1959 Annual Report to the Stockholders of Columbia Broadcasting System, Inc. Fiscal Year ended Jan. 2, 1960

Contents:

The 1960 Annual Meeting of Stockholders of Columbia Broadcasting System, Inc., will be held on Wednesday, April 20, at 10 A.M., in Studio 22 at 49 East 52nd Street, New York City.

CBS NEWS, CBS TELEVISION NETWORK, CBS TELEVISION STATIONS, CBS RADIO

COLUMBIA RECORDS, CBS ELECTRONICS, CBS LABORATORIES, CBS INTERNATIONAL

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CBS Newsmen traveled a million-and-a-half miles in 1959, to bring on-the-spot radio-television reports to the nation.

To the Stockholders:

In 1959 both net sales and net income were the highest in the 32-year history of Columbia Broadcasting System, Inc. Net sales increased by 8 per cent over 1958, and net income, which increased by 3 per cent, exceeded $25 million for the first time.

Detailed financial reports begin on page 64, and a ten-year financial summary appears on pages 70 and 71. The table below shows the key financial data for 1959 compared with 1958.

	1959	1958*
Net Sales	$444,311,357	$411,800,203
Net Income	25,267,187	24,428,812
Net Income per Share	3.11	3.01**

*53 weeks **Adjusted for Stock Dividend

Cash dividends of $1.25 per share were paid in 1959, plus a stock dividend of 3 per cent paid on December 24, 1959. (A previous stock dividend of 3 per cent was paid on January 16, 1959, and was reported in the 1958 Annual Report.)

In terms of total sales and earnings, 1959 was a good year.

It was a year marked also by the examination and reappraisal of broadcasting policies and practices triggered by the television quiz show scandals. This is such a significant episode in the history of broadcasting that the official CBS summary and analysis, as set forth in testimony before the Federal Communications Commission in Washington on January 29, 1960, is being mailed under separate cover to all CBS Stockholders.

Divisional Highlights. As in previous years, each Division President reports on the operations of his own Division. These individual reports will be found on the pages that follow. For the Company as a whole, here is a summary of the year's highlights:

CBS News became fully established as a separate operating Division of CBS. It provided 18 per cent of the programming of the CBS Television Network, and 30 per cent of that of the CBS Radio Network. News and public affairs broadcasting is becoming increasingly important, and increasingly popular, with an encouraging growth in commercial sponsorship. (See page 11.)

For the sixth consecutive year, the CBS Television Network was the world's largest advertising medium. For the fifth consecutive year it attracted the largest average audiences. (See page 19.)

Four of the five CBS Owned television stations led their markets in sales and circulation, and the fifth—WCAU-TV, under CBS management only a little over a year—improved its position in the close race for supremacy in the important Philadelphia market. (See page 27.)

The CBS Owned radio stations again had a successful year. Although the CBS Radio Network did not achieve all of its goals, it had an encouraging first year under the new Program Consolidation Plan (PCP). (See page 35.)

Columbia Records had the distinction of becoming firmly established as first in dollar sales in the entire record industry. (See page 41.)

CBS Electronics replaced *CBS-Hytron* as the name of the electronics manufacturing arm of the Company, and the Division launched plans for expansion of plant and other facilities. (See page 47.)

CBS Laboratories expanded research and development activities in the fields of acoustics, magnetics, and military and industrial electronics. (See page 55.)

CBS International had the best year in its five-year history, despite very keen foreign competition and the troubled political climate in several of its overseas markets. (See page 63.)

Station Ownership Change. In the Spring CBS discontinued operation of its UHF television station, WXIX Milwaukee, and sold it. Despite every effort, the station could not be brought into a profitable position in a market covered by three competing VHF television stations. The CBS Television Network affiliated with a VHF television station serving the Milwaukee area.

Facilities and Investments. A central facility for Columbia Records of Canada, Ltd. was constructed in Toronto, Ontario, and is now in operation. Construction started on a manufacturing plant for Columbia Records in Pitman, New Jersey, on October 21, with completion expected in mid-1960.

Construction of a manufacturing plant in Lowell, Massachusetts, to supplement existing facilities of CBS Electronics for the production of semiconductors, commenced on September 21. The plant is expected to be ready for occupancy by the Fall of 1960.

A new building to house KMOX, CBS Owned radio station in St. Louis, was completed and dedicated in November. Its equipment anticipates the development of high-fidelity stereophonic broadcasting and recording, as well as other modern improvements in radio production and transmission techniques.

In the Fall CBS sold the Alvin Theatre, and disposed of its half-interest in Pacific Ocean Park, Inc. The results of these transactions are reflected in the notes to the financial statements on page 68.

CBS Foundation Inc. Corporate responsibility for the support of cultural and charitable institutions is discharged for CBS and its Divisions through CBS Foundation Inc. The Foundation has no capital endowment and each year distributes substantially the entire amount of the grant it receives from CBS.

Grants by the Foundation are primarily in the field of higher education and to health, welfare, and other organizations in communities served by CBS stations or other facilities.

Among the Foundation's programs has been the establishment of eight annual fellowships at Columbia University, awarded to promising persons working in broadcast news and public affairs, for further study to broaden their fields of effectiveness. These grants provide tuition, and support for the Fellows and their families during the academic year, and in the first three years of the program have been awarded to residents of 16 states and three foreign countries.

Among community grants of 1959, CBS Foundation Inc. made the first installment on a gift of $100,000 to Lincoln Center for the Performing Arts, now under construction in New York City.

Section 315. CBS took a leading part in the intensive campaign by all journalism to obtain relief from the restrictions on broadcasting imposed by the so-called "Lar Daly Decision." In this decision, the Federal Communications Commission interpreted the equal-time provision of Section 315 of the Communications Act to apply to all regular news broadcasts in which political candidates were seen or heard, even when the event covered was not political in nature. This decision would have meant giving equal broadcast time to any candidate for office, no matter how obscure, if any other candidate for the same office had been seen or heard on a news broadcast. It would, therefore, have threatened serious impairment of broadcast news.

Newspapers and magazines gave powerful support to broadcasters in attacking this threat to freedom of the press, and the President of the United States denounced the ruling's implications. CBS was active in bringing the matter to public attention. The President of CBS appeared before two Congressional committees to urge remedial legislation, and broadcast an editorial on the CBS Radio and Television Networks. CBS also provided network time for the presentation of views in support of the FCC ruling.

The Congress was quick to act. Extensive public hearings were conducted by the Senate and House Interstate and Foreign Commerce Committees. On September 14 an amendment to Section 315 became law, freeing bona fide news broadcasts from the crippling limitation.

Management Announcements. Edmund W. Pugh, Jr. was elected Vice President—Finance. Mr. Pugh had been Treasurer and chief financial officer of The Coca-Cola Company, and prior to that Assistant Dean of the Graduate School of Business Administration, Harvard University.

Sig Mickelson was appointed President of the CBS News Division, thereby completing the establishment of CBS News as an operating Division of CBS. Mr. Mickelson, a Vice President of the Company, was formerly General Manager, CBS News.

Sven B. Karlen was elected Controller, and Kenneth W. Hoehn was elected Director of Taxes.

Edmund C. Bunker was elected Vice President — Washington. Mr. Bunker had been Vice President, CBS Television Network—first in Affiliate Relations, and for the past year in Sales. Prior to that he had been General Manager, WXIX, CBS Owned UHF television station in Milwaukee.

Henry C. Bonfig resigned from the Board of Directors. The Board accepted his resignation with regret, but noted with approval his continuance as Vice President—Marketing Services.

James T. Aubrey, Jr. was appointed President of the CBS Television Network Division following the resignation of Louis G. Cowan, and was elected to the Board of Directors. Mr. Aubrey had been Executive Vice President of the CBS Television Network Division since June and prior to that corporate Vice President—Creative Services.

After 28 years of distinguished service on our Board, Samuel Paley resigned as a Director in January 1960, at the age of 84. On behalf of the stockholders, directors, officers, and employees of Columbia Broadcasting System, Inc. the Board expressed deep appreciation for Mr. Paley's wise counsel over the years as well as for his great human warmth.

We record with deep personal regret the death of two men who contributed greatly to the distinction of CBS. Dr. Lyman Bryson, Professor Emeritus of Education at Teachers College, Columbia University, for many years conducted a number of significant cultural and educational programs on the CBS Radio and Television Networks, and in later years, served as a valued consultant. William Golden, Creative Director, Sales Promotion and Advertising, CBS Television Network, made great contributions to the graphic arts. By his introduction of outstanding artists to the world of advertising and by the constantly distinguished products of his own department, Mr. Golden exerted a strong and lasting influence on all advertising and the graphic arts.

Outlook. The extent of CBS operations in 1959 throughout the world is suggested by a few figures. There are 140 plant, studio, and office locations, and 15,000 full-time personnel, in 21 states and in 14 foreign countries. CBS stock is held by some 20,000 individual shareholders and trusts.

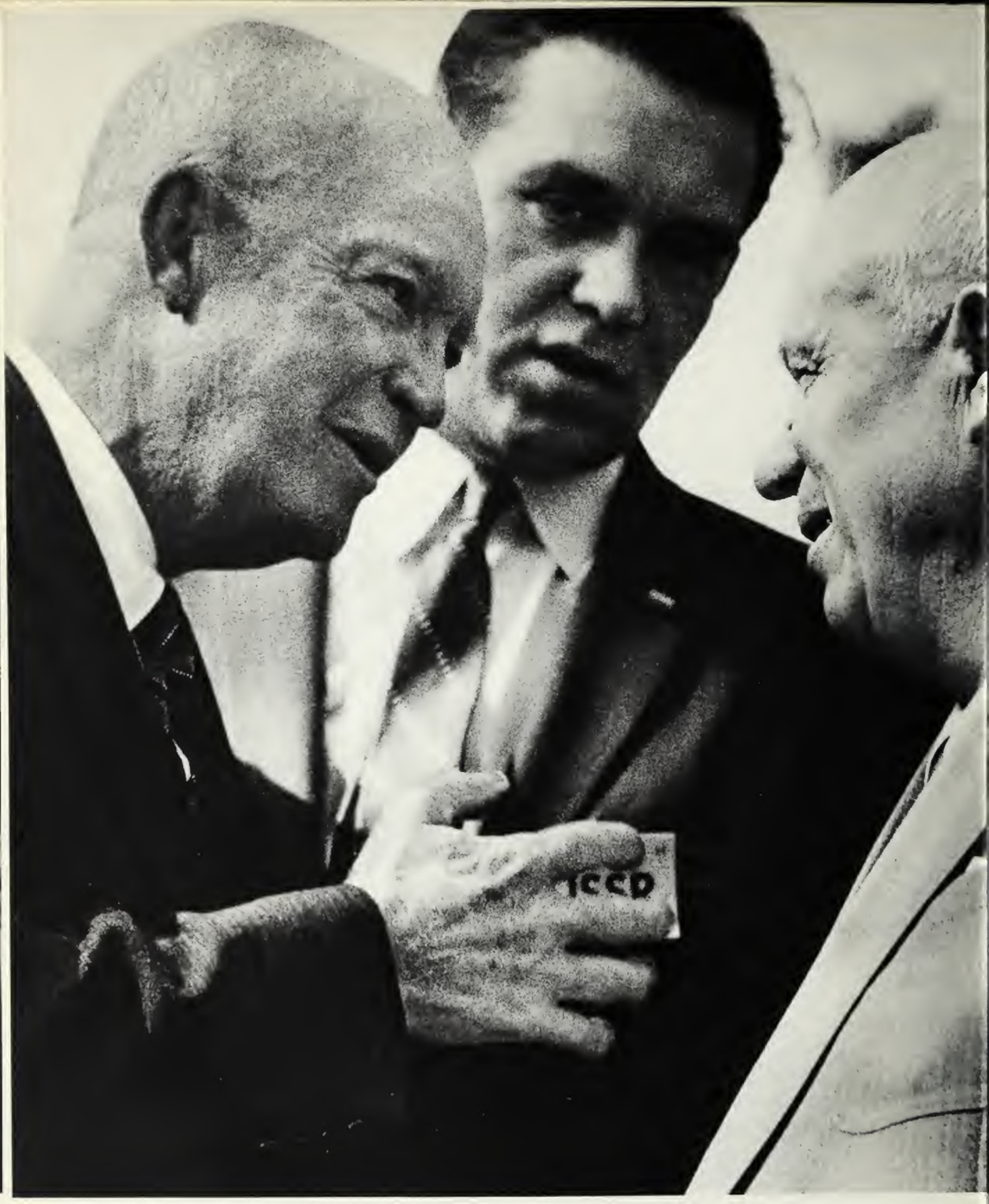
Although the major portion of CBS operations is concerned with broadcasting, extensive and growing activities in phonograph records, electronics, research, and foreign trade have become significant elements in our business. We believe that this diversity of activity in related fields is healthy for CBS. It is our hope and expectation that other new products and services will be added from time to time.

The high levels of volume and profit attained in 1959 resulted from many factors: the strength of the American economy; the increasing amount of time and money available to the public for enjoying television, radio, and phonograph records; the industrial and consumer demand for CBS products; and the strength, skill, and diligence of the CBS organization.

The positive indications are that the economy will break all records in 1960. With the rise of national income and consumer expenditures, advertising expenditures are expected to reach new high levels, and sales of consumer and industrial electronic products are expected to join in this rapid growth. We look forward, therefore, to continued progress in 1960.

WILLIAM S. PALEY, *Chairman of the Board*
FRANK STANTON, *President*

February 26, 1960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CBS News

CBS News supplies a full range of informational programming to the CBS Television Network and the CBS Radio Network. In 1959 it provided 18 per cent of the television network's weekly schedule, and 30 per cent of the radio network's.

During the year there was marked growth of sponsor interest in the programs of CBS News—to an extent never before attained by a network informational programming organization.

CBS News Programming. Keynote of the year's programming achievements was the debut of "CBS Reports," monthly full-hour programs utilizing all facilities of CBS News, and carried on the CBS Television Network in prime evening time. This is a series of reports-in-depth on significant issues, events, and personalities in the news. The first three "CBS Reports" were "Biography of a Missile," "The Population Explosion," and "Iran: Brittle Ally"; all received widespread and favorable attention. By the Fall of 1960 this series will be broadcast twice a month.

A significant achievement of the year for CBS News was the coverage of the pre-Summit visits of President Eisenhower and Premier Khrushchev. In a series of broadcasts called "Eyewitness to History," and a number of other television specials and regular news programs, CBS News provided unprecedented coverage. In these broadcasts, virtually all personnel of the News Department played some role; correspondents and technicians traveled more than 275,000 man-miles; over 117,000 feet of film and 443,000 feet of video tape were edited.

A major advance in overseas television coverage

LEFT: CBS News eyewitnesses history for radio, television. Some of 1959's most fascinating broadcasts concerned visit of Soviet Premier Khrushchev, shown here with President and interpreter Troyanovsky.

Pre-Summit meetings gave television audiences a close-up view of world figures: President Eisenhower, Prime Minister Nehru of India, Premier de Gaulle of France, Soviet Premier Khrushchev, and Vice President Nixon.

ABOVE, RIGHT: A rainy day in Rome finds Walter Cronkite, anchor man for CBS News reporting team, waiting with crew for the Presidential motorcade.

was scored by CBS News through the use of an airborne video tape unit in reporting President Eisenhower's visits to Delhi and Rome. Television cameras set up in key positions recorded highlights of the visits, and the video tape, pre-edited on the spot by the producer, was flown back to New York by jet aircraft for broadcast, frequently within hours of the event. The Delhi visit marked the first time American television cameras had ever covered a news story in Asia.

News Specials. Success of "Eyewitness to History" was due in large part to the development by CBS News of the "news special," which combines reporting, interpretation, and production skills to present a rounded visual treatment of a major event on short notice. Among important news specials of the year were "The Macmillan Mission," "Mikoyan in America," "Iraq: Nation in a Trap," "The St. Lawrence Seaway," and "Britain Goes to the Polls."

Among regularly-scheduled news features on the CBS Television Network were "Douglas Edwards with the News," now in its 12th year; the early-morning "Richard C. Hottelet with the News"; the midday "Walter Cronkite with the News"; and the late-evening weekly, "Sunday News Special." A 30-minute weekly news program, "The Saturday News," was added to the schedule in 1959.

Radio News. For the CBS Radio Network, CBS News produced an average of 120 programs a week, on a virtually around-the-clock schedule. During the year, CBS News correspondents presented 6375 on-the-scene radio reports from 124 U. S. and 88 foreign broadcast points, nearly double the number of the previous year.

News programs on the radio network ranged from five-minute hourly broadcasts to the daily 15-minute features, "World News Roundup" and "The World Tonight." Analysis and background reports by Howard K. Smith, Stuart Novins, and Eric Sevareid were also regularly broadcast.

News "specials" combine reporting and the interpretation of issues and events.

ABOVE: "Hoffa and the Teamsters" offered a candid portrait of a labor boss.

ABOVE, RIGHT: "Royal Wedding in Japan"—a modern fairy tale come true.

RIGHT: "Castro's Cuba" studied forces that influence revolutionary Cuba today.

BELOW, LEFT: On-the-spot coverage of fast-breaking news is radio specialty. When spectacular dockside fire in Houston, Texas, ran into a foamite shortage, a CBS Radio Network news flash brought supply from all over U.S.

Public Affairs Programming. News-related "specials" were produced by the Public Affairs Department of CBS News for both television and radio. On television, an outstanding program of this type was "Hoffa and the Teamsters"; others were "Report on Russia: The Harriman Trip," and "The House Labor Debate." On radio, the "Washington Hearing" series, "Cold War on the Youth Front," and programs on the British elections were notable.

"Face the Nation" interviewed front-page personalities, on both radio and television. A highlight in this series was a one-hour interview with India's Prime Minister Nehru, produced in Delhi by the CBS News airborne video tape unit. On radio, "Capitol Cloakroom" and "The Leading Question" brought headline figures together for debates.

Among the most popular continuing public affairs television series were "The Twentieth Century," with Walter Cronkite — documentaries on major events, issues, and personages of our time; "Conquest," with Eric Sevareid and Charles Collingwood—reports on scientific advances; and "Small World," with Edward R. Murrow — long-distance conversations between important personalities in politics, science, and the arts.

On radio, "The Hidden Revolution" probed the effects of technological advances on society.

Television programs in the fields of religion, philosophy, and the arts included "The World of Ideas," "The Great Challenge," "Lamp Unto My Feet," and "Look Up and Live." Radio programs in similar fields included "Church of the Air" and "Invitation to Learning."

A new experiment in television daytime programming was initiated by CBS News with the presentation of "Woman!"—a series of one-hour specials on such subjects as early marriages, divorce, child rearing, and femininity, with Claudette Colbert, Margaret Truman, Patrice Munsel, and Esther Williams acting as hostesses.

During the year, the Sports Department of CBS

LEFT: Pro football is one of many sports covered by CBS News cameras and microphones for U.S. audiences.

RIGHT: Saturn missile at Huntsville, Ala., observed by CBS News Correspondent Howard K. Smith and Fred W. Friendly, executive producer of "CBS Reports" series.

BELOW: Beguiling monkeys starred in the program "Mother Love," part of scientific series, "Conquest."

News produced 295 hours of television programming, and 70½ hours of radio programming. A total of 248 major sports events were covered, including major league baseball, professional and college bowl football games, Masters and PGA golf tournaments, the Triple Crown of horse racing, professional hockey, regattas, and automobile racing.

CBS Newsfilm. CBS News provides syndicated television news through CBS Newsfilm, which has subscribers in all major American cities and in 24 foreign countries. Its product may now be seen by more than 115 million viewers, in three out of four television homes throughout the world.

Executive Appointments. John F. Day was appointed Vice President, News; and Robert E. Lang was named Vice President, Administration. George Abramson was appointed Controller.

Outlook for 1960. This will be a year of expansion and great activity for CBS News.

Plans made over a year ahead will result in the most intensive broadcast coverage ever accorded the national conventions and elections. In February 1960, viewers throughout the world were able to see CBS News' exclusive television coverage of the Winter Olympics at Squaw Valley, California; and CBS News will provide the only U.S. network coverage of the Summer Olympics in Rome.

Programs dealing with the range of human knowledge and accomplishment will continue, and a notable addition will be made in the Fall, with "Tomorrow." This program, produced in cooperation with Massachusetts Institute of Technology, will explore modern scientific achievement as it is likely to affect the immediate future of the world.

CBS News will move further into the field of international television, working closely with Europe's 12-nation network and with broadcasting organizations in other parts of the world, to bring world-wide events into the American home.

SIG MICKELSON, *President*
CBS News Division

CBS Television Network

In a year when television was subjected to searching and critical public scrutiny, the medium continued high in the favor of its vast nationwide audience. U. S. television families exceeded 45 million, and through the year they continued to watch their screens for an average of five hours a day.

During 1959 the CBS Television Network maintained its position of leadership. Sales were up 8 per cent over 1958, and were 13 per cent over any other network in 1959. For the sixth consecutive year, the CBS Television Network was the world's largest single advertising medium; and for the fifth straight year, the CBS Television Network schedule attracted the largest average audiences of any network.

Network Facilities. At the close of 1959 the Network was affiliated with 250 television stations: 205 in the United States, 41 in Canada, and one each in Bermuda, Guam, Mexico, and Puerto Rico.

At the end of 1959, 40 stations were participating in the Network's Extended Market Plan. Through the Plan's sales efforts and discount structure, stations in small markets were enabled to share in national network advertising budgets, and their audiences benefited by improved program service. In a typical week, each of these stations carried an average of 16 hours of network programming.

Programs. The year 1959 again found the CBS Television Network presenting a majority of the most popular programs on television, attracting the

LEFT: A two-part presentation of Hemingway's "For Whom the Bell Tolls" was "Playhouse 90" event, with Maria Schell, Jason Robards, Jr., Maureen Stapleton, Nehemiah Persoff, Steve Hill, and Eli Wallach.

LEFT: Year's most talked-about duet showed off the musical talents of one former President and one former 39-year-old.

RIGHT: A favorite new program series was "The Many Loves of Dobie Gillis," comedy starring Dwayne Hickman, Tuesday Weld.

BELOW, LEFT: Scenes from Jerome Robbins' "Ballets: U.S.A." made one of the big hits of the year on the Ed Sullivan Show.

BELOW: Television version of Charles Dickens' novel, "Oliver Twist," made a notable "DuPont Show of the Month," starring Eric Portman, Robert Morley, Inga Swenson, and John McGiver.

largest average audiences both day and night.

Perhaps the most significant program development of the year was the heightened emphasis on features based upon the news and other matters of public interest and importance—productions of the CBS News Division which are described in detail in the CBS News section of this report. From the Network's point of view, the presentation of such programs as "CBS Reports" and "Eyewitness to History," in prime evening time and under national sponsorship, had particular significance. The year's experience indicated that this kind of programming is capable of attracting a national audience of taste and discrimination, and that this in turn creates a desirable association for distinguished advertisers. One sponsor who has known this for a long time chose the Network for the third time to present CBS News coverage of the 1960 national political conventions and elections. This advertiser's decision was made nearly a year before the first of these events.

During the year, the Network presented a total of 932 regular news broadcasts, including the regular Monday-through-Friday "Douglas Edwards with the News," world's largest single news medium. Altogether, there were 191 hours of news and 228 hours of public affairs programming.

The extent to which television serves a great diversity of tastes and interests is apparent in a review of the dramatic programs broadcast during 1959.

"Playhouse 90" continued to produce outstanding entertainment. The two-part presentation of Ernest Hemingway's "For Whom the Bell Tolls" was especially noteworthy, as were Henry James' "The Wings of the Dove," Shaw's "Misalliance," Michel del Castillo's "A Child of Our Time," and Joseph Stefano's "Made in Japan," winner of the Robert E. Sherwood Television Award for an original television play.

The "Du Pont Show of the Month" added another series of distinguished television plays to its

ABOVE: "The Tunnel," starring Richard Boone, was a documentary drama of the Civil War, on "Playhouse 90."
LEFT: London's Old Vic Company presented "Hamlet" on the home screen, for the "DuPont Show of the Month."
BELOW: First place in popularity among new program series was won by the antics of "Dennis the Menace."

roster, including Barrie's "What Every Woman Knows," Saroyan's "The Human Comedy," Coxe and Chapman's "Billy Budd," Graham Greene's "The Fallen Idol," Dickens' "Oliver Twist," and Rattigan's "The Browning Version," starring Sir John Gielgud. London's Old Vic Company in a notable performance of "Hamlet" was seen by more people in one television performance than have seen the play in all the productions of its more than 350-year history.

Forty-nine entertainment "specials" were broadcast during the year—more than any previous year. They featured such stars as Marian Anderson, Harry Belafonte, Jack Benny, Sid Caesar, Art Carney, Gene Kelly, Phil Silvers, and Red Skelton. The holiday showing, for the second year, of the much loved film "The Wizard of Oz" was another memorable entertainment.

For the second year, the Network presented the New York Philharmonic and its conductor, Leonard Bernstein, in two important music-with-commentary series for young and adult audiences.

Of all the weekly television programs making their debuts in the Fall of 1959, the CBS Television Network's "Dennis the Menace" and "Mr. Lucky" proved the two most popular. Also among the popular new shows were "Hennesey," "Hotel de Paree," "Johnny Ringo," "Twilight Zone," and "The Many Loves of Dobie Gillis."

A new daytime show, "On the Go," used video tape and a mobile control room to originate broadcasts from nationwide points of interest. "Captain Kangaroo," which for four years has won countless awards as the best children's program on television, in 1959 won advertising support as well.

Five CBS Television Network writing grants-in-aid were established in February 1959, to award $5,000 to each of five writers, professional or amateur, who submitted the best projects for television writing. Some 3000 writers applied; the five winners are now at work on their projects, under the

ABOVE: "On the Go," with Jack Linkletter, a new daytime show, travels the country, meets the people who do interesting things.

LEFT: Television's No. 1 clown, Red Skelton, has weekly show, appears on many specials.

RIGHT: The second season of symphonic programs by Leonard Bernstein and the New York Philharmonic began with their triumphant reception at a Moscow concert.

BELOW: Musical special, the popular "Meet Me in St. Louis," had all-star cast, including Walter Pidgeon, Jane Powell, Tab Hunter, Jeanne Crain, Ed Wynn, and Myrna Loy.

supervision of seasoned professional producers and directors. Late in the year, the Network undertook another promising innovation with the establishment of the CBS Television Workshop. The purpose is the development of professional writing, acting, and directing talent for television through seminars and a weekly hour of network time for experimental programs.

Executive Appointments. During the year, Divisional appointments were: Oscar Katz, Vice President, Programs; Guy della Cioppa, Vice President, Programs—Hollywood; Robert M. Weitman, Vice President, Independent Productions; John P. Cowden, Vice President, Information Services; Charles S. Steinberg, Vice President, Public Information; Joseph H. Ream, Vice President, Program Practices; John T. Reynolds, Vice President, Administration — Hollywood; John J. Karol, Vice President and Director of Special Projects, Network Sales; James H. Geer, Controller.

