "a very, very low amount of cash."

July 1964: Acquires Fielder, Sorenson & David, transit advertising company with headquarters in Los Angeles, for an undisclosed sum.

November-December 1964: Acquires several small outdoor advertising companies in New York for $5.7 million cash.

January 1965: Acquires Packer Outdoor Advertising Co. in Ohio for $10 million cash. (Sells off all but major-city operations of Foster & Kleiser and General Outdoor Advertising.) Acquires Wolper Productions Inc., independent film producer, for $3.2 million in cash and stock.

March 1965: Acquires "Diplomat" magazine, which was sold in November 1966. (Purchase price and losses, minus resale price left a $1 million loss on the venture.)

January 1966: Acquires Dickie-Raymond Inc., Boston-based direct-mail and sales-promotion company for $3 million cash.

February 1966: Acquires O. E. McIntyre Inc., New York-based direct-mail marketing company for $7 million cash.

April 1966: Acquires KEWB Oakland, Calif., for $2.5 million cash.

September 1966: Acquires Publicity Services Ltd., direct-mail firm in England for undisclosed price (made overseas branch of O. E. McIntyre).

September 1966: Acquires Baltimore, Boston, Chicago, Cleveland, Philadelphia and Buffalo, N.Y., operations of O'Ryan & Batchelder Transit Advertising Co., and New York Bus Advertising Co., New York., for $5,525,000 cash.

October 1966: Acquires Sampson-Hill Corp., Detroit-based direct-mail marketing firm for $1.5 million cash.

November 1966: Acquires KSFR(FM) San Francisco for $380,000 cash.

May 1967: Makes unsuccessful bid to buy Harlem Globetrotters basketball team.

Gross assets of Metromedia, today, are estimated at over $150 million.

incomes flowing into the business since television financially became the top medium.

"Stations are considered milk cows by some broadcasters," says Hazard E. Reeves, chairman of Reeves Broadcasting. "They pull in the money from them while they move into other areas."

"Business has been so good for broadcasters in the last few years that the large cash flow gives them a foothold," says George P. McLaughlin, analyst for Reynolds & Co. brokers. "They can easily get the money to diversify."

If money isn't the mother of diversification, it's certainly the medium. And what are the motives? Obviously, it's better business to reinvest profits than simply to allow them to be gobbled up by higher taxes. "You've either got to go back or grow. You can't stand still," says James Roddey, a vice president of Rollins Broadcasting.

Yet the FCC's ownership limit of seven AM, FM and TV stations sharply confines simple horizontal expansion of a broadcast empire. What then are the other methods available? To move into related or similar fields. How similar are ownership of the New York Yankees (CBS), Orkin Exterminating Co. (Rollins Inc.) and Manpower Register Inc., an employment agency for engineers and technicians (Reeves)? For

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HOW TIME INC. GOT INTO TELEVISION

Time Inc.: Incorporated Nov. 28, 1922.
May 1938: Acquired "Literary Digest" magazine for undisclosed price.
1945: Acquired Bryant Paper Co., Maine Seaboard Paper Co., Bucksport Water and Hennepin Paper Co., all for undisclosed sums. (All sold to St. Regis Paper Co. in November 1946.)
February 1945: Acquired Michigan Square Buildings Corp. for undisclosed sum (company dissolved and operations taken over by parent company in December 1953).
December 1945: Acquired 2639 Corp. for undisclosed sum (sold to Webb & Knapp in July 1950).
June 1952: Acquired KOB-AM-TV Albuquerque, N.M., for $600,000; sold half interest to Wayne Coy. (Time and Coy sold all interests to KSTP Inc., Minneapolis-St. Paul in May 1957 for $1.5 million.)
June 1953: Acquired 80% of Intermountain Broadcasting & Television Corp., licensee of KDYL-AM-FM-TV Salt Lake City for $2.1 million. (Sold to Columbia Pictures Corp. in December 1959 for $3.1 million.)
July 1954: Acquired KLZ-AM-FM-TV Denver for $3.5 million.
June 1956: Acquired East Texas Pulp & Paper Co., Southwestern Settlement & Development Co. (owner of 660,000 acres of timber) for $35 million. (In 1965, name of merged operations changed to Eastex Inc.)
May 1957: Acquired Consolidated Television & Radio Broadcasters Inc.—WFBM-AM-TV Indianapolis, WTCN-AM-TV Minneapolis and WOOD-AM-TV Grand Rapids, Mich.—for $15.96 million. Organized Time-Life Broadcast Inc. to hold and operate broadcasting properties. (Sold WTCN-AM-TV in October 1964 for $4.4 million.)
July 1957: Eastex acquired Piedmont Carton Co. for undisclosed sum.
October 1958: Eastex acquired Bruce Carton Co. and Precision Carton Co. for undisclosed sums.
February 1961: Formed Time-Life Books, book publisher.
March 1962: Acquired KOGO-AM-FM-TV San Diego for $6,125,000.
April 1962: Acquired Silver Burdett Co. (text-book publishers) for 6,000 shares of Time stock. (In 1965 Time contributed assets of Silver Burdett and General Electric contributed $18.75 million to form partnership venture named General Learning Corp., to operate and sell educational materials and systems.)
1962: Acquired 50% of Svensk TV, Stockholm; 50% of DuMont-Time Television, Cologne, Germany; minority interests in Proartel, Buenos Aires and Proventel, Venezuela (both TV systems).
February 1964: Acquired KERO-TV Bakersfield, Calif., for $1,565,000. Purchased minority interest in British Telemeter (pay-TV company) and subsidiary Telemeter Programmes Ltd. for figure believed to be about $500,000.
July 1965: Built TV station in Rio de Janeiro in association with newspaper "O Globo." Formed Selling Areas-Marketing Inc., supermarket sales-research firm.
January 1966: Acquired Family Publications Services Inc., publisher of art reproduction and art books, for 45,000 shares of common stock. Also acquired minority shares in Editions Robert Laffont, French book publisher; Organizacion Editorial Novaro, Mexico, and Editorial Abril, Buenos Aires.
Sept. 1, 1967: Acquired 300,000 shares of Metro-Goldwyn-Mayer Inc. for $59 a share.
Time-Life Broadcast also has operating CATV systems in Marion and Terre Haute, both Indiana; franchises in Huntington, Ind.; Battle Creek, Albion, Marshall and 50% of Jackson, all Michigan; 50% of Newburgh and minority of Auburn, both New York; minority of Fresno and Kern county, both California, and minority of Sterling Information Services, New York.

one thing, they're all service industries and that, basically, is what broadcasting is.

"A guy does what he knows how to do," says analyst Gerard. C. M. Kirtland, Jr., vice president and secretary-treasurer of Cox Broadcasting, says: "A license for broadcasting isn't unlike a franchise for a bottling company," which a number of TV enterprises have, including New York City-based Capital Cities and RKO General and Miami-based Wometco Enterprises.

There are at least two other excellent reasons for broadcast diversification into service industries. Next to government spending, service industries make up the fastest growing area of the national economy and, generally, demand a relatively small cash investment. Even TV giants are not oblivious to the lure of service-industry investment: witness RCA's acquisition this past spring of the Hertz car-rental agency, a typical service corporation.

Some service areas often tie into the talents of a broadcaster in ways that may not be readily apparent. Thus Reeves's most recent acquisitions—Manpower Register and Previews Inc., a nationwide home-selling service—are slated to be completely computerized, and Reeves, through its industries division, has a growing interest in the computer-services field, where it originally became anchored through its manufacture of magnetic tape, the heart of computerized data-storage operations.

Some other root factors of the diversification boom: Both analyst McLaughlin and Tomio Saito, senior analyst for Baker, Weeks & Co. brokers, cite a desire to get away from operations subject to federal regulation. "It's in the back of their minds," says Saito. No matter how compatible an agency such as the FCC may be at the moment, he notes, "there always is the awareness that it is subject to some political fluctuations."

Money, indirectly, may also have pushed some broadcasters into aggressive prominence. Says analyst Jepson: "Many broadcasters are spin-offs from family companies that have gone public. They have suffered from lack of management depth before. Now with strong management, there isn't any reason why the companies can't go on growing indefinitely."

Both Jepson and Saito cite emergence of gung-ho, expansionist new management as a factor in building some of the strenuously dynamic diversifiers. "Most of these managements are young people, aggressive and ambitious," Saito says of the TV businessmen. "They don't want their companies to turn into high-dividend, nongrowth operations."

Scripps-Howard sometimes is pointed to as one of the rare exceptions where "most of the investors seem happy with high dividends and only 8% to 10% a year internal growth." Often named as among the acquisitive new leaders are Metromedia President John Kluge and the top management of Capital Cities.

Broadcasters such as these, by building up their own internal research and sales organizations, have become strong enough that they have been able to go shopping and move in on what one broadcaster calls "sleepy, unrealized media," such as soft-drink bottling (still a good diversification area, according to Saito because of "good potential and the low efficiency of many operations"). Or there is Metromedia's purchase of transit advertising and bulk-mail firms, areas where virtually no coordinated research or promotion has been applied. Hence Metromedia (which a decade ago was the two-television-station remains of the old DuMont Broadcasting Corp. and now is the country's largest outdoor and transit advertiser and third largest direct mailing firm as well as a broadcaster) can pretty well blanket a town such as Cleveland. If there is a message to be delivered much of the media runs through one complex.

Also, when you have your own ready-built promotional and sales facilities, there is a method for pushing such seemingly capricious subsidiaries as the Ice Capades (Metromedia), Miami Seaquarium (Wometco) or Weeki Wachee Springs, Fla., resort (ABC).

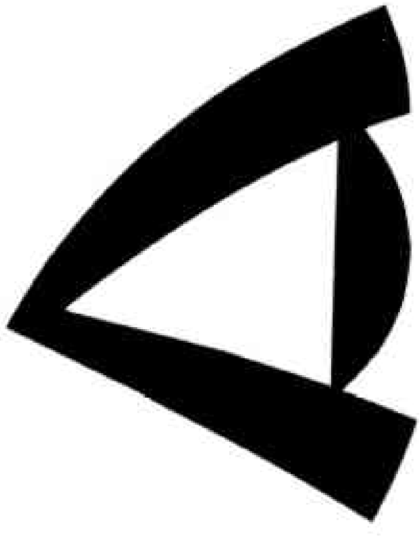
There is a method to multiplicity, even when it is sometimes round-about. When Metromedia bought the land atop Mount Wilson where it has its transmitter outside Los Angeles, it brought in a researcher who had worked on Disneyland to explore uses of the mountain. The result was creation of a revenue-producing park on the 720-acre mountain top, another entertainment diversification.

"No matter how round-about a route we take," says a Metromedia spokesman, "in the end, we are probably the only company in the country where all of our activities can be reported in the advertising press every week. We know our needs; we won't be going into something like the machinery business."

Cox's Kirtland speaks for most of the diversified broadcasters when he says: "We steer away from being

Continued on page 58

A LOOK AT THAT CBS STYLE



No corporation in broadcasting, or for that matter in American business, pays more attention to its corporate look than CBS Inc. In its buildings, its mailing pieces—all the materials it exposes to the outside world—the company insists on discipline and excellence. But it's not just art for art's sake.

By Richard Donnelly

"There's no conflict: good design *is* good business." So speaks Lou Dorfsman, director of design, and sometimes called dictator of design, for the Columbia Broadcasting System Inc. Dorfsman not only defends the role of design in business; he propagates it.

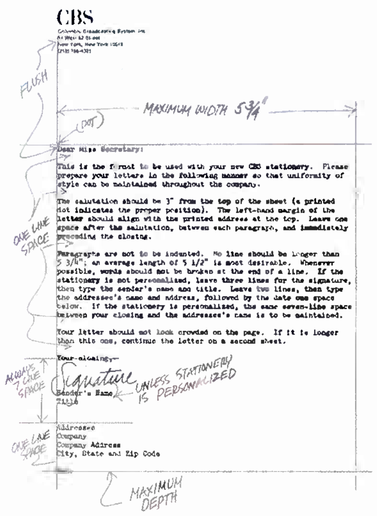
As the man directly responsible for the looks and sound and feel of a company that ranks with IBM and Container Corp. in its concern for appearances, Dorfsman seems most sensitive to, and most impatient with, the charges that this concern has nothing to do with making a buck and might be wasteful.

Says Dorfsman: "It doesn't cost any more than doing things carelessly. It's not any less expensive to produce a badly done booklet than to produce a well done booklet. Good design means good thinking, not simply pretty things. Design is something that is logical, well organized and has style. We may want to do an ugly ad because it has more effect than a pretty one. The Avis ads can hardly be called highly designed ads, but they were purposely done in a very unprecious way. Even the type face gave them believability."

Dorfsman's responsibilities run deep and they are not always sharply defined. As the man charged with collecting and hanging all the art work within the new CBS building, and as the man who even today says this can be hung, this cannot, he is probably not very popular.

And as the man who designed the letterheads that contain a little black dot three inches from the top, an inch and nine-sixteenths from the left edge, showing the secretaries exactly where to begin their typing, he is probably not spoken of fondly at coffee breaks. He is very much a presence within the corporation, the man charged with seeing that things are done with style, even with class.

(He has not always succeeded, however, in getting his point



CBS

FLUSH

MAXIMUM WIDTH 5¾"

(DOT)

Dear Miss Secretary:

This is the format to be used with your new CBS stationery. Please prepare your letters in the following manner so that uniformity of style can be maintained throughout the company.