Outlook for 1960. The CBS Television Network Division looks to a highly satisfactory year, in which sales should be at record levels in a prosperous national economy.

Programs that range the whole spectrum of television's vast potential to instruct, inform, and inspire, as well as to provide the best and liveliest of entertainment, are in production or planned. Among them will be half-hour informational programs to be broadcast each Monday and Friday in prime evening time. Every third week one of these half-hours will be turned back to affiliated stations for their own local programming. In addition, the series "CBS Reports" will be broadcast every other week in prime time, beginning in the Fall of 1960. Altogether, the year 1960 presents an excellent opportunity for this Network to realize the vast potential of television.

JAMES T. AUBREY, JR., *President*
CBS Television Network Division

Filmed documentary, "Harlem: A Self-Portrait," was a 1959 presentation of WCBS-TV New York. It portrayed Harlem's relationship to the New York community—as seen through the eyes of Harlem.

RIGHT: Ron Cochran is seen more often by more New Yorkers than any personality on television. Total weekly audience for WCBS-TV's "Seven o'Clock Report" and "Late News": 20 million.

CBS Television Stations

The CBS Television Stations Division consists of the CBS Owned television stations, CBS Television Spot Sales, CBS Films Inc. (which includes Terrytoons), and two overseas offices, CBS (Europe) S.A. in Zurich, and CBS Ltd. in London. In 1959, the Division as a whole showed a 19 per cent sales increase over the previous year.

CBS Owned Television Stations. The five CBS Owned VHF television stations are all in major markets—the four largest markets and the ninth: WCBS-TV New York, KNXT Los Angeles, WBBM-TV Chicago, WCAU-TV Philadelphia, and KMOX-TV St. Louis. During 1959 the gross billings of these five stations increased an average 28 per cent over 1958.

Four of the five CBS Owned stations have the largest audiences in their respective markets, as in 1958; and the fifth, WCAU-TV, has achieved a 22 per cent increase in its share of audience since its purchase by CBS in 1958.

In March, KMOX-TV put into operation a new transmitter and 1214-foot tower, the tallest structure in the St. Louis area. The new facilities increased the station's coverage area by an estimated 7000 square miles.

On March 31, CBS discontinued operation of its UHF station, WXIX Milwaukee, which after four years was unable to provide satisfactory area service for local and network programs. CBS will continue to look for sound opportunities to restore the full quota of two UHF stations permitted to be owned under FCC regulations.

ABOVE: "The Brothers Brannagan," new CBS Films series, has two detectives for plenty of fast action.
LEFT: After 4 years on CBS Television Network, "Phil Silvers Show" is syndicated by CBS Films.
RIGHT: A "Camera Three" production (WCBS-TV).
BELOW: On-the-set photo of "A Trip to Czardis," from CBS Films' "The Robert Herridge Theatre."

Programming. The continuing commercial success of the CBS Owned television stations makes possible the major-budget community service programs for which these stations are noted. In 1959, they devoted more than $11 million worth of local broadcast time and facilities to non-network programs and announcements serving community interests and causes, and won more than 45 awards and citations for outstanding community service.

Of particular interest were three "exchange programs" — one 13-week, half-hour series produced on video tape by each of three stations, and broadcast by all three: "Young Audiences," a music appreciation course originating at WCBS-TV; "First Meeting," dramatized book reviews of modern literature, produced by KNXT; and "Out of This World," a scientific series produced by WBBM-TV.

In 1959, WCAU-TV began "Television Seminar," consisting of college-credit courses in Descriptive Astronomy and Evaluation of Literature, in cooperation with the University of Pennsylvania. WCBS-TV's widely acclaimed "Sunrise Semester," produced in cooperation with New York University, is now in its third year.

The CBS Owned television stations provided a considerable number of informational programs, including original documentaries, discussion and interview programs on local and national issues with local and national celebrities, and programs of the arts, religion, and children's interests.

CBS Television Spot Sales. Each of the six CBS Television Spot Sales offices exceeded 1958 national sales figures, for an over-all increase of 29 per cent. Stations represented were the five CBS Owned stations and seven independently-owned affiliates of the CBS Television Network.*

CBS Films Inc. This subsidiary of Columbia Broadcasting System, Inc. produces and distributes

*On October 30, 1959, the FCC adopted a rule, effective December 31, 1961, which in effect prevents CBS from representing independently-owned affiliated stations of the CBS Television Network in the sale of non-network time. The Corporation has concluded that, although the FCC's action is erroneous, CBS will not litigate the issues further.

ABOVE: KNXT's "Viewpoint" puts probing questions to prominent people. Here interviewer Bill Stout talks with famed Russian physicist, Dr Ivan Artobolevsky.

LEFT: The problem of narcotics addiction was explored by KNXT in a highly-acclaimed documentary, "Hell Flower."

ABOVE: "Time and St. Louis" was documentary produced by KMOX-TV, on the beginnings and development of St. Louis.
BELOW: Parker Wheatley, KMOX-TV Director of Public Affairs, interviews a St. Louisan, Dr. Tom Dooley, medical missionary in Laos, on popular "Eye on St. Louis" show.

television film programs to networks and stations throughout the world. It acts also as world-wide distributor for certain CBS Television Network programs and for Newsfilm, a product of CBS News.

CBS Films' 1959 catalog numbered more than 35 programs, exhibited on almost 500 U. S. television stations and 35 Canadian stations. Overseas, its programs are dubbed in all major languages and sold in 41 countries.

Disappointingly, sales volume for 1959 showed only a slight increase over 1958, owing to a lack of product and the fact that some product developed and produced in 1957 and 1958 was not competitive. Therefore, during 1959 CBS Films put into production for the 1960 and 1961 seasons a number of high-quality program series designed to meet the stiffest competition, and emphasis was shifted from syndication to network sales.

Two former CBS Television Network programs, "The Phil Silvers Show" and "Trackdown," were added to the CBS Films catalog and accounted for bookings of more than $2 million.

CBS Newsfilm, distributed by CBS Films Inc. added 38 clients, bringing its total to 114 accounts.

In 1959, CBS Films Inc. moved its New York offices to larger quarters at 477 Madison Avenue, and a production office was opened in Hollywood.

Terrytoons. A division of CBS Films Inc., Terrytoons produces animated cartoon films for world-wide theatrical release, as well as for television program and commercial announcement use. In 1959 Terrytoons produced 15 theatrical cartoons in CinemaScope and Technicolor for distribution by Twentieth Century-Fox Film Corporation.

Three Terrytoons cartoon series appeared during 1959 on the CBS Television Network: "The Mighty Mouse Playhouse," "The Heckle and Jeckle Cartoon Show," and "Tom Terrific."

Filmed television commercial announcements were produced for 20 clients.

Through CBS Films Inc., 52 half-hour programs

ABOVE: "The Big Blackboard," produced by WCAU-TV, provides a television classroom for high school and junior high students of the entire Philadelphia area.

LEFT: Pearl Buck, author and lecturer, as she appeared on the WCAU-TV "Eye on Philadelphia" program.

RIGHT: WBBM-TV's host on "At Random," Irv Kupcinet, talks with Maurice Chevalier, Senator Paul Douglas, Diana Barrymore, Saadat Hassan, Director of the Midwest Arab Information Center.

ABOVE: Nearly 100 artists and technicians are on staff of the cartoon production studios of Terrytoons.

BELOW: Dr. Daniel Q. Posin, DePaul University professor, blends science and showmanship in WBBM-TV's popular space-probe series, "Out of This World."

of Terrytoons animated cartoons were syndicated.

Foreign Operations. The CBS Television Stations Division moved into other international activities during 1959. Since it is estimated that by the end of 1960 there will be 41 million sets in the free world outside the U. S., the Division, recognizing the growth opportunities abroad, has sought out long-range overseas investments.

To help speed world-wide development of television facilities, the Division has made consultation services available to groups overseas.

Executive Appointments. The following appointments were made during the year: Harvey J. Struthers, Vice President, Station Services; Bruce R. Bryant, Vice President, CBS Television Spot Sales; Robert F. Lewine, Vice President, Programs, CBS Films Inc.

The CBS Owned television station General Managers were named Vice Presidents: Frank J. Shakespeare, Jr., WCBS-TV; Clark B. George, KNXT; H. Leslie Atlass, WBBM-TV; John A. Schneider, WCAU-TV; and Eugene B. Wilkey, KMOX-TV.

On December 10 announcement was made of the retirement, effective December 31, of H. Leslie Atlass, one of the major pioneers of broadcasting and co-founder of WBBM, which affiliated with CBS in 1928. Clark B. George was appointed to replace Mr. Atlass as Vice President and General Manager of WBBM-TV; and Robert D. Wood, formerly sales manager of KNXT, was appointed Vice President and General Manager, KNXT.

Outlook for 1960. The CBS Owned stations are expected to increase sales, and maintain their popularity in their markets. CBS Television Spot Sales expects to continue as a leading spot sales organization. And CBS Films Inc., plans expansion in production and sales.

Thus, prospects for the Division as a whole appear bright for 1960.

MERLE S. JONES, *President*
CBS Television Stations Division

In September, Arthur Godfrey returned to the air on the CBS Radio Network — to be greeted not only by his colleagues but by some 20,000 posters bearing the signatures of well over a million of his loyal well-wishers throughout the entire country.

Add your name to this giant ST. LOUIS greeting that station KMOX will send to Arthur Godfrey at CBS Radio Network from his friends and listeners.

CBS Radio

In 1959 radio's statistics again attested to the vitality of the medium. At the beginning of the year, there were just under 50 million radio families, owning 136.5 million sets, or 2.8 per family. The year's sales totaled 15,219,000 sets — 24 per cent over the comparable 1958 figure.

The Division maintained its successful operation of the CBS Owned radio stations, although results were somewhat below expectations, because of loss of business owing to the steel strike. While the year as a whole was disappointing to all nationwide radio networks, the CBS Radio Network ended 1959 with a gratifying upsurge of sales in the fourth quarter.

CBS Radio Network.

This was the first year of the Program Consolidation Plan (PCP), a new operating arrangement with affiliated stations. Widespread acceptance of PCP by affiliates meant that the public could continue to enjoy quality network programming, and the Network was able to offer attractive values to national advertisers.

Programs and Popularity.

Throughout the year, the CBS Radio Network broadcast an average of 18 of the 25 most popular sponsored programs of all networks, and drew larger audiences to advertising messages than any other radio network.

Much audience and advertiser interest centered on Arthur Godfrey's return to the air September 28 in a regular Monday-through-Friday 55-minute presentation. The program was immediately sold out. The new weekday morning "Garry Moore Show," "Sports Time," and Lowell Thomas news broadcasts were among other regular weekday features which were fully sold.

Among the special sponsored broadcasts of 1959

RIGHT: Dizzy Gillespie was one of the featured musicians at the Newport Jazz Festival, which was heard in a special series on CBS Radio Network.

BELOW: Garry Moore returned to radio after an absence of 9 years, appears in a Monday-to-Friday morning program of conversation and comedy.

Daytime dramatic serials are among the most popular program fare in all radio, command devoted listening:
"The Couple Next Door"
"The Second Mrs. Burton"
"Romance of Helen Trent"
"Young Doctor Malone"
"Whispering Streets"
"Right to Happiness"
"Ma Perkins"

were "Christmas Sing with Bing," for The Insurance Co. of North America; the award-winning series, "The Hidden Revolution," sponsored by Nationwide Insurance Companies; four Newport Jazz Festival concerts for Studebaker-Packard Corporation; and "Holiday with Chevalier," sponsored by Chesebrough-Pond's, Inc.

Another innovation was the Monday-through-Friday evening presentation of a group of new comedy programs, starring Andy Griffith, Burns and Allen, and Bob and Ray.

In established programming, the CBS Radio Network continued to present a varied schedule: symphony and opera, drama, major sports events. News and public affairs broadcasts, averaging 120 a week, earned the Network particular distinction.

CBS Owned Radio Stations. By 1959 all seven stations had served their areas for at least 25 years. This year, plant changes included starting work on remote control equipment to enable transmitter operation from studio locations. KMOX St. Louis moved to its new building, first all-radio structure the Company has built in 20 years.

CBS Owned Station Programs. The program "Music 'til Dawn," heard from late evening to early morning six nights a week, began its seventh year under American Airlines sponsorship. This program, carried by five CBS Owned stations and one CBS Radio affiliate, is believed to be the largest block of sponsored time in radio history.

CBS Owned radio stations consistently supplied their communities with programming of their own origination. Among the year's best:

WCBS New York, cooperating with various city and state agencies, broadcast 17 weekly documentaries on subjects of concern to the area; KNX Los Angeles developed many documentary studies—among them, "Blackboard Dilemma," a series on local schools; WBBM Chicago featured in its year-long program of public service a musical drama of the Civil War; WCAU Philadelphia presented "I

George Szell conducts Cleveland Orchestra, on CBS Radio Network for the third year. Programs by the New York Philharmonic, Metropolitan Opera, World Music Festivals, and others, provide nation's radio listeners with year-round schedule of the finest in music.

RIGHT: Impressive new quarters for CBS Owned KMOX St. Louis contain latest high-fidelity broadcasting equipment, capability for monaural and stereophonic recording and broadcast.

Bob and Ray appear in the line-up—just for laughs. Maurice Chevalier was sparkling host for a special radio show which took listeners on a tour of Paris.

Chose America," a series of first-person reports by naturalized citizens; WEEI Boston, in cooperation with Northeastern University, initiated a career center for high school students; KCBS San Francisco presented special programs celebrating its 50th year on the air: as descendant of an experimental station which began in 1909, it is believed to be the country's first station. KMOX St. Louis included in its schedule two courses for college credit with nearby universities; more than a thousand students completed these courses.

Executive Appointments. During the year, the following appointments were announced:

Davidson M. Vorhes was appointed Vice President, Operations, CBS Radio Network.

Raymond R. Schwartz was appointed Controller, CBS Radio Division.

In 1960 the General Managers of all CBS Owned radio stations were appointed Vice Presidents of the Division: Sam J. Slate, WCBS New York; Fred Ruegg, KNX Los Angeles; E. H. Shomo, WBBM Chicago; Thomas J. Swafford, WCAU Philadelphia; Thomas Y. Gorman, WEEI Boston; Maurie E. Webster, KCBS San Francisco, and Robert F. Hyland, KMOX St. Louis.

Milton F. Allison was appointed Vice President, CBS Radio Spot Sales.

In January 1960, W. Thomas Dawson was appointed Vice President, Advertising and Promotion, CBS Radio Network.

The Division reports with deep regret the death in 1959 of Joseph T. Connolly, former Vice President and General Manager, WCAU.

Outlook for 1960. The continued successful operation of CBS Owned stations, the encouraging first year's operation of PCP, the improvement in sales toward the end of 1959, and advance advertising commitments already obtained provide a basis for anticipating improved results in 1960.

ARTHUR HULL HAYES, *President*
CBS Radio Division

Columbia Records

In a year marked by the most intense competition in the record industry's history, the Columbia Records Division's total sales increased 25 per cent over 1958, with substantial advances made in all phases of its activity.

As a result, the Division achieved the highest dollar volume in its history, and attained first position in the record industry. By the end of the year, Columbia Records held 21 per cent of total industry sales. The growth of interest in music other than rock-and-roll during the year proved the validity of Columbia's earlier decision to stick to high standards of quality.

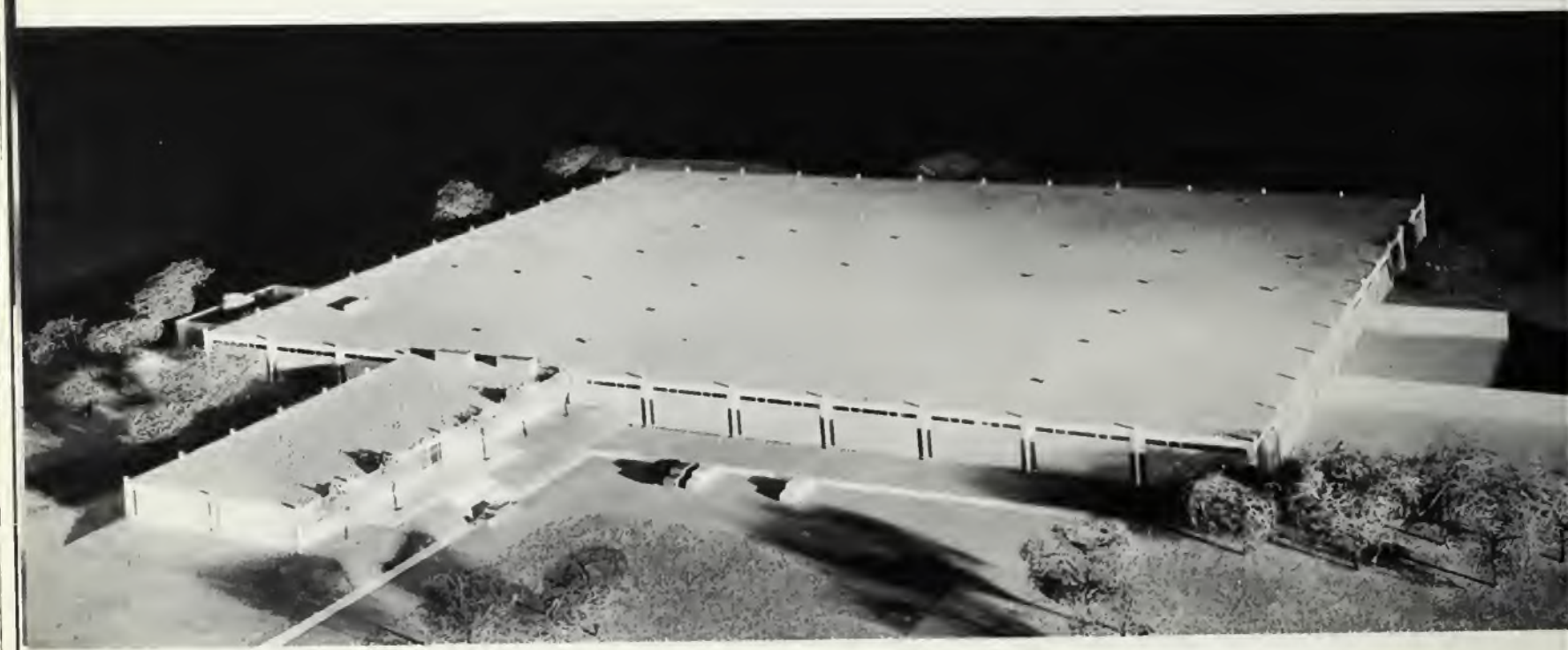
On the Columbia label alone, sales registered a gain of 33 per cent over the previous year, with improvement in both album and single-record sales. Part of this improvement was attributable to continued Columbia Record Club growth, and increased efficiencies of distribution through Division-owned branches.

Best Sellers. Consistent best-sellers among popular albums were those of singer Johnny Mathis, choral conductor Mitch Miller, and orchestra leader Ray Conniff, and Broadway hit show recordings with the original casts. Among the most popular of these were "Flower Drum Song," "Gypsy," and "The Sound of Music."

At times during the year, some albums were selling as many as 35,000 copies a day—totals previously characteristic of single record sales only. During peak months, Columbia's factories were producing as many as a million ℓp records a week; in one

LEFT: Mary Martin hears "The Sound of Music." The star and members of the Broadway cast listen to a playback in Columbia recording studio. Record matched play's success, sold ¼ million in first month.

ABOVE: Announcement of a major cultural event—Leonard Bernstein and the New York Philharmonic visit Zagreb, Yugoslavia, on a 17-nation tour.
RIGHT: Johnny Horton, hero of 2½-million single record hit, "The Battle of New Orleans."
BELOW: Model of Columbia facility, Pitman, N. J.



BOVE: Johnny Mathis, immensely popular young singer, hose Columbia album sales number in the multimillions.
ELOW: Producer of many hits, Mitch Miller led chorus in singalongwithMitch,"nation'sbest-sellingnewalbumseries.

month, production of all records exceeded eight million individual units.

Columbia's volume in single-record sales also rose sharply, at a time when the industry as a whole registered a decline in this category. Certain Columbia releases stimulated one of the noteworthy musical trends of the year—an interest in folk-inspired or history-rooted themes. Johnny Horton's "The Battle of New Orleans" sold more than two-and-a-half million copies. "The Battle Hymn of the Republic," a collaboration of the Mormon Tabernacle Choir and The Philadelphia Orchestra under the baton of Eugene Ormandy, and singer Marty Robbins' composition, "El Paso," also were among the year's big successes.

Among the notable cultural contributions of Columbia Masterworks were the first complete stereophonic edition of the nine Beethoven symphonies, conducted by Bruno Walter, and Sir John Gielgud's "The Ages of Man," both cited by a national newspaper and magazine music critics' poll as the year's best in their categories. Another widely acclaimed album was Hal Holbrook's unusual recreation of "Mark Twain Tonight."

International cultural exchange was advanced by Columbia recording artists. Leonard Bernstein led the New York Philharmonic on a tour of 17 countries in Europe and the Middle East, including the Soviet Union, and won world-wide acclaim. While Dimitri Shostakovitch was in the U. S. on a cultural mission, The Philadelphia Orchestra, under the baton of Eugene Ormandy, made the first recording of the composer's latest work, a 'cello concerto, with the Soviet artist Mstislav Rostropovich as soloist, and the composer himself in attendance at the recording session.

Epic Records, a second label marketed by the Columbia Records Division through a separate sales organization, added to its distinguished recordings by George Szell and The Cleveland Orchestra, by the young American pianist Leon Fleisher, and such European ensembles as the Amsterdam Con-

ABOVE: Conductor Bruno Walter spent a major part of his 83rd year recording first complete stereophonic edition of all of the nine Beethoven symphonies.

LEFT: Visiting composer Shostakovitch hears Eugene Ormandy and Philadelphia Orchestra record two of his new works.

RIGHT: Actor John Gielgud listens in control room to his own readings of Shakespeare for "The Ages of Man."

FAR RIGHT: Transcription Department produced this paper record insert for advertisement in a national magazine.

certgebouw and *I Musici*. Epic's popular music roster highlighted the singing of Roy Hamilton and the choral conducting of Merrill Staton.

Other Business. Contributing to increased volume for the Division was the Columbia Record Club. With a membership exceeding a million, this is now the world's largest record club.

Columbia Transcriptions, the Division's custom production operation, exceeded its 1958 volume by 21 per cent. Outstanding among 1959 achievements was a recording of musical selections impressed on a specially treated paper and bound as an insert into six million copies of a national magazine.

New Facilities and Products. To accommodate its growing market, the Division in 1959 began construction of new facilities in Pitman, New Jersey. The building, designed by Minoru Yamasaki, will house a factory and administrative offices. It will be the Division's fourth manufacturing installation in the United States. Construction was completed in 1959 on new headquarters for the Canadian subsidiary in Toronto, and new offices were established in Hollywood.

Alert to the value of making maximum use of its production and distribution facilities through diversification, the Division is presently producing and field-testing several new products and sales devices which appear promising.

Outlook for 1960. The record industry is expected to increase at the same steady pace as other non-durable-goods businesses, despite pricing pressures and severe competition from other industries concerned with leisure spending.

The Columbia Records Division, with high standards of product quality, a vigorous creative program, improved facilities, and expanded marketing programs, anticipates increased sales in the year to come.

GODDARD LIEBERSON, *President*
Columbia Records Division

CBS Electronics

In July *CBS Electronics* replaced *CBS-Hytron* as the name of this manufacturing Division, reflecting the planned expansion into broader and more diversified areas of electronic products. These products now include electron tubes, semiconductors, phonographs, radios, microphones, and phonograph cartridges, styli, and tone arms.

In 1959, CBS Electronics increased its dollar sales substantially over 1958. These increases, however, were considerably below sales goals, and the Division's optimistic forecasts of a year ago also suffered from industry-wide price cutting.

EFT: Skilled worker uses binocular microscope for the pre-sion assembly of minute parts of a diffused-based transistor.
BOVE: Some idea of the size of transistor components may be ained from photo enlargement; arrow points to crystal.

Semiconductors. Dollar sales of semiconductor products increased by more than 80 per cent in 1959 as compared with 1958. Transistor sales doubled, and diode sales increased more than one-and-one-half times. Original-equipment transistor sales doubled, and military sales multiplied fourfold.

The semiconductor program concentrated on quality and reliability, of particular importance to military and industrial markets, and this resulted in gratifying customer response. Typical is a recent contract to produce a million missile diodes with quality requirements permitting no more than one out of 6500 to fall outside the highly exacting military specifications.

Existing transistor and diode lines were expanded during the year, and development proceeded on promising new semiconductor devices.

New and original lines of complementary power transistors provided designers with a number of circuit economies.

A cross-licensing agreement with Philco Corporation was concluded, enabling CBS Electronics to produce MAT (micro-alloy) and MADT (micro-

LEFT: The checking and assembl of miniature semiconductor diodes

RIGHT: On a half-inch wafer, CB microelectronics makes possible complete circuit which will be use in a compact airborne computer

BELOW: Tiny suction tweezers ar used to pick up and precisely assem ble the microscopic parts of diodes

BELOW, RIGHT: Transistors are as sembled and tested in sealed "dr boxes" under carefully controlle conditions of temperature, humidity

alloy-diffused) transistors. Market studies indicate a great need for these fast-switching transistors over the next five years, especially for computers.

In October, ground was broken for a new $5 million semiconductor plant, designed by Minoru Yamasaki and Associates, and now under construction at Lowell, Massachusetts. By Fall 1960 its additional 160,000 square feet of space will help CBS Electronics expand its share of the growing semiconductor market, which is expected to triple in the next five years.

Electron Tubes. CBS Electronics increased its share of the electron-tube market, largely because of the strong emphasis on quality, which earned it top ratings in the industry. (Manufacturers' quality ratings are vitally important to the sale of tubes.) Dollar sales of electron-tube operation increased by 8 per cent over 1958: original-equipment sales were up by over 20 per cent; and picture-tube sales increased by more than 45 per cent.

Greater emphasis was placed on both original-equipment and replacement industrial tubes. Existing lines were expanded and new ones introduced, including a series of new secondary-emission tubes for use in advanced electronic instruments in the pulse and nuclear electronic fields.

Many new design features were included during 1959, to improve reliability and to reduce manufacturing costs of tubes for both industrial and entertainment use.

Microelectronics. CBS Electronics has accelerated its research, development, and production of microminiature electronic circuits. These circuits, much smaller and more compact than the printed circuits they replace, are of particular importance in space and missile applications. They are able to compress more than ten million completely wired electronic components into less than a cubic foot of space.

This important new field promises a rapid and

ABOVE: Pleasant modern work area helps t make delicate tube assembly fast and accurat

Vacuum tube assembly involves automatic machine aids, but key processes are in human hands of extraordinary dexterity. ***ABOVE:*** *Sealed vacuum tubes are fed at high speed to conveyor belt.* ***BELOW:*** *Nimble fingers skilfully, speedily assemble tiny tube parts.*

LOW: Glass bulbs and exhaust tubing are tomatically fused on a high-speed machine.

profitable growth. CBS Electronics is participating with the military and with leading manufacturers of space and missile equipment in this advanced branch of electronics.