The salutation should be 3" from the top of the sheet (a printed dot indicates the proper position). The left-hand margin of the letter should align with the printed address at the top. Leave one space after the salutation, between each paragraph, and immediately preceding the closing.

Paragraphs are not to be indented. No line should be longer than 5 3/4"; an average length of 5 1/2" is most desirable. Whenever possible, words should not be broken at the end of a line. If the stationery is not personalized, leave three lines for the signature, then type the sender's name and title. Leave two lines, then type the addressee's name and address, followed by the date one space below. If the stationery is personalized, the same seven-line space between your closing and the addressee's name is to be maintained.

Your letter should not look crowded on the page. If it is longer than this one, continue the letter on a second sheet.

ONE LINE SPACE

Your-closing,—

Signature

ALWAYS 7 LINE SPACE

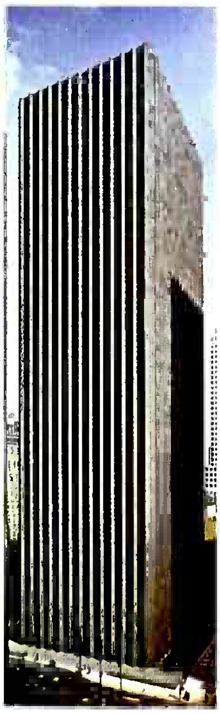
Sender's Name
Title

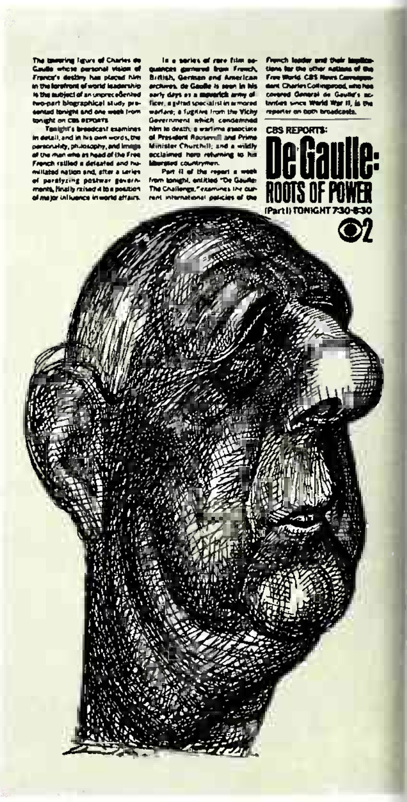
UNLESS STATIONERY IS PERSONALIZED

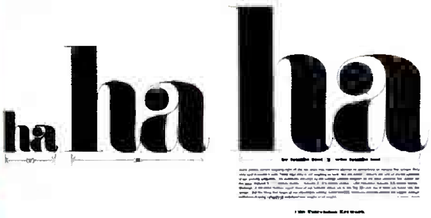
Addressee
Company
Company Address
City, State and Zip Code

ONE LINE SPACE

MAXIMUM DEPTH







Lou Dorfsman

across: The Yankee Stadium vendor's union held a special meeting this spring at which it was agreed no one would wear a Dorfsman-designed hat on the grounds that it was undignified. They did accept his jacket, a colorful typographical melange, a huge relief over the dirty white of the previous years.)

Dorfsman would not have been possible in most American corporations of only 20 years ago. Today only among the more sophisticated companies is he a possibility at all. He himself is quick to point out that he has a perfect client—a design-oriented management.

Why all this emphasis on design? "Frank Stanton is very sensitive to the feel, the spirit, the *look* of the stuff that comes out of the company—both internally and externally."

The designer credits top management, specifically William S. Paley, chairman, and Dr. Stanton, president with whatever reputation CBS has in the design field. "Both of them were sort of courageous in this area a long time ago. That overworked phrase, corporate image, was something we knew about years ago without ever realizing it. Corporate image is nothing but management's sensitivity to how it appears to others. Stanton gave it recognition and gave it impetus."

In addition to management, Dorfsman credits his former boss, the late William Golden, who designed the CBS eye, with making the major contribution to the company reputation. Also, he points out that some of the divisions of the company are pretty much autonomous, and that some units operate independently of him. In the latter category fall Mort Rubenstein, creative director of the CBS Television Network, who is responsible for nearly everything turned out there, and Ted Andresakes, art director of the television stations division. Bob Cato is responsible for the look of the product and promotion of Columbia Records.

Dorfsman stays away from such relatively autonomous company acquisitions as Creative Playthings; Holt, Rinehart; and the Fender Guitar Co. "When I say Columbia Broadcasting System I guess I think of broadcasting. Oh, I know there's a record company around somewhere and I've got this corporate thing, but basically I think of broadcasting."

But Dorfsman is in essence a company troubleshooter whose advice and help may be sought from below or directed from above. In addition to all his corporate duties, he is directly responsible for the advertising and promotion of CBS News, has gotten involved in the looks of the New York Yankees and the stadium they play in (he repainted it and redesigned the seat numbers and other graphics, making the environment look better than this season's team) and has done some work with CBS Laboratories. When last seen, he was working on a television network promotion film for *CBS Playhouse*.

On the theory that a man who has irritated all of the company's secretaries and has enraged all of its amateur art collectors can't be all bad, a visitor strolled over to the black granite and glass CBS building designed by Eero Saarinen (interiors by Florence Knoll Bassett) to talk with Dorfsman.

Dorfsman-style trees

The Dorfsman touch is discreetly everywhere: in the trees outside the building, in the numerals of its address, even in the name of the bank that rents a good part of the ground floor. The bank's typography is in CBS Didot—courtesy of Lou Dorfsman.

The touch is evident in the numerals in the elevators, in the black-and-white directional signs on each floor, even in the clock faces, the names on the office doors, the lettering on the vending machines in the cafeteria, the design of the disposable cups, plates and paper napkins.

In his office, which is not as maniacally neat as some would expect, Dorfsman fielded the basic question of how it's possible to justify this expenditure and effort (that black dot on the letterhead, for instance) on what are merely appearances. Does it make any *business* sense? Can it ever pay for itself?

Dorfsman likes questions like that because he was able to initiate all sorts of housecleaning measures when the company moved into its new headquarters, and he has a story about that move that tends to prove that good design is not only good business; it's profitable business.

Prior to the move, he recalls, management wanted to unify the look of the company, and one of the things Dorfsman found was that there were just too many different pieces of paper—stationery, memos, Kraft envelopes and the like. "There were five different letterheads of various weights and quality," he recalls. By standardizing things, by bringing the paper down to essentially one weight and quality, "we were able to have paper manufactured for us, we were able to have the mill make for us a paper of our own specified weight, color and texture, because it was possible to order in carload lots. And because it was exclusively ours, we have a CBS watermark.

"If my arithmetic is correct, to mail a letter from the old 485 Madison Avenue address on the various stationery then in use, cost about three cents each. Now, it's about a cent and a half. The savings? Just out of headquarters alone a million-and-a-half letters are mailed a year."

That's 1.5 million letters times 1.5 million cents, or $22,500 annually. But the savings in just this one area don't end there. By reducing the number of different letterheads a storage problem was greatly eased. Says Dorfsman with some understatement: "Using this place as though it were a warehouse isn't a very intelligent thing to do."

Other savings: Stationery is not personalized below the officer level so that when a manager or a department head leaves, a whole pile of paper isn't thrown out with him. Dorfsman and Stanton both happen to prefer lightweight stock; since lightweight stock is cheaper and takes up less room, there's a savings there. (To make an airmail letterhead Dorfsman had the same paper milled down still lighter.) And where there was once a memo pad for each of the divisions, there is now only one for the entire company.

More of less

All of this has been invaluable to central purchasing, of course, which can now buy fewer things in bigger quantities. This goes all the way down to such a simple item as a Kraft envelope, where, in the old days, says Dorfsman, everyone was in business for himself—people were ordering whatever colors, whatever imprinting, whatever type they chose.

Dorfsman brought these envelopes down to approximately three sizes, one color (black), one stock of paper and a uniform type. The same stock was made to serve as the company wrapping paper. (How do you write on black paper? With a Dorfsman-designed white-inked pen, that's how.)

In thinking back on it all, Dorfsman says: "It started as a unifying process but in so doing logic and intelligence brought us to certain conclusions that resulted in great savings."

To the charge that far from bringing logic and intelligence to matters of design, there is a "design dictatorship" at work at CBS that approaches near madness in its obsessive concern for order and neatness, Dorfsman shrugs. He thinks the general charge stems from two areas—the uniform way secretaries are asked to do letters and the hangings on the walls, nearly all of which are his selections.

As to the enforced style of the stationery, Dorfsman says: "A letterhead design is not supposed to stand by itself; it should be designed with the obvious in mind—how it looks with a typed letter. So the typing is important too."

Taste in art

As to the wall hangings (he was responsible for the acquisition of art and for its distribution throughout the building) Dorfsman says anyone who doesn't like what's in his office can ask for and get a replacement more to his taste. The designer, who ultimately handled about 3,500 pieces of art, much of it from CBS's files, says: "What we try to avoid is a very low level of taste that can creep in." In his opinion, the building itself ("a classic piece of architecture") sets a high standard so that there has to be a discipline in furniture and general interior looks. "We try to avoid clutter; we try to avoid anarchy."

The rules are well known within the company by now and little in the way of policing or "prior restraint" type of censorship is exercised. "If they conduct weekly inspections around here on Saturdays or something, all I can say is I've never been gigged," says one employe. The 15-member corporate-design staff is apparently too busy creating new problems to be concerned with the letter of the law (or the law of the letter, if you're a CBS secretary). The secretaries are carefully indoctrinated and their bosses know the rules. To sign a letter on the right hand side or to hang up a crayon scrawl of your eight year old would be like wearing basketball sneakers to work. There are some things a sensible young executive doesn't do on his rise to the top.

This emphasis on neatness can have meaning in many ways. Dorfsman makes an analogy to a company's sales force. "A buyer would tend to order more from a

What's the value of a Byline?

Years of a man's professional life can pass before he rates a byline.

Some never make it.

Those that do can usually be depended on to deliver their story with the integrity and skill befitting their byline.

We make medicines for doctors to prescribe. And, we make them with integrity and skill.

Whether life-saving or not, we feel they demand that we put ourselves on the line—and we do.

For a free copy of What's Behind a Drug Name, write to the Public Relations Department,

Lederle

LEDERLE LABORATORIES
A Division of American Cyanamid Company, Pearl River, New York

CBS GRAPHICS

from page 48

guy who is well-mannered, well-dressed, well-spoken and intelligent than he would from a guy selling exactly the same product who is the opposite. You feel a lot more secure with the first person." CBS, he thinks, comes on with style and class, would easily best its competitors in any poll sampling the opinions of advertising agencies along those lines.

Dorfsman was brought along by the man who hired him, the late William Golden, whose major contribution to CBS (after the eye) was to set high standards of excellence in all matters of design. It was Golden who set the CBS style. Dorfsman, who had come out of the army in 1946 after working in public-relations-type films, apparently had the necessary resiliency and toughness to work with the demanding Golden. He started as a staff designer. In 1951 he was made art director of CBS Radio, then advertising and art director and in 1959 vice president, advertising and sales promotion, for the radio network. Less than a year later he was brought over to CBS Television as creative director, advertising and sales promotion. He was given his present title of director of design for the coporation in 1965. Over those years in both radio and television Dorfsman managed to pick up 10 gold medals and 18 awards of distinctive merit from the New York Art Director's Club.

Dorfsman, who doesn't look anywhere near his 49 years, is clearly a competitive, at times combative, man. On his desk are bolted (for security reasons) two miniature Sony TV sets, one on top of the other ("I piggyback them so I can watch the enemy"). In speech, he has been known to be earthy, brief, nearly brittle in his comments ("My philosophy? Make it nice"), but in reality is much more thoughtful: "Whitehead says somewhere that style is the ultimate achievement of the civilized man. I'd like to think that 'style' is analogous to 'design'."

How would he verbalize the CBS look? "Unflamboyant, dignified, contemporary. A company this size should have dignity." END

MORE OF LESS

from page 35

least were alert to the problem and the need to fight the rising tide of expenses, like a group of diverse travelers adrift from a shipwreck in a life-raft and at odds over the best course to pursue but in concert on the need to bail together to keep the vessel from going under.

"The costs interrelate. It was a decision jointly between agencies, networks and producers," says Jerome Feniger Jr., vice president, television programing, at Grey Advertising.

Says a vice president of one major agency: "We had almost no say in the decision. And we're not really happy with the situation, but if it's a way to keep costs down, you've got to live with it."

A number of people argue that the networks, themselves, are the least happy with it; at least not to the extent of going to a half-and-half mix.

Rich says: "The networks really would prefer to do at least 32 originals, but the producers fight it because they only need 26. Network program departments haven't had to face the realities of life in costs; they don't care that much about them. If I were in their position, I'd want to make as many originals as I could, too."

ABC's Sonkin confirms the stand. "If it weren't economically unfeasible, of course we'd like to extend the season as much as possible . . . maintain original product through the whole year. It adds excitement to have something new on every week."

As a network businessman, however, CBS's Iannucci counters: "If you take a show that's a solid success, it's successful because of the program it is, not how many new episodes are on. Thirty-two or 30 shows—I'm sure in my mind it doesn't make an iota of difference. And there's no way you can prove it. We're in a business that survives because of our programing, but we must work within the framework of the economics. We sit down and face the realities of life."