Audio Components. In 1959 a reciprocal distribution arrangement was entered into with Ronette Piezo-Electriche Industrie N. V. of Amsterdam, makers of phonograph cartridges, microphones, tone arms, and other products. Included was a complete line of crystal phonograph cartridges of which six million are now in use in this country.

Facilities for the assembly of new audio components are centralized at the CBS Electronics plant in Danvers, Massachusetts. Among these products is the Professional 55, a high-compliance version of the Columbia CD stereo cartridge.

Marketing Highlights. Market research, product planning, and military sales activities were expanded. The Division's broadened product base proved attractive to dealers, distributors, and equipment manufacturers.

Strong support of independent electronic parts distributors and service-dealers continued as a key company policy. The successful Controlled Inventory Service, to increase distributor inventory turnover and profits, was extended; and the Manufacturer's Warehousing Distributor program was enlarged to include semiconductors and industrial tubes. This program, operated through distributor channels, assists equipment sales forces in obtaining new business from the increasingly dispersed original-equipment market.

Columbia Phonographs. The Columbia Phonograph Department of CBS Electronics is a complete unit, with separate sales, advertising, product design, and quality control and service, and a specialized national field staff. Columbia Phonograph products are sold through an organization of 50 distributors, with a number of large direct merchandising accounts.

ABOVE: CBS Electronics tubes, semiconductors, microelectronics, audio componer
*BELOW: **Phonograph Department** had great success with **Columbia Convertible**, po*
et transistor radio which slips into a speaker to become powerful cordless table mod

OVE: CBS President Frank Stanton shows Russians a Co-nbia phonograph, part of U.S. exhibit at Moscow Fair.
LOW: Model of new plant now building in Lowell, Mass.

OW: Highly popular Columbia console Model C1158 ome entertainment center; combines AM-FM radio and h-fidelity stereophonic phonograph in a single cabinet.

The year 1959 marked the first full year of operation of Columbia Phonographs as a department of CBS Electronics. A full new line of merchandise was introduced, and new headquarters organization and distribution programs put into effect. Sales increased 11 per cent over 1958 but were considerably below expectations.

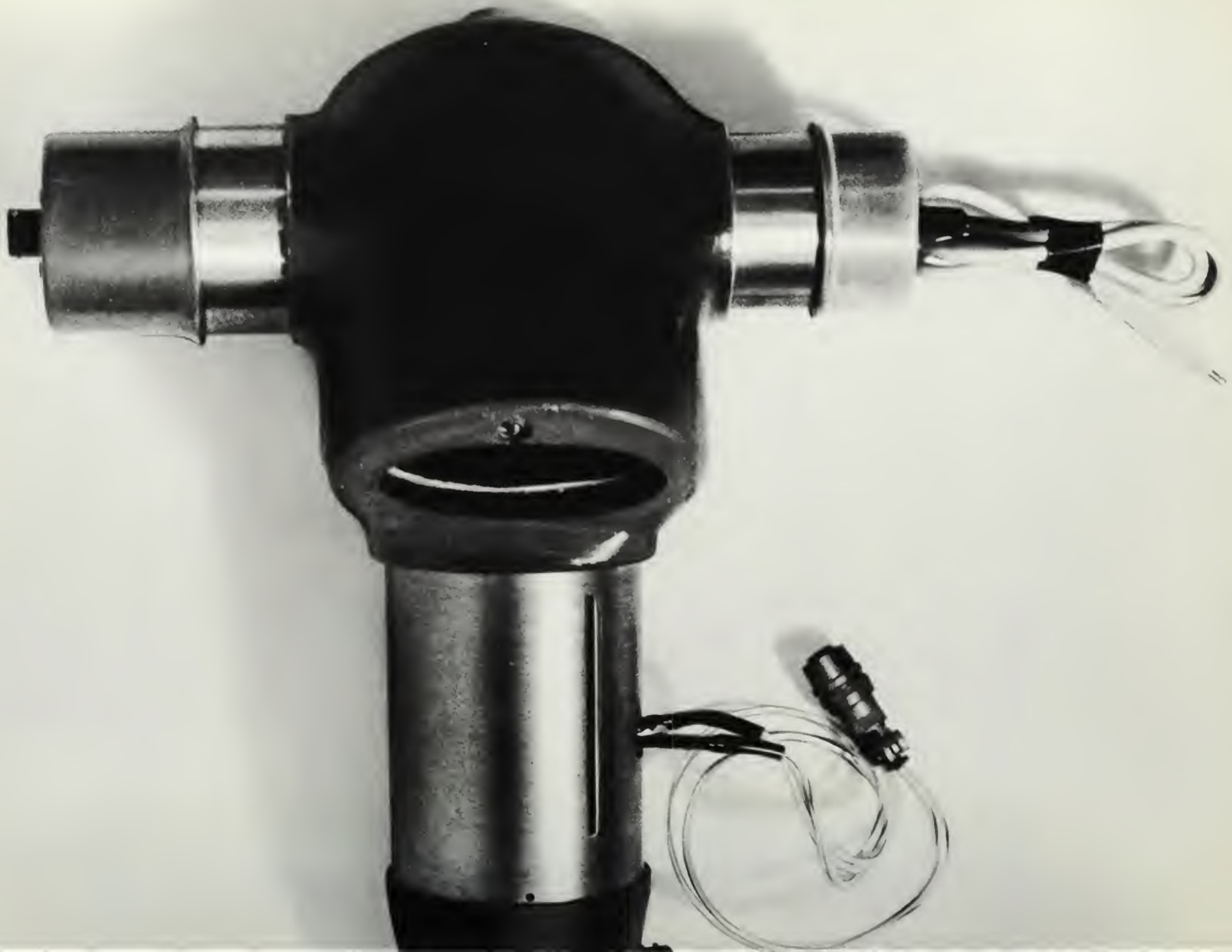
At a national distributor convention in New York in June, a complete new line of phonographs was introduced. This included seven basic portable models, both monaural and stereophonic, ranging in suggested retail price from $24.95 to $139.95; and high-fidelity stereophonic consoles ranging from $129.95 to $495. Merchandising programs were based on the quality, performance, and attractive design of this new line.

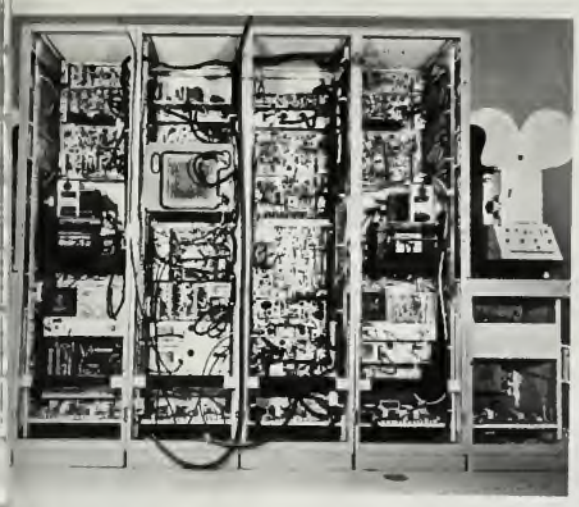
Columbia extended its radio set line by introducing new models of transistor radios. Four-transistor and six-transistor models were offered; the combination of high-quality performance and excellent value won immediate sales. During the Fall of 1959 Columbia Phonographs introduced the popular "Columbia Convertible"—a long-range pocket transistor radio, which can be slipped into a matching large-speaker cabinet to convert it to a powerful cordless table radio.

Outlook for 1960. The CBS Electronics Division, with increased emphasis on research and development of new electronic products, will be in a better position to capitalize on both industrial and consumer requirements, which are expected to double during the next decade. The Division expects sales to improve substantially in all of its product lines during the coming year.

The Columbia Phonograph Department, with expanded phonograph and radio lines and improved channels of distribution, should contribute to the successful growth of the Division.

ARTHUR L. CHAPMAN, *President*
CBS Electronics Division





OVE: Ground receiving unit of a Photoscan system.
LOW: Line Scan Tube is used in data transmission, ual reconnaissance, and other military information tems. It is a vital part of Photoscan system, which ovides high-speed, long-range electronic transmis- n of images from aerial reconnaissance vehicles.

CBS Laboratories

CBS Laboratories, the research and development Division of the Company, continued its program of growth and diversification in 1959. Increased research and development services were provided for government agencies and industry, as well as for other divisions of CBS. Military and industrial demands for special electron tubes and complex electronic equipment led to the opening in 1959 of a 20,000-square-foot building to supplement the Stamford, Connecticut, Research Center. Pilot production and mechanical fabricating facilities are housed in this new building.

Solid-State Physics. The first successful low-friction vacuum bearings capable of sustained use in outer space were developed by the Laboratories during 1959 as part of an extensive research program for the government. Resulting from the application of radically new methods of lubrication, these bearings are the first specifically designed for use in a high vacuum of the type encountered in outer space. This development involves unique applications of heat-resistant solid lubricants having extremely low vapor pressure.

Research and development programs were conducted on improved semiconductor devices, on the creation of thin films, and on new methods for fabricating thin-film memory devices.

Considerable research in solid-state physics and physical chemistry was conducted for Minnesota Mining and Manufacturing Company. Fundamental discoveries were made, which may pave the way to new and improved methods of video recording and information storage.

Military and Industrial Electronics. In 1959, CBS Laboratories completed the engineer-

VIDIAC: 3-SG character generator electronic
displays letters, numbers and symbols clea
at speeds up to 100,000 characters per seco
LEFT: All solid-state circuitry of VIDIAC p
vides great reliability and stability of charact
RIGHT: Unretouched photograph shows cla
of the VIDIAC read-out on a cathode-ray tu

ing and construction of several "Photoscan" systems for the government. These make possible for the first time high-speed, long-range transmission of high-resolution images. New techniques of electronic image enhancement make Photoscan the only long-range reconnaissance system capable of transmitting complex visual images without any loss of detail whatsoever.

Another significant achievement of the year was a high-speed, all-solid-state character generator called VIDIAC (*V*isual *I*nformation *DI*splay *A*nd *C*ontrol). It is the first such instrument to generate up to 100,000 alphabetical or numerical symbols per second, with stability and precision. It can be used in conjunction with a wide variety of computer systems, and has many other important applications in the data display field.

Acoustics and Magnetics. During the year CBS Laboratories, under contract with Minnesota Mining and Manufacturing Company, continued developmental work on a new system of high-density magnetic recording and reproduction. The system is based on a superior method of recording on magnetic material.

For the Columbia Phonographs Department of CBS Electronics, the Laboratories developed a stereophonic "projection console," which was marketed as a feature of the new Fall phonograph line. It makes possible the projection of stereophonic sound from a single cabinet, with quality approaching that formerly possible only with two separate speaker units.

In conjunction with Recording for the Blind, Inc., the Laboratories successfully field-tested the Phonobook, a miniaturized phonograph-and-record system. A 7-inch record, carrying four hours of speech, is played on an 8⅓ rpm miniature lightweight phonograph with a newly-developed "scratch-proof" tone arm. This system was developed for the Division of the Blind of the Library of Congress in Washington.

CBS Laboratories new pilot production plant is up-t date facility for manufacture of a variety of special-pu pose electron tubes for both military and industrial us

LEFT: Photomultiplier tubes are sensitive to infrare visible, or ultraviolet radiation, are used in data-proce sing and atomic energy research. These are ruggedly bui withstand shock and vibration better than former typ

RIGHT: Glass blower seals ends of photomultiplier tub

BELOW: Critical components of electron tubes are pr cessed in a specially-designed two-chamber vacuum ove

Electron Tubes. CBS Laboratories has designed and is now producing a series of advanced photomultiplier tubes. These highly specialized tubes are used for such purposes as star-tracking, nuclear instrumentation, and data processing. Also to be produced at CBS Laboratories' new pilot production facility is the unique Line Scan Tube, representing a major advance in cathode-ray tube design. Developed for the government, this tube provides high-resolution image transmission, utilized in various military image-transmission systems.

A high-energy electron gun was developed for use in "electronic machining" and for the evaporation of high-purity materials.

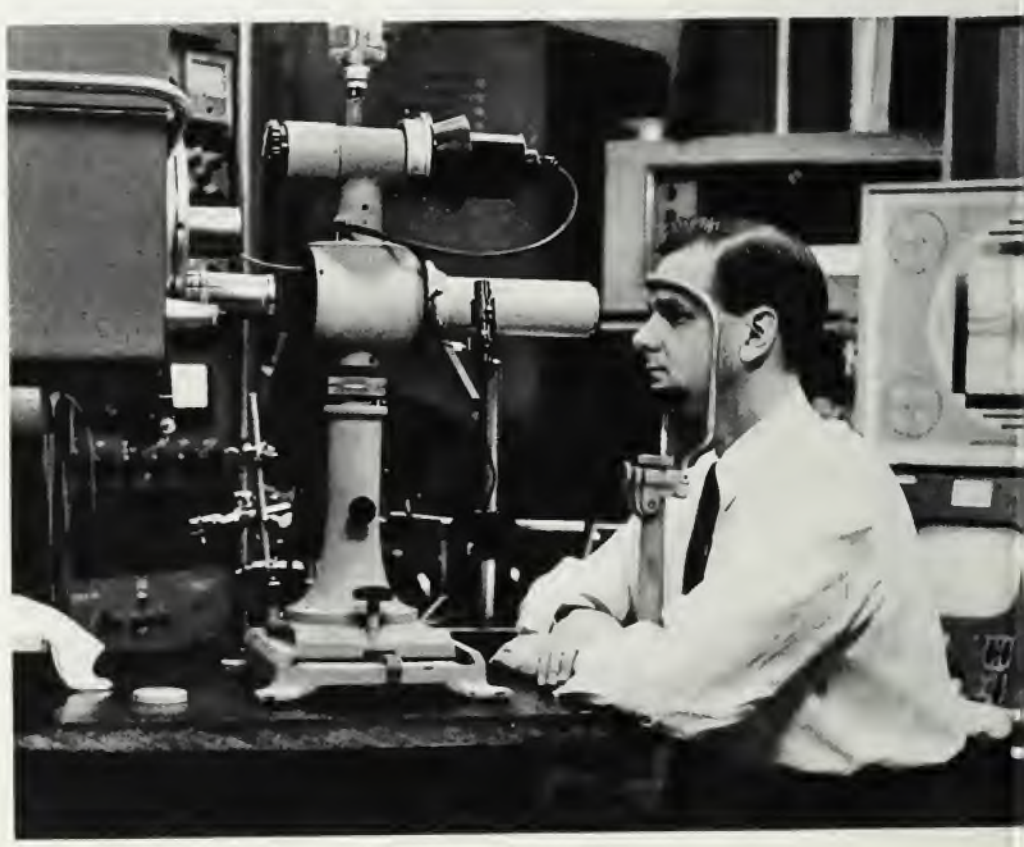
Space Electronics. To expand its capabilities in space electronics and its participation in the government program of space research, CBS Laboratories joined with M. Steinthal and Co., Inc., one of the largest manufacturers of parachutes and aerial retardation systems, to form Space Recovery Systems, Inc., in El Segundo, California.

This company was formed to meet the growing need for deceleration devices and advanced escape and recovery systems capable of returning personnel as well as missile and rocket components safely to earth from the upper atmosphere and outer space. The capabilities of CBS Laboratories in the electronics and physics fields will contribute to this program.

The first successful recovery of a Nike Hercules nose cone and guidance system was accomplished by Space Recovery Systems, Inc. Work is now being completed on a recovery system for the 15,000-pound Jupiter C booster for Project Mercury, designed to accomplish the first high-velocity, high-altitude recovery of a major missile component. Other projects included the escape and recovery systems for North American Aviation's B-70 solid-fuel bomber and the Fairchild SD-5 reconnaissance drone; also the development of reconnaissance beacons, high-altitude sounding rockets, and radar reflective targets.

ABOVE: Special equipment for testing CBS Laboratories-developed low-friction vacuum bearings for use in high vacuum, as in outer space. The new bearings extend very substantially the effective life of instruments that operate in a high vacuum.

RIGHT: Color-television ophthalmoscope permits examination of eye's circulation, as image is simultaneously recorded on film for further study. Picture below shows human retina as seen on television screen.



VE: A Balzers unit, imported high-vacuum equipment he research and development of magnetic thin films.
OW: Phonobook is miniaturized phonograph which ates at 8⅓ rpm, plays special 7-inch record carrying urs of speech. Developed by CBS Laboratories for Division of the Blind of the U.S. Library of Congress.

The Military and Industrial Electronic Systems Department of CBS Laboratories developed and completed for Space Recovery Systems, Inc. the telemetering phase of the U. S. Army Signal Corps' reconnaissance drone recovery system.

Research for Education and Health. The Midwest Council on Airborne Educational Television Instruction, established by The Ford Foundation, announced late in 1959 that a new narrow-band system of television transmission developed by CBS Laboratories would play an important part in its $7 million, six-state experiment in airborne educational television. The new system has demonstrated that it can double the number of channels available for educational television transmission in any part of the radio spectrum.

Earlier in the year, in cooperation with a medical research team at the National Institutes of Health, the first color-television ophthalmoscope was perfected. This instrument now makes it possible to view and simultaneously record on color film the retina of the sighted human eye. The new system permits continuous observation of the tissues and blood vessels of the eye, without surgery. It opens up new vistas for clinical investigation into circulatory disturbances related to heart disease and arteriosclerosis; and early diagnosis of hitherto undetectable malignant growths in the eye region has been made possible with this instrument.

Executive Appointment. Gordon S. Burroughs was appointed Vice President, Military and Industrial Electronic Systems.

Outlook for 1960. The activities of CBS Laboratories in earlier years were primarily in the broadcasting and recording fields. Today the Division is operating in diversified areas, some of which hold promise of basic discoveries in new areas of science and technology. CBS Laboratories represents a CBS investment in the future.

PETER C. GOLDMARK, *President*
CBS Laboratories Division

Loading at the dockside, New York; a shipment arriving in Milan, Italy; a Columbia record store in Guatemala: These are activities of CBS International, which exports — or licenses for manufacture abroad — radio and picture tubes, transistors and diodes, records, phonographs, television and radio sets, and a variety of electric appliances.

CBS International

The CBS International Division had its most successful year, despite severe price competition abroad, and disruptions in some markets because of political unrest. The Division went well ahead in the sale of CBS-manufactured products such as records, tubes, and transistors. Particular sales effort was put behind CBS Electronics transistors of types that compete favorably with foreign product. CBS Electronics engineers accompanied International's representatives on calls to manufacturers of equipment using such transistors, with good results.

Emphasis was placed on Latin-American records, for sale in the Caribbean market. For the first time, records from Columbia's Argentine subsidiary were sold in other South American markets. Other lines added during the year included table appliances and a small portable washing machine.

Substantial royalties were added to income through licensing arrangements in Argentina, Uruguay, and Peru; others are being negotiated.

During 1959 the Division contracted to purchase a minority interest in a cathode-ray tube plant then building in Buenos Aires. Return on this investment should offset loss of cathode-ray tube sales in Argentina, cut by a drastic increase in duties. Several new Argentine television stations are scheduled to open in the next two years, creating demand for television sets, and, of course, cathode-ray tubes.

Outlook for 1960. The manufacture abroad of some items may bring a decline in export sales. The Division hopes to offset this by increasing its licensing activities, concentrating on specific markets, and promoting the sale of other products.

LEWIS GORDON, *President*
CBS International Division

Columbia Broadcasting System, Inc. and domestic subsidiaries

Income Statements

	52 Weeks Ended Jan. 2, 1960	53 Weeks Ended Jan. 3, 1959
Net sales	$444,311,357	$411,800,203
Cost of sales	*310,774,882*	*284,867,057*
Selling, general and administrative expenses	*79,309,507*	*75,230,125*
Operating income	54,226,968	51,703,021
Other income	6,527,029	4,067,301
Other deductions	*7,786,810*	*2,241,510*
Income before federal income taxes	52,967,187	53,528,812
Federal income taxes	*27,700,000*	*29,100,000*
Net income	$ 25,267,187	$ 24,428,812

Columbia Broadcasting System, Inc. and domestic subsidiaries

Statements of Retained Earnings and Capital Surplus

RETAINED EARNINGS

	52 Weeks Ended Jan. 2, 1960	53 Weeks Ended Jan. 3, 1959
Balance at beginning of period	$67,676,066	$65,769,708
Net income	25,267,187	24,428,812
	92,943,253	**90,198,520**
Deduct:		
Cash dividends: 1959, $1.25 per share; 1958, $1.00 per share	*10,169,374*	*7,881,320*
Stock dividends, three per cent: 1959, 244,143 shares at $41.50 per share; 1958, 236,449 shares at $40.50 per share	*10,131,935*	*9,576,184*
Write off of goodwill		*5,064,950*
Balance at end of period *(note 2)*	**$72,641,944**	**$67,676,066**

CAPITAL SURPLUS

Balance at beginning of period	$21,879,215	$12,876,153
Excess of proceeds from sales of common stock, under option agreements, over par value of shares sold	367,072	18,000
Excess of market value over par value of shares issued in payment of stock dividends	9,521,577	8,985,062
Balance at end of period	**$31,767,864**	**$21,879,215**

See notes to financial statements

Columbia Broadcasting System, Inc. and domestic subsidiaries

Balance Sheets

ASSETS

	Jan. 2, 1960	Jan. 3, 1959
Current assets:		
Cash	$ 18,011,454	$ 21,666,943
United States Government securities, at cost and accrued interest	181,319	266,519
Notes and accounts receivable, less allowance for doubtful accounts: January 2, 1960, $3,534,268; January 3, 1959, $2,391,300	79,705,424	74,271,150
Inventories, at lower of cost or market	25,597,939	23,405,638
Films, film rights and other prepaid expenses	43,713,268	32,293,442
Total current assets	**167,209,404**	**151,903,692**
Investments:		
Wholly owned foreign subsidiaries, at cost	2,307,606	1,969,443
Other, at cost or less	6,909,631	2,735,847
	9,217,237	**4,705,290**
Fixed assets, at cost:		
Land	7,312,180	7,463,507
Buildings, improvements and equipment	97,056,797	90,152,703
	104,368,977	97,616,210
Less accumulated depreciation	*42,964,373*	*39,094,468*
	61,404,604	**58,521,742**
Contract rights and other assets at cost, less amortization	**10,072,388**	**16,291,611**
	$247,903,633	**$231,422,335**

LIABILITIES AND STOCKHOLDERS' EQUITY

	Jan. 2, 1960	Jan. 3, 1959
Current liabilities:		
Accounts payable and accrued liabilities	$ 46,445,033	$ 42,016,288
Federal income taxes	19,871,069	22,962,743
Current instalments on notes and mortgages	3,921,356	3,170,052
Total current liabilities	**70,237,458**	**68,149,083**
Amounts due after one year:		
Notes payable, 3½%-4¼%, due 1961 to 1973	41,364,000	44,348,000
Mortgages	3,134,363	3,523,152
Other	6,052,406	3,910,197
Total amounts due after one year	**50,550,769**	**51,781,349**
Deferred federal income taxes	**1,750,000**	**1,640,000**
Stockholders' equity:		
Common stock, par value $2.50 per share: authorized 12,000,000 shares; issued and outstanding; January 2, 1960, 8,382,239 shares; January 3, 1959, 8,118,649 shares *(note 1)*	20,955,598	20,296,622
Capital surplus	31,767,864	21,879,215
Retained earnings *(note 2)*	72,641,944	67,676,066
Total stockholders' equity	**125,365,406**	**109,851,903**
	$247,903,633	**$231,422,335**

See notes to financial statements

Notes to Financial Statements

1. The Company has granted options to certain employees, including officers, to purchase shares of common stock at a price not less than 95% of market value on the dates the options were granted. Unissued shares of common stock under option at the beginning and end of 1959 (exercisable at various dates through 1966) and changes during 1959 are summarized as follows:

Shares under option at January 3, 1959	50,151
Options granted during 1959 (at $39.50 to $45.25 per share) net of terminations	207,248
Adjustments resulting from 3% stock dividend	7,342
	264,741
Less options exercised during 1959 (at $20.16 to $25.82 per share)	19,447
Shares under option at January 2, 1960 (at prices ranging from $25.07 to $43.93 per share), of which options on 21,186 shares were exercisable at January 2, 1960	245,294

Shares of unissued common stock reserved for future options at the beginning and end of 1959 were 231,093 and 16,503, respectively. Options for these shares may be granted prior to January 1, 1961 at the discretion of the Board of Directors.

2. Under the agreements covering notes payable there are certain restrictions with respect to the payment of dividends (other than stock dividends) on the Company's stock and to the purchase, redemption or retirement of its stock. At January 2, 1960, $42,800,000 of retained earnings was free of such restrictions.

3. Provisions for depreciation of fixed assets and amortization of contract rights for the years 1959 and 1958 amounted to $9,429,594 and $7,832,008, respectively. Interest expense for the years 1959 and 1958 was $1,905,383 and $2,066,952, respectively.

4. During 1959, the following nonrecurring adjustments and transactions were recorded, the combined net effect of which was a charge to net income of approximately $250,000: (1) reduction of about $700,000 in prior years' income taxes on inter-company profits in inventories, (2) the Company obtained a release from its guaranty of bank loans to Pacific Ocean Park, Inc. and at the

same time disposed of its 50 per cent ownership of that corporation with a resulting charge to net income of approximately $2,400,000, (3) the Company sold the Alvin Theatre in New York City at a net profit of about $900,000, and (4) prior years' adjustment of certain depreciation rates resulting in an increase in net income of about $550,000.

Report of Auditors

To the Stockholders of Columbia Broadcasting System, Inc.:

We have examined the consolidated balance sheet of Columbia Broadcasting System, Inc. and its domestic subsidiaries as of January 2, 1960, and the related statements of income, retained earnings and capital surplus for the fiscal year (52 weeks) then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We made a similar examination for the preceding year.

In our opinion, the accompanying balance sheet and statements of income, retained earnings and capital surplus present fairly the consolidated financial position of Columbia Broadcasting System, Inc. and its domestic subsidiaries at January 2, 1960, and the results of their operations for the fiscal year (52 weeks) then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

LYBRAND, ROSS BROS. & MONTGOMERY

New York, February 16, 1960

Columbia Broadcasting System, Inc. and domestic subsidiaries

10-Year Financial Summary

	1959	1958	195
Income and dividends			
Net sales	$444,311	$411,800	$385,40
Income before federal income taxes	52,967	53,529	48,59
Less: Federal income taxes	*27,700*	*29,100*	*26,40*
Net income	$ 25,267	$ 24,429	$ 22,19
Per cent of net income to net sales	5.7%	5.9%	5.8
Net income per share *(see note)*	$ 3.11	$ 3.01	$ 2.7
Cash dividends paid per share *(see note)*	$ 1.25	$ 0.97	$ 0.9
Balance sheet items			
Current assets	$167,209	$151,904	$160,87
Less: Current liabilities	*70,237*	*68,149*	*67,87*
Net working capital	96,972	83,755	92,99
Investments and other assets	19,289	20,996	12,90
Fixed assets (net of depreciation)	61,405	58,522	49,09
Less: Long-term liabilities	*52,301*	*53,421*	*56,6*
Total net assets	$125,365	$109,852	$ 98,3
Stockholders' equity:			
Common stock	$ 20,955	$ 20,297	$ 19,7
Capital surplus	31,768	21,879	12,8
Retained earnings	72,642	67,676	65,7
	$125,365	$109,852	$ 98,3
Ratio of current assets to current liabilities	2.38	2.23	2.