There are other factors that have added to the pressure for a smaller number of originals, although there is disagreement on just how important some of them are. Most agree that a factor—if a minor one —is that fewer originals obviously means a shorter shooting schedule, which many stars find most agreeable. "In some cases," says Bradshaw, "it simply is the availability of the talent. People may want to be available only for 26 weeks."

"If you're dealing with a major star," says Iannucci, "he doesn't really want to work on a new show too long. They like to work less and still make as much money."

The Gleason program probably could be cited as a prime example, although network officials decline to do so.

Also named is the difficulty in rounding up good product for expensive, one-hour shows. "The hour shows have much more work done on them; it's killing to come up with more than 26," says Bradshaw. "Just the scripts alone are a tremendous challenge."

Says Kenyon & Ekhardt's Erickson: "At Warner Brothers we made 26 and 26 of *Maverick* because we couldn't get enough good material to make more."

In addition to its role as a programing innovator, *Maverick* also was one of the earlier full-hour series shows. The two trends are interrelated: Making 26 one-hour programs is somewhat akin to telescoping the shooting of 52 half-hour shows; like building one reinforced 52-story skyscraper instead of 26 lighter two-story store front buildings.

Says Erickson: "The better the vehicle, the fewer originals and more repeats you have."

Some, such as ABC's Sonkin, pooh-pooh this often-quoted theory, though. "Lack of material just doesn't enter in," he says. "The concept of the show is the only difficult part. Once you've got that down, the scripts come in with plenty of fresh material. What if a show runs three years? Regardless of how long you made the first series, you still have to think up ideas for the following seasons."

The rise to dominance of movies also was a trend-setter in the pattern for greater use of reruns. They proved—almost out of reluctant economic necessity—that audiences will sit through two viewings of the same thing twice within the same year. Almost all major movies are now bought by the networks on the basis of a first and a repeat showing during a one-year contract period.

The swelling importance of specials in the past few seasons is usually cited as the strongest secondary reason for the cut in original series programing.

Says Erickson: "With the specials you are now cutting the average mix to something like a 30/20 or even a 30/18 pattern." Burnett's Rich adds: "With specials there are no shows with more than 32 originals and an option to do more."

From the network viewpoint, CBS's Iannucci concurs: "Specials have had a definite effect on dilution," he says. "Instead of holding over shows until the number of sets in use goes down, we hold down the number of new shows."

There is some disagreement on the importance of the specials' impact, however. "Even in a season where you have 250 specials, that means only a few a week, so it doesn't really mean that mu '. to the individual series," says Bradshaw.

Advertiser plus

The increasing acceptance of the "second season" concept is related to the curtailing of original programing, if not a causative factor. "The second season has resulted in our getting a shorter commitment," says ABC's Sonkin. "A producer (while wanting to make as few shows as possible) wants at least 26 weeks of commitment, and more if he can get it."

"The shortness of commitment required is always a plus for an advertiser in making a deal because the loss is that much less," Y&R's Bradshaw notes. Hour shows, he adds, are almost all on a participation basis now and they always are sold on a 26-week basis.

Some media observers suggest that the second season would provide the networks opportunity to get more out of their reruns by juggling schedules in mid-year—so that, in effect, there would be a whole new line-up of audiences for the second round of the shows: If Uncle Sturdley's bowling team meets every Wednesday night, he may never be home to see *Locoweed* until at mid-season its reruns are shuffled from Wednesday to a Friday time period, while Harriet Hornswoggle, who never misses a Friday night session of the East Orange Bridge and Gossip Society, might never get to watch *The Cretan Family* until it's moved into *Locoweed's* old Wednesday night hole. Presto, say the kibitzers, you would have instant viewer swapping.

It has been tried, reply the network programers, and it didn't work. For one thing, Uncle Sturdley and Harriet obviously have varying tastes. There are too many other complications, in addition, the network experts say. Viewer loyalty to individual shows is one; more important, "you run into advertiser problems . . . it just becomes too complicated to be worth it," says ABC's Sonkin.

"You can't switch shows," Iannucci says flatly, going on to cite advertiser purchase of specific time periods, audience flow and, ultimately, the fact "we like to think each show is a hit because it's a marriage of the right show and the right time period."

There are definite economic advantages for the advertiser, as well as the producer, in the use of more reruns. "Of course it doesn't make a lot of difference to scatter advertisers," says Grey's Feniger. "If they want to buy so many million dollars worth in April, May and June, they know the figures on estimated audience, sets in use, costs, etc. But to the year-around advertiser, the pricing sometimes is what's important." And the lowered price of showing reruns helps even it out.

"It's an advantage for the advertiser simply because the repeats are cheaper," says Y&R's Bradshaw. "Inasmuch as audiences delivered on any established show vary more with the time of year than whether it is a rerun, the 26/26 formula is an advantage for advertisers because the repeats are cheaper."

Time of year

Says Rich: "Advertisers would just as soon do 26 originals if they find the ratings hold up at a satisfactory cost per thousand. When you get beyond a certain period of the year, the difference between 32 originals or 30 originals really is more the time of year it is than whether the shows are original—you don't find that much difference. The advertisers will say: 'If it costs less, fine, use reruns.'"

How are the producers making their money on the shortened shows? It depends on the individual. "The amount charged varies," says Bradshaw. "Some suppliers want to try to get as much of their money back as possible right away; others give you a more modest first-time price and higher repeat costs." "More and more they are getting 50% of the original price for repeats," Erickson says.

Rich finds the original/repeat "cost difference is like night and day. An average half-hour original will cost $75,000 to $80,000. In the repeat, depending on the individual deal, the producer will get $15,000 to $25,000."

Movies, with their selective audiences and high rerun followings, "are always fairly high repeat buys," according to one agency vice president. "Say a movie costs $55,000 a minute the first time. It probably will be about $42,000 a minute the second."

The most glaring disadvantage for the producer is crippling of the syndication market by reruns. But even here, use of reruns already has offset the problem of earning back the original cost of the show. And many industry experts argue that since audience surveys indicate high viewer loyalty to a program it is very difficult to overexpose watchers to a show, even through rerun after rerun.

Syndication problem

One agency media analyst notes: "Even if you don't place much faith in the statistics, just think about *I Love Lucy* or *The Lone Ranger*—how many dozens of times have they been around, and people still watch them."

The problem, Erickson points out, is that "to get a library that is salable for syndication, you need 100 or so original shows." But in making so few originals, "a series now has to be on a minimum of three years" to build up that library for syndication. He adds: "The more product you have, the more flexible your selling pattern."

Others, however, argue that the domestic syndication market already is so glutted with product that if you've earned the cost of your show, forget about trying to syndicate it, at least domestically.

"Local syndication is a dead issue," says Rich. "The market already is glutted with film. What producers care about now is the foreign market and it is all sold on the basis of 26 shows, anyway. The only thing they're really stuck with is those programs that never make it on the networks. There you're left with 15 or 16 episodes you can show in your bathroom. The producers get their money back with the foreign resale, and you've got to have 26 for that." That may be a major reason that few have yet tried to make less than 26 originals.

All three networks have become so attuned to the increased rerun pattern that within the past two years they have begun posting graduated price schedules: there are now three rate cards: one for original shows, one for reruns in the spring and one for summer. Some, such as CBS's Iannucci, deny that the rise of in-season reruns is the reason for this. "We don't run our rate card on program mix; it's on a calendar period," he maintains. Nevertheless, the triple-rate schedule came in coincidentally with

MORE OF LESS

from page 51

the rise of the diluted mix.

The reason for the acceptance of the whole pattern of increasing reruns is the statistics indicating that the audience drop for a rerun is minimal. Once it was found that almost as many people will sit through a show the second time around as the first, producers, programers and timebuyers quickly learned to take advantage of this loyalty, although there are indications now that the first rumblings are beginning to stir for a new look at this accepted convention.

Says Lever Brothers' Thurm: "Historically, in past years there has been little difference in audience reaction between originals and repeats."

"If it's a good strong show," says ABC's Sonkin, the audience loss is "a little, but not drastic. If a viewer becomes a hard-core fan, he'll stick with a show"—even through reruns.

The most recent Nielsen study of rerun audiences for regular series was made back in the 1961-62 season (there was one the next year on specials). The series study showed an amazingly high following for programs the second time around in-season. It goes from a low of 89% of the original audience size for general drama to 97% for movies (thus explaining their relatively high rerun prices).

Thus the season change remains the big factor. Summer audiences slump off an average of about 30%, according to the ratings studies. And the way they slump off plays a major role in the rerun pattern.

The studies show that the summer slump varies with the time period: Audience loss is heaviest early in the evening and slackens later, from perhaps a high of 40 in the opening prime-time hours when late summer sunlight lures the family outdoors, to a low of 15 at night when the regulars are back at the set for their prebedtime viewing.

But, notes Sonkin, "an hour of film at 7:30 p.m. costs just as much as at 9 p.m., yet the audience falls off more in the early hours." Hence, all the more reason to help average the cost over the year with more reruns.

A minor revolt may be in the making, however. Most agency representatives say they would be "very interested" to see a new Nielsen survey in the area of audience loss on reruns. Many feel that the willingness of networks to schedule specials indicates that audiences are becoming more selective and, therefore, the old pattern of rigid loyalty to a particular series has slipped. One major advertiser is now in the process of secretly restudying audience change between originals and repeats. "Now that the 26/26 trend has set in, we are in the process of re-examining the situation," acknowledges one executive.

On the other hand, certain network people say it isn't so. "We had a recent test made," says Iannucci. "Our research indicated no change from previous studies. Our conclusion is that it is reasonable to assume there is no drop-off in audience."

The success in recent summers of certain specials and some experiments with low-cost original programing also seem to be the first rappings of a new wave that may be mounting to sweep away the 26/26 concept.

According to Grey's Feniger, such things as news specials—cited as prime examples are NBC's on Khrushchev and CBS's on the Warren Report last summer—are naturals for summer use.

Explains one network executive, a good news special that wouldn't draw a high audience share during the regular year goes up in the summer ratings because its specialized viewership remains high while general television viewing slumps. "The audience loss for a series repeat may be negligible in that while the number of sets in use goes down, its audience share stays up, even though its rating goes down slightly," says the network representative. "Some programs—such as the news specials—maintain virtually the same number of viewers, while the number of sets goes down, meaning it gets a much higher share. Its rating hasn't gone up, but everyone else's has gone down slightly."

ABC's *Peyton Place* did the same

Great TV shows aren't written; they're rewritten

On the lost continent of Hollywood, there are two breeds that are constantly in contention—the Producer and the Writer. And through their friction, all great television shows are born.

The Writer's chief complaint against the Producer is that he demands incessant rewrites. And the Producer's chief complaint against the Writer is that his deficiencies make the rewriting necessary.

The torment of this creative process is well illustrated in this drama that recently unfolded in the office of Luther J. Brumbaugh, chief of production at Pottage Studios on Sunset Boulevard in the Hollywood Heartland.

Brumbaugh's writer, Milo Funk, a ferret-like man, whose three children all require massive orthodontia, is huddled in a large chair.

FADE IN:

The room is decorated in Early Benito Mussolini. Producer Brumbaugh sits behind a desk the size of a Ping-Pong table, a cigar jutting from his face. Writer and Producer are deep in a story conference. They have been discussing Funk's pilot script for a bold new spinoff, *The Girl From Star Trek*. As Producer Brumbaugh slashes away at the script with a felt-tipped pen, Funk sits grinding his teeth, an act made difficult by his pronounced overbite.

BRUMBAUGH: Cut! Cut! Cut! This will need a complete rewrite, Funk. A complete rewrite.

Brumbaugh looks at his watch, grunts his agitation.

BRUMBAUGH: I didn't realize it was so late. Come on. We'll grab a bite at the commissary and finish this later.

Brumbaugh rises, then stops, remembering something.

BRUMBAUGH: You'd better leave a note for Sol. Tell him I'm going to lunch and I'll see him later.

Funk nods and scribbles a note.

BRUMBAUGH: Read it to me.

FUNK: "Sol. Gone to lunch. Will meet with you later. Luther."

BRUMBAUGH: Hm. I don't know. It's catchy, it's cute, but it doesn't grab me. It's lacking something. Read it again.

FUNK: "Sol. Gone to lunch. Will meet with you later. Luther."

Brumbaugh rises and begins to pace.

thing as the only show on network television with 52 weeks of originals (CBS's *What's My Line* ran 47 originals, and five pre-emptions). Doing this brought the program's average up for the year. "It jumps into the top 15 shows in the summer because it stays at the same audience level while other shows fall off," Sonkin explains. "*Peyton Place* is a good franchise show for an advertiser because if you average it over the entire year, it comes out a pretty good buy. Most of the advertisers on *Peyton Place* are 52-week ones."

Grey's Feniger calls the year-around *Peyton Place* (which cost $79,000 an episode to make last year and $85,000 this year) a "bellwether" for more programing like this. Along with this come the successes of other low-cost programing —ABC's *Dating Game* and *Newlywed Game* and *Picadilly Palace*, are among those cited. Without sensational ratings, but with low costs, they can afford to gain even a slight edge on competitors by providing something new, and thus they become a good buy.

CBS's Iannucci is among those who doubt this trend will spread, however. "Within ABC's framework of lower ratings, these are successful shows," he says. "They're easy to make and they're established products. The game shows already have been tested in the daytime. The incremental cost in making them is lower too, because it means just adding one more production a week to the schedule."