NOTE: Based on the average number of shares outstanding in each year, adjusted for 3 for 1 stock split in 19

(Dollars in thousands)

1956	1955	1954	1953	1952	1951	1950
54,780	$316,573	$280,291	$236,972	$194,109	$146,380	$ 99,589
35,083	29,897	23,215	21,395	15,246	13,619	9,555
18,800	*16,500*	*11,800*	*12,500*	*8,800*	*7,259*	*5,450*
16,283	$ 13,397	$ 11,415	$ 8,895	$ 6,446	$ 6,360	$ 4,105
4.6%	4.2%	4.1%	3.8%	3.3%	4.3%	4.1%
2.01	$ 1.66	$ 1.44	$ 1.13	$ 0.81	$ 0.92	$ 0.71
0.83	$ 0.70	$ 0.56	$ 0.54	$ 0.48	$ 0.48	$ 0.48
31,496	$117,369	$105,936	$ 78,593	$ 64,054	$ 66,002	$ 29,194
57,040	*51,529*	*48,785*	*42,278*	*34,194*	*30,284*	*14,433*
74,456	65,840	57,151	36,315	29,860	35,718	14,761
11,494	10,603	9,953	10,477	7,548	8,546	8,017
53,107	52,117	53,410	46,971	40,119	26,933	16,622
55,259	*54,527*	*54,599*	*41,785*	*30,113*	*26,560*	*6,947*
83,798	$ 74,033	$ 65,915	$ 51,978	$ 47,414	$ 44,637	$ 32,453
19,129	$ 18,715	$ 6,097	$ 5,852	$ 5,852	$ 5,845	$ 3,719
7,645	3,407	8,733	3,825	3,825	3,758	162
57,024	51,911	51,085	42,301	37,737	35,034	28,572
83,798	$ 74,033	$ 65,915	$ 51,978	$ 47,414	$ 44,637	$ 32,453
2.31	2.28	2.17	1.86	1.87	2.18	2.02

ars' stock dividends. Stock dividends of 3% were declared in 1959, 1958 and 1957, 2% in 1956, 1955 and 1954.

Columbia Broadcasting System, Inc.

485 Madison Avenue, New York 22, New York *(Executive Offices)*
1735 DeSales Street, N.W., Washington 6, D.C.

CBS News

485 Madison Avenue, New York 22, New York

CBS Television Network

485 Madison Avenue, New York 22, New York

CBS Television Stations

485 Madison Avenue, New York 22, New York

CBS Radio

485 Madison Avenue, New York 22, New York

Columbia Records

799 Seventh Avenue, New York 19, New York

CBS Electronics

100 Endicott Street, Danvers, Massachusetts

CBS Laboratories

227 High Ridge Road, Stamford, Connecticut

CBS International

46 East 52nd Street, New York 22, New York

To the Stockholders

Television is being subjected to the most intensive public examination of its brief 12-year history. Touched off by disclosures last fall that some of the most popular quiz shows had been rigged, this examination gained wide publicity in the press and in hearings before a congressional committee. It eventually broadened to include debate concerning program quality and balance, as well as production techniques, accuracy and taste in commercials, and "payola"—usually meaning undercover payments to induce the broadcasting of music or other matter.

At the same time, the television industry conducted a searching self-reappraisal resulting in changes in some of its practices and procedures.

At CBS, these were some of the steps taken:

...All "big money" quiz shows—5½ hours of programming a week—were eliminated from the CBS Television Network schedule, after investigation had convinced the Network that recurrence of quiz rigging could not be prevented with absolute certainty. (It should be noted that over a year earlier, beginning in August 1958, the CBS Television Network had instituted detection and surveillance procedures which had resulted in the Network's dropping several other quiz shows, in which dishonest or questionable practices had been discovered. After the disclosures in the fall of 1959, however, CBS stated, "We are now convinced that games whose major appeal is the winning by contestants of large sums of money or lavishly expensive prizes ought not to be carried on the CBS Television Network. The dangers inherent in such programs, as presently conceived, have been highlighted for all to see, and we do not believe that any system of policing, public or private, however carefully devised, can plug up all the possibilities for hanky-panky in the production of the programs.")

...A memorandum of policy on television production practices and techniques was distributed throughout the CBS organization. This specified certain mandatory procedures relating to games and contests, interviews and discussions, announcements of prerecording, and dubbed-in audience reaction.

...A memorandum was issued spelling out new standards and practices to be observed in the CBS News Division. This covered interviews and discussions, prerecording and sound effects, and identification of opinion broadcasts.

...A CBS Television Network Vice President for Program Practices was appointed, and was given responsibility for supervising production techniques and implementing the basic policies by the appropriate issuance of detailed regulations from time to time. This office issued a set of such regulations regarding credits and identification of CBS Television Network programs—including suppliers' credits, gift and prize credits, and special credits.

...CBS joined ABC and NBC in adopting a modified version of FCC Chairman Doerfer's proposal calling for increased scheduling of public affairs and cultural programs in peak viewing hours.

In testimony before the Federal Communications Commission during December and January, many witnesses expressed opinions about television and offered suggestions for action. Some proposed government intervention and regulation of programming in one degree or another. Others strongly opposed such measures.

On January 29, 1960, Frank Stanton, President of the Columbia Broadcasting System, presented the CBS views on the role and nature of television in the United States. His statement reviewed the growth of the medium, described its nature and functions, summarized the CBS programming policy, and discussed some of the problems now confronting television and how CBS is dealing with them—in particular, the problem of increasing public affairs and cultural programming; the problem of commercials; and the problem of advertiser participation in programming. Dr. Stanton also analyzed the problems and commented on the dangers of increased government regulation of television programming.

Since Dr. Stanton's testimony before the FCC included an important statement of the CBS position regarding the American system of television, it is being sent to all CBS Stockholders.

COLUMBIA BROADCASTING SYSTEM, INC.

Statement of Frank Stanton, President, Columbia Broadcasting System, Inc.

Before the Federal Communications Commission

JANUARY 29, 1960

Mr. Chairman
and Members of the Commission:

I am glad to have the chance to be a part of these hearings because I believe them to be the most important and critical in my quarter of a century in broadcasting.

The quiz and payola revelations have triggered consequences that go far beyond and deeper than the questions of phony and deceitful practices. Serious as these practices were, they have given rise to even more basic questions which we have been compelled to re-examine.

The good and earnest witnesses here have touched on many of these questions. These proceedings have provided the forum for the expression of many points of view. And still other and different points of view on the same basic questions have been expressed by others outside these hearings.

I am certain that great good can and will come out of this unprecedented focus on television. If those of us responsible for broadcasting fail to understand all that has been said, we are both blind and deaf. If we think that this is a temporary phenomenon which shall pass as the memory of the scandals fades, leaving us unscarred and free to go back to business as usual, we are foolish. If we fail to adjust properly to what we have learned, we will fall short of our duty.

There is not a single problem we face, however complex and disturbing, that does not give broadcasters a heaven-sent opportunity for improving television and thus giving it another mighty shove forward towards its inherent—and as yet only partially realized—greatness as a medium of mass communication in a free society.

Further, out of all this will come, if we do our part properly, a far better understanding by the American people of this great new medium.

I take it that this is the thrust of these hearings. And this is why I believe it is relevant to address myself to the basic issues which I believe have been raised and to which all of us concerned with television—the public, this Commission, advertisers, agencies, producers and broadcasters—must address ourselves. Those issues are the very deepest ones—What is television? What is its role in society? Whom should it serve and how should it serve them? Where is it succeeding and where is it failing? Where should it go from here? And how best to assure that it gets there?

Of course, these are not new issues. They have been with us from the very beginning of broadcasting. But only recently have they come into the white, hot light of public examination.

It is good for us, and it is certainly in the public interest, to take a good hard look and to discuss these basic questions thoughtfully and publicly as we reappraise ourselves, our practices and our policies.

These hearings and the events which led to them, have provided the occasion for such a searching reappraisal.

Because of my conviction concerning the importance of these hearings, and my belief that they involve these fundamental issues, I ask your indulgence, for I will be going over ground which in one way or another over the past years has been touched upon from time to time. I think it is useful in the light of the nature of these hearings and of the potentials of our system of broadcasting that I try to put all of this in perspective—in one place and at one time. With your permission, that is what I propose to do.

As a starting point, I would like to try to define the nature of our system of television. Second, I should like to tell how we at CBS see our responsibility and describe as best I can what our philosophy is, how we are trying to live up to it, what we have done and what we hope to do. Third, having defined the nature of television, and our concept of our duties and responsibilities, I should like to deal with the issue of how best the proper role of television can be fulfilled.

The Nature of Television

Let me deal with the question of the nature of television in two separate ways—one, in terms of statistics and second, in terms of definition.

You are all familiar with the raw statistics of television. Yet I think that they are worth repeating because they help to give some perspective to the issues which I will discuss.

Commercial television is not yet in its teens. In 12 years it has grown from nothing until today there are 53 million receivers in 46 million homes. Over 88 per cent of American homes are television homes—more television homes than there are with telephones or bathtubs. In 12 years, United States families have invested almost $23 billion for television sets and their maintenance.

Today U.S. families continue to average more than five hours daily of year-round television watching. You are all familiar with that dramatic statistic that more time is spent on television than any other activity besides working and sleeping.

The record of television's first decade of explosive growth is without parallel in American history. It took television 10 years to reach 34 million homes; it took radio 25 years; it took telephone service 80 years; the electric washer, 47 years; electric wiring, 62 years; and the automobile, 49 years. Television's

rate of growth, expressed by the public's investment in sets and the extensive use it makes of them, is striking testimony to the regard in which the American public holds television.

Were it not for this intensive interest on the part of the public, were it not for this phenomenal growth, none of us would be here today.

I emphasize these figures only because despite the focus of the past few months, it seems wise to remind ourselves that television could not have achieved this growth and development if it did not provide important satisfaction to great numbers of American people.

This, statistically, is what television is. Second, what is its nature?

Any sensible discussion of the issues which are before us requires an understanding of its nature. Unless we understand it, we are likely to make demands of television which cannot be met. It is indeed healthy and constructive for observers and critics to press as vigorously as they can for television to achieve those things which television is capable of achieving. But it is futile and destructive to demand of television that it be what it cannot be, that it do what it cannot do.

And so in order to delineate the broad limits of what is possible and what may be impossible, let me try my hand at defining what our system of television is. Perhaps it can be put in one sentence: American television is (1) a mass medium of communication; (2) operating as but one part of the whole of society of this Nation; (3) under a system of free competitive enterprise; and (4) supported exclusively by advertising revenues.

Now this seems so obvious that it is hardly worth stopping to repeat. Yet some critics, including some of those who have testified here, have seemed to lose sight of some or all of these four elements. Some of the criticism, at least, is really a quarrel with the fact that television is a mass medium. It is not an elite medium. But this is a fact—an obvious, inescapable and irrefutable fact with one very direct consequence. It means that we cannot turn our backs on the tens of millions of people and address ourselves exclusively to the tens of thousands.

This brings us to the second and closely related element of my definition: Television is not operating in a vacuum, separate and apart from the mainstream of our life, but rather it is one part of the whole of this Nation's society. Whether we like it or not, this means that the impact of television on our society, great as that impact may be, is a good deal less than the impact of our society on television.

Television may indeed help to shape our society. But much more does our society and our culture shape television.

Here again some of our critics—and more credit to them for making demands which encourage us to go on forward—have forgotten this inescapable fact that our society and our culture draw the profile of television.

It must be this way if television is to be a mass medium of communication and a viable enterprise. We cannot be so far ahead or behind or different from our society as a whole that we lose touch with society.

It is because of this basic fact, that we are an integral part of society, that we have said, "I know where television will fail and where it *has* to fail. It *has* to fail in substituting itself for an active participation in life itself . . . We can help education, but we cannot *be* education. We can give the pulpit a wider range, but we cannot *be* religion. We can help the American home, but we cannot *be* parents."*

This is not to say that we cannot at times lead or make contributions to society. But it is to say that the very nature of our being a mass medium operating in a society which is as we find it places some real limits on what we can do to improve society, to elevate tastes and to change the face of the world. We cannot force people to like what they don't like or to want what they don't want. The great and dramatic cultural and educational explosions in television will come only when the teachers, the ministers, the parents, the statesmen have paved the way for society's greater receptivity to what television can offer. Television can only help them and work within the limits of the world which they have produced.

So first, we are a mass medium and must be. Second, we are an integral part of this Nation's society.

Third, we are operating under a system of free competitive enterprise. This, too, is a limiting factor and imposes a price which it may sometimes be unpleasant to pay but which it seems to me we would rather pay than do without.

The price that we have to pay is that no unit in broadcasting or in any other free enterprise can go too far too fast. It cannot run so far ahead of the public's wants as to lose its attention. And when we at CBS are tempted to do what we want to do rather than what the public wants us to do, we must remind ourselves that competition—another network, another medium—is ready to step in to replace us by better supplying the demands of the public and the market place.

Closely related to the factor of free competitive enterprise system under which we operate is the final characteristic of American television—we are advertiser-supported. Last year advertisers paid over $1½ billion so that the American people could have television without charge. Is this bad? I do not think so. I think we will all agree that it is infinitely better than having government provide the programs and collect the cost in taxes. It is infinitely better than having the viewer pay for the programs he sees, because this would merely insure that fewer people will have less television at higher cost.

I believe that in general and with some important areas of exception, good television and successful advertising are wholly compatible and indeed, complementary.

The short of it is that we cannot have it both ways. Television cannot be an advertiser-supported mass medium of communication operating in the con-

*"The Role of Television In Our Society," National Association of Broadcasters, Washington, D.C., May 26, 1955.

text of our society as a whole, and in a free competitive system, and then proceed to act as if none of these characteristics was present. We must frankly recognize each of these characteristics and go on from there. We must not forget that if we were to take away one, we would not have anything like the system of television which, it is generally conceded, has developed further and faster than any other system in the world, and which, with all its imperfections, is the best in the world.

But let there be no misunderstanding about what I have just said: I want to make it crystal clear that while I believe these characteristics do place limitations on us, they provide no warrant for self-satisfaction. They provide no basis for a conviction that we have done all we can or that we have done as well as is possible. Within the broad framework which delimits the possible and impossible, we have still not realized our full potential. Within this necessary context, there does remain enormous room for forward progress. What that progress is—its direction and speed—is determined, I believe, by formulation by each of us of a sensible concept of television's function and role in our society.

Television's Function and Role in Our Society

We come then to the next basic question which each broadcaster must answer for himself and which each group and individual interested in broadcasting must answer—what are the functions, obligations and responsibilities of television? Each of us in broadcasting has the obligation to try to define in his own mind and then state publicly what he thinks he is doing in and with this medium. The Commission, and more importantly, the public itself, has a right to know how CBS looks upon its functions, obligations and responsibilities.

If I am correct in my definition of the basic nature of television, we must face the fact that it is a major part of our function to try to appeal to *most* of the people *most* of the time.

There are those who shrink from this fact as unpalatable, unappetizing and even sinister. But it is an inescapable part of the nature of television. To refuse to accept it is to ignore its basic nature.

In recognizing this as our principal function—principal in the sense of putting first things first and being able to go on from there—the requirement that we try to appeal to most of the people most of the time is really no different from the characteristics of the whole of the democratic process. A President, a Senator, a Congressman—strongly impressed as they are with overriding obligations to act in the public interest—must also appeal to most of the people most of the time in order to perform their functions at all. So must we in television.

There is, however, a difference between the electoral process and television. In television the vote is informal and is continuous. It takes place every minute of every broadcasting hour of every day of every year. Like an elected official, however, the broadcaster who ceases to have the consent of his public, and to be a satisfactory servant to that public, would lose his support and disappear from the scene. We must regard the public as the touchstone of our success, because unless we please and serve this whole public, we are out of office.

There are those who lose sight of this fundamental consideration and seem to insist that the degree to which a program is in the public interest is to be tested by the degree to which the public refuses to look at the program. Program excellence for these critics is in inverse proportion to the size of the audience.

It seems to me it is time that we read a more sensible meaning into the words "public interest." Within limits of taste and the avoidance of harm to any segment of our viewers, I suggest that a program in which a large part of the audience is interested is by that very fact a program in the public interest. On the other hand, that is not the whole of the definition of the "public interest." Not for a moment do I suggest that a program in which only a minority is interested is by that fact contrary to the public interest. But I say it is wrong to insist that the only programs which are in the public interest are those which only relatively few people watch.

And so I am convinced that we should reject the notion that in a cultural democracy it is wrong to appeal to most of the people most of the time. It is not wrong, and we need not be ashamed of it.

Having said this, let me emphasize again as strongly as I can that appealing to most of the people most of the time is certainly not the whole definition of our obligations and responsibilities. That we must appeal to most of the people most of the time still leaves us considerable flexibility for devoting part of our broadcast day to less than most of the people. This brings us face to face with the really perplexing and knotty issue in our decisional process having to do with our program schedule—how many people are most of the people and how much of the time is most of the time. I do not believe we can apply a slide rule to these questions and come up with a tidy answer.

I can, however, sketch in general terms our basic concepts on this critical question of balance between majority and minority tastes. Here is the real and legitimate area of debate not only within broadcasting but between the broadcaster and his critics.

It is not enough for a broadcaster to devote all or even almost all of his time to catering to the existing tastes of most of the people. If the broadcaster does this, then it is true, as some of our critics have charged, that the process is analogous to "the Chinaman (who) loves rice all the time until he has had a beef steak." In the broadcasting diet there must be more than rice; there must be the whole range from beans to Baked Alaska.

Here, I think, is our real duty with respect to "elevating tastes" and "fos-

tering culture"—phrases of which I am not very fond because they indicate a passive society, a huddling image of the public, which does not do the public justice.

The ultimate problem in this area is to strive for a fair and workable balance in programming. And here I am talking about the mix of program types, rather than quality. As to quality, we must strive for the best in everything, whether it be a variety show, a drama, a western, a situation comedy, a documentary or a news program. There can be no balance in quality—each program should be as good as we possibly can make it.

It is far more difficult to determine a fair and workable quantitative balance in programming. Each of us, as individual viewers, can block out—to suit his personal tastes of the moment—an ideal balance between entertainment and non-entertainment, between escapism and culture. In searching for balance we, as broadcasters, however, must remember that broadcasting is something like politics; it is the art of the possible. We can go only a little faster than the people will let us. But by going a little faster, and yet keeping touch with the people, broadcasting will gradually become a vehicle for the thoughts and impressions, the achievements and aspirations of man.

Our basic objective must be not to impose a choice on the viewers, but rather to give the public the widest possible range and variety of programs so that the public itself will have a full opportunity to make its own choice. We must try our hand at almost everything so that there is something at some time in the schedule to attract all but the most esoteric of tastes. In a democracy there can be no other course for a mass medium.

Once having given the public a variety of programs, we must then determine the public's response to the range of offerings so that when the public responds favorably, we can satisfy newly acquired appetites.

The real contribution that television can make and has from time to time made in the past is to broadcast, for example, a Shakespeare play and not only please those who already know and love Shakespeare, but through the broadcast, attract those whose taste in drama had previously been limited to situation comedy and westerns and who, in their turning of the dial, stopped and discovered Shakespeare for the first time and enjoyed the new adventure.

In short, our effort must be to strike a good balance between pleasing most of the people most of the time on the one hand, and on the other hand including in our program schedule a reasonable proportion of programs for what, at the moment, may be less than the majority of the people.

Up to this point, what I have said on this issue is quite general—so general that almost any broadcaster can legitimately claim that to some extent he is fulfilling this responsibility. The real test of the public's opportunity for a variety of choice can only be made by actual viewing of each program in the entire broadcast schedule. Short of that, one can get a rough idea of the range and balance of the schedule through analysis.

As the Commission recognizes, there are enormous difficulties in statistical or verbal summaries which accurately reflect programs or program schedules. There are two alternatives, both highly imperfect: (1) statistical and (2) narrative. Let me try to get at it in each of these ways, recognizing the shortcomings of the methods.

First, let us look at a statistical analysis of the CBS Television Network schedule for the current quarter. Obviously, such an analysis is not only subject to the important defect of uncertainty in categories; it is also subject to the defect that it does not take into account the quality of the program. There can be good and bad westerns just as there can be good and bad documentaries. This point is brought into sharp focus by those generally excellent and witty program evaluations which *National Parent-Teacher* has been making the last few months. Of one western, this publication notes, "The acting is excellent. There is a minimum of gunplay. When a cruelty occurs, it is made to seem perverted and contemptible. There is acute suspense but it concerns the outcome of a struggle between minds, not bodies . . . It is a show for men and women who . . . wish the world would hold its hand and think." Contrast this on the other hand with *National Parent-Teacher*'s evaluation of another western: "A show for the whole family, the whole nation to view with alarm."

Statistical analyses cannot reflect such important distinctions. But statistical analyses do give a rough view of the range of categories which we do make available. In order that the fairness of our classification may be judged, I am attaching an exhibit which lists each category with its programs.

TABLE I

Classification of CBS Television Network Program Schedule

Network Sign On to Sign Off, January through March, 1960

ENTERTAINMENT	HRS:MIN	PCT
Adventure	62:30	6.1
Cartoons	13:00	1.3
General Drama	64:40	6.4
Music (serious)	5:00	.5
Mystery	33:00	3.2
Panel	19:30	1.9
Quiz	6:30	.7
Serial	223:15	21.9
Situation Comedy	120:30	11.9
Talk	70:30	6.9
Variety (comedy)	13:30	1.3
Variety (other)	141:45	13.9
Western	62:30	6.1
Entertainment Total	836:10	82.1
NEWS, PUBLIC AFFAIRS, SPORTS		
Discussion	17:30	1.7
Documentary	22:30	2.2
Education	6:15	.6
News	51:35	5.1
Religion	13:00	1.3
Sports	71:00	7.0
News, Public Affairs, Sports Total	181:50	17.9
GRAND TOTAL	1018:00	100.0

TABLE II

Classification of CBS Television Network Nighttime Program Schedule

6 pm to Network Sign Off, January through March, 1960

ENTERTAINMENT	HRS:MIN	PCT
Adventure	25:00	7.1
General Drama	55:30	15.8
Mystery	33:00	9.4
Panel	19:30	5.6
Situation Comedy	49:00	14.0
Talk	6:00	1.7
Variety (comedy)	13:30	3.8
Variety (other)	47:30	13.5
Western	56:00	16.0
Entertainment Total	305:00	86.9
NEWS, PUBLIC AFFAIRS, SPORTS		
Discussion	7:00	2.0
Documentary	10:30	3.0
News	22:00	6.3
Sports	6:30	1.8
News, Public Affairs, Sports Total	46:00	13.1
GRAND TOTAL	351:00	100.0

TABLE III

Classification of CBS Television Network Daytime Program Schedule

Network Sign On to 6 pm, January through March, 1960

ENTERTAINMENT	HRS:MIN	PCT
Adventure	37:30	5.6
Cartoons	13:00	1.9
General Drama	9:10	1.4
Music (serious)	5:00	.8
Quiz	6:30	1.0
Serial	223:15	33.5
Situation Comedy	71:30	10.7
Talk	64:30	9.7
Variety (other)	94:15	14.1
Western	6:30	1.0
Entertainment Total	531:10	79.7
NEWS, PUBLIC AFFAIRS, SPORTS		
Discussion	10:30	1.6
Documentary	12:00	1.8
Education	6:15	.9
News	29:35	4.4
Religion	13:00	1.9
Sports	64:30	9.7
News, Public Affairs, Sports Total	135:50	20.3
GRAND TOTAL	667:00	100.0

These tables throw into a cocked hat the careless stereotype that there are nothing but mysteries, western and gunplay or that, as one of the witnesses here estimated in "an admittedly rough and uneducated guess," "there is probably 75 per cent of the programming devoted to this kind of show—westerns, private eyes, shoot 'em-ups, alley fights, blood on the strects, this sort of thing."

Even if we assume (quite contrary to the fact) that all mysteries, westerns and adventure programs necessarily include violencc—and to bend over backwards, we have included, as the exhibit shows, both LASSIE and THE MILLIONAIRE in the category of adventure—these three catcgories constitute 32.5 per cent of the prime timc schedule on the CBS Television Network and 15.4 per cent of its entire schcdule.

In contrast, when we total the time devoted exclusively to general drama, religion, education, discussion, serious music, documcntary and news—without taking into account programs which have elements of such categories—we find that it constitutes 27.1 per cent of our prime time schedule and 17.8 per cent of our entire schedule.

As I have said, statistical analyses by categories provide only a rough picture. Perhaps because there has been something of an imbalance in the picture drawn by witnesses, it may therefore be useful to give these analyses somewhat more concrete meaning by touching on some of the particular programs which we have carried—again recognizing the limitations of narrative description.

I am attaching an exhibit which lists 763 broadcasts on the CBS Television Network between September 1 and December 31, 1959—the fall season. These include 489 news and public affairs programs and 274 entertainment programs which in whole or in part were devoted to programming of information or culture. The total of 763 includes 569 daytime broadcasts and 194 nighttime broadcasts. Let me cite a few examples from this list.

The EYEWITNESS TO HISTORY series covered President Eisenhower's historic trip to Bonn, Paris and London in September, Khrushchev's visit to the United States, and President Eisenhower's tour of 11 nations in December.

Our CBS REPORTS series included such notable programs as "Biography of a Missile," "The Population Explosion" and "Iran: Brittle Ally."

Our offerings of serious drama included "I, Don Quixote," "Oliver Twist," and Hemingway's "The Killers"; and on PLAYHOUSE 90 we dramatized a young married couple's fight against alcoholism in "The Days of Wine and Roses," presented G. B. Shaw's "Misalliance," William Faulkner's "Old Man," and a stirring account of a Civil War episodc in "The Tunnel."

On THE TWENTIETH CENTURY series viewers saw such programs as "Thc Fall of China," "Poland on a Tightrope," "FBI" and "Enter With Caution—the Atomic Age."

We broadcast concerts of the New York Philharmonic in Moscow and Venice under the direction of Leonard Bernstcin.

On FACE THE NATION leaders from thc world of politics, diplomacy, and international affairs were questioned by a panel of journalists. Guests included Prime Minister Nehru, Senator Lyndon Johnson, Governor Nelson Rockefeller, Ambassador Henry Cabot Lodge, Senators Thruston B. Morton and Paul Douglas.

On CONQUEST our cameras explored "Thc Bottom of the Sea," "The World of TB," new developments in hypnosis, and other areas of science and medicine.

ED SULLIVAN went to Russia and produced a 90-minute video tape special, "Invitation to Moscow." His regular programs included Itznak Perlman, Israeli piano virtuoso, Flaviano Labo, Italian tenor, Yehudi Menuhin and a reading by Charlton Heston from the Bible's Five Books of Moses.

The programs on CAMERA THREE were devoted to such varied and unusual subjects as "English and Scottish Ballads," "The U.N. and the Arts," "The Diminishing Tribe of Ihalmiut Eskimos" and a two-part study of Thomas Hardy.

U.N. IN ACTION presented discus-

sions by outstanding leaders of crucial issues before the Fourteenth Session of the United Nations General Assembly. During the fall, James J. Wadsworth, American Deputy Representative to the U.N. and Howard C. Green, Foreign Minister of Canada discussed world disarmament; the brother of the Dalai Lama discussed the Tibetan problem; and the legal problems of outer space were discussed by a member of the U.N. Legal Department. This marked the eleventh consecutive year that the CBS Television Network has provided the only continuing television source for information about the problems facing the United Nations.

LAMP UNTO MY FEET presented dramatizations of moral problems followed by discussions by religious leaders. The dramas included "The Stone and the Saviour," a story of religion behind the Iron Curtain; "The Circle," which told about the settlement of Puerto Ricans in middle class neighborhoods; and "Mary, Mother of God," a dramatic narration of the life of the Virgin.

LOOK UP AND LIVE presented as a four-part series "The American Catholic Story" tracing the history of the Catholic Church in America; a three-part series telling the story of the Jewish holiday Chanukah; and a series commemorating five years of Protestant participation on the program.

SMALL WORLD included discussions among Robert Frost, A. P. Herbert and Senhora Dora Vasconcellos; among Senator Kennedy, Sir Robert Boothby and V. K. Krishna Menon; among Prime Minister Ben-Gurion, and former premier U Nu; among Alexander Chakovsky, editor-in-chief of *Foreign Literature*, Norman Cousins, editor of the *Saturday Review* and Governor William G. Stratton of Illinois; among Field Marshal Viscount Montgomery, General Mark Clark and former Wehrmacht General Fridolin von Senger.

Our special daytime WOMAN! series of hour-long programs dealt with "Is the American Woman Losing Her Femininity?," "The Marriage That Failed," and "You Can't Raise Children by the Book."

Whether we use the rough and unsatisfactory yardstick either of categories or selective narration, it all comes down to this: There is a considerable range and variety in our schedule. I think there has been a conspicuous tendency to overlook this fact.

This is not to say that television is as good as it can be, or as good as it should be, or as good as we are determined that it shall be.

There are, most certainly, important gaps and important imperfections. We recognize that. We propose to do something about it.

The Gaps, the Imperfections and Our Plans

First among the gaps and imperfections which we recognized some time ago and which we have set out to correct is that indeed there has not been an adequate balance in prime time between entertainment and serious information or culture, despite the fact that over the past years there has been a steady but slow increase in the time devoted to something more than escapist entertainment.

We have come to realize that the fairest opportunity for that gradual elevation of taste and quickening of public knowledge must come from regular periods in prime time for informational and cultural programming. We are convinced that it is desirable in order for knowledge to quicken and taste to develop, that we schedule these more serious programs during periods of peak listening.

There are many roads toward this objective. The road we had originally chosen involved a regular weekly hour in prime time, a regular weekly half hour in prime time, and special prime-time local programming by our five CBS owned stations. More specifically, this is what we had planned.

In early May last year, we announced the hourly CBS REPORTS on a once-a-month basis for this season; on a twice-a-month basis next season; and on a weekly basis thereafter. In addition, it was our plan to include in prime time at a fixed period, 52 weeks a year, a network news-in-depth series in which the major developments during the prior week around the world would be reported and analyzed.

It was the plan of each of our five CBS owned television stations to devote one hour of prime time each quarter to special documentaries prepared by them and dealing with significant developments or issues in their communities.

These plans have been somewhat modified and integrated into the new Doerfer Plan.

As you know, last Thursday, as a result of a proposal made by the Chairman and after meetings with him, the three networks announced that each would devote at least one hour a week of evening option time to informational, cultural or educational programs. They also announced that each network on a rotating basis would once every three weeks turn back a half hour of evening network option time to its affiliates so that the affiliates could devote that time to informational, cultural or educational programs on a local basis.

The Plan has important advantages to the public. Since each network will program its hour or two half hours on a different night, a maximum spread is achieved. Further, the very important element of regularity is present. Schools, libraries, parents and teachers' organizations and others interested in assimilating television programs into their own work and interests thus have a better opportunity to do so.

Further, the Plan preserves the element of public choice; it does not force the viewer to take informational, cultural and public affairs programs because by the spread over different nights, the public in each community will be able to view such programs on one station or go to other types of fare on the other stations.

Still a third extremely important advantage of the Plan is that it takes into account the fact that we are operating under a system of free competitive enterprise. Earlier, I noted the practical difficulties of any one broadcasting unit

going it alone too far too fast. This Plan takes this into account by tending to equalize the burden among all networks and all affiliates.

We felt that these were important advantages which led us to the agreement under the Plan. It is a normal temptation to react negatively to an idea from a governmental source. But here the proposal was not an official demand or a requirement. It would have been a mistake and a public disservice to reject the Plan simply because it came from a government official. Our acceptance of the principles of the Plan, of course, was in no way a concession that it is proper for the government to impose such a requirement.

We shall modify our original programming plans which I have described and integrate them into the Plan. We have chosen Mondays and Fridays for our half hour informational and educational programs under the Plan. On one out of each three Fridays, we will turn the half hour back to our affiliates for their own local public affairs programming. Since we believe, as the joint announcement of the networks indicated, that the Plan should involve a floor and not a ceiling to informational, cultural and educational programs, we are in addition to our Monday and Friday schedule proceeding with our plans for the CBS REPORTS series on an every other week basis in prime time as we had announced last May.

Thus, next year, under the plans that have been announced by each of the networks, on five nights of the week—Sundays, Mondays, Tuesdays, Fridays, and Saturdays—the public will have at least a half hour of prime time devoted to such programs.

On the one out of every three Fridays* when we turn the time period back to the affiliates, our CBS owned stations will, of course, present public affairs programs produced by them. In addition, our owned stations will also go forward with their plans for the special prime time full hour programming each quarter.

It seems to me clear that through this Plan, television will have made a truly significant stride forward in improving the balance between entertainment and non-entertainment in prime time.

A second major area where our reappraisal has persuaded us that there are legitimate criticisms and where stricter self-regulation is necessary is the area of commercials.

This is a difficult and enormously complex area. Just as we insist that programming and programming decisions must be the broadcaster's primary responsibility, so it seems to me that we must concede that the content of commercials must be the primary responsibility of the advertiser, with the veto power in our hands. Despite this fact, the American people hold networks and stations responsible for the good taste and propriety of everything appearing on the air—and that includes commercials. If we are to keep public confidence, we must fully discharge that obligation.

Misleading or untruthful advertising is against the law and it is the duty of the broadcaster to be reasonably careful to make sure that the claims made over the air are not misleading. Beyond the questions of deception and exaggeration, there have been criticisms, not without valid foundation, of taste, length, timing and placement of commercials. To a greater or lesser extent in each of these areas, there is room for improvement.

I think that such improvement will result from the recent strengthening of the NAB Television Code—both through revision of the Code itself and through the encouraging increase in subscribers. So, too, on the advertisers' side, improvements should result from the recent publication of "Interpretation of the A.A.A.A. (American Association of Advertising Agencies) Copy Code with Respect to Television Commercials." The principles in the NAB Television Code and in the A.A.A.A. Copy Code Interpretation are excellent. Each is a mark of a healthy re-analysis and re-evaluation in this field.

For our own part, we have been re-examining and tightening our policies and practices. Some have already been revised and put into effect. Others will follow. We are now, for example, actively at work to formulate new principles relating to acceptance of commercials on personal products and remedies—both in respect of the acceptability of such products and in respect of the taste of the commercials dealing with them.

We have, further, intensified our efforts to verify claims. And we are adopting a new policy under which we shall require that unless it is impracticable to do so, our representatives must actually witness demonstrations which are embodied in commercials. Where it is impracticable to witness demonstrations—as, for example, a coast-to-coast road test—we are probing more deeply by asking for a full, certified description of the circumstances and procedures of the demonstration.

But I would emphasize again the complexity of these problems and the difficult and delicate judgments which must be made. What is true and what is false is not always easy to determine, as the lengthy FTC hearings and their conflicting evidence establish. But the question of deception is often simple when compared with the questions of judgment involved in taste and method of treatment, where reactions are individual and subjective.

Nevertheless, there is a renewed realization of the enormous impact and penetration of television and its special responsibilities in coming into the American home. With this basic principle in mind, I am persuaded that good faith and persistent and patient care on the part of all of us will bring significant improvements.

The final major area where our reappraisal has led us to conclude that it is necessary to intensify our efforts to seek improvement is in the area of advertiser participation in programming.

We must recognize, as the Commission has said, "Advertising is an indispensable part of our system of

*Subsequently changed to Mondays.

broadcasting; it pays the bill." In 1959, sponsors picked up a total check in excess of $1½ billion for the extraordinarily wide variety of what the American people could see on their television sets at the flip of a switch.

Since we are advertiser-supported we must take into account the general objectives and general desires of advertising as a whole. An advertiser has very specific practical objectives in mind. He is spending a very large sum of money—often many millions of dollars—to increase his sales, to strengthen his distribution and to win public favor.

And so in dealing with this problem it seems to be perfectly obvious that advertisers cannot and should not be forced into programs incompatible with their objectives. So, too, we broadcasters must approach this problem with a realization that we have no monopoly on wisdom or judgment in programming.

I think it is also time, in considering this problem, that we recognize the injustice of assuming that advertisers are the bad guys and a force for evil. On the contrary, their objectives and ours, and indeed the public interest in its fullest sense, are normally compatible. Entertainment programs sponsored by advertisers include many types of programs—comedy and variety shows, romantic plays, opera and serious drama and popular serials. The list of distinguished and costly programs of merit that have been brought into millions of homes with the full support of advertisers is a very long one.

Many sponsors have recognized that a program's circulation may not be high, but that the audience, though a minority, will include the kind of discriminating and knowledgeable people who rise to leadership in all walks of life. In presenting top quality programming, the advertiser identifies himself with quality. In sponsoring excellence he earns an extra measure of confidence and trust. We must remember the impressive roll of advertisers who have been satisfied with less than mass circulation and have supported distinguished series on our network: Dow Chemical's sponsorship of WOMAN!; Monsanto's of CONQUEST; Firestone's of EYEWITNESS TO HISTORY; Olin Mathieson's of SMALL WORLD; Ford's of LEONARD BERNSTEIN AND THE NEW YORK PHILHARMONIC; Bell & Howell's and Goodrich's of CBS REPORTS; Prudential's of THE TWENTIETH CENTURY.

The list is a long and honorable one and it is growing. Shell Oil will sponsor the Philharmonic Young People's Concerts, AMF will sponsor a number of special programs in the TOMORROW series (MIT science), Westinghouse will for the third time sponsor our convention and election coverage.

In the light of this record, it is clear that advertisers have aligned and will align themselves for good in television's program structure.

Advertiser control has a great variety of meanings. In order to put this issue into perspective, I would like to describe the two areas of advertiser participation.

The first deals with the selection and placement of programs in our schedule. The second deals with the creative production of individual programs.

In respect to the first area—scheduling—I think it probably true that during the hurrying stages of our development we allowed the advertisers too large a role. However, our most recent re-examination last fall led me to reaffirm the principle that we will be masters of our own house in program acceptance and scheduling and that the full responsibility for making the ultimate decisions on what goes into our programming schedule is ours and ours alone. This judgment will not be made on the basis of the source of the programs. It will be solely on the basis of the best programming for our schedule, whatever the source.

This means that we will accept or reject any programs without regard to sponsor relationships. We will insist that every program in our schedule will be the program we believe best suited for that period.

With respect to advertiser intervention in the creative production of individual programs, I think it would be well to summarize how programs are developed.

The first step is the idea. Second, in many cases, an outline of the idea is developed. Third, a script is written and rewritten. Fourth, the script is cast. Finally, the program is ready for rehearsal, polishing and final production.

In this creative process, the advertiser or the advertising agency (or both) desires and often insists upon the opportunity to participate. This participation may involve intervention at every step and as to every element of the process. It may be limited to a veto of the finished program. Or it may fall somewhere in between. It varies widely from advertiser to advertiser, and from program series to program series.

There is no workable mechanism by which a network could prevent advertiser participation in the creation of programs produced by independent packagers. The alternative would be to take the position that all programming must be produced by the network. This would severely restrict the vast creative sources and skills being brought to this medium. It would preclude such generally excellent programs as DUPONT SHOW OF THE MONTH, THE DANNY THOMAS SHOW, ARMSTRONG CIRCLE THEATRE, FATHER KNOWS BEST, THE UNITED STATES STEEL HOUR and LEONARD BERNSTEIN AND THE NEW YORK PHILHARMONIC, each of which makes important contributions to our schedule.

Obviously, therefore, we cannot preclude the advertiser's participation in programs produced outside the CBS Television Network. What, then, should be our policy concerning advertiser participation in programs produced by the Network?

We can immediately put to one side the programs which mirror what is going on in the world about us—news, documentary reports and similar programs dealing with public affairs. With regard to such programs, there can be no advertiser participation of any kind.

We have insisted that such programs shall be produced by, and shall be under the exclusive control of CBS News. This tradition has long since been established and has generally been thoroughly respected.

In respect of entertainment programming generally, there has been almost no problem of importance in the great majority of cases. Westerns, mysteries, situation comedies, serials, light drama, variety and adventure programs have not suffered as the result of advertiser participation through suggestion and persuasion. I am mindful of a number of excellent entertainment programs in which the advertiser or his agency has played a significant part in improving and perfecting the programs so that they have been better and more enjoyable. The objectives of an advertiser and the objectives of the broadcaster are the same—to make them as entertaining and attractive as possible. The day has long since passed, if indeed it ever existed, when the apocryphal sponsor's wife shaped the program on the basis of her likes and dislikes. The stakes are too high for this kind of whimsy.

Advertiser participation even in entertainment programs can, however, be injurious and is undesirable whenever it is inexpert, foolish, or impairs the program itself—whether it comes from those who represent the advertiser or anybody else. The creative people who devise and produce the programs have every right to resist and resent that kind of intrusion, and they would have our full support.

And so in this area of entertainment programs—subject to our having the final responsibility for that which goes over the network and assuring that it meets our basic standards—I see no problem of derogation of responsibility or of actions which may be inimical to the public interest by permitting expert participation of the advertiser.

This leaves one important area of programming where there has been publicity and criticism of advertiser control: the area of serious dramatic programming.

On November 6, 1957, the CBS Editorial Board affirmed the policy that meaningful drama cannot and should not be diluted by the avoidance of serious or even controversial subjects:

"*The Board discussed the question of whether or not there ought to be limitations in drama programs so that controversial subjects would be excluded. It was reaffirmed that there should be no such policy, since it would so dilute plays as to rob them of significance. The Board agreed that within the customary limits of good taste, there is to be no restriction on dramatic materials dealing with controversial issues, so long as the intent of the author appears, from the play itself, to be primarily dramatic, rather than to be a political tract.*"

We have, however, permitted advertisers of this type of dramatic programming to make recommendations and criticisms during the course of the creative process. I do not say that our handling of this problem has been perfect. But I would remind you that we have broadcast such controversial dramas as: "Act of Mercy"; "Portrait of a Murderer"; "The Plot to Kill Stalin"; "Days of Wine and Roses"; "A Quiet Game of Cards"; "In Lonely Expectation"; "Judgment at Nuremberg" and "Rank and File."

We have now determined that our arrangements with advertisers and their agencies for serious drama shall be as follows:

1. The advertiser may participate in the creative process, and to the extent that his suggestion is constructive, it will be accepted. The decision shall be solely that of the CBS Television Network Program Department.
2. The advertiser may object to a program, or an element thereof, if he believes that it will be detrimental to his product or good will.
3. If the advertiser's objection on grounds of detriment to his product or good will is well founded, either: (a) the Network will cure the objection, if, in its judgment, it can do so by making changes which do not impair the program, or (b) if the objection can be cured only by changes impairing the program, the Network will broadcast the program without change, and without obligation to the advertiser for the program.
4. If the advertiser's objection on grounds of detriment to his product or good will is not well founded, the CBS Television Network will not change the program or the element involved, will proceed with the broadcast, and will hold the advertiser to his contractual commitment.

Through these ground rules, I think we will make even further progress in containing advertiser participation in the field of serious drama and, at the same time, be able to do more of this type of programming under the concept of advertiser-supported television. I would be foolish not to recognize that there will be thorny decisions to make. I suspect that in this area, as in other areas, we will have to be content with a continuous, strenuous and intensive effort which will bring, not a revolution, but rather, will accelerate the evolution.

How Best to Assure the Achievement of Television's Responsibilities

There remains the question of how best to achieve the realization of television's enormous potential. How far should the government get into it? Should there be a private czar or a citizens' advisory committee? What can government intervention accomplish and what are those who advocate government supervision asking for? What they seek—whether by way of precise prescription of percentages of types of programming or the proscription of certain programs—is that some third party should decide what the public ought to have and what is good for the public, rather than leaving the ultimate choice to the public. The thrust of their proposal necessarily encompasses the entire broadcast day; it would reach each broadcaster and each network.

Let me meet the broad issue of government intervention head on. I am convinced that everything I have said about the nature of television and its

duties to the public, as well as what it has achieved, compel the conclusion that television's potential can best be achieved by not transferring the decisional authority for its programming from the broadcaster to either the government or to any semi-official body.

In the ideal world, all Americans served by television would have a direct vote in the initial determination of what they see on television. But this ideal, like the ideal of a pure democracy in America, cannot be realized. Between the abstract ideal, at one end of the political spectrum, and the totalitarian concept at the other, we adopted a representative form of political government as the most practical means to secure individual expression of political wants. So, too, it seems to me that an intermediary form of control through hundreds of broadcasting units—stations and networks—is the most practical approach to assure that the individual members of the public shall best be served by television. This dispersion of authority is the application in television of the democratic faith that our way of life is best served by a plurality of decision makers rather than by a single source in the form of a czar or a government commission.

What is needed most in television, therefore, is a direct and free interplay between the public and the broadcasters, who are responsible for bringing programs to the public.

Admittedly, the broadcaster can distort the true interplay between public and broadcaster by failing to provide that full range of programming which can provide the choice of almost everything to the public. It is that distortion which has given rise to the reference of the Chinaman and his rice and has led our critics from time to time to quote George Bernard Shaw's statement that what people get becomes what they want. But in appraising the extent of the distortion which some of the critics assert has occurred, I think that generalized statements by, and the individual preferences of, the critics must be thoroughly examined. I have tried to show earlier in this statement that the relationship of the American to his television programming is not that of the Chinaman to his rice. As to our critics' personal predilections, and the ultimate goal to which they lead, I have previously commented:

"Not all people, of course, have the same tastes in entertainment, any more than they have in furniture or food or friends. But these differences create more furor in radio, and will in television, than they do in other media, for an interesting reason.

"The people of 'high culture' don't often come into contact with books and magazines and phonograph records which they personally don't like. Certainly, they don't very often bring them into their homes.

"But when they turn on their radios or television sets, what happens?

"In comes a program not designed for them but for other people; not approved by them, however much it may be approved by millions of other people.

"I think they tend to resent these programs as much as they do because this represents, in a sense, an invasion of their homes. So they get emotional indeed about 'how awful' radio programs are, instead of simply turning the dial to another program, or waiting until something they do like is on the air.

"They tend to say: 'Such programs shouldn't be on the air!' instead of saying more accurately: 'I don't like them —but other people do.'

"I suppose that such tolerance, however, is almost too much to expect of people. The Commission on Freedom of the Press has pointed out that: 'The desire to suppress opinions different from one's own is inveterate and probably ineradicable.'

"This, they say, explains why freedom of the press is so important. I suggest that the desire to suppress other people's tastes is probably just as strong and as widespread."*

That was said 11 years ago, and this is what still concerns me so deeply today. We are in the field of ideas, and regardless of the government's powers, I think in this area, above all others, it is most dangerous and undesirable for the government to decide that its concept of taste, its concept of what is good for the people, should be imposed on the public.

There are other and surer means of relating the broadcaster to the public and its wants and since there are these alternatives, the price of government intrusion into programming is too high to pay.

There is, first, the response of the public to the broadcaster's programming, as measured by the rating services. This gives the broadcaster the answer to a very simple, but important, question: What do they watch?—what they do, not what they say they do. What do they choose from among the existing competing fare? The broadcaster needs to know this in order that he may be responsive, at least in part, to the wants of the public.

Viewing behavior and judgments based on ratings become even more useful in determining the wants and choices of the community when the program offerings include a variety of types. Nevertheless, I find it ironic that some of the very people who purport to vindicate the public seem to have the least confidence in it. They say that the ratings are an inadequate tool because even a sample of one or two thousand is too small, but they would substitute for a sample of this size, a sample of seven public officials or 12 public-spirited citizens who by definition are extraordinary and atypical people.

In 1955, I proposed that we embark on a comprehensive, impartial nationwide study of what the public wants from television and what it means to the public. I stated that we needed the answer to the most difficult and vexing questions on which public opinion of all degrees should be solicited as to the role of television in our society. Although the study would not provide all of the answers because the approach is novel, we owe it to our audience as well as ourselves to establish some system-

*"Television and People," Institute of Radio Engineers, New York, March 9, 1949.

atic method of inviting the public to participate in shaping what we do. Such a thoughtful and conscientious probing could well provide a newer and far better set of navigation charts than anyone in the broadcasting industry—or in any area in the mass communications—has ever had.

I emphasized that this would not be a study of what the public likes in the way of programs so that the public could just be given more of it. The major value of the study would be that such a public inquiry would create a great deal of active controversy and make a large segment of our society think as it has never been asked to think before about the role of television and what it really wants. This study was designed to focus attention of the individual citizen upon the ultimate question, "How can *I*—the citizen—make a positive contribution to the television art of the future?"

As it turned out there were difficulties in getting this study under way. We have continued to believe that though ratings properly taken serve a useful purpose in providing a yardstick in measuring audience reaction, they only reveal the viewers' choice among the programs available. We are convinced that some technique must be devised for a continual appraisal of audience appreciation—an index to provide an interpretive dimension to sheer nose counting. Beyond quantitative or qualitative ratings we need to know what people want to look at—what people think we ought to be doing. In the spring of last year, much later than I had expected in 1955, the preliminary plans were finally completed and CBS authorized the development of a survey and detailed analysis of what people want from television. That study is being conducted by outside organizations, experts in public opinion sampling, under the direction of some of the country's leading social scientists. It is now in the field in its preliminary stages.

I believe that this can be a substantial step forward in bringing the public into a more direct participation in shaping television programming and in assuring against distortion of the public's wants by the broadcaster.

This is by no means all that we can do in building a two-way street and in providing an interplay between the public and the broadcaster. We have not gone far enough in encouraging the public to view us not as some remote providers over whom it has no influence, but rather at once as their servants and leaders. We must, as Dr. Wilbur Schramm recently said to the American Association of University Women, "eradicate from your thinking that stereotype of the Big Media and Little Me."

In this conviction we have sought ways of using our own facilities to create an atmosphere by which this process could be encouraged and accelerated. As a pilot experiment, we began such a program on January 3 of this year in St. Louis called INSIDE KMOX-TV. It will be on every week and through it we hope to expose the nature and personality of the station and those who manage it to the public so that the public will more readily respond to and communicate with the station. Each week questions from the viewers will be chosen and will be answered as frankly and as fully as we know how. For example, we have been asked, and we have sought to answer, such questions as why the sound volume of commercials is apparently higher than the sound volume of the surrounding program, why we carry brassiere and girdle advertisements, why KMOX-TV no longer schedules network hockey, and why there is so much violence in westerns.

This series won't work, and we know the public will call us on it, unless we answer fully and frankly. We believe the public will learn from this type of program that, in truth, we are their stewards and we are responsive to them.

We hope to learn a lot from this pilot series in St. Louis. As we learn, we hope to expand it to each of our own stations as well as to the network as part of a comprehensive plan to bring the people closer to us—and us closer to the people.

Finally, each of us as broadcasters should devise methods for accounting directly to the public. We might, on a periodic basis, either over the air or by other means, review the nature of our programming. By setting forth a fairly comprehensive review we could better serve the public in appraising our programming. We could, in such review, invite comment from the public both in the way of their judgment as to our scheduling and their suggestions for change.

It is through these three practical methods that I believe the public can best communicate to the broadcaster its programming wants and its continuing constructive criticisms of television. These are workable alternatives, I submit, to government intrusion into programming.

Any meaningful appraisal of these mechanisms to accelerate the interplay between the broadcaster and the public must include consideration of the final alternative: The alternative of the government's stepping in on behalf of the public to regulate or supervise television programming. Let us see just how the government might execute this function and try to discover that which might be proper and workable and that which is not. Can a line be drawn between the permissible intrusion and the unpermissible? And if it can, where?

Government intervention in programming could be cast in a number of forms. The most extreme would be that of government operation of all or some of the allocated channels. I take it that I need not stop to analyze this alternative for it has neither been seriously suggested nor would it be considered any more appropriate in radio and television than it would in newspapers and magazines.

If the government did not wish to provide the programming fare, but only wished to "protect" the public against "murder, mayhem and mediocrity," how would it go about its task? Would the government not, in the final analysis, have to view each and every program before it is broadcast lest the public

see the "offensive" material before it could act? The staggering number of programs broadcast each day in this country makes this approach an impossibility of achievement—even if it were desirable, which surely it is not.

Rather than the bald prior restraint embodied in the previewing of programming before its broadcast, the government might merely impose program type percentage rules, and leave for the broadcaster full freedom in the creation or selection of programs within the prescribed percentage ranges.

Would the percentage be only a minimum for a single category of programming? If it were too small, it would accomplish nothing. If it were a command to increase percentages of a given type, it would necessarily be a command to delete—to eliminate existing programs. And if the government could set a "rational" minimum, why could it not and how could it not—under the pressure which would be its constant companion—set a higher, more "enlightened" minimum? If it could establish a minimum or fixed percentage for one type of programming, its attention would surely be drawn to the remaining unchartered areas of programming, tempting in their opportunity for further "protection" of the public weal. Who can really believe that having moved a little distance, the spirit of government command could be stayed from the final prescription of percentages for the full broadcast day? How would the central authority establish its percentages? Would they be uniform for all broadcasters—or by region, state or community? And would it not make "sense" that having fixed a percentage for one or more types of programming, that parts or all of those percentages should be assigned by the government to certain portions of the broadcast day?

It seems to me that such a course involves a complete prescription by the government of the broadcast schedule. And that is too great, too dangerous, a Federal intrusion.