ABC's Sonkin counters: "There *will* be more lower cost original programing." And he is backed up by many advertisers, including one agency programing vice president who says: "All you've got to do is take a look at the book and see what a show like *Dating Game* did, and you'll know that there's sure to be more low-cost original programs made." END

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by Gerald Gardner

BRUMBAUGH: You know what's wrong? It doesn't ring true. Consider the motivation of the man. He's going to lunch, right? But he wants—and this is vital—*he wants to see his friend later.*

Funk nods and scribbles again.

FUNK: How's this, L. J.? "Sol. Gone to eat. Gotta go. See you later. Luther."

BRUMBAUGH: Better. I think we're getting very close. That note has a message, which the other lacked.

FUNK: Thank you, L. J.

BRUMBAUGH: Now let's rework it once more. And this time, let's try to get in the mystery of youth, the agony of loss, and the anguish of a man who has discovered too late that love is a sham.

Funk frowns, scribbles feverishly, then reads his notes.

FUNK: "Sol. Having a bite at commissary. Plant you now. Dig you later. Luther."

Brumbaugh does not reply, but settles back in his chair and closes his eyes for 18 minutes. Finally his eyes open and he squints over his cigar like a man sighting over a gun barrel.

BRUMBAUGH: Now understand this. I sit in the producer's chair. I'm not a writer. If I were a writer I wouldn't be here.

FUNK: Neither would I.

BRUMBAUGH: So remember; what I have to say is not sacred. It is not chiseled in stone. And I do not like yes-men. I respect a man who isn't afraid to stand up and say "maybe."

FUNK: Yes, sir.

BRUMBAUGH: Okay, that being understood, how about this? "Sol. Running out, getting lunch, meeting later. Luther."

Funk is silent, reflecting on the long line of undeveloped teeth stretching far out into the future.

FUNK: Beautiful, L. J.! Beautiful!

Brumbaugh sighs with satisfaction and Funk does a quick final polish on the note as we FADE OUT.

ADVERTISING COSTS

from page 39

In the print media, projected cost increases are slight. Both magazine and newspaper costs were up 2% this year, and are expected to increase by 3% in 1968. The Bates study predicts that the cost of the supplements will hold steady this coming year, 1% less than the 1960 cost figures. Spot radio costs increased 4% in 1967, and will probably increase another 4% in 1968. Network radio costs, which neither rose nor fell in '67, will most likely increase by 2% next year.

The units of measurement on which the Bates media department bases its cost study are: minutes for radio and TV, black-and-white pages for magazines and supplements, 1,000 lines (black-and-white) for newspapers, and 100 showings for outdoor.

Audience trends also put television way ahead of other media. The ranks of daytime network viewers have swollen 55% in the last seven years, but should increase by only 2% in 1968. Evening network and day spot also anticipate a 2% rise in audience, while fringe spot expects only 1%. The print media, according to Bates, will see no substantial increases of audience. Bates expects radio, both network and spot, to make a good showing with audience increases of 4%. That 4% will put spot radio 16% ahead of its 1960 audience levels and network radio 9% ahead of 1960. Outdoor advertising, too, may see a 4% increase in audience, a 31% increase over the eight-year period.

Television cost-per-thousand trends still show cost increases ahead of audience increases, except in the case of fringe spot. In 1967, fringe spot efficiency seems to have stabilized somewhat, although Bates predicts a percentage rise again in 1968. Bates's projections for 1968 foretell a 7% rise in daytime network CPM, a 6% rise in evening network and daytime spot, and a 5% rise in fringe spot.

Bates predicts that the network radio audience will rise in 1968, but that the costs will not rise correspondingly. Spot radio should tend to stabilize in 1968, after 1967 found it somewhat less efficient than in the past.

Newspapers, relatively stable this year, will be less efficient next year with a 3% CPM increase.

The expansion of total advertsing volume in 1967 should be nearly 8%, outpacing a 5% growth in the gross national product. END

FOCUS ON COMMERCIALS

How Heinz ketchup spots turn a defect into a selling point

1) Long shot of a plate of french fries and ketchup. A male voice-over reads languorously: "It's slow."

2) "So slow. Heinz. The Slow Ketchup." Tight shot of the bottle neck and label.

3) A woman's hand pours the sluggish ketchup. "Heinz is too thick, too rich to run."

4) Long shot of the product behind the plate of french fries. "We make it that way because we know how."

5) Oh so slowly she takes one.

6) Close-up of woman's hand and french fry, moving slowly.

7) "There are other ketchups that come out of the bottle faster. Much faster. They're thinner, runnier."

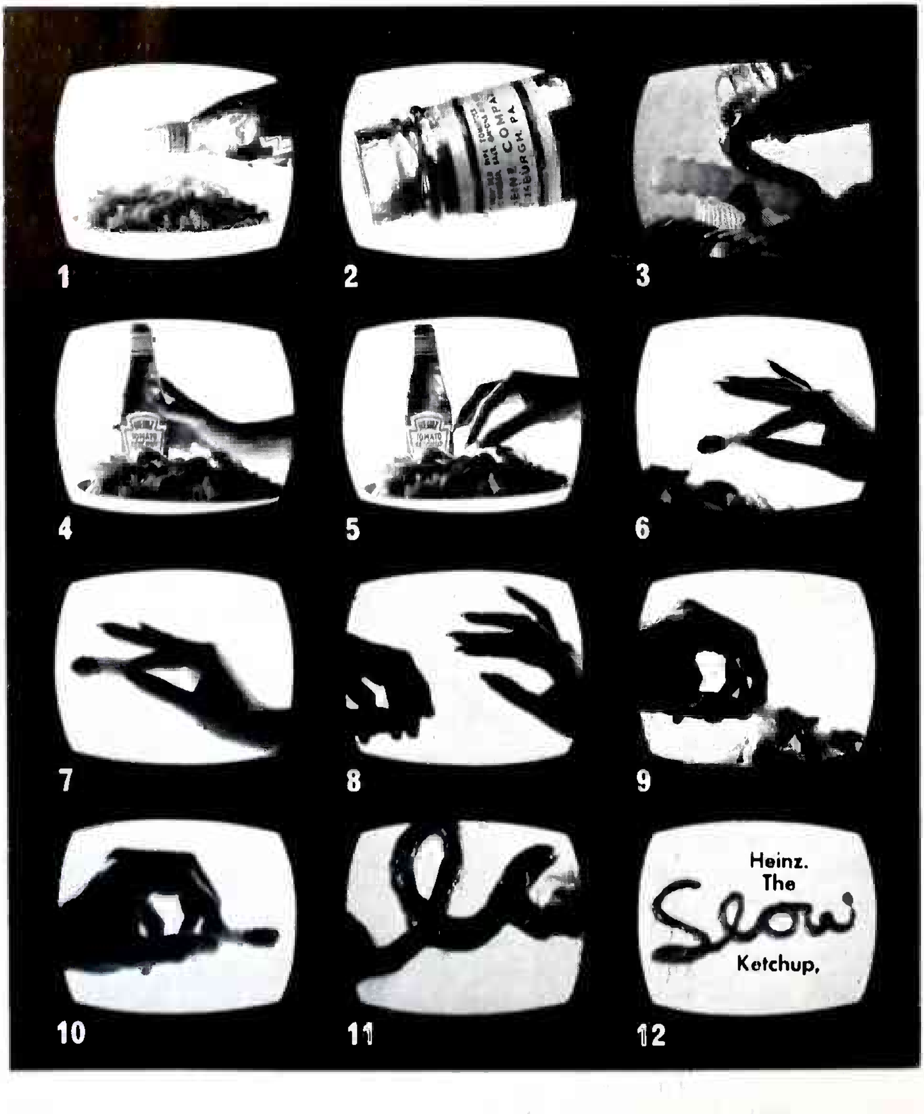
8) Enter male hand. "With Heinz you get every drop of taste."

9) Tight shot of man's hand and french fry.

10) "Heinz is too thick, too rich to run. And that is the way ketchup ought to be."

11) Unseen hand writes S-L-O-W in ketchup-script.

12) The final shot. "Heinz. The S-L-O-W, Slow Ketchup.



Heinz ketchup and Doyle Dane Bernbach have teamed up to solve an age-old ketchup packaging problem—through advertising. The narrow-mouth ketchup bottle is a classic nuisance that may date back even farther than Heinz's 89 years in the business. Now they are telling us that the degree of ketchup-pouring difficulty reflects the richness of the ketchup. The latest thing in Heinz commercials bears the Doyle Dane trademark: A product disadvantage has been made to look good.

There are three commercials in the series, and there are 60-second and 30-second versions of each. All of the commercials are basically alike; only the ketchup vehicle varies—hamburger, french fries, hot dog. The films consist of an overlap of dissolves, showing ketchup oozing out of its bottle to the accompaniment of Bobby Hackett on the coronet.

Despite its inconvenience, the consumer feels at home with the traditional ketchup bottle, and manufacturers have had a hard time selling new packages. Taste is always a difficult idea to put across, but DDB has found a way to make ketchup inconvenience demonstrate flavor. Because it's slower, it's thicker: ergo, more palatable. Arie Kopelman, supervisor of the Heinz account at DDB explains: "You can show kids smacking their lips, but who is going to believe it? Anybody can do that." The competition is largely of the lip-smacking school. Delmonte and Hunt, Heinz's two serious competitors, frequently rely on shots of red, ripe tomatoes to move ketchup off the grocer's shelves.

Prior to this series, Heinz had used competitive demonstrations to show that its ketchup was thicker than other brands. Heinz is counting on the cumulative effect of these previous campaigns to give meaning to its new signature: "Heinz, The S-L-O-W Ketchup."

The visuals are simple, and the music is vital. "Essentially we wanted a very slow, melodic theme, almost dinner music. A sound that would give the commercial some sex appeal," says Kopelman. "You are trying to make something that is everyday seem exciting, and there is nothing exciting about somebody pouring ketchup on a hamburger." The music was created solely for the Heinz campaign by Mark Brown Associates.

The one man at DDB who has seen the Heinz account through from original napkin test to the S-L-O-W ketchup is Bert Steinhauser, art director. Steinhauser also supplied the inspired hand that writes "S-L-O-W."

The sensual atmosphere of this commercial is further enhanced by the use of a lighting effect found more often in still photography than motion pictures. A very intense back-light source was employed. The light, bright but not stark, wraps lovingly around the hamburger and casts romantic shadows across the french fries.

When the commercial was produced last year, Christopher Eaton was a television supervisor and director on the Heinz account at DDB. He has since moved to Pelican Films, but the awards on his new office wall attest to his work for Heinz. He recalls the peculiar problems ketchup created on the set: "It's like working with ice cream, and you can't cheat." Under hot lights the thickest of ketchups runs thin. The only way to keep ketchup from becoming tomato soup was to keep it nearby at room temperature and run it into the studio at the last minute.

Research has shown copy recall on this commercial to be high, and ketchup sales also indicate its effectiveness. Heinz's business was flattening out when the company moved its account to Doyle Dane Bernbach three years ago, but today the agency claims it has worked a miraculous cure. The advertising created by DDB in the last three years has helped achieve an increase of over 70% in ketchup sales, according to John George, product manager.

The production company for Heinz was Video Productions Inc. All three commercials were in color, and the total cost for the series was just over $50,000.

Should this campaign have failed, it would have been a lot of money down the drain, but Heinz did have a new product to fall back on: Big Mouth, ketchup in a wide-mouth jar. Big Mouth was introduced in a 20-second spot tacked on the end of one of the earlier "slow ketchup" commercials. It wasn't created to replace the narrow-necked container, but intended for use in cooking. Should the consumer become fed up with "slow ketchup", however, Big Mouth provides Heinz with an emergency exit. END

Second of a series: what to do till the typewriter comes

By Granger Tripp

Among the sociological phenomena discussed by Mr. Shepherd Mead in his treatise, "How to Succeed in Business Without Really Trying," is the advertising agency employe who sits at his desk apparently doing nothing. Is he thinking of a client's problem? Is he a writer, plotting his next novel? An artist, planning a one-man show? Or a musician, composing a symphonic tone poem in which the observer will appear as a discordant squeal?

Alas for visitors to agencies! How *can* one tell what all those people are up to? But take heart: There is a case to be made for the man with the empty typewriter, for the artist with the vacant drawing board.

In fact, it has been said that by the time you, the writer, sit down at your typewriter, or you, the artist, at your board, the most important part of your work should be complete. For example, you should beyond doubt:

I. Know your product. All too often, the new commercial-maker assumes that he knows all he needs to know about the subject of the television commercial he is about to create. Sometimes his knowledge is narrow and superficial. Obviously, he should have used the product, if at all possible, and have observed other people using it. He should have talked with users and nonusers. He should know its advantages and shortcomings.

It is sometimes argued that too much knowledge of a product leads to a tangle of minor technicalities. A writer, for example, could get so close to his subject that he writes from the point of view of the manufacturer rather than the potential customer.

However, if one had to make a choice between a writer who knew too little about the product and one who knew too much, the decision would be easy.

Nowadays most clients and account representatives go out of their ways to make sure the creative people have every opportunity to become completely familiar with the product they are expected to sell. It is an investment of time and money that pays off in big dividends.

II. Know your campaign. Sometimes the assignment calls for a brand new campaign, but more often, particularly for young people, it will call for a commercial that is part of an existing campaign. The tendency too often is to assume that the brief slogan that epitomizes the campaign is all one needs to know.

In fact, however, this is far from the case. Why was the campaign created in the way that it was? What are the marketing factors behind it? What is the strategy, the proposition, the agreed-upon selling style? What other campaigns were considered and rejected? What campaigns are competitors using? It's hard to know too much.

III. Know the other members of your team. Perhaps none of the things a commercial-maker should do by way of preparation is more important than getting to know the other members of his team.

Nowadays the titles and job functions of people involved in the creation of a commercial vary greatly from agency to agency and even within one agency. Each team, however, includes three primary functions; writer, production supervisor and TV art director. Sometimes one person will carry out two or even all three of these functions, but they are all present, no matter how many bodies are involved.

Whatever the composition of the team or the titles of the members, it is obvious that the writer, particularly the young writer, will be far ahead if he brings his production and art associates in on the problem from the very start.

So, too, will the producer or art director, who wishes to create a commercial from scratch, find help in a good working relationship with the people made available for him to use. There is always the temptation to go it alone, to keep all the credit for oneself. Just enough people succeed to make it impossible to say "Never!" But more than enough fail to make it imperative to say: "Be careful."

So important is this cooperative effort that it should be part of the function of account managers to see that all members of the creative team begin work at the same time, and together. But whether it is done for him through the organizational structure, or whether he achieves it through his own effort, it is a wise commercial-maker who recognizes help for what it is, and takes it.

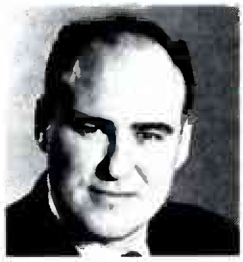
IV. Know your ground rules. It

Continued on page 62

Tripp is VP-creative supervisor at J. Walter Thompson, New York.

A TELEVISION ENCOUNTER

TWO RIVAL VIEWS ON THE 30-SECOND TELEVISION COMMERCIAL



JOHN HUGHES
Vice president and media director,
Hockaday D. Wolfe Giordano, New York

To begin with, as network costs continue to rise, isolated 30's will determine whether or not small, single-product advertisers can continue to use the medium. Rising 60-second costs are beginning to choke many small advertisers. Isolated 30's will be the only way that these small advertisers can maintain adequate scheduling within the limits of modest budgets. Isolated 30-second commercials should be priced at slightly more than 50% of the corresponding 60-second cost. Thus, the needs of advertisers would be served and the networks would also make more money.

With the high mortality rate of new programs, advertisers should be allowed to "hedge" their investments through isolated 30-second participations instead of sponsorship commitments with long-term clauses. I've worked on brands that were legislated into programs that died. Enormous sums of money were simply wasted. We have already witnessed the change from every-week sponsorship of programs to alternate-week sponsorships with cross-plug arrangements. In the next few years, if costs continue to rise, I think we'll see sponsorships every third or fourth week with isolated 30's used to cross plug.

I have discussed the advantage of isolated 30's with small advertisers, but even large, multiproduct advertisers will have greater flexibility in scheduling individual brands through isolated 30's. With all the sophisticated research that's available today we can almost break down a program's audience by the number of lefthanded, redheaded women over 140 pounds. If these are the marketing targets for a brand, why should that brand be scheduled in a program with a preponderance of righthanded brunettes under 125 pounds just because a piggyback partner is required? In some cases large, multiproduct advertisers schedule brands in tandem just to amortize the high 60-second unit cost. Isolated 30's need not cause any change in total commercial time or even commercial format. I suggest that two separate 30's be scheduled wherever piggyback commercials are now scheduled. Certainly the viewing audience will not be any more disturbed by two 30's from two advertisers than they are by two 30's from one advertiser.

Isolated 30's might even be the catalyst to reduce commercial time. If advertisers were allowed to sponsor programs every third or fourth week, network billboards might be relinquished. The many advantages of isolated 30's might far outweigh the loss of billboards.

Some isolated 30's are already being scheduled in prime time by program sponsors that schedule their three commercial minutes as one 30, two 60's (with one a cross plug) and one 30. This allows a sponsor with various brands within the same product category to separate the products with some program time. The next step is simply for the networks to sell these isolated 30's to different sponsors.

If my memory serves me correctly, the networks began piggybacking and the local stations then followed suit. Now the local stations are beginning to show signs of recognizing the value of

Continued on page 62

A broadcaster receives his license to operate in the "public interest." He is well aware, however, that to operate in the public interest, he must have a firm foundation of revenue based on the interest of the advertiser. The advertiser's basic interest is the size and type of audience he can reach. His interest is selling his product. One should believe, therefore, that there ought to be a compatability of interest to a common end in building the largest possible audience to a station. It is then that a common goal can be reached for both—the largest possible public to serve, the largest possible public to reach.

As a broadcaster, however, I have regretfully felt that this common interest is not often achieved through what we might call a compatibility of thought and idea. Through the years broadcasters have found that the advertiser or his agency has attempted to change what used to seem easonable methods of advertising exposure through a variety of approaches to reach larger audiences for less relative expense. This has included the piggyback, the trading of time to get broader reach, increased quest for the so-called 30 second.

Is there something wrong with the 30 second in itself? No. WTMJ-TV had such on the rate card 15 years ago, before the days of fractionalizing.

In this latest effort, a broadcaster must say, if he operates in the public interest and the interests of the industry, that there are a number of dimensions and implications to be considered. Basically, the question surrounds the premise that you can't serve the public and, in turn, serve the needs of the advertiser (which the advertiser sometimes seems not to understand), if you create a climate that ultimately makes the advertising as well as the programing less attractive to the audience.

Through trial and error, research and reason, the broadcaster has learned a number of things. He knows that the number of interruptions within a given period can add to or reduce the audience appeal of the programing. He understands that the number of commercial impacts can do the same thing. He also understands clutter. They're all problems.

It is my belief that the piggyback, which perhaps temporarily seemed to serve the advertiser, in the long run does himself and the stations a distinctive disservice. The 30 second, basically, is just another version of the old story of an effort to get more exposure at less money, fractionalizing and degrading the methods and manners in which commercial exposures are riding on programing.

Most broadcasters long ago discovered that the marriage of two announcements, the decrease in the number of interruptions within a program, was far more acceptable to the audience. The code says you can bunch three, and the limit is placed with good reason. It can be predicted that the 30 second will never become an island insert or the advertiser will be content to see a pairing of less than four in the manner of the double piggyback. There are economic complications for the broadcaster too, but that is

Continued on page 62

GEORGE COMTE
Vice president and general manager,
WTMJ-AM-FM-TV *Milwaukee*

DIVERSIFICATION

from page 43

a conglomerate. We are more what you might call a compatible industry."

Says John Murphy, president of the Cincinnati-based Avco Broadcasting: "Diversification in our business is no different than in any other. Procter & Gamble started out making soap. Now they're in everything from toothpaste to peanut butter."

Service, communications, education, entertainment—and whopping chunks of money—all these common factors of the television industry tie together in not always apparent ways to provide an underlying pattern to a field that on the surface may have seemed, like Topsy, to have "just growed."

In each case of recent diversification by individual broadcasters, Saito finds there is "a common denominator in something related in marketing or management." And in their branching-out, many of the broadcasters display a tendency to continue more deeply into a particular area once headed that way. Thus, although Rollins owns outdoor advertising and even a cosmetics firm, since its acquisition of the exterminating service, it has tended to concentrate further growth in the home-products and building-services fields, including establishment of a large building-maintenance division.

Bargain hunters

There are the rule-proving exceptions. Some properties are bought simply because they are considered a bargain. Thus Rollins also owns citrus groves in Florida and Reeves has a real-estate division developing subdivisions in the Carolinas. "When you can buy cheap land and build up its value, it's damn good business," says Reeves.

The Outlet Co., Providence, R. I., is in the department store business, a sort of service-merchandise combination.

Storer caused controversy with its decision to buy the financially disabled Northeast Airlines. (RKO General also is in the airline business with Frontier.) Storer broke the accustomed rules: Although technically a service industry, an airline is federally regulated and requires huge cash expenditures for equipment. But then, notes one analyst, in a market hot with merger fever "almost anything available is fair game."

There is no question that, with the funds to ride the crest, broadcasting is being swept along with the general merger wave.

"You name the industry, and it has diversified," says analyst McLaughlin. "I've never seen so many mergers as this year. It's all part of the conglomerate theory that has come to the fore: You throw a mish-mash of companies together, keep autonomy and basic management of each one and all they do is report to the top."

Conglomerates

Thus Avco, which is primarily a defense industry that swallowed up the former Crosley Broadcasting Co., is now in the process of merging with the Paul Revere Corp., a Boston holding company.

The big Desilu Productions Inc. has been tucked into Gulf & Western Industries. One of the widest ranging and most acquisitive of the conglomerate merger octopuses, Gulf & Western, also owns Paramount Pictures Corp.

Baldwin-Montrose, a chemical company, is in the process of buying up more than a third of Chris-Craft, the broadcasting-boat building-auto upholstering-oil-and-gas-owning combination.

The acquisition urge even has hit such a tangential TV business as Subscription Television Inc., which bought the John Blue group of companies, makers of equipment for applying fertilizers and pesticides. And the advertising firm of Papert, Koenig, Lois Inc. bought a Florida company marketing motor-driven bicycles. Hardly anyone, however, sees these buys as establishing a new pattern. "It's just the kind of market we're in across the board," sighs analyst McLaughlin.

This past summer, even in the production field there were such things as the smaller, younger but aggressively led Seven Arts Ltd. merging itself into leadership of the older Warner Bros. Pictures. And the analysts envision many other possibilities for compatible conglomerates within the industry. The cite, for example, MGM's now suspended talks with John Blair & Co., the New York radio and television station sales representative. They also however, warn of a limiting factor in many possible inter-industry marriages—such as, say, broadcaster-advertising agency mergers—in the ever-present threat of government antitrust action.

Perhaps the oldest and most obvious broadcasting link has been with periodical publishing: Scripps-Howard, Hearst, Newhouse, Gannet, Cowles Communications, Meredith Publishing, Time Inc., Bartell Media and Triangle; all of them are newspaper and/or magazine publishing operations.

Rust Craft Greeting, which makes greeting cards and stationery, is really in a publishing business of sorts. And the eager diversifiers have been picking up even more, if less obvious, publishing enterprises.

Cox, which also owns newspapers, has taken on United Technical Publishing Co., which makes catalogues for the electronics industry, among other things. On the network level, NBC's parent RCA now has Random House, and CBS has acquired Holt, Rinehart & Winston. International Telephone & Telegraph, which ABC would like to join, already has Howard W. Sams, textbook and technical publisher. "For broadcasters it's a logical extension into the printed field," says analyst McLaughlin. "They're sort of related and there's fantastic potential."

Electronics and TV

Electronics products or services have traditionally been the other most logical alignment for broadcasters. NBC, after all, is only one part of the huge RCA electronics empire; CBS has CBS Labs, some equipment manufacturing and records; ABC also has records and shares of engineering and communications firms; Westinghouse has its Group W stations; Reeves Industries produces such things as tapes and operates large studios in New York City; Sarkes Tarzian makes tapes and electronics gear, such as television cameras, and so on down the line.

Many broadcasters have plunged into the cable-television field and there is heavy involvement on such experimental fronts as microwave and satellite communications as everyone looks to the future growth of electronic wizardry.

Although there is sharp division within the industry on whether CATV will someday become linked with pay television, there is little question that almost everyone wants to have his foot in the door to take advantage of whatever develops on the technology frontier.

"I think all broadcasters are looking toward the day of pay television," says analyst Jepson. "In the back of their minds they think the networks as we know them today will not operate the same."

"It's no secret that all broadcasting is looking for the best sites for CATV," says McLaughlin. "The back door to the industry is through cablevision."

"It's a matter of opinion," says Avco's Murphy. "Our attitude on CATV is that it's a supplement to TV. People are going into it to protect their interests and increase activity."

"I think that some day CATV will tie in with pay TV," says Reeves. "Right now we're being hurt profit-wise by our CATV properties, but there's an explosion ahead in pay television. That's just as obvious as the fact that the sun's going to come up, and everyone wants to be ready because the field will be tremendous. The television market is already unbelievable and there'll be an insatiable demand for more."

Television is a communications business that has boomed in an era of expanding economy, exploding population and growing leisure-time demand for education and entertainment. What more logical fields to plan for in the future then than expanded communications, education and entertainment?

"Education means communication," says analyst Jepson.

"With the population explosion, the need for information is going to be fantastic," says fellow-analyst McLaughlin. "There will be a demand for such things as true educational TV, something far superior to what we have now on such a limited scale. With a shortage of teachers and universities in coming years, it will have to be done electronically."

Thus the logical acquisition by CBS of such things as Creative Playthings, suppliers of educational systems and teaching aids for youngsters; Film Associates and Bailey Films, both California producers and distributors of educational films. Significantly, in the related worlds of communications and education these CBS holdings were lumped last month with the Holt, Rinehart & Winston publishing subsidiary into a separate CBS/Holt group for publishing and educational services.

The expanding recreation-entertainment field also makes it logical, analysts say, for a CBS investment such as its purchase of the New York Yankees baseball team, or even its acquisition of such things as the Fender Guitar and Amplifier Companies, Rogers Drums and Electro Music Inc.