Another alternative would take the form of review after the fact. The broadcaster would be free of prior restraint and of prescription of program percentages, but if his programs were found guilty of poor taste, mediocrity, or excessive violence, he could be brought to book.

The government, of course, would have to prescribe rules of good taste and rules that would say how much is too much murder, too much mayhem, too much mediocrity. And to have any real effect, a penalty of some kind would have to attach to the violation of the rules, whether through fine, cease and desist orders, or suspension or revocation of a license. I do not believe, however, that it is possible to draft rules explicit enough to serve as a reasonable guide to the creative mind, for the violation of which the government would impose a penalty.

Let us assume for the moment, however, that specificity could somehow be accomplished. That specificity could never hope to encompass the countless number of actual creative expressions which could be given to the subjects dealt with in the rules. And thus there would be official machinery established for interpreting the application of a rule to the creative expression in question. I can think of few things so repugnant as a Government Court of Program Review. It would undoubtedly be the Elysian fields for my friends in the legal profession, but it would, just as certainly, be Potter's field for the creative mind.

But the government intervention could take still more subtle forms. The government might review the program proposals in an application for a license or renewal of a license "in light of the community needs."

There are two steps in such a process—first, the determination of community needs, and then an analysis of the programming to ascertain whether it matches those needs. Let us look at each of these two steps.

As to the determination of the community needs—who decides? Under one alternative, it would be the broadcaster who in one manner or another makes the determination for himself, and there can be no government second-guessing of that determination. If this is the way it is to be done, there is no problem—so far.

The other alternative, to which I suspect the government would be forced, would be for it to make sure that the broadcaster's determination of the community needs is "reasonable." And so it would soon be in the business of supervision and review of the broadcaster's determination. This is dangerously close to the government's determination of community needs. And then we are back where we started from—the prescription of programming.

But these difficulties aside, let us go on to the next step—assuming that we have overcome the first hurdle and that in fact the determination of the community needs rests solely with the broadcaster. That determination has no consequences, under this proposal, without the next determination—and this one necessarily by the government—that the program proposals or programming of the broadcaster represents a mix which meets the needs of the community. Since the purpose of this type of determination is to assure compliance or a reasonable degree of compliance with the community needs, the government must examine into whether those needs will be or have been satisfied by the programming of the applicant.

How can this be done except by careful scrutiny of the broadcaster's programs? Percentages of types of programming do not tell the government whether the needs of the community have truly been met. One needs to examine into the ingredients comprising the percentages. This must be the case because, by definition, the broadcaster is not to be trusted to make his own judgment as to the fulfillment of the community needs; and hence he cannot be trusted that his "entertainment" is satisfactory entertainment, that his "religious" is truly religion, that his "educational" does any educating. At this point, have we not, in effect, come

full circle to prior restraint or penalty for violating a rule of taste?

There is, finally, the alternative—which is closely related to the preceding one and which is subject to its same infirmities—that the government should make an intensive scrutiny of a licensee's performance in the light of his program proposals. I must say that—up to a point—this proposal is not objectionable. A broadcaster should be judged by his compliance with his representations in programming just as he is judged in fulfilling his promises in his business transactions. If the proposal only meant the comparison of the promise against the performance, and in such comparison the government would not have to get into the details of program review, there could be no objection, for, indeed, such a comparison would bear on the character qualification of the broadcaster.

But I am not sure that the proposal can be, or is intended to be, confined merely to the issue of a licensee's character qualifications. I am fearful that unless it is possible to draw a sharp line, a more intensive scrutiny of performance against programming promises brings us right back to the same morass of prescription and program review which I have just discussed. Let us see whether this kind of scrutiny of promise and performance does not really come down to the same thing as program prescription and review.

There are two elements involved in the scrutiny of promise versus performance: first, the examination of the proposals, and second, the appraisal of the programming against the proposals.

Taking the first element—does the proposal really contemplate that there shall be no review of the merits of the broadcaster's programming plans? Would the government wish to—and if it wished to, could it—accept without comment a programming proposal confined completely to westerns, for example? I doubt it. Once again, this kind of intensive scrutiny seems to me to draw the government deeper and deeper into review of the merits of the program proposals and closer and closer to prescription of programming proposals.

But this is only one part of the process of scrutiny. The second is to determine whether performance has matched the promise. Here, too, we are on dangerous ground. For it is difficult to see how the government can make a meaningful appraisal of the programming, short of viewing each program of each broadcaster. We know of the uncertainties of truly reflecting a program schedule by statistics or by narrative. Is Leonard Bernstein and the New York Philharmonic educational? Is Walt Disney educational? Is "The Bells of St. Mary's" religious? The difficult judgments which the government would have to make—judgments which a broadcaster can make in good faith by the feel in his bones—would be myriad and uncertain. In short, you would have to see it to believe it. And that is the essence of official program control.

From these several methods of government intrusion into the field of programming, is there something that can be drawn upon to insure against irresponsibility by the broadcaster and yet, at the same time, avoid the terrible pitfalls of censorship and of a damping down of the creative spirit?

After much consideration of the question, and after weighing the several proposals for government intervention and the actions that are open to the broadcaster to assure greater interplay between the public and the broadcaster, I have had to conclude that there is exceedingly little to draw upon. What there is has turned out to be the relatively limited degree of programming intrusion which the government has exercised since the early days of the Federal Radio Commission. A requirement that an applicant for a license shall set forth his program proposals in order that the Commission can make a general appraisal of his performance, without involving it either in prescribing what his proposals shall be or in the quicksand of programming review in depth, does not seem objectionable. It does not offend against the concept of freedom responsibly exercised because I would understand it to go to the character qualification of the applicant and not to the prescription of his programming. It seems to me the fundamental reason for government in the field of broadcasting is to try to assure the fullest flow of ideas, whether in news or entertainment. That is why I would suppose that as to an applicant for a channel, you must first make a finding on such basic items as engineering and financial qualifications. And so as to character qualification—is the applicant a man of his word or isn't he? If this is the purpose of requiring program proposals and assaying performance, then this limited degree of government in programming would seem proper to me, considering the technological limitations on the number of channels which can be allocated for use by private citizens.

There is one other area where I must conclude that a degree of government intrusion seems unavoidable. That is in the case of a comparative hearing in which a choice must be made between mutually exclusive applicants. Here the Commission is faced with the difficult task of choosing between two or more persons. You hope to choose—indeed, it is your duty to choose—that applicant who appears to hold most promise for satisfying the public interest in broadcasting. And since that interest becomes concrete only in the programming offered to the public, we must concede that a review function has to reside in the government to determine, solely on the basis of the facts presented by the opposing parties and the program proposals proffered by each, to whom the channel is to be assigned. There is in this review process the collective and subjective preferences of a minimum of four government commissioners. But I can find no practical alternative to the necessity of this degree of intrusion. And in this limited area, your constant precept should be that of comparison between, not dicta-

tion of, program proposals.

If these are the only two areas in which I would admit the intrusion of government, am I to be judged as merely a protagonist of the status quo? This conclusion, frankly, has troubled me. But I am sure now in my own mind that this is not the proper judgment. For it has finally become clear to me that my timidity is not a sign of weakness but in truth is a reaffirmation of the deep wisdom of the practical approach to the adjustment of the concept of freedom of expression to the concept of responsibility in the use of a government-licensed facility. It is, for me, a recognition that the conscious restraint which this Commission, and its predecessor body, have exercised through the years, was built upon a courageous and statesmanlike appreciation that necessity may bend freedom's logical demands, but no further dares one go.

I am assured in my conclusion by the very proposals for further governmental intrusion which I have discussed earlier. The limited degree of present programming intrusion by the government now provides the logical basis leading to the pressure being exerted upon you and the Congress to enlarge upon the area of intrusion. For those who propose the enlargement of control, their logic dictates that having gone so far, there can be no reason for not taking one additional step into the wider area of control. What they fail to understand, it seems to me, is that their logic must inexorably lead to another step, to still another step, and eventually to the final step.

My comments as to how best to achieve the realization of television's potential apply equally to the programming provided by the networks. Network programming is an integral part of the broadcast day for most stations. The objections to governmental intrusion into programming remain the same whether that programming be local or network. The need for greater interplay between the public and the station, on the one hand, and the public and the network on the other, is the same. The safeguards which I have sketched against a broadcaster's distortion of the public's wants are also available to the network organizations.

But, in closing, I want to add some considerations relative to the proposal that networks be licensed by the Federal Government. Whenever this proposal is made, it is time to re-examine the basis upon which the government came into the field of broadcasting. We must remember that two technological reasons are at the bottom of this governmental intrusion: First, the spectrum is limited in the number of channels that can be used for broadcast purposes—and the demand therefor has generally exceeded the supply. Second, the use of a channel at a given time and place is limited to one user lest chaos develop as it did in the early 1920's. Accordingly, the Federal Government had to step in and control the use of the spectrum space in order for any rational use to be made at all of broadcast channels.

These reasons are completely absent from network operations. A network organization does not itself use the spectrum. There is no technological limitation on the number of networks which can enter the market place—the technological limitations on the number of stations do not close the door on the number of networks. Nor does the contractual arrangement between the station and a network close the door on the number of networks. This has been assured by the regulations of this Commission.

In sum, therefore, so far as the actual, direct use of spectrum space is concerned—use which is the essential basis of licensing—there is free entry so far as networks are concerned, where there is not, and cannot be, such free entry so far as stations are concerned.

Licensing networks in the sense that licensing of stations has been and is being done would, therefore, be wholly unnecessary. What other purpose might be served by licensing? To assure financial, engineering or legal qualifications? No need has ever been expressed along these lines. To assure proper business relationships between a station licensee and a network? No need exists for this objective since your present regulations and your existing authority are quite adequate; and in any event, here, as we have said, we have no objection to a regulatory power governing networks which would permit you to do directly what you now effectively do indirectly through the chain broadcasting rules.

What is left and can only be left for the licensing of networks to accomplish? The answer is, of course, intrusion by government into network programming. Not only are all the practical reasons against such intrusion into existing licensees' programming equally applicable to such intrusion into network programming, but the practical necessity for your limited degree of program review in the case of stations —solely technological—is absent in the case of networks.

It seems to me that these considerations regarding the licensing of networks for the purpose of program supervision must lead to the conclusion that such a proposal is without merit.

In rejecting government intrusion into programming and in urging as the more workable alternative the private means of affording the public a greater opportunity to participate in the determination of what it shall see on television, there is, I know, for the zealous reformer an annoying looseness and untidiness. There is no neat compartmentalization of what the programming will be. His staunch belief undoubtedly persists that freedom for the broadcaster can only mean second-rate programming for the people.

The lot of the zealous reformer is an unhappy, frustrating one. He sees about him only the rough approximations to perfection which a free society can provide. He knows in his heart that what he wants is right and that this would be a better world if only he could lay out the master blueprint. He is unwilling to concede that there is a price for

freedom in the communication of ideas just as there is a price for democracy in politics.

I must in all candor tell you that I am not comfortable when I see where I have been driven. Surely, since it is the airwaves which are being used, since the impact of television is so large, since its promise is still not yet fulfilled, the government ought to be able to do something about it. Surely, the government need not stand idly by if, in these times of crisis where survival of the nation itself may depend upon public knowledge, this great medium should devote itself solely to escapism—to westerns—to rock and roll—to murder, mayhem and mediocrity. Shouldn't the government be able to do something about that?

But, then, I look at the alternatives, and the alternatives, if I read them correctly, in one form or another come down to this: that the government take over the direction of a medium of communication in order to decide for itself what ideas, what thoughts, what words, the American people shall have.

I wish there were some way out of this dilemma. But I have been able to find none. And I take great comfort in the realization that the choice to which I have been impelled is, after all, the choice which inheres in the nature of our democracy.

For the problem is not peculiar to broadcasting. It inheres in the whole of our system of democratic government and way of life. We are constantly exasperated by the seeming fumbling and stumbling—the frustrating imperfections—which seem to mark so much of our society. The process is slow, indecisive, and untidy. We have labor strife. Products are sometimes shoddy and cost too much. Newspapers sometimes are sensational and superficial. Basic issues—even of survival—take too long to resolve. Trains don't run on time.

But are not, after all, these problems the hallmark of our democracy? Totalitarian governments are not faced with them. But that is simply because those governments do not have to consult with the people.

And so perhaps the government could see to it that the trains of television run on time—that only what is "good" for the people, in the government's view, goes over the air. But then we turn our backs on democracy.

If I have taken an undue portion of your time in setting forth these views, if I have presumed on your time, it is only because I feel the issues in this hearing are so important to television, in which I am privileged to be a participant, and to our American society. It is right that we as broadcasters should give an accounting. It is helpful for all concerned that we should be prodded to improve upon what we have been doing. And, finally, it is to be hoped by everyone who plays a part in television that it will continue to grow, even faster than it has, along the path of a self-enlightened maturity and dignity.

Classification of CBS Television Network Program Schedule

NETWORK SIGN ON TO NETWORK SIGN OFF, JANUARY THROUGH MARCH, 1960

PART I: NIGHTTIME
6 pm to Network Sign Off

ENTERTAINMENT

ADVENTURE
Lassie
Men Into Space
Mr. Lucky
The Millionaire

GENERAL DRAMA
Armstrong Circle Theatre
United States Steel Hour
Buick Electra Playhouse
Desilu Playhouse
DuPont Show of Month
DuPont Show with June Allyson
General Electric Theater
Manhattan
Playhouse 90
Special Tonight
The Twilight Zone

MYSTERY
Alfred Hitchcock Presents
Markham
Perry Mason
The Lineup
Tightrope

PANEL
I've Got A Secret
Masquerade Party
To Tell The Truth
What's My Line?

SITUATION COMEDY
Ann Sothern Show
Betty Hutton Show
Danny Thomas Show
Dennis O'Keefe Show
Dennis The Menace
Father Knows Best
Hennesey
Many Loves of Dobie Gillis

TALK
Person to Person

VARIETY—COMEDY
American Cowboy
Jack Benny, George Gobel
Jack Benny Special
Red Skelton Show

VARIETY—OTHER
Be Our Guest
Ed Sullivan Show
Fabulous Fifties
Garry Moore Show
Kate Smith Show
Revlon Special
Revlon Variety

WESTERN
Gunsmoke
Have Gun—Will Travel
Hotel de Paree
Johnny Ringo
Rawhide
The Texan
Wanted: Dead or Alive
Zane Grey Theatre

NEWS, PUBLIC AFFAIRS, SPORTS

DISCUSSION
Population Explosion
(concluding 30 min.)
Small World

DOCUMENTARY
CBS Reports
Population Explosion (60 min.)
The Twentieth Century

NEWS
Douglas Edwards
Eyewitness to History
(Eisenhower in South America)
Sunday News Special

SPORTS
Cotton Bowl (concluding 30 min.)
Rodeo
Winter Olympics

PART II: DAYTIME
Network Sign On to 6 pm

ENTERTAINMENT

ADVENTURE
Sky King
The Millionaire

CARTOONS
Heckle & Jeckle
Mighty Mouse Playhouse

GENERAL DRAMA
CBS Television Workshop

MUSIC—SERIOUS
Leonard Bernstein and
The New York Philharmonic
Young People's Concert

QUIZ
GE College Bowl

SERIAL
As The World Turns
Brighter Day
Edge of Night
For Better or Worse
Guiding Light
Love of Life
Search for Tomorrow
Secret Storm
Verdict Is Yours

SITUATION COMEDY
December Bride
I Love Lucy

TALK
House Party
On The Go

VARIETY—OTHER
Captain Kangaroo
Red Rowe Show

WESTERN
Lone Ranger

NEWS, PUBLIC AFFAIRS, SPORTS

DISCUSSION

Face The Nation
Great Challenge
Woman!

DOCUMENTARY

Conquest
FYI

EDUCATION

Camera Three

NEWS

News—Harry Reasoner
News—Walter Cronkite
News—Richard C. Hottelet
Saturday News
State of The Union Address

RELIGION

Lamp Unto My Feet
Look Up And Live

SPORTS

Gator Bowl
Orange Bowl—Cotton Bowl
Professional Ice Hockey
Sunday Sports Spectacular
Winter Olympics

News, Informational and Cultural Programming Presented on the CBS Television Network During the 1959 Fall Season

SEPTEMBER 1 THROUGH DECEMBER 31, 1959

PART I: NIGHTTIME

6 pm to Network Sign Off

PROGRAM: DOUGLAS EDWARDS WITH THE NEWS
DATE: Monday–Friday, September 1–December 31
TIME: 6:45–7:00 pm* (Pre-empted by address by President Eisenhower, Dec. 3)
TYPE: News
CONTENT: News report, supplemented by CBS Newsfilm
*Also broadcast at 7:15–7:30 pm to provide affiliates a choice of the two time periods

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PROGRAM: SUNDAY NEWS SPECIAL
DATE: Sunday, September 1–December 31
TIME: 11:00–11:15 pm
TYPE: News
CONTENT: News report, supplemented by CBS Newsfilm

PROGRAM: "The President Speaks in London"
DATE: Tuesday, September 1
TIME: 8:00–8:30 pm
TYPE: Public Affairs—Discussion
CONTENT: Historic public discussion on world affairs between President Eisenhower and British Prime Minister Harold Macmillan at 10 Downing Street (Repeat broadcast of 10:00–10:30 am program)

PROGRAM: CIRCLE THEATRE: "The White Collar Bandit"
DATE: Wednesday, September 2
TIME: 10:00–11:00 pm
TYPE: Entertainment—Drama
CONTENT: Semi-fictionalized documentary on the work of the Better Business Bureau—Douglas Edwards, narrator

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PROGRAM: EYEWITNESS TO HISTORY: "Eisenhower in Paris"
DATE: Thursday, September 3
TIME: 7:30–8:00 pm
TYPE: News
CONTENT: On-the-scene broadcast of President's arrival at Le Bourget Airfield, Paris; parade of the President and General de Gaulle up the Champs Elysees to the Arc de Triomphe; ceremonial functions and official conferences with eyewitness reports by CBS News Correspondents David Schoenbrun, Lou Cioffi, and Charles Collingwood

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PROGRAM: BEHIND THE NEWS WITH HOWARD K. SMITH: "The State Department"
DATE: Sunday, September 6
TIME: 6:00–6:30 pm
TYPE: News
CONTENT: An examination of the State Department and its role in world affairs

REVIEWS: *NEW YORK DAILY NEWS—September 7: ". . . interesting, if talky . . ."*

VARIETY—(Jose), September 9: ". . . gave an excellent account of the workings of the Department . . . In all, an important contribution to understanding current issues."

PROGRAM: THE TWENTIETH CENTURY: "Enter With Caution—The Atomic Age," Part I
DATE: Sunday, September 6
TIME: 6:30–7:00 pm
TYPE: Public Affairs—Documentary
CONTENT: Documented story of an actual atomic accident in a radioactive isotope laboratory in Houston, Texas (Repeat broadcast)

PROGRAM: EYEWITNESS TO HISTORY: "Prelude to Khrushchev"
DATE: Sunday, September 6
TIME: 7:30–8:00 pm
TYPE: News
CONTENT: Comprehensive roundup of President Eisenhower's historic trip to Bonn, Paris and London, including eyewitness reports and analysis by CBS News Correspondents Ernest Leiser, Alexander Kendrick, David Schoenbrun and Charles Collingwood, Robert Pierpoint and Walter Cronkite

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PROGRAM: "Address by President Eisenhower"
DATE: Thursday, September 10
TIME: 7:30–7:45 pm
TYPE: Public Affairs—Talk
CONTENT: Report on his recent talks with leaders in Western Europe, the current crisis in Laos and Soviet Premier Khrushchev's upcoming American tour

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PROGRAM: "Report on Laos"
DATE: Thursday, September 10
TIME: 7:45–8:00 pm
TYPE: Public Affairs—News and Discussion
CONTENT: Special on-the-scene filmed report of conflict between Communist North Vietnam units and troops of the Laotian Government with commentary by CBS News Correspondents Peter Kalischer, Walter Cronkite, Howard K. Smith and special guest Dr. Thomas Dooley, 32-year-old missionary doctor

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PROGRAM: PLAYHOUSE 90: "Old Man"
DATE: Thursday, September 10
TIME: 9:30–11:00 pm
TYPE: General Drama
CONTENT: Dramatization of William Faulkner's classic (Repeat broadcast)
ORIGINAL REVIEWS: *TORONTO TELEGRAM*

—*November 21: ". . . nothing better in TV drama"*

CLEVELAND PRESS—November 21: ". . . came close to success"

ALBANY KNICKERBOCKER NEWS—November 21: "...all television can be justly proud today"

HOUSTON POST—November 21: ". . . greatest technical feat. Geraldine Page was marvelous."

LOS ANGELES MIRROR NEWS—November 21: ". . . Geraldine Page will walk off with the Emmy award"

BUFFALO EVENING PRESS—November 21: "an overwhelming technical achievement"

NEW YORK TIMES—(John P. Shanley), November 21: "superlative"

PROGRAM: BEHIND THE NEWS WITH HOWARD K. SMITH: "Profile of Khrushchev"
DATE: Sunday, September 13
TIME: 6:00–6:30 pm
TYPE: News
CONTENT: Khrushchev as a man, his rise to power, and his accomplishments

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PROGRAM: THE TWENTIETH CENTURY: "Enter With Caution—The Atomic Age," Part II
DATE: Sunday, September 13
TIME: 6:30–7:00 pm
TYPE: Public Affairs—Documentary
CONTENT: Second in a two-part documentary about an actual atomic accident in a radioactive isotope laboratory in Houston, Texas (Repeat broadcast)

PROGRAM: THE ED SULLIVAN SHOW
DATE: Sunday, September 13
TIME: 8:00–9:00 pm
TYPE: Entertainment—Variety
CONTENT: Program segments included performances by Israeli piano virtuoso, Itznak Perlman and Italian tenor, Flaviano Labo

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PROGRAM: EYEWITNESS TO HISTORY: "Khrushchev in Washington"
DATE: Tuesday, September 15
TIME: 7:30–8:00 pm
TYPE: News
CONTENT: Repeat broadcast of portions of live program (12:20–2:07 pm) covering Premier Khrushchev's arrival at Andrews Air Force Base, Md., his reception, the motorcade to Washington, his arrival at Blair House, plus additional reports on his first evening in the United States
REVIEW: *NEW YORK TIMES—(Jack Gould), September 16: "The three television networks pooled their camera resources yesterday afternoon for excellent live coverage of the arrival of Premier Khrushchev in Washington."*

PROGRAM: EYEWITNESS TO HISTORY: "Questions for Khrushchev"
DATE: Wednesday, September 16
TIME: 8:00–8:30 pm
TYPE: News
CONTENT: Soviet Premier Khrushchev's news conference at the National Press Club and other activities during his visit to the nation's capital, with news commentary by CBS News correspondents
REVIEW: *NEW YORK TIMES—(John P. Shanley), September 17: ". . . Thanks to its alertness in engaging its own translator, the A.B.C. network left its two rivals, the National Broadcasting Company and the Columbia Broadcasting System, far behind yesterday."*

PROGRAM: PLAYHOUSE 90: "The Days of Wine and Roses"
DATE: Thursday, September 17
TIME: 9:30–11:00 pm
TYPE: Entertainment—Drama
CONTENT: A young married couple's fight against alcoholism, produced with the help of Alcoholics Anonymous and other rehabilitation groups (Repeat broadcast)
ORIGINAL REVIEWS: *WASHINGTON POST—". . . Skillfully written and cast was good"*

ALBANY KNICKERBOCKER NEWS—". . . significant documentary"

BALTIMORE SUN—"...May well win more than one award"

DENVER POST—". . . Compelling performances"

NEW YORK TIMES—(Jack Gould), ". . . In all respects it was a superior work"

PROGRAM: EYEWITNESS TO HISTORY: "Khrushchev in New York"
DATE: Friday, September 18
TIME: 9:00–9:30 pm
TYPE: News
CONTENT: On-the-scene coverage of Soviet Premier Khrushchev's address at the United Nations and visit to New York City

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PROGRAM: BEHIND THE NEWS WITH HOWARD K. SMITH: "Ivan Petrov"
DATE: Sunday, September 20
TIME: 6:00–6:30 pm
TYPE: News
CONTENT: Close-up of average Moscow citizen, how he works, spends his leisure time, and lives on $100 a month

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PROGRAM: THE TWENTIETH CENTURY: "Reaching For The Moon"
DATE: Sunday, September 20
TIME: 6:30–7:00 pm
TYPE: Public Affairs—Documentary
CONTENT: Report on man's attempts to reach the moon
REVIEW: *VARIETY—(Hift), September 23: ". . . a timely exploration of the lunar subject. Show offered a couple of first-rate closeups of the moon and some stimulating comments by scientists on their views of conditions on the moon and the problems of sending rockets to it.*
". . . 'Reaching for the Moon' was timely and, for the most part, provided the sort of information which audiences aren't likely to have. This was one occasion, however, when the 'light' touches simply prevented the presentation of more 'in depth' facts and knowledge."

PROGRAM: EYEWITNESS TO HISTORY: "Khrushchev in California"

DATE: Monday, September 21
TIME: 10:00–10:30 pm
TYPE: News
CONTENT: American tour: Summary of Soviet Premier Khrushchev's appearance before the United Nations and on-the-scene report on his Los Angeles visit

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PROGRAM: EYEWITNESS TO HISTORY: "Khrushchev in Iowa"
DATE: Tuesday, September 22
TIME: 7:30–8:00 pm
TYPE: News
CONTENT: On-the-scene coverage of Soviet Premier Khrushchev's tour of the farm country around Des Moines, with comment by CBS News correspondents

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PROGRAM: EYEWITNESS TO HISTORY: "Khrushchev on Iowa Farm"
DATE: Wednesday, September 23
TIME: 8:00–8:30 pm
TYPE: News
CONTENT: On-the-scene report on Soviet Premier Khrushchev's inspection of the Roswell Garst farm at Coon Rapids, Iowa

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PROGRAM: EYEWITNESS TO HISTORY: "Khrushchev in Pittsburgh"
DATE: Thursday, September 24
TIME: 7:30–8:00 pm
TYPE: News
CONTENT: Highlights of Soviet Premier Khrushchev's Pittsburgh tour, and an over-all summary of his American visit

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PROGRAM: PLAYHOUSE 90: "Child of Our Time"
DATE: Thursday, September 24
TIME: 9:30–11:00 pm
TYPE: Entertainment—General Drama
CONTENT: Drama about the plight of a refugee lad searching for love and understanding in a war-torn world (Repeat broadcast)
ORIGINAL REVIEWS: *NEW YORK POST*—(*Bob Williams*), *February 20: "Playhouse 90 had a home screen masterpiece to add to its many credits."*

NEW YORK TIMES—(*Jack Gould*), *February 6: ". . . a play of searing poignancy . . . told with stunning and almost unbearable realism . . . the play evoked a beauty and faith that was remembered more than the bestiality . . . one of the truly fine TV dramas of the season . . . Reflecting a special credit on Mr. Brodkin and Mr. Hill was the fearlessness with which they handled thematic material not often seen on TV . . . the sure hand of excellent taste."*

PROGRAM: "Khrushchev Press Conference"
DATE: Sunday, September 27
TIME: 6:00–6:30 pm
TYPE: News
CONTENT: Richard C. Hottelct analyzes Premier Khrushchev's final American press conference in Washington, D. C., prior to his rcturn to the Soviet Union

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PROGRAM: THE TWENTIETH CENTURY: "The Windsors"
DATE: Sunday, September 27
TIME: 6:30–7:00 pm
TYPE: Public Affairs—Documentary
CONTENT: Film biography of the Duke and Duchess of Windsor (Repeat broadcast)

PROGRAM: LASSIE
DATE: Sunday, September 27
TIME: 7:00–7:30 pm
TYPE: Entertainment—Drama—Adventure
CONTENT: Dramatization of a lesson in sportsmanship, with Roy Campanella, former Dodger catcher, in role of protagonist
REVIEW: *VARIETY*—(*Bill*), *September 30: "The former Brooks' star came off as a real nice guy if not a great thesp.*
"Guest shots like this with kid heroes should give the show a fresh pull during its sixth outing."