"All our acquisitions are associated with our basic business—communicating with masses of people," says Felix A. Kalinski, who until being named head of a new division last month was CBS vice president for planning. "If you call this a communications industry, that's entirely correct.

"That's the way we got into publishing: on an analysis of our capabilities and how best to use our resources in a more effective way. It is a contiguous field."

Although some analysts criticize CBS for diffusing its energy and attention by picking up too many small firms, relative to its own huge size, no one quarrels with the philosophy of the choices. "The areas CBS has chosen all make sense,"

At CBS Inc., diversification is carefully planned

Towering most noticeably in the vanguard of those driving for broadcast diversity has been the giant of CBS Inc., with its purchases of everything from the New York Yankees to Holt, Rinehart & Winston Inc., publishers.

How does a corporation like CBS go about picking its next intended? With careful calculation.

As CBS moved into high gear with its acquisition program a little more than a year ago it created the job of a pilot specifically to steer the acquisition course, a vice president in charge of planning growth and screening diversification opportunities. The vice president, Felix Kalinski, says: "Although within the last two years we have formalized our acquisition process, we don't have a mechanistic procedure. This is not the kind of activity that lends itself to a system. It is part of over-all top management and must remain flexible to deal with each specific situation.

"Being a large company in the public eye, people invariably come by and say: 'Why don't you buy us out?' There are always properties available and we do listen to what people have to offer us. But primarily the planning section looks to the future to identify our needs and find what company we could look for to fill those needs." When it is determined that CBS should

Kalinski

move into an area, Kalinski says, three things are done:

"1) We make a thorough examination of the industry to be sure we have properly identified it and the way it fits our needs.

"2) We examine all the companies in that industry that look most promising in terms of growth rates, pattern of development, management and future potential.

"3) We synthesize the candidates down to one or two. By this time the situation is down to personalities involved in running the companies and our handling is different in each case."

As an example, CBS's most recent proposed acquisition is Sunset House Corp., a Los Angeles mail-order firm specializing in gifts and small household goods for which CBS will pay a $15 million stock issue.

It came about when the planning department sent memos to each CBS division asking them to "look into your own future and decide how you're going to grow." The direct-marketing-services division, which has the principal function of operating the world's largest record club from a computerized center in Terre Haute, Ind., replied that it probably could do with some sort of mail-order firm specializing in small goods, an extension of what it already is equipped for. So CBS went out and found Sunset House and bought it, pending approval by stockholders of both companies. END

DIVERSIFICATION

from page 59

says Saito. "They might for most other broadcasters, too."

The related area into which broadcasting has been slowest to move is that of production. But now growth also is changing that. CBS has set up a division to produce and distribute feature films. Metromedia purchased Wolper Productions, the independent producer, and is moving it toward feature-film production. Cincinnati-based Taft Broadcasting purchased Hanna-Barbera Productions of Hollywood, the world's largest producer of animated films. Cox bought Walter Schwimmer Co., and now plans to acquire Bing Crosby Productions. RKO General plans expanded small-scale production with completion of new color studios in New York City this month. Westinghouse Broadcasting is heavy in production, including the *Merv Griffin Show* and the *Mike Douglas Show*.

Analyst Gerard finds this "the logical way they're going to go. We're probably going to see more programing." Analysts and broadcasters agree that production has been shied away from in the past because it is a risky business demanding large investments, unusual combinations of artistic flare and business acumen, and in the end, brings in widely fluctuating returns as contrasted to broadcasting's relatively stable income.

Uncreative

Notes Reeves: "The average broadcast operation outside the networks hasn't been too creative. In fact, they've been glorified projection booths. When you could either buy shows or get them piped in, why try something as precarious as production, where you could go broke fast?"

As broadcasters grow larger, in addition to the logic of what analyst Saito calls "vertical integration" of producing their own product to meet the ever-growing demand for more broadcast material, the spiraling cost of feature films for television is noted as a catalyst to force self-production.

"There's no rhyme or reason why movie companies should get the prices they do except that they're holding back films," says analyst McLaughlin. One way or another, "the broadcasters will have to force a trend back to the making of hour or hour-and-a-half movies for TV."

Where is it all leading? Security analysts and broadcast-industry leaders both see no growth restrictions and, depending on technical developments and antitrust attitudes, they say the ultimate growth is wide open. Many envision emergence of a number of communications giants spanning everything from broadcasting to publishing to computers.

Some, they say, probably will grow from the present networks and expanding group broadcasters. Others could come from outside, but neighboring, fields.

"The first thing is how do we define communications?" asks analyst Jepson. "Because there are bound to be fantastic communications giants developing. Is communications broadcasting, reproduction, publishing, movies, mail-order advertising—or is it all of that?"

Non-TV communicators

He notes there are companies already large in some of these areas but not yet in television. Jepson cites Xerox with its copying and data-processing technology; National Cash Register Co., which is involved with paperless publishing and data storage. Others see large publishers (perhaps one already involved in broadcasting and communications technology, such as Time-Life) creating all-media empires. "A lot of very diverse interests are going to move into this industry," says Jepson. "It's a glamour field" and there's no reason why someone outside it in the equipment field, for example, could not pick up broadcast holdings.

Reeves envisions companies with investments of "tens of millions of dollars" providing information services "like a utility providing gas or electricity."

With "no limits whatever on growth" for both large and small broadcasters, CBS's Kalinski foresees "some sort of cohesive communications conglomerate with people of all kinds in the field. It won't be dominated by giants. There will be opportunities for small companies also, providing specific services, such as computer software."

Most, from large to small broadcasters, say they're watching on the threshold. Says Cox's Kirtland: "We can see all the components—pay TV, CATV, video-phones, facsimile papers—but they haven't been put together yet. We do know we'd like to bring into the home anything that's going to come in, and we suspect that with broadcasting as a base, there's a little bit of a head start because we're already in the home."

The future

Weston C. Pullen Jr., president of Time-Life Broadcast, says: "We're very aware of the implications of the future. We've hired outside firms to take a look at all the elements—what's going to become of magazines, books, facsimile—the total picture." At the same time, Time-Life maintains its involvement with such technology as CATV, microwave and satellite communications. "In general, we're trying to keep our eyes open."

At a much closer range, most analysts see continued expansion of broadcasters for the next few years along the same lines they are following now. There will be continued acquisitions of such things as bottling companies, suburban newspaper chains and consumer-service companies, although the market may become tighter as buying trims the available field.

"Group broadcasters," notes Saito, "are still small enough that there is a sufficient number of small private or public companies to acquire over the short term. It's not like ITT, which has only a limited number of choices when it starts to look around for a merger." Some of the smaller broadcast interests (for example, the Georgia-based Fuqua Industries, which has been growing fast with acquisition of such things as a steel-building fabrication company in Arkansas and a power-equipment manufacturer in Georgia) are predicted to be the hottest growth companies.

There will be some consolidations, analysts say, leading in Gerard's view, to "big companies with smaller interests in broadcasting." Saito finds this "good from an industry standpoint because there will be fewer single owners and the groups will better represent the industry by providing better operating know-how, marketing and research."

The three networks are envisioned as growing proportionately, too, with ABC having to find some-

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DIVERSIFICATION

from page 60

one big to combine with, even if it can't be ITT.

At medium range, most analysts still point to the long-predicted leveling off in television growth. "We have to reach the maturity of the television industry some day," says Jepson. "Now that it has penetrated 96% of the homes, the end of an expanding market will come and one of these days it will have to start growing more in line with the economy." Over the next few years, though, Saito points out, there may be even more available cash for acquisition now that most television broadcasters have completed installation of color equipment and have little need for internal cash.

Overall, says CBS's Kalinski: "Technology is moving us very rapidly into change, and it's not clear that change is going to be representative to everyone in the field. You have to be very fast on your feet or you'll be left behind." END

ENCOUNTER: COMTE

from page 57

an entirely different topic from the basic "interest of the public" or the advertising load quotient the public will tolerate.

It has always been an anomaly that the advertising expert has long preached the insidious effects of clutter, yet it is a belief among broadcasters that the consistent effort to get more for less has been more than anything else the reason for this clutter. The widespread introduction of the 30 second on top of an industry that is already suffering from the impression of possible over-advertising exposure cannot contribute to the longtime health and public acceptance of the most powerful and most attractive attention getter yet devised by man. We should not allow television to be desecrated by an expedient of the moment either locally or on network. We must look upon television for what it is and play upon its greatness, not prey upon it. END

ENCOUNTER: HUGHES

from page 56

isolated 30's and the networks are dragging their feet.

Let's face it: The networks are really only selling audiences. Television, with the possible exception of a few programs, has never approached radio in terms of sponsor identification. Bob Hope on radio meant Pepsodent, Jack Benny on radio meant Jello, Jack Armstrong on radio meant Wheaties. Hope and Benny switched to television and their names mean "participating sponsors." They are no longer identified with specific products. I doubt that top-of-the-mind consumer identification of program sponsorship is over 5%.

"Program compatibility" are words that were popular a few years ago, but they are not much in use any longer. Today all kinds of products pop up in all kinds of programs. We have food products in westerns and hygiene products in gruesome war programs, and the combination of products in movies changes from week to week with each particular movie.

Even though the networks control almost all programs, they should be realistic and realize that sponsor dollars make the programs possible and sponsors should have a voice in the division of commercial messages.

I believe that as time goes on piggybacks will play less and less of an important role in the television scheme of things and the extended use of isolated 30's is inevitable. Sooner or later the networks will recognize the efficacy of isolated 30's. END

FOCUS ON COMMERCIALS

from page 55

is discouraging to see people sit down at the typewriter and type madly off in all directions without first determining as much as they possibly can about the physical characteristics their brainchild will have to assume. In addition to such obvious ground rules as length, the character of the commercial should be influenced by the kind of programs for which it is intended, whether it will appear as a wild spot or as part of a particular program, how often it will be reused and to some extent by the available production budget.

Again, it might be argued that it is possible for a writer to know too much, that he might become confused by details. But the view from here is that the commercial-maker is better off with more rather than less information.

V. Know your medium. Of course, the more the commercial-maker knows about television as a whole, the better off he will be. But in addition, he needs to be an expert—and an admirer of—the specific kinds of television in which he will be working, sometimes film, sometimes video tape, sometimes live.

In some cases the members of the creative team may be able to suggest whether they prefer their commercial to be produced on film, on video tape or live. More often, circumstances will have established the medium they are to use.

In either case it is vital to understand the different capabilities of the available media, as well as the various combinations of film, video tape, and live now available, including the live commercial that is an integral part of a video-taped show, the pretaped commercial that is shot in the manner of a live commercial, video tape that is shot using film techniques and the filmed commercial that can be rushed to completion on video tape. The more one knows about the strengths and weaknesses of each of these combinations, the more flexible he can be.

If people who originate television commercials share anything with the novelist and playwright, it is an affection for small excuses to postpone writing. The trip to the pencil sharpener, the excursion to acquire a new yellow pad, the repeated journey to the water fountain are all familiar to anyone who has faced the task of finally getting it down on paper. It is unfortunately possible that the eager pursuit of the information described above can become a career in itself. Sooner or later one has to decide that he has indeed learned enough about the problem and that there is no choice now but to solve it. Sad day, he must truly go to work.

But terrible though it is to contemplate the end of excuses, the time he has invested is sure to pay off in successful conclusion.

"There's never time to do it right, there's always time to do it over," say the boys in the bull pen. But if the gods are smiling and preparation is complete, perhaps you won't have to do it over, after all. END

TV'S LABOR UNIONS

from page 33

pattern of union agreements in force. The major difference among them is that CBS technicians are represented by IBEW, while the NBC and ABC technical men fall under the bargaining purview of NABET.

The basic division in talent representation is between AFTRA, which bargains for roughly all who appear or talk on the air, in person or on tape, and the Screen Actors Guild, which represents performers in filmed programing.

In the case of national contracts, unions generally negotiate with the networks collectively, though a separate contract—sometimes different in substance—may be signed with each. Similar collective negotiation is often used for local agreements in cities where facilities are operated by all networks. Portions of the staffs of one or more stations of a group-station operator may be encompassed by the same negotiations, or even the personnel of a single station. Negotiating units may follow geographic or company lines, even though each company may sign a separate pact. IATSE's local 644 actually covers cameramen all over the East Coast.

The networks are really a step removed from determining series-program costs. As George Fuchs, NBC's personnel vice president, points out: "We're just the customers for TV film, but the employers are really the film producers on the West Coast."

The distance from film talent's paycheck is a mixed blessing for the networks. It may reduce their influence over cost control, but the production expenses is passed directly to the sponsor. The network is freed from an enormous labor-relations burden and the whole film-series area is effectively segmented from other labor units.

The networks have retreated partially from their influence over labor negotiations covering production of television commercials. The situation is complicated by the jurisdictional split by which SAG governs filmed commercials and AFTRA governs taped commercials.

SAG and AFTRA sit down with networks and agencies at the same time, but the networks are no longer signatories to the film-commercial code. Prior to 1963 the networks had done the bargaining with SAG and this had left them open to charges from the spot-television business of making concessions in the commercial area for favors returned in the SAG contracts covering film programs. According to network negotiators, they're delighted to have the film-commercial onus removed from them.

The mixed allegiances of TV's labor force and intraunion blood letting are currently less publicized than cooperative union efforts, but TV's labor groups, have yet to prove their new unity is more than a superficial adornment and to convince skeptics that talk at union-headquarters levels is more than a pacification program being worked on the rank and file.