PROGRAM: SULLIVAN'S TRAVELS: INVITATION TO MOSCOW
DATE: Sunday, September 27
TIME: 7:30–9:00 pm
TYPE: Entertainment—Variety
CONTENT: Special 90-minute program, produced in Moscow, featuring American stars making trip with Sullivan plus several Russian stars, part of the cultural exchange program between the United States and the Soviet Union
REVIEWS: *VARIETY*—(*Herm*), *September 30:"a solid entertainment stanza and an important contribution to the relaxation of the cold war tensions."*

NEW YORK HERALD TRIBUNE—*September 28: "While it could have used an editor's scissors, much of it was informative and interesting."*

NEW YORK TIMES—(*John P. Shanley*), *September 28: "It was a telecast that offered much as entertainment and even more as a barometer of the value of such international exchanges of talent.*
". . . an encouraging diplomatic stride toward mutual understanding through the pleasant medium of entertainment."

NEW YORK DAILY NEWS—(*Ben Gross*), *September 28: "During all of his years in television, Ed Sullivan has never never staged a more news-worthy show than his 'Invitation to Moscow' (CBS-TV, 7:30–9) last night. This program, filmed in the Russian capital, went beyond the bounds of an ordinary variety entertainment. It had color, human interest and the novelty of a strange locale . . . .*
"The Russian portions of the hour-and-a-half were outstanding."

ALBANY KNICKERBOCKER NEWS—*September 28: "thoroughly satisfying 90-minute special."*

CHICAGO DAILY NEWS—*September 28: "Not one of Sullivan's better offerings."*

PHILADELPHIA INQUIRER—*September 28: "consistently interesting . . . one of Sullivan's most commendable entries."*

PROGRAM: "Khrushchev Departs"
DATE: Sunday, September 27
TIME: 10:00–10:30 pm
TYPE: News
CONTENT: Walter Cronkite and Howard

K. Smith in an analysis of the importance of Premier Khrushchev's visit and over-all American reaction to the trip

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PROGRAM: CIRCLE THEATRE:
"The Zone of Silence"
DATE: Wednesday, September 30
TIME: 10:00–11:00 pm
TYPE: Entertainment—Drama
CONTENT: Semi-fictionalized documentary dealing with the problem of teaching deaf children to communicate—Douglas Edwards, narrator
REVIEWS: *NEW YORK TIMES*—(*John P. Shanley*), *October 1: ". . . interesting television documentary . . . script demonstrated intelligent understanding of the physical and psychological problems that can affect children who live in a soundless world."*

NEW YORK DAILY NEWS—October 1: ". . . an illuminating documentary drama . . ."

BUFFALO EVENING NEWS—October 1: "My compliments to everyone involved."

CLEVELAND PRESS—October 1: "Solid mixture of human interest and enlightenment."

TIME—October 12: "The moment the camera focused on the kids in the cast, Armstrong Circle Theatre's 'Zone of Silence' (CBS) changed from a quiet, competent documentary into a warm and moving play."

PROGRAM: "Britain Goes to The Polls"
DATE: Sunday, October 4
TIME: 6:00–6:30 pm
TYPE: News
CONTENT: A description of the British electoral system, a comparison of British and American election methods, and a review of the candidates and campaign issues of the British elections reported four days before the election by CBS News Correspondents Robert Trout, Eric Sevareid, Alex Kendrick and David Schoenbrun

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PROGRAM: THE TWENTIETH CENTURY:
"FBI"
DATE: Sunday, October 4
TIME: 6:30–7:00 pm
TYPE: Public Affairs—Documentary
CONTENT: Historic breakthrough in the field of criminology and law enforcement (Repeat broadcast)

PROGRAM: SMALL WORLD
DATE: Sunday, October 11
TIME: 6:00–6:30 pm
TYPE: Public Affairs—Discussion
CONTENT: Host—Edward R. Murrow from London
Guests—Robert Frost, two-time Pulitzer Prize winner poet and consultant to the Library of Congress, from home in Cambridge, Mass.; A. P. Herbert, British poet, playwright, novelist and lawyer, from Hammersmith, England; and Senhora Dora Vasconcellos, poetess and Brazil's Consul General in New York, from New York
Subject—Science and the moon—a serious and sometimes humorous conversation about whether scientists may be endangering the world by throwing objects at the moon, and whether, after all, the moon shouldn't be reserved for poets and lovers
REVIEWS: *NEW YORK DAILY NEWS—October 12: "With all of this talent, the show should have been an interesting one—but it wasn't."*

VARIETY—(Rose), October 14: "What a delight as the CBS cameras permitted such close inspection of the guesting threesome . . . A charming and enjoyable visit."

NEW YORK HERALD TRIBUNE—(Bakal), October 13: ". . . it is a small island of literate conversation and intelligent opinion amidst today's general televised gunfire and gunsmoke . . . The opinions were expressed with perceptivity, wit, simplicity and rich sprinklings of Mr. Frost's poetry."

NEWSDAY—October 21: "In all, it was a delightful session of 'Small World's' typically high-brow small talk."

PROGRAM: THE TWENTIETH CENTURY:
"Guided Missile"
DATE: Sunday, October 11
TIME: 6:30–7:00 pm
TYPE: Public Affairs—Documentary
CONTENT: Nazi Germany's secret research and development and Hitler's blunder in underestimating the military value of rockets (Repeat broadcast)

PROGRAM: SHOW OF THE MONTH:
"The Fallen Idol"
DATE: Wednesday, October 14
TIME: 8:30–10:00 pm
TYPE: Entertainment—Drama
CONTENT: Dramatization of novel by outstanding contemporary author, Graham Greene, with Jack Hawkins and Jessica Tandy in starring roles
REVIEWS: *NEW YORK TIMES—(Jack Gould), October 15: ". . . never generated too much suspense and for the most part was related with a rather heavy hand."*

NEW YORK HERALD TRIBUNE—(Marie Torre), October 15: ". . . in most cases viewers have found that the movie was better. The same was true of 'The Fallen Idol' . . . excessively talky, sporadically dull, and wanting in theatrical excitement."

NEW YORK HERALD TRIBUNE—(John Crosby), October 19: "Altogether, it was very British, very unusual and very adult drama."

NEW YORK DAILY NEWS—(Ben Gross), October 15: "Although not a completely satisfactory offering, it nevertheless had enough merit to be hailed as one of the worthwhile items of the season."

NEW YORK DAILY MIRROR—(Nick Kenny), October 15: ". . . the edge had been taken off by the frequent showings on TV of the filmed production of 'The Fallen Idol'. We would have preferred a dramatization of something less familiar."

NEW YORK WORLD-TELEGRAM & SUN—(Harriet Van Horne), October 15: ". . . a glossy, uncluttered production, beautifully acted and stunningly directed. It's true that a viewer's pleasure may have been dimmed somewhat if he had seen the movie version (circa 1950). For this reason one would prefer that TV producers not raid the old movie script room so often. Nevertheless, last night's production need make apologies to no one."

NEW YORK JOURNAL AMERICAN—(Jack O'Brian), October 15: "Last night on

CBS-TV David Susskind was at it again, imitating other people's successes, turning in another carbon of accomplishment, this time that of Carol Reed, and not nearly so well. Perhaps those who never saw the superb movie might find considerable value in the TV version. Trouble is, we saw it . . ."

NEWSDAY—(*Barbara Delatiner*), *October 15: "If a viewer hadn't already caught the 1950 film the first time around or on one of the late shows, then last night's presentation was 90 minutes pretty well spent.*"

VARIETY—(*Rose*), *October 21: ". . . it failed to generate either the suspense or the excitement of the film edition.*"

BOSTON EVENING AMERICAN—*October 15: ". . . slick, highly suspenseful . . . impeccable performances.*"

CHICAGO DAILY NEWS—*October 15: ". . . good writing, fine acting and some outstanding direction . . . each production, almost invariably capably done, is based on a movie or a book which already has gained acceptance . . . a form of cowardice on the part of the* SHOW OF THE MONTH."

PHILADELPHIA EVENING BULLETIN—*October 15: ". . . never generated too much suspense . . . rather heavy hand.*"

WASHINGTON EVENING-STAR—*October 15: "Apart from Jacques and big Jack . . . it was a generally uninspired television.*"

ALBANY KNICKERBOCKER NEWS—*October 15: ". . . rare viewing experience . . . an international production of the first order.*"

PROGRAM: CIRCLE THEATRE: "Jailbreak"
DATE: Wednesday, October 14
TIME: 10:00–11:00 pm
TYPE: Entertainment—Drama
CONTENT: Semi-fictionalized documentary on penal conditions, based on "the human torch" riot at Walpole, Massachusetts—Douglas Edwards, narrator
REVIEWS: BOSTON EVENING AMERICAN—*October 15: ". . . gripping and well-acted*"

NEW YORK WORLD-TELEGRAM & SUN—(*Harriet Van Horne*), *October 15: ". . . an exciting and troubling hour . . .*"

NEW YORK DAILY NEWS—(*Ben Gross*), *October 15: ". . . another effective one . . .*"

PROGRAM: SMALL WORLD
DATE: Sunday, October 18
TIME: 6:00–6:30 pm
TYPE: Public Affairs—Discussion
CONTENT: Host—Edward R. Murrow from London
Guests—Senator John F. Kennedy (D.-Mass.) from Atlantic City, N. J.; Sir Robert Boothby, British political commentator and former private secretary to Sir Winston Churchill from London; and V. K. Krishna Menon, India's chief delegate to the United Nations from New York
Subject—Peace and world conditions today

PROGRAM: THE TWENTIETH CENTURY: "Mussolini"
DATE: Sunday, October 18
TIME: 6:30–7:00 pm
TYPE: Public Affairs—Documentary
CONTENT: Biography of the first of the modern-day dictators—his rise and fall (Repeat broadcast)

PROGRAM: THE JACK BENNY SHOW
DATE: Sunday, October 18
TIME: 10:00–10:30 pm
TYPE: Entertainment—Variety comedy
CONTENT: A visit with former President Harry Truman at the Truman Library in Independence, Mo., including a personally conducted tour of the Library
REVIEWS: NEW YORK HERALD TRIBUNE—(*Marie Torre*), *October 19: "It was an instructive and semi-amusing program, the effectiveness of which unfortunately was marred by poor quality film and a faulty sound track.*"

NEW YORK WORLD-TELEGRAM & SUN—*October 19: ". . . should have been a better show than it was. The problems were many but first and foremost was the laugh track . . . The quality of the film was extremely poor and the sound matched it.*"

NEW YORK TIMES—(*Jack Gould*), *October 19: ". . . it was a period of fun and charm . . . the stature and dignity of the Presidential office was always preserved. Unfortunately, the sound track of the recording was extremely poor.*"

VARIETY—(*Trau*), *October 21: "This was one of Jack Benny's whammo showmanship efforts combined with a lesson in civics.*"

CHICAGO DAILY NEWS—*October 19: ". . . most disappointing show of the weekend . . . the technical quality of the video-tape was unbelievably bad.*"

CLEVELAND PRESS—*October 19: ". . . a fiasco became a desecration*"

PHILADELPHIA EVENING BULLETIN—*October 19: "Despite the poor quality . . . most entertaining and often quite witty.*"

PHILADELPHIA INQUIRER—*October 19: ". . . didn't add up to much in terms of entertainment.*"

UNITED PRESS INTERNATIONAL—*October 19: ". . . presented in a tasteful manner . . . a success.*"

PROGRAM: THE TWENTIETH CENTURY: "The Movies Learn To Talk"
DATE: Sunday, October 25
TIME: 6:30–7:00 pm
TYPE: Public Affairs—Documentary
CONTENT: Sound comes to the motion pictures, and revolutionizes an industry and an art
REVIEWS: NEW YORK WORLD-TELEGRAM & SUN—*October 26: ". . . started the new season pleasantly . . .*"

VARIETY—(*Hift*), *October 28: ". . . in the brief half hour, tv provided a comprehensive picture of how sound came to be, what it accomplished, the excitement and the skepticism that greeted it, the men who were behind the scenes and before the footlights and the effects it had on actors . . . first-rate entertainment-information.*"

PROGRAM: SPECIAL TONIGHT: "Bells of St. Mary's"
DATE: Tuesday, October 27
TIME: 8:30–10:00 pm
TYPE: Entertainment—Drama—Religion
CONTENT: Dramatization of inspira-

tional story about a nun's struggle to find hope and charity as well as faith, with Claudette Colbert and Robert Preston in the starring roles

REVIEWS: *NEW YORK HERALD TRIBUNE—(Marie Torre), October 28: ". . . a mildly diverting play which abounded in gentle charm and was in want of theatrical excitement."*

NEW YORK DAILY MIRROR—(Nick Kenny), October 28: "Although the film was superior in every way to the televerson, we still enjoyed the inspirational drama."

NEW YORK TIMES—(Richard F. Shepard), October 28: ". . . tolled pleasantly, if gently . . . What it lacked was the breeziness of the film."

NEW YORK DAILY NEWS—(Kay Gardella), October 28: ". . . a pleasant 90 minutes of entertainment . . . not as warmly wrapped and gently delivered as the 1945 movie version."

VARIETY—(Art), November 4: " . . . a pleasant diversion, but something—the performance itself aside—was amiss."

ATLANTA JOURNAL—October 28:". . . polish and heart but little excitement."

PHILADELPHIA INQUIRER—October 28: " . . . probably rang the bell with those who like their entertainment uninterruptedly up-beat."

ASSOCIATED PRESS—October 28: " . . . a nice show, full of deft comedy touches and pleasant sentiment."

CHICAGO DAILY NEWS—October 28: " . . . effective acting, fine production, an entertaining, if sugary, story. But who hasn't seen the movie version?"

ALBANY KNICKERBOCKER NEWS—October 28: "I wasn't impressed with the remake."

PHILADELPHIA EVENING BULLETIN—October 28: " . . . delightful, wholesome entertainment"

BOSTON EVENING AMERICAN—October 28: " . . . a warm and pleasant production . . . did not achieve the over-all effects of the original movie."

CLEVELAND PRESS—October 28: "If this sort of story is your cup of tea (with 10 lumps of sugar) who am I to interfere? . . . I can't take it, so I leave it."

PROGRAM: CBS REPORTS: "Biography of a Missile"
DATE: Tuesday, October 27
TIME: 10:00–11:00 pm
TYPE: Public Affairs—Documentary
CONTENT: The story of a 76-foot Juno II missile—from blueprint to countdown
Reporter—Edward R. Murrow
Scientists—Dr. Wernher von Braun—Dir. of Development Operations, ABMA; Dr. James Van Allen—Chem-physics Dept., State University of Iowa; Dr. William Pickering—Dir. Jet Propulsion Lab., Cal. Inst. of Technology; Dr. Kurt Debus, Dir. Missile Firing Lab—ABMA; Dr. Fritz Mueller—Asst. Dir. Guidance & Control Lab., ABMA; Otto Hobing, Chief of Missile Instrumentation Development, ABMA
Co-operating agencies: National Aeronautics & Space Administration (NASA); Army Ordnance Missile Command (AOMC); Army Ballistics Missile Agency (ABMA); U. S. Air Force Missile Test Center, Cape Canaveral, Fla.

REVIEWS: *THE REPORTER—November 26: "profoundly exciting"*

THE NEW YORKER—November 14: ". . . a sombre but straight-forward treatise."

TIME—November 9: " . . . the most impressive techniques yet developed by TV journalism . . . recorded every important aspect in the life of one of man's most intricate creations."

ASSOCIATED PRESS—October 28: ". . . dramatic and informative"

PITTSBURGH PRESS—October 28: ". . . set a stiff pace of excellence . . . those to follow will be awaited with anticipation"

PHILADELPHIA INQUIRER—October 28 ". . . engrossing, if sometimes overly technical"

CHICAGO DAILY NEWS—October 28: ". . . Informative, suspense-filled, dramatic, entertaining. Both the network and sponsors deserve commendation for presenting 'Biography of a Missile' in a prime-time viewing hour."

ALBANY KNICKERBOCKER NEWS—October 28: ". . . magnificent . . . CBS continues to dominate the field of public affairs programming."

PHILADELPHIA EVENING BULLETIN—October 28: ". . . supremely successful television reporting"

BOSTON EVENING AMERICAN—October 28: ". . . absorbing . . . warrants a repeat showing"

HOUSTON POST—October 28: ". . . one of the most gripping suspense stories I have seen on television . . . exceptional documentary."

ATLANTA JOURNAL—October 28: ". . . not only informative but laced with natural drama"

PROGRAM: CIRCLE THEATRE: "35 Rue du Marche"
DATE: Wednesday, October 28
TIME: 10:00–11:00 pm
TYPE: Entertainment—Drama
CONTENT: Semi-fictionalized documentary about Belgian priest whose efforts to establish decent housing for homeless World War II refugees won him the 1959 Nobel Peace Prize—Douglas Edwards, narrator

REVIEWS: *NEW YORK WORLD-TELEGRAM & SUN—(Harriet Van Horne), October 29: ". . . Circle Theater singles out for a modest hour of glory men and women notable only for their good deeds. And if a good deed shines in a naughty world, it's positively blinding in the grubby world of TV.*
"Last evening we were told the story of Father Dominique George Pire. This Belgian priest received the Nobel Peace Prize in 1958 for his wise, courageous work in resettling European refugees."

VARIETY—(Gilb), November 4: " . . . curious teleplay of the priest's work made most of the refugees a bitter, anti-social lot who were suspicious of aid. Scenes of theft in a D.P. camp showed the emotional stress the inmates were subjected to. However, these sequences and surly comments of other refugees were hardly the right approach to create audience sympathy."

PROGRAM: PLAYHOUSE 90: "Misalliance"
DATE: Thursday, October 29
TIME: 9:30–11:00 pm

TYPE: Entertainment—Drama
CONTENT: George Bernard Shaw's classic comedy with Robert Morley, Claire Bloom and Siobhan McKenna.
REVIEWS: *ASSOCIATED PRESS—October 30: ". . . a competent cast didn't have much to work with"*

UNITED PRESS INTERNATIONAL—October 30: ". . . rousing good talk . . . run off in a delicious style"

NEW YORK TIMES—(Jack Gould), October 29: " 'Playhouse 90' elected last night to revive George Bernard Shaw's 'Misalliance' on Channel 2. One can only wonder what on earth for.
"The dated comedy bears not the slightest resemblance to the good Shaw . . ."

VARIETY—(Hift), November 4: ". . . If the play didn't quite come off and proved little more than a minor philosophical exercise the fault was only with Shaw who, in 'Misalliance,' turned out a minor play."

NEWSDAY—(Barbara Delatiner), October 30: ". . . a great time was had by all . . ."

LONG ISLAND PRESS—(John Lester), October 30: ". . . was fun last night, partly because it was typically Shavian—talkative and tongue-in-cheek—and partly because members of the fine cast were completely in the spirit of the play . . ."

NEW YORK WORLD-TELEGRAM & SUN—(Harriet Van Horne), October 30: ". . . a fine, spirited romp . . . salty, provocative and occasionally hilarious . . ."

NEW YORK DAILY NEWS—(Ben Gross), October 30: ". . . I enjoyed every moment of the topsy-turvy charade . . ."

NEW YORK JOURNAL AMERICAN—(Jack O'Brian), October 30: "It was the swiftest 90 minutes of the TV season, full of style and wit and the vintage bubble of Shaw's literary champagne . . ."

NEW YORK HERALD TRIBUNE—(John Crosby), November 2: ". . . talk, talk, talk, it most certainly was for ninety long charming, bubbly, but frequently exasperating minutes . . ."

NEW YORK DAILY MIRROR—October 30: ". . . we were disappointed . . ."

PROGRAM: PERSON TO PERSON
DATE: Friday, October 30
TIME: 10:30–11:00 pm
TYPE: Entertainment—Interview
CONTENT: Half of broadcast devoted to a visit with concert pianist Eugene List in his New York apartment—Charles Collingwood, host

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PROGRAM: SMALL WORLD
DATE: Sunday, November 1
TIME: 6:00–6:30 pm
TYPE: Public Affairs—Discussion
CONTENT: Host—Edward R. Murrow from New York
Guests—Prime Minister David Ben-Gurion of Israel from Jerusalem; former Premier U Nu of Burma from Hong Kong
Subject—Similarities and differences between Judaism and Buddhism, the role of small countries in the cold war and the problem of technical aid to underdeveloped countries

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PROGRAM: THE TWENTIETH CENTURY: "Suicide Run to Murmansk"
DATE: Sunday, November 1
TIME: 6:30–7:00 pm
TYPE: Public Affairs—Documentary
CONTENT: Story of most dangerous convoy run of World War II, the allied supply route to Russia
REVIEWS: *NEW YORK DAILY MIRROR—November 2: ". . . our attention never flagged at the epic sea drama of World War II . . . When President Eisenhower goes to Russia, we suggest that he take the film and invite the Communist leaders to attend a screening."*

NEW YORK TIMES—(John P. Shanley), November 2: ". . . an important addition to 'The Twentieth Century's' capsule reviews of modern history on television."

VARIETY—(Horo.), November 4: ". . . capsule history at its best, pointed, exciting and brought up to date."

PROGRAM: SMALL WORLD
DATE: Sunday, November 8
TIME: 6:00–6:30 pm
TYPE: Public Affairs—Discussion
CONTENT: Host—Edward R. Murrow from London
Guests—Jackie Gleason, television star and stage actor from Philadelphia; Brendan Behan, author, playwright, poet and one-time Irish revolutionist from Dublin, Ireland; and John Mason Brown, author, lecturer, critic from New York
Subject—The art of conversation
REVIEWS: *PHILADELPHIA INQUIRER—November 9: "A big mess, a waste of viewers' time."*

CHICAGO DAILY NEWS—November 9: "It was hilarious."

CINCINNATI POST & TIMES-STAR—November 10: ". . . the sight of this wild-hatred raving inebriate was pretty revolting."

NEW YORK DAILY NEWS—(Ben Gross), November 9: "Both Murrow and CBS should be ashamed of themselves for having shown a famous literary figure in such a condition to a family audience during an early Sunday evening hour. It was a disservice not only to the public and to television, but also to Behan himself. For it held up an afflicted man of great talent to ridicule . . . Why was such a program inflicted on the public at all?"

NEW YORK DAILY MIRROR—(Nick Kenny), November 9: "We can't forgive the production blunder in permitting Behan to go on the air, considering his 'condition'. The program was filmed in advance so why allow the first half to proceed, knowing how it eventuated?"

NEW YORK TIMES—November 9: ". . . largely sound and fury, because of the participation in the program of Brendan Behan . . . his end of the discussion was abruptly but sensibly terminated. The rest of the program, moderated by Edward R. Murrow, was serene as the Messrs. Brown and Gleason discussed drama criticism and other topics in civilized, entertaining style."

NEW YORK WORLD-TELEGRAM & SUN—November 9: ". . . Behan contributed nothing but insults, irrelevancies and a note of pathos. One can only wonder at Ed Murrow's judgment in empanelling this wild Irish rebel along with proper, erudite John Mason Brown. It's a bit cruel to throw a spotlight on a sick disturbed man."

VARIETY—(Bill.), November 11: "Murrow, Gleason and Brown saved the second half of the show with a crisp and intelligent exchange on criticism."

NEW YORK HERALD TRIBUNE—(John Crosby), November 16: "This season has been full of small rewarding glimpses of television at its most unexpected, which is to say television at its best. One of the treasures was a glimpse of a very sober, witty and bright-eyed Jackie Gleason trading badinage with a roaring Brendan Behan who was being terribly Irish and very undisciplined on CBS-TV's 'Small World.' In discussing the art of conversation, Mr. Behan practically killed it dead."

PROGRAM: THE TWENTIETH CENTURY:
"The Age of the Jet"
DATE: Sunday, November 8
TIME: 6:30–7:00 pm
TYPE: Public Affairs—Documentary
CONTENT: Filmed history of commercial aviation, from World War I to the present

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PROGRAM: SHOW OF THE MONTH:
"I, Don Quixote"
DATE: Monday, November 9
TIME: 9:30–11:00 pm
TYPE: Entertainment—Drama
CONTENT: A free adaptation of portions of the celebrated novel, Don Quixote, as well as incidents from the life of Miguel de Cervantes, with Lee J. Cobb in the dual role of Miguel de Cervantes and Don Quixote, Eli Wallach as Sancho Panza and Colleen Dewhurst as the kitchen maid

REVIEWS: *NEW YORK TIMES—(Jack Gould), November 10: ". . . Mr. Wasserman did not succeed in conquering the traditional difficulties in mounting Quixote on the stage . . . still defied dramatization. Miss Dewhurst saved the evening."*

NEW YORK HERALD TRIBUNE—(Marie Torre), November 11: ". . . bold tampering with a classic. The try was admirable, but the end product was a talky, episodic play that moved slowly and occasionally uninterestingly."

NEW YORK DAILY MIRROR—November 11: ". . . a gabby, sprawling drama, unrelieved by humor."

NEWSDAY—(Barbara Delatiner), November 10: "I never finished the book. But taken at face value, the Dale Wasserman teleplay, though made for 90 minutes of absorbing drama—outlandishly comic, tragic, philosophically deep . . . The 'Show of the Month's' best offering in ages."

VARIETY—(Hift), November 11: ". . . television probably is not the ideal medium for staging it . . . had a profoundly moving quality and certainly was fine entertainment."

NEW YORK JOURNAL AMERICAN—November 11: "Dale Wasserman adapted it for TV, and we can believe the interview in which he said he had little use for the original. David Susskind produced. Badly."

NEW YORK WORLD-TELEGRAM & SUN—(Harriet Van Horne), November 10: "Don Quixote cannot be done justly and truly on TV—but how exciting, how heartening to see it done at all! . . . It was an interesting show, worth any viewer's time. And even a bad Don Quixote deserves far more honor than a good Wyatt Earp."

NEW YORK DAILY NEWS—(Kay Gardella), November 10: ". . . adapting 'Don Quixote' for TV turned out to be a good idea, despite tremendous handicaps . . . we're in favor of classical adaptations provided they don't destroy the desire to read the original literary work. Last night's drama we feel, served as an invitation to reread Cervantes."

NEW YORK HERALD TRIBUNE—(John Crosby), November 16: ". . . there were great gaps in the story as drama . . . This was a notable effort and frequently it was stunningly successful. But frequently it wasn't."

TIME—November 23: ". . . writer Dale Wasserman caught the tragic essence of Don Quixote's comic role . . . a fine TV drama whose central theme was man's eternal search for truth."

CINCINNATI POST & TIMES-STAR—November 10: ". . . an inspiring experience"

CHICAGO DAILY NEWS—November 10: ". . . moving and expressive . . . repetitious, slow moving and contained a great deal of unnecessary action . . . caught fire and soared onward to a powerful conclusion."

PHILADELPHIA EVENING BULLETIN — November 10: ". . . a sublime offering . . . glowed with the spirit of the masterpiece."

UNITED PRESS INTERNATIONAL—November 11: "Cobb was near-perfect . . . Many of the big outdoor scenes . . . had the frailty and mannered movement that studio dashing-about can't seem to escape . . . good try."

PHILADELPHIA INQUIRER—November 10: "Magnificent"

WASHINGTON EVENING-STAR—November 10: ". . . what could be its show of the year . . . a Knight to Remember."

CLEVELAND PRESS — November 10: "Quixote Tilts at Wrong Theme . . . The production of the whole was well done."

DALLAS TIMES HERALD—November 10: ". . . truly memorable"

HOUSTON POST — November 10: ". . . an accomplishment of major proportion, perhaps the most stunning achievement of television this season."

ATLANTA JOURNAL—November 10: ". . . enchanting . . . Lee J. Cobb . . . was magnificent."

PROGRAM: CBS REPORTS:
"The Population Explosion"
DATE: Wednesday, November 11
TIME: 10:00–11:00 pm
TYPE: Public Affairs—Documentary
CONTENT: Actuality program—a close look at the consequences of the high current rate of growth of the world's population—produced mainly in India —cities and farms
Reporter—Howard K. Smith
Participants—Jawaharlal Nehru—Prime Minister of India; Lady Rama Rau—President of the Family Planning Association of India; Shri S. Khazi—Minister of Housing for Bombay State; S. K. Patil—Minister of food—India; W. Jaswant Singh, Dr. Gen. of Health Services, India; Shri C. Chandrasekhar,

noted Indian demographer; His Grace, Archbishop Joseph Fernandez, R.C. Bishop of New Delhi; Monsignor Irving De Blanc, Head—Catholic Family Life Bureau, Washington, D.C.; Rt. Rev. James A. Pike, Bishop of Episcopal Diocese of California

REVIEWS: *NEW YORK HERALD TRIBUNE—November 11: "bold, provocative and extremely informative television . . . superbly produced . . . television at its most purposeful and vital best."*

NEW YORK DAILY MIRROR—(Nick Kenny), November 12: "Our congratulations to CBS-TV for another important social documentary in prime evening time."

NEW YORK WORLD-TELEGRAM & SUN—(Harriet Van Horne), November 12: "CBS tried to be fair and square to all faiths . . . vivid."

NEW YORK TIMES—(Jack Gould), November 12: "The problem posed by an uncontrolled birth rate in already crowded portions of the world was examined thoroughly, forthrightly and tactfully last night in a program entitled 'Population Explosion' over Channel 2. "The importance of the program for which CBS deserves genuine credit, was that it brought a touchy subject into the open so that it could be studied intelligently . . . No viewer of the presentation could doubt the significance of the network's contribution."

UNITED PRESS INTERNATIONAL—November 12: "Thoroughly engrossing, professional presentation . . . It was a memorable show."

PHILADELPHIA INQUIRER—November 12: "Expert rundown on a significant, and sometimes touchy, subject . . . educational TV of the highest order."

PHILADELPHIA EVENING BULLETIN—November 12: "Handled with dignity and objectivity . . . courageous undertaking."

ALBANY KNICKERBOCKER NEWS—November 12: "Television history was made last night . . . A sensitive subject was examined unflinchingly and uncompromisingly in a superbly produced documentary presented fully sponsored in prime time—without Edward R. Murrow . . . CBS has performed a distinct and important public service."

PROGRAM: PERSON TO PERSON
DATE: Friday, November 13
TIME: 10:30–11:00 pm
TYPE: Entertainment—Interview
CONTENT: Half of broadcast devoted to a visit with former Governor Averell Harriman in his New York home—Charles Collingwood, host

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PROGRAM: SMALL WORLD
DATE: Sunday, November 15
TIME: 6:00–6:30 pm
TYPE: Public Affairs—Discussion
CONTENT: Host—Edward R. Murrow from Pawling, New York
Guests—Alexander Chakovsky, editor-in-chief of *Foreign Literature*, a monthly literary magazine published in Moscow speaking from New York; Norman Cousins, editor of the *Saturday Review* from New York; and Gov. William G. Stratton of Illinois from Springfield, Illinois
Subject—Relative freedom of expression of American and Soviet writers and the case of Russian novelist, Boris Pasternak

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PROGRAM: THE TWENTIETH CENTURY: "The Fall of China"
DATE: Sunday, November 15
TIME: 6:30–7:00 pm
TYPE: Public Affairs—Documentary
CONTENT: Historical review of the capture of Mainland China by the Communists ten years ago
Guests: Pearl Buck and General Albert Wedemeyer
REVIEW: *NEW YORK DAILY MIRROR—November 16: ". . . fascinating newsreel history . . . supplemented by some pertinent and acrid comment by Pearl Buck and General Albert Wedemeyer"*

PROGRAM: THE ED SULLIVAN SHOW
DATE: Sunday, November 15
TIME: 8:00–9:00 pm
TYPE: Entertainment—Variety
CONTENT: Program segments included native dances and songs by Polish State Ballet

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PROGRAM: BUICK ELECTRA PLAYHOUSE: "The Killers"
DATE: Thursday, November 19
TIME: 9:30–11:00 pm
TYPE: Entertainment—Drama
CONTENT: Dramatization of Ernest Hemingway's classic short story
REVIEWS: *DENVER POST—November 20: "true to the Hemingway theme"*

THE NEW YORKER—(John Lardner), December 5: ". . . a pretty dirty practical joke on Mr. Hemingway."

DALLAS TIMES HERALD—November 20: ". . . a study in perfection all down the line"

TIME—November 30: ". . . the story's reading time of six minutes had been blown up to 90, and it sagged like an Add-A-Pearl, between an elaborate preamble and a rambling finale . . . Scenes minced on and off screen without coming to terms with the story or adding to its significance . . . It all had the sound of wooden cymbals."

PROGRAM: PERSON TO PERSON
DATE: Friday, November 20
TIME: 10:30–11:00 pm
TYPE: Entertainment—Interview
CONTENT: Half of broadcast devoted to a visit with Judge Harold C. Medina in his Westhampton, Long Island home—Charles Collingwood, host

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PROGRAM: SMALL WORLD
DATE: Sunday, November 22
TIME: 6:00–6:30 pm
TYPE: Public Affairs—Discussion
CONTENT: Host—Edward R. Murrow from Manchester, England
Guests—Field Marshal Viscount Montgomery from London; Gen. Mark Clark, currently president of The Citadel, a South Carolina military college, from Charleston, S.C.; and former Wehr-

macht General Fridolin von Senger who surrendered to General Clark at Monte Cassino in Italy, speaking from Basel, Switzerland

Subject—Some of the strategic and political mistakes of World War II; comparative fighting abilities of Americans, Russians, Chinese, Germans and Britons; Prussianism and whether it exists in Germany today; and the question of whether the three guests would again choose a military career if they had it to do over again

REVIEWS: *NEW YORK TIMES* — (*Jack Gould*), *November 23:* "*. . . a most interesting half hour, well worth continuing next week.*"

VARIETY—(*Horo*), *November 25:* "*As the generals talked, the viewer got the impression that World War II was something like a chess game, with men and machines deployed and mangled according to the rules of the game. Now 12 years later, everyone's palsy with one another, as if Hitler and the carnage he produced was a passing issue, while the techniques of war and the pride of generalship is the big thing. How skewed the perspective!*"

PROGRAM: THE TWENTIETH CENTURY: "Goering"

DATE: Sunday, November 22

TIME: 6:30–7:00 pm

TYPE: Public Affairs—Documentary

CONTENT: Film profile of Adolf Hitler's second in command

REVIEWS: *NEW YORK JOURNAL AMERICAN —November 23:* "*. . . just a pile of old film clips. It needed deeper analysis to answer 'why' instead of the 'what' that was so familiar.*"

NEW YORK POST—November 23: "*. . . seemed almost sympathetic to the man. It failed particularly to dwell on such stuff as gas ovens, which were a large and ugly part of the man's life in the Nazi hierarchy.*"

PROGRAM: CIRCLE THEATRE: "Security Risk"

DATE: Wednesday, November 25

TIME: 10:00–11:00 pm

TYPE: Entertainment—Drama

CONTENT: Semi-fictionalized documentary of efforts of foreign-born professor to gain security clearance in face of false accusations—Douglas Edwards, narrator

REVIEWS: *VARIETY*—(*Hift*), *December 2:* "*What was undoubtedly meant as a tribute to the thoroughness and efficiency of the U.S. Army Counter Intelligence Corps turned into a rather odd document last week (25) when Armstrong Circle Theatre on CBS-TV presented Security Risk, written by Jerome Coopersmith. In fact, there were aspects of this show that were downright frightening.*

"*What was disturbing about the show was the manner in which the CIC went about getting their facts, the questions that were asked and the implications provided on what constitutes a 'loyal' citizen.*

"*. . . it wasn't any glowing tribute to the CIC and, at times, it made one feel outright uncomfortable . . .*"

NEW YORK TIMES—(*John P. Shanley*), *November 26:* "*The play offered a refreshing reminder that investigative methods by a Government agency can, when properly pursued, lead to vindication as well as to condemnation of a suspect . . . provided an unusual and interesting study of an important military agency that conducts most of its activities under a cloak of secrecy.*"

PROGRAM: PERSON TO PERSON

DATE: Friday, November 27

TIME: 10:30–11:00 pm

TYPE: Entertainment—Interview

CONTENT: Half of broadcast devoted to a visit with opera star Eileen Farrell in her home on Staten Island—Charles Collingwood, host

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PROGRAM: SMALL WORLD

DATE: Sunday, November 29

TIME: 6:00–6:30 pm

TYPE: Public Affairs—Discussion

CONTENT: Host—Edward R. Murrow from Manchester, England

Guests—General Mark Clark from Charleston, S.C.; British Field Marshal Viscount Montgomery from London; and former German General Fridolin von Senger from Basel, Switzerland in a second transoceanic military conversation

Subject—Soviet Premier Khrushchev's recent visit to the United States and the prospects for success of a Summit Conference

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PROGRAM: THE TWENTIETH CENTURY: "Poland on a Tightrope," Part I

DATE: Sunday, November 29

TIME: 6:30–7:00 pm

TYPE: Public Affairs—Documentary

CONTENT: First part of an on-the-spot film report on life in Communist Poland

REVIEWS: *NEWSDAY—November 30:* "*... fascinating exclusive footage of life behind that iron curtain.*"

NEW YORK TIMES—November 30: "*. . . a thought-compelling report . . .*"

PROGRAM: THE ED SULLIVAN SHOW

DATE: Sunday, November 29

TIME: 8:00–9:00 pm

TYPE: Entertainment—Variety

CONTENT: Major program segment devoted to "Ballets: U.S.A.," a dance group performing Jerome Robbins' "N.Y. Export: Opus Jazz"

REVIEWS: *NEW YORK TIMES*—(*John P. Shanley*), *November 30:* "*. . . a magnificent ballet segment . . . Balletomanes have maintained in the past, with good reason, that the small screen never did justice to the dance. Here was an instance, however, in which the skill of a choreographer and his ensemble was complemented effectively by studio technicians. It was a television accomplishment of rare quality.*"

NEW YORK JOURNAL AMERICAN—(*Jack O'Brian*), *November 30:* "*. . . reminded us of a description of abstract painting which calls it not so much art as decoration . . . Robbins' jazz ballets were less ballet than free-form posing, talented twists and turns, like piano exercises which*

show off manual dexterity rather than the appeal of beautifully constructed music."

PROGRAM: "Address by President Eisenhower"
DATE: Thursday, December 3
TIME: 7:15–7:30 pm
TYPE: Public Affairs—Talk
CONTENT: "Peace and understanding at home and abroad," prior to President's departure that night on his 22,000-mile trip abroad

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PROGRAM: SHOW OF THE MONTH: "Oliver Twist"
DATE: Friday, December 4
TIME: 7:30–9:00 pm
TYPE: Entertainment—Drama
CONTENT: Dramatization of Charles Dickens' classic novel, with Eric Portman as Fagin and Robert Morley as Mr. Brownlow
REVIEWS: *NEW YORK JOURNAL AMERICAN*—(*Atra Baer*), *December 5:* "*. . . all added up to classic entertainment.*"

NEW YORK HERALD TRIBUNE—(*Sid Bakal*), *December 5:* "*. . . a passably entertaining adaptation . . .*"

NEW YORK TIMES—(*John P. Shanley*), *December 5:* "*The telecast was presented from 7:30 to 9:00 pm, a time when it could be seen by children. It may have frightened some of them and it may have raised questions about missing details from some of those who had read the novel.*
"*But the terror was authentic Dickens and the essence of his story was translated to the TV screen with integrity and dramatic power.*"

NEW YORK DAILY NEWS—(*Ben Gross*), *December 5:* "*. . . an attention-holding narrative . . . the robust flavor of the master novelist. And for this, one viewer, at least, is duly grateful.*"

NEWSDAY—*December 7:* "*. . . an effective version of the classic melodrama. Despite a rather episodic adaptation by Michael Dyne and occasionally-shaky acting, the small screen fairly bristled with striking drama of violence and sordidness.*"

NEW YORK HERALD TRIBUNE—(*John Crosby*), *December 9:* "*. . . 'How come everyone's so cruel?' asked my daughter . . . it was real—as opposed to the sort of play cruelty which leaves the children so unmoved on TV . . . I don't think the kids were as moved or as interested in 'Oliver Twist' as I was at their age.*"

VARIETY—(*Art*), *December 9:* "*. . . as good as any kid fare presented by old master Disney himself—up to a point, and then the illusion of an adventure for both children and adults was shattered. Fortunately for the CBS-TV 90-minute program, the blowup didn't occur until it was 80-minutes old when old Bill Sykes decided to bash his dolly on the head with a two-by-four.*"

PHILADELPHIA INQUIRER—(*Harry Harris*), *December 7:* "*. . . thanks to heads-up script, casting, direction and decor, the now-quaint quality of Oliver's odd odyssey was admirably retained.*"

BOSTON EVENING AMERICAN—(*Anthony La Camera*), *December 7:* "*. . . a smoothly done adaptation of the Charles Dickens classic, with polished performances.*"

ALBANY KNICKERBOCKER NEWS—(*Walter Hawver*), *December 7:* "*. . . caught the fervid flavor of Dickens' loud outcry against social injustice.*"

PROGRAM: SMALL WORLD
DATE: Sunday, December 6
TIME: 6:00–6:30 pm
TYPE: Public Affairs—Discussion
CONTENT: Host—Edward R. Murrow from London
Guests—Hedda Hopper, nationally syndicated Hollywood columnist from Hollywood; Simone Signoret, French film star from San Francisco; and Agnes de Mille, choreographer from New York
Subject—relationship of the performing artist to public issues
REVIEWS: *NEW YORK DAILY NEWS*—*December 7:* "*. . . an attention-holding discussion . . .*"

NEW YORK WORLD-TELEGRAM & SUN—(*Harriet Van Horne*), *December 7:* "*. . . you should have seen the fur fly! Ed Murrow has rarely had a livelier show.*"

PROGRAM: THE TWENTIETH CENTURY: "Poland on a Tightrope," Part II
DATE: Sunday, December 6
TIME: 6:30–7:00 pm
TYPE: Public Affairs—Documentary
CONTENT: Second part of an on-the-scene film report on life in Communist Poland
REVIEW: *VARIETY*—(*Horo*), *December 9:* "*. . . interesting and enlightening*"

PROGRAM: THE ED SULLIVAN SHOW
DATE: Sunday, December 6
TIME: 8:00–9:00 pm
TYPE: Entertainment—Variety
CONTENT: Program segments included performance by Violinist Yehudi Menuhin and his sister Hephzibah, pianist
REVIEW: *NEW YORK DAILY NEWS*—(*Ben Gross*), *December 7:* "*The shining musical artistry of Yehudi Menuhin, concert violinist, and his sister Hephzibah, pianist, and the satiric comedy of the top team of funmakers in TV today, Wayne and Shuster, provided the highlights of the Ed Sullivan show.*"

PROGRAM: GENERAL ELECTRIC THEATER: "Absalom, My Son"
DATE: Sunday, December 6
TIME: 9:00–9:30 pm
TYPE: Entertainment—Drama—Religion
CONTENT: Biblical story about the life of King David, with Burl Ives as King David
REVIEW: *NEW YORK JOURNAL AMERICAN*—*December 7:* "*. . . packed plenty of power into the brief half-hour . . .*"

PROGRAM: EYEWITNESS TO HISTORY: "President Eisenhower in Rome"
DATE: Tuesday, December 8
TIME: 7:30–8:00 pm
TYPE: News
CONTENT: First in a series of on-the-scene reports on President Eisenhower's visit to heads of state in

Western Europe and Asia: The President in Rome

REVIEWS: *NEW YORK DAILY NEWS*—*December 8: "While it's fine for the network and the sponsor to devote a half-hour to report on Ike's journey, the content of last night's program was stale and the manner of presentation at times irritating."*

NEW YORK TIMES—*(John P. Shanley), December 8: "Both networks devoted some attention to an analysis of the reasons for the trip. The programs, shown in prime evening time, represented responsible attention to a major news development."*

PROGRAM: CIRCLE THEATRE: "Operation Moonshine"
DATE: Wednesday, December 9
TIME: 10:00–11:00 pm
TYPE: Entertainment—Drama
CONTENT: Semi-fictionalized documentary describing efforts of revenue agents to break up illegal stills—Douglas Edwards, narrator

REVIEW: *NEW YORK WORLD-TELEGRAM & SUN*—*(Harriet Van Horne), December 10: ". . . It was highly educational, especially to any viewer who was under the impression that bootlegging departed our land with the 18th Amendment . . ."*

PROGRAM: "Tonight with Belafonte"
DATE: Thursday, December 10
TIME: 8:30–9:30 pm
TYPE: Entertainment—Music
CONTENT: Folk songs, ranging from Negro spirituals, work and chain gang songs to love ballads

REVIEWS: *NEW YORK HERALD TRIBUNE*—*December 14: ". . . a whale of a show."*

NEW YORK DAILY NEWS—*(Ben Gross), December 11: ". . . one of the most artistic and satisfying programs of the year . . ."*

NEW YORK HERALD TRIBUNE—*(Marie Torre), December 11: ". . . special in every way, in conception, execution, and above all, talent . . . one of the more rewarding shows of the season."*

NEW YORK DAILY MIRROR—*December 11: ". . . charming hour of ethnic music . . . reflected credit on television."*

NEW YORK TIMES—*(John P. Shanley), December 11: "An hour of captivating folk music . . . a special event, indeed."*

VARIETY—*(Rose), December 16: ". . . a truly delightful and refreshing experience."*

UNITED PRESS INTERNATIONAL—*(Fred Danzig), December 11: "Each number was carefully polished to a rich finish."*

CINCINNATI POST & TIMES-STAR—*(Mary Wood), December 11: ". . . an exciting and soul-stirring experience."*

CLEVELAND PRESS—*(Jim Frankel), December 11: ". . . should have been deeply satisfying to his admiring millions . . . I am not terribly fond of folk music, but I was properly appreciative."*

ALBANY KNICKERBOCKER NEWS—*(Walter Hawver), December 11: ". . . the No. 1 show of the season."*

PHILADELPHIA INQUIRER—*(Harry Harris), December 11: ". . . a fascinating hour . . . all concerned rated laurels."*

PROGRAM: PLAYHOUSE 90: "The Tunnel"
DATE: Thursday, December 10
TIME: 9:30–11:00 pm
TYPE: Entertainment—Drama
CONTENT: Semi-fictionalized documentary about the Civil War's "Battle of the Crater" with Richard Boone in starring role

REVIEWS: *NEW YORK WORLD-TELEGRAM & SUN*—*(Harriet Van Horne), December 11: "I wonder how many viewers share what I find is a growing distaste for plays about the Civil War? One knows in advance that the beautiful, gallant young men will die while the bearded generals get drunk in their tents . . . isn't there something morbid in the intensity of this endless preoccupation with the Civil War? But putting aside what is probably a purely womanish prejudice, I must say that last night's drama . . . was a masterful job."*

NEW YORK DAILY NEWS—*December 11: "A dramatic and enlightening chapter out of American history."*

NEW YORK TIMES—*(Richard F. Shepard), December 11: ". . . a forceful historical drama . . . provided the necessary contrast and conflict between personalities to make a human drama out of a documentary production."*

VARIETY—*(Les), December 16: ". . . an engrossing Civil War tale . . . pictorial sleight-of-hand very nearly smoke-screened the uneven qualities of the script."*

UNITED PRESS INTERNATIONAL — *(Fred Danzig), December 11: ". . . vivid drama . . . became too talky during that extraordinary climactic scene."*

CLEVELAND PRESS—*(Jim Frankel), December 11: ". . . shattering drama . . . climaxed an extraordinary evening of television."*

PITTSBURGH PRESS—*(Fred Remington), December 11: ". . . a peach of an action story and historically it was solid fact . . . television does a superb job when it addresses its great capacities to real history."*

ALBANY KNICKERBOCKER NEWS—*(Walter Hawver), December 11: ". . . not particularly exciting viewing."*

PHILADELPHIA INQUIRER—*(Harry Harris), December 11: ". . . engrossing . . ."*

PROGRAM: PERSON TO PERSON
DATE: Friday, December 11
TIME: 10:30–11:00 pm
TYPE: Entertainment—Interview
CONTENT: Half of first video tape presentation from overseas devoted to a visit with the Duke and Duchess of Marlborough at Blenheim Palace, Oxfordshire, England, built in 1705 and the birthplace of Sir Winston Churchill —Charles Collingwood, host

REVIEW: *VARIETY* — *(Rose), December 16: ". . . a visual feast for the stay-at-homes in the U.S. Tape did the trick and the trick was a treat."*

PROGRAM: EYEWITNESS TO HISTORY: "President Eisenhower in Asia"
DATE: Saturday, December 12

TIME: 10:30–11:00 pm
TYPE: News
CONTENT: On-the-scene coverage of President Eisenhower's visits to Turkey, Pakistan, Afghanistan and India, including his appearance at the World Agricultural Fair in New Delhi
REVIEW: *NEW YORK HERALD TRIBUNE—December 16: ". . . 'Eyewitness to History' was exactly what its name implied."*

PROGRAM: "The Wizard of Oz"
DATE: Sunday, December 13
TIME: 6:00–8:00 pm
TYPE: Entertainment—Musical Fantasy
CONTENT: Two-hour motion picture musical fantasy adapted from the children's classic by L. Frank Baum, with Judy Garland, Frank Morgan, Ray Bolger, Bert Lahr, Jack Haley and Billie Burke
REVIEWS: *NEW YORK JOURNAL AMERICAN—December 14: "...charmingly durable"*

NEW YORK DAILY NEWS—December 14: "enchanting"

NEW YORK HERALD TRIBUNE—(John Crosby), December 16: " 'The Wizard of Oz' is pure magic, and I must thank the Columbia Broadcasting System for putting it on the network.
". . . The trouble is there aren't many movies quite in that class, or quite that ageless."

NEW YORK DAILY MIRROR—(Nick Kenny), December 20: "Our congratulations to CBS for presenting the original film, 'The Wizard of Oz,' the other day, instead of ordering a television adaptation of the 1939 hit cinema. We've long and loudly espoused the showing of a good motion picture rather than doing a teevee rehash, which invariably is a tawdry updating or a pallid, desiccated copy."

PROGRAM: UNITED STATES STEEL HOUR: "One Red Rose for Christmas"
DATE: Wednesday, December 16
TIME: 10:00–11:00 pm
TYPE: Entertainment—Drama—Religion
CONTENT: An inspirational dramatization of a nun's struggle to overcome personal tragedy and the mistrust of an orphan entrusted to her care, starring Helen Hayes
REVIEWS: *NEW YORK DAILY MIRROR—December 17: "One of the better holiday dramas."*

NEW YORK DAILY NEWS—(Ben Gross), December 17: "Last year, this drama based on Paul Horgan's novel, was hailed as one of the most effective of the season. It was just as moving during this second showing . . ."

NEW YORK JOURNAL AMERICAN—December 17: "Last night's glowing production was not a repeat of last year's show, but was taped three months ago."

DENVER POST—(Larry Ingram), December 17: ". . . numerous switches in scene did produce a choppy effect which detracted from the mood of the play."

PHILADELPHIA INQUIRER—(Harry Harris), December 17: ". . . performed splendidly"

UNITED PRESS INTERNATIONAL—(Fred Danzig), December 17: ". . . still too sketchy"

PROGRAM: CBS REPORTS: "Iran: Brittle Ally"
DATE: Friday, December 18
TIME: 10:00–11:00 pm
TYPE: Public Affairs—Documentary
CONTENT: Portrait of a country, allied with the United States, despite a 2,000-mile common border with Soviet Russia; included film report of President Eisenhower's visit four days earlier
Reporters—Edward R. Murrow and Winston Burdett
Guests—Shah Mohammed Riza Pahlevi; Abol Hassan Ebtehaj; David Lilienthal—now supervising building TVA-type project in Kuzistan, Iran; Col. William A. Kuhn, Deputy Chief of the U.S. Mission to Iran
REVIEWS: *NEW YORK DAILY NEWS—(Ben Gross), December 19: ". . . gave thoughtful viewers an illuminating insight into one of the most important of Asiatic lands."*

NEW YORK TIMES—(Jack Gould), December 19: ". . . incisive study . . . The interview with the Shah was most revealing of the ruler's personality."

NEW YORK HERALD TRIBUNE—(Sid Bakal), December 19: "There is little doubt, in this viewer's mind at least, that 'CBS Reports' is the best public service television series of the season. Last night, the series accented this claim with their third program, 'Iran: Brittle Ally,' an examination of our aid program to this shaky Middle East country, that was comprehensive, absorbing, and thoughtful . . . one of the best documentaries of the year."

NEWSDAY—December 21: ". . . perceptive, revealing study . . ."

VARIETY—(Rose), December 23: "Electronic journalism hit peak performance . . . one of the slickest jobs yet in the area of TV journalism."

PROGRAM: SMALL WORLD