The evidence of cooperation is clear enough. When AFTRA launched its 13-day strike against the networks last April, members of NABET, IBEW, IATSE, WGA and SAG also walked out on individual initiative.

No-strike clauses in the various contracts of these other unions prevented union-imposed sympathy strikes, but individuals could and did honor AFTRA's picket lines in spite of the threat of network reprisal. Not only was it AFTRA's first national strike, but the industry's talent, technicians and even unskilled labor showed the networks an unprecedented, if not fully united, front.

What did it net AFTRA and the newsmen at the network owned-and-operated stations whose interests were the moving cause of the strike? Donald Conaway, AFTRA national executive secretary, refers to the settlement as a victory, but network management indicates that it conceded little beyond the terms it offered at the first mediation sessions before the strike was called.

Later with the future of its NABET technical brothers on the line, AFTRA gave notice that it not only felt duty bound to honor NABET picket lines, but would authorize a walkout in the event of a NABET strike. AFTRA's national board declared without hesitation that it would respect NABET lines. AFTRA could declare such a strike formally, without fear of a legal tangle, because final signing was still pending for its own national codes. Asked whether AFTRA would authorize such a NABET-sympathy walkout anyway, AFTRA's Conaway said legal intricacies prevented an immediate answer.

The no-strike clause, which has been a sine qua non for management's signature on television labor agreements and which is central to the union's ability to strike with impunity and in full concert, has become a celebrated union cause. AFTRA, at its July convention in San Francisco, resolved to demand the right to honor other unions' picket lines in its codes.

The union tried unsuccessfully

TV'S LABOR UNIONS
from page 63

for the same authority during its last network negotiations. The three-year agreements come up for renewal again in 1969.

NABET, in its recent round of negotiations with ABC and NBC, was looking for a much broader victory on the no-strike issue. Generally, contracts provide that there will be no stoppage of work or lockout unless one of the parties fails to comply with the decision of an arbitrator regarding an interim grievance.

The union was seeking to reserve the right to strike in case the exercise of the so-called management prerogative resulted in a changed working condition or technique that the union should take exception to, in effect, the right to strike on its own initiative without submitting to arbitration. NBC's Fuchs, who says such a concession would bring "World War III, five days a week around here," doubts any network would ever sign away that right to a union. By the time the NABET-network negotiations were over the union had dropped this demand.

The NABET revolt

NABET has been riddled with internal wounds that only recently showed signs of mending. Its bargaining position with the networks had been badly damaged by open membership revolt. NABET is no mirocosm of TV unionism, but its internal upheavals have left a locally oriented organization that may be representative of the local-power cry of other TV labor groups.

The 2,800 members of NABET employed by NBC and ABC had not been pleased with their last network agreement and by last March when it came time to negotiate again they had moved to rebellion. The union's locals in New York and Hollywood—the core of its membership—determined to disaffiliate with NABET and join the American Communications Association (ACA), which was to acquire the backing of the International Brotherhood of Teamsters for the project. Led by Gabriel Langfelder, New York local 11 president, and Allen Farnum, Hollywood local 53 president, the ACA petitioned the NLRB for representation elections that they hoped would bring the ABC and NBC technicians under ACA bargaining control. That filing aborted as untimely (the NLRB advised that such a petition would have to await

TV'S LABOR UNIONS

from page 65

the March 31 termination of the network-NABET contract then in force) and a later filing by ACA was withdrawn when the Teamsters union, without explanation, decided to pull back its support of the group.

Meanwhile negotiations between the networks and NABET had broken down in the turmoil, the networks unsure who would eventually represent their technicians, the union hopelessly split, the New York and Hollywood locals of NABET in trusteeship and the dissidents still dissident, but without parent affiliation. Lacking outside support, the rebellious locals formed their own group—Broadcast Employes Union—and filed again for a representation election.

Before the NLRB could intercede, the international NABET office had conceded sufficient ground to satisfy the New York and Hollywood leaders and NABET was again intact. But it had a new organizational structure. The international agreed to support local officers on a fulltime basis to represent network personnel in the two cities. They were given full rights as local bargaining representatives and provided with office space. Discarded was the contested office of director of network affairs, a position that had irritated the network local leaders as being removed from their immediate problems—a long and growing list of grievances—and generally useless to their purposes.

One view of NABET

By the end of the fighting, the record of brickbat rhetoric had made the disputant's positions quite clear. A telegram from Langfelder and his backers in New York to local presidents, during the reorganization struggle, presents this view of NABET life: "We are convinced and we believe that 90% of all NABET members are convinced that the very structure of NABET is rotten through and through and is incapable of internal reform. NABET is a filter-down structure, top heavy at the international level, with all dues money going to the international and nothing being returned to the members in the form of representation at the local level where it is most needed by the guy who counts: the member. NABET is a do-nothing organization because it is structured that way."

Fighting back, Eugene Klumpp, the international president, told his restless troops that the "sellout" to the ACA had been averted through the good offices of the international. "This dissident action," he said, "coming on the eve of network negotiations, might have been disastrous and it smacked of a 'neat' deal between the ACA and NBC (who are no strangers to each other) and ABC. Warfare between the two unions under these circumstances could only help the companies and hurt you."

Klumpp accused Langfelder and Farnum of "an old left-wing trick to gain control out of misery, chaos and wrack and ruin," while explaining that NABET had won for its members a five-month extension of the previous network agreement so they would not be left in a no-contract limbo in which "the ACA and the networks, individually and collectively, would have had a field day. But you would be the football that gets kicked."

A red herring?

Later charges that the ACA was Communist-dominated and that an alliance with the Teamsters was equivalent to affiliation with mobsters, were met with "is not now and never has been," and "how mobster-run can [the Teamsters union] be when it numbers among its New York contract-covered members your milk men, the Good Humor men and New York City's meter maids. . . ."

More germane to the NABET rank and file was the effect of the upheaval on its bargaining position, and the new relationship that might result with the networks. An official of the rival engineers group, IBEW, commenting privately on the NABET situation while the negotiations were in progress, said nothing but a change of faces at the bargaining table would repair the damage. "The companies and NABET stand off and throw rocks at each other over the course of their agreement. It has become a question of personalities," he said.

A Washington member of NABET, dismayed by the revolt and upset at the prospect that the ACA, with alleged Communist connections, might jeopardize the security clearances of White House and Pentagon reporters at ABC and NBC news bureaus, wrote Klumpp suggesting distribution to the union membership of all information on ACA that could be gathered from the House Un-American Activities Committee and other sources.

Noting that a strong argument of the dissidents was the "supposed inadequacies of the current network agreements," he wondered "how many of our members are aware that this agreement was negotiated while NABET was under threat of a decertification petition that had over 400 signatures on it when it was stopped." The companies, he went on, were fully aware of the compromised negotiating posture of the union and took advantage of it.

The recent NABET negotiations ended with the union adopting different positions on the ABC and NBC proposals; it would present them both to the rank and file for a vote, suggesting approval for the NBC deal and withholding approval for ABC's.

NBC's Fuchs seemed pleased in the interim between negotiations and the union vote; the union had made reasonable gains he said, and he felt confident that there was an enthusiastic effort being made to get the agreement approved. The pact included a reduction in the work week from 40 hours to 37½ in its third year in force and provided for improved scheduling procedures as well as a satisfactory wage advance, according to Fuchs.

ABC, its ratification position with the union less stable, had refused the addition of a man to color-camera crews, a change that would have put it on a parity with NBC in this respect.

On the picket line

When NABET finally struck ABC the walkout was attended by the bitterest kind of union-management exchanges. ABC charged sabotage on technical equipment by striking employes as they left their posts. A union official in New York called the charge a "dirty-rotten God-damned filthy lie," and said ABC had almost five hours notice that the strike would take place. Time enough, he added, to insure an orderly changing of the technical guard. ABC said it was being struck instead of NBC because the union figured it was less able economically to withstand a strike. A union official had no comment on that statement.

ABC did nothing to palliate the NABET rank and file when it announced that secretaries, pages and executives with little training, were performing adequately at the jobs for which union men were demanding $275 a week. An audio line, severed during ABC-TV coverage of a Saturday afternoon football game, added to the bitterness.

AFTRA talent and performers with individual network contracts began to support NABET. Game announcers Chris Schenkel and Bud Wilkinson walked out. So did newsman Peter Jennings, newswoman Marlene Sanders and late-night performer Joey Bishop. The network appeared unruffled on the surface at the talent walkout, said it had adequate reserves in the administrative ranks to take up the slack in news and was prepared to show reruns of the five-times-a-week Joey Bishop show as long as necessary.

At this magazine's deadline NABET was demanding a 32-hour, four-day work week, a $57 per week wage increase, which the network called exorbitant, and an increase in pension contributions.

The negotiating committee, which included the old New York and Hollywood dissidents among its active participants and which found the NBC offer worthy of approval, apparently had a whole membership full of dissatisfied men on its hands. At ABC the technicians had voted down the network offer 987 to 177 and at NBC they rejected the proposal 889 to 332.

Militant labor

ABC Vice President Richard Freund says the attitude of television's labor unions is representative of a nationwide labor militancy and suspects that it's "a reflection of a general national upheaval against the establishment."

Union leaders are not all optimistic about interunion cooperation or saturation organization of the TV business. IATSE's Walter Diehl explains that "engineers aren't really union minded unless they're thinking of going network." Asked why more TV stations aren't unionized, he says: "You can lose your shirt trying to organize these guys. You could spend several thousand dollars trying to start a local and then find that management has upped salaries in the meantime and your offers are no longer attractive."

Whether IATSE men would honor NABET picket lines was open to speculation. IATSE claims a membership of some 60,000, about 12,000 in television. Diehl, calling attention to the importance of NABET victories to IATSE's future negotiating leverage, said: "We'll soon see whether there's union solidarity."

Some of his reserve could have been due to reports that NABET had been making a play to convert some Canadian IATSE members to NABET, a kind of proselytizing that leads to anything but inter-union harmony.

Conaway of AFTRA says if the networks are smug about his union's last contract ratification, they're also painfully aware that AFTRA will strike and others will follow. He stands among the most optimistic about collective action among TV's labor groups, but he reflects: "The sadness is that you have such a diversification, you can't even have a cooperative council for them." Attempts to form a national council of broadcast unions have failed consistently for years.

But there are new signs of local collectivism. Only last month Hollywood unions and guilds that bargain with the networks formed the Committee of Broadcast Unions of Hollywood and held their first organizational meeting.

Television has a new union collectivism to deal with and the unions seem riddled with a new individualism. The combination promises a touch of chaos.

(Next month: a deep look at the above-the-line unions.) END

Market	NSI Area TV Households	PKL Projections: Oct. 1967 Multiset TV Ownership %	PKL Projections: Oct. 1967 Multiset TV Ownership Households
53 Greensboro-High Point-Winston-Salem, N.C.	502,800	19	95,500
54 Wilkes Barre-Scranton, Pa.	406,620	23	93,500
55 Orlando-Daytona Beach, Fla.	405,220	20	81,000
56 Davenport-Rock Island-Moline, Ill.	342,620	22	75,400
57 Little Rock-Pine Bluff, Ark.	310,740	17	52,800
58 Toledo, Ohio	425,940	29	123,500
59 Rochester, N.Y.	368,630	30	110,600
60 Shreveport, La.	307,260	20	61,500
Average for markets 51–60		**23**	
Average for markets 1–60		**27**	
61 Green Bay, Wis.	379,560	24	91,100
62 Des Moines-Ames, Iowa	301,580	14	42,200
63 Richmond-Petersburg, Va.	328,890	22	72,400
64 Flint-Saginaw-Bay City, Mich.	469,870	27	126,900
65 Mobile, Ala.-Pensacola, Fla.	292,390	18	52,600
66 Champaign-Springfield-Decatur, Ill.	312,910	22	68,800
67 Johnstown-Altoona, Pa.	1,075,550	30	322,700
68 Paducah, Ky.-Harrisburg, Ill.-Cape Girardeau, Mo.	296,400	15	44,500
69 Cedar Rapids-Waterloo, Iowa	312,710	16	50,000
70 Fresno, Calif.	235,080	20	47,000
Average for markets 61–70		**21**	
Average for markets 1–70		**26**	
71 Jacksonville, Fla.	270,740	25	67,700
72 Raleigh-Durham, N.C.	378,070	17	64,300
73 Roanoke-Lynchburg, Va.	310,740	20	62,100
74 Spokane, Wash.	289,940	21	60,900
75 Youngstown, Ohio	275,470	30	82,600
76 Knoxville, Tenn.	290,640	21	61,000
77 Portland-Poland Spring, Me.	415,720	22	91,500
78 Fort Wayne, Ind.	237,760	24	57,100
79 Jackson, Miss.	277,890	17	47,200
80 South Bend-Elkhart, Ind.	265,990	24	63,800
Average for markets 71–80		**22**	
Average for markets 1–80		**25**	
81 Chattanooga	229,750	21	48,200
82 Albuquerque, N.M.	196,540	20	39,300
83 Madison, Wis.	280,980	21	59,000
84 Peoria, Ill.	245,790	22	54,100
85 Evansville, Ind.-Henderson, Ky.	215,180	21	45,200
86 Wheeling, W. Va.-Steubenville, Ohio	990,240	33	326,800
87 Mason City, Iowa-Austin-Rochester, Minn.	247,330	16	39,600
88 Lansing, Mich.	554,950	29	160,900
89 Baton Rouge	361,100	18	65,000
90 Honolulu	168,990	17	28,700
Average for markets 81–90		**22**	
Average for markets 1–90		**25**	
91 Lincoln-Hastings-Kearney, Neb.	232,960	14	32,600
92 Beaumont-Port Arthur, Tex.	178,890	23	41,100
93 Duluth, Minn.-Superior, Wis.	146,580	20	29,300
94 Amarillo, Tex.	141,880	19	27,000
95 Rockford, Ill.	227,330	27	61,400
96 Greenville-New Bern-Washington, N.C.	230,930	16	36,900
97 Sioux Falls, S.D.	173,720	16	27,800
98 Fargo-Grand Forks-Valley City, N.D.	159,340	18	28,700
99 Sioux City, Iowa	192,180	16	30,700
100 Springfield, Mo.	179,770	14	25,200
Average for markets 91–100		**18**	
Average for markets 1–100		**24**	
101 Binghamton, N.Y.	207,020	19	50,700
102 Columbus, Ga.	291,510	20	58,300
103 Wichita Falls, Tex.-Lawton, Okla.	168,890	18	30,400
104 Joplin, Mo.-Pittsburg, Kan.	176,750	17	30,000
105 Springfield-Holyoke, Mass.	406,460	29	117,900
106 Terre Haute, Ind.	212,600	18	38,300
107 Colorado Springs-Pueblo	124,220	28	34,800
108 El Paso, Tex.	126,340	30	37,900
109 Monroe, La.-El Dorado, Ark.	213,870	17	36,400
110 Tucson, Ariz.	153,080	21	32,100
111 Monterey-Salinas, Calif.	950,720	30	285,200
112 Charleston, S.C.	183,520	24	44,000
113 Waco-Temple, Tex.	160,240	15	24,000
114 Quincy, Ill.-Hannibal, Mo.-Keokuk, Iowa	139,210	17	23,700

Market	NSI Area TV Households	PKL Projections: Oct. 1967 Multiset TV Ownership %	PKL Projections: Oct. 1967 Multiset TV Ownership Households
115 Erie, Pa.	205,310	23	47,200
116 Harrisburg, Pa.	430,490	25	107,600
117 Bristol, Va.-Johnson City-Kingsport, Tenn.	217,230	16	34,800
118 Columbia, S.C.	225,370	20	45,100
119 Lubbock, Tex.	126,620	22	27,900
120 Augusta, Ga.	258,020	21	54,200
121 Burlington, Vt.-Plattsburg, N.Y.	211,640	21	44,400
122 Corpus Christi, Tex.	125,930	22	27,700
123 Lafayette, La.	215,310	19	40,900
124 Montgomery, Ala.	179,720	17	30,600
125 Abilene-Sweetwater-San Angelo, Tex.	113,090	19	21,500
Average for markets 101–125		**21**	
Average for markets 1–125		**24**	
126 Wausau-Rhinelander, Wis.	163,700	19	31,100
127 Columbia-Jefferson, City Mo.	132,530	15	19,900
128 Odessa-Midland-Monahans, Tex.	113,630	22	25,000
129 Lexington, Ky.	149,340	20	29,900
130 Cadillac-Traverse City, Mich.	183,420	21	38,500
131 Yakima, Wash.	139,410	20	27,900
132 Huntsville-Decatur, Ala.	143,460	17	24,400
133 Boise, Idaho	97,160	19	18,500
134 Savannah, Ga.	121,150	16	19,400
135 Harlingen-Weslaco, Tex.	80,720	18	14,500
136 Austin, Tex.	166,380	17	28,300
137 Bakersfield, Calif.	157,440	20	31,500
138 Las Vegas	84,940	34	28,900
139 Bangor, Me.	131,700	19	25,000
140 Beckley-Bluefield, W. Va.	289,860	21	60,900
141 La Crosse, Wis.	156,940	16	25,100
142 Chico-Redding, Calif.	137,450	20	27,500
143 Topeka, Kan.	141,870	17	24,100
144 Alexandria, Minn.	111,000	11	12,200
145 West Palm Beach, Fla.	281,760	26	73,300
146 Eugene, Ore.	138,090	18	24,900
147 Macon, Ga.	121,700	18	21,900
148 Tallahassee, Fla.	177,400	17	30,200
149 Wilmington, Del.	186,730	19	35,500
150 Bismarck, N.D.	55,450	13	7,200
Average for markets 126–150		**19**	
Average for markets 1–150		**23**	
151 Albany, Ga.	162,070	18	29,200
152 Florence, S.C.	217,990	19	41,400
153 Reno	84,310	24	20,200
154 Utica-Rome, N.Y.	233,900	21	49,100
155 Aberdeen, Miss.-Florence, Ala.	73,550	10	7,400
156 Billings, Mont.	68,510	18	12,300
157 Idaho Falls, Idaho	63,980	16	10,200
158 Alexandria, La.	154,200	15	23,100
159 Rapid City, S.D.	64,650	15	9,700
160 Meridian, Miss.	116,670	15	17,500
161 Mankato, Minn.	120,940	14	16,900
162 Great Falls, Mont.	56,920	20	11,400
163 Medford, Ore.	63,400	20	12,700
164 Fort Smith, Ark.	96,390	10	9,600
165 Cheyenne, Wyo.-Scottsbluff, Neb.-Sterling, Colo.	129,260	19	24,600
166 Marquette, Mich.	65,300	14	9,100
167 Roswell-Carlsbad, N.M.	73,100	17	12,400
168 Dothan, Ala.	121,740	15	18,300
169 St. Joseph, Mo.	188,420	17	32,000
170 Eureka, Calif.	51,400	21	10,800
171 Ottumwa, Iowa	99,590	9	9,000
172 Ensign-Garden City, Kan.	48,980	16	7,800
173 Clarksburg-Weston, W. Va.	145,840	15	21,900
174 Santa Barbara, Calif.	200,680	27	54,200
175 Eau Claire, Wis.	151,330	19	28,800
Average for markets 151–175		**17**	
Average for markets 1–175		**22**	
176 Panama City, Fla.	137,800	15	20,700
177 Columbus, Miss.	94,760	10	9,500
178 Watertown, N.Y.	75,490	20	15,100

PKL market rankings based upon average quarter-hour, prime time, station total homes reached—all stations combined. NSI February-March 1967 survey.
NSI area households are as of September 1967 and are reprinted with permission of A. C. Nielsen Co.

Market	NSI Area TV Households	PKL Projections Oct. 1967 Multiset TV Ownership %	Households
179 Mitchell-Reliance, S.D.	57,040	9	5,100
180 Hattiesburg-Laurel, Miss.	124,150	17	21,100
181 Butte, Mont.	69,320	17	11,800
182 Minot, N.D.	41,840	15	6,300
183 North Platte-Hayes Center-McCook, Neb.	58,100	13	7,600
184 Grand Junction-Montrose, Colo.	50,350	12	6,000
185 Casper, Wyo.	46,400	20	9,300
186 Biloxi, Miss.	128,410	16	20,600
187 Tyler, Tex.	129,200	20	25,800
188 Lake Charles, La.	87,250	20	17,400
189 Greenwood, Miss.	96,540	14	13,500
190 Harrisonburg, Va.	108,500	15	16,300
191 Salisbury, Md.	56,340	16	9,000
192 Hays-Goodland, Kan.	64,170	12	7,700
193 Ardmore, Okla.-Sherman-Denison, Tex.	76,230	14	10,700
194 Lima, Ohio	95,150	22	20,900
195 Manchester, N.H.	1,132,140	32	362,400
196 Twin Falls, Idaho	33,030	15	5,000
197 Yuma, Ariz.	32,170	21	6,800
198 Williston, N.D.	31,670	13	4,100
199 Fort Myers, Fla.	45,330	17	7,700
200 Lufkin, Tex.	50,210	15	7,500
Average for markets 176–200		**16**	
Average for markets 1–200		**21**	
201 Ada, Okla.	106,600	13	13,900
202 Presque Isle, Me.	23,990	17	4,100
203 Tupelo, Miss.	69,870	9	6,300
204 Missoula, Mont.	59,700	16	9,600
205 Jackson, Tenn.	93,560	15	14,000
206 Klamath Falls, Ore.	26,210	20	5,200
207 Florence, Ala.	35,460	11	3,900
208 Zanesville, Ohio	51,290	23	11,800
209 Jonesboro, Ark.	102,680	14	14,400
210 Bellingham, Wash.	118,040	24	28,300
211 Dickinson, N.D.	30,160	12	3,600
212 Fort Dodge, Iowa	57,190	11	6,300
213 Laredo, Tex.	15,550	19	3,000
214 Lafayette, Ind.	58,060	19	11,000
215 Parkersburg, W. Va.	43,790	17	7,100
216 Bowling Green, Ky.	180,210	15	27,000
217 Riverton, Wyo.	14,600	18	2,600
218 Muncie-Marion, Ind.	129,890	28	36,400
219 Pembina, N.D.	23,850	12	2,900
220 Glendive, Mont.	4,170	12	500
221 Selma, Ala.	15,170	12	1,800
Average for markets 201–221		**16**	
Average for markets 1–221		**21**	
Worcester, Mass.*	181,850	29	52,700
Akron, Ohio*	298,980	35	104,600
Anderson, S.C.*	27,320	14	3,800

** Markets not included in PKL ranking.*
PKL market rankings based upon average quarter-hour, prime time, station total homes reached—all stations combined. NSI February-March 1967 survey.
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NIELSEN ESTIMATES OF OCTOBER 1967 MULTISET TV OWNERSHIP

Nielsen Territory	Multiset TV Households	% TV Households
Northeast	4,781,500	32%
East Central	2,771,500	31
West Central	2,618,700	26
South	2,891,100	21
Pacific	2,518,900	29
Total U.S.*	15,581,700	28%

** Excluding Alaska and Hawaii.*

EDITORIAL

Can the FCC stand a cold dash of reality?

☐ The trend toward diversification of ownership of broadcasting and other properties, which is described in the article beginning on page 40, is a rational response to general economic conditions and government policies. In the main, television broadcasting has generated solid profits, which, because of the tax laws, yield more to stockholders when reinvested than when distributed as dividends. Reinvestment by acquisition of broadcast stations is, however, difficult—not only because of high prices but also because of FCC restraints on multiple ownerships. The last is probably as important as any other factor in the expansion of television ownerships into conglomerate ownerships.

The FCC has never been very logical in fixing policies on the number of stations a given entity may own. Its present rule prohibiting common ownership of more than seven televison stations (of which no more than five may be VHF's) has no foundation whatever in either economic or social reality. To cite just one of its whimsicalities, the seven stations may be in the seven biggest markets or the seven smallest. By the FCC's curious arithmetic New York and Selma, Ala., are equal parts.

However capricious the present rule, it is infinitely more sensible than a new one that the commission has under consideration. The proposed rule would leave existing multiple owners with their existing portfolios but would prevent all newcomers from acquiring more than three stations (no more than two of them VHF's) in the 50 biggest markets. The standard now being considered contains all the imperfect reasoning of the present one, and would have the added defect of permanently granting a favored position to existing owners with holdings in the major markets.

In the two years and four months since it issued its notice of rulemaking, the FCC has received thousands of pages of comment, none of it supplying any hard evidence that either the present rule or the proposed one makes any sense. Indeed the most impressive document in the commission's collection makes a strong case to show that the existing rule is defeating the FCC's own announced objectives of maximizing competition and diversity of programing sources and that the proposed rule would do the same. Station groups, according to this finding, originate more programing than individual stations can afford.

This document came from United Research Inc. of Cambridge, Mass., which spent more than $250,000 and a year's time studying the economic and social effects of group ownership. Although URI's study was financed by the Council for Television Development, comprising 40 broadcast companies, mostly owners of station groups, URI emphasized that it reached its conclusions independently. Nothing else in the FCC's file compares with the 443-page URI report in either comprehensiveness or factual content. This report, which has been in the commission's possession for more than a year, may explain why a final decision is yet to come from the agency.

There are signs that the FCC is attempting to come to a consensus, or at least a majority, on a way out of what some of its members must now consider an embarrassment. Three of the present members, Hyde, Lee and Wadsworth, voted against the issuance of the proposed rule and presumably have merely had their opinions confirmed by the comments it engendered. Three others, Cox, Bartley and Loevinger, voted for the rulemaking, though such a vote is no commitment to vote the same way on a final decision, and at least one of the three, Loevinger, has reportedly had second thoughts. The decisive vote to originate the action was cast by E. William Henry, then chairman but since resigned. That seventh vote is now held by the junior commissioner, Nicholas Johnson, whose feelings on the matter have not been stated, although a clue to them may be had in his vociferous opposition to the ABC-ITT merger (see "The Great Washington Fumbling Match," TELEVISION, August) and in his dissents to other actions that he regarded as creating undue concentrations of control.

Hyde, who is now chairman, is quietly trying to coax a decision out of his colleagues. It may take him a while, and when he gets it, the decision may be neither an affirmation of the existing rule nor an acceptance of the new one. It would not be unprecedented if the agency came out with a hybrid of some kind, if only to save face.

Hopefully, the commission will muster up the nerve for a harder decision. What it ought to do is to start all over again with a new proceeding frankly intended to elicit responsible suggestions on how to modernize its multiple-ownership rules. It's time the agency braced itself to find out what is really happening in the broadcasting business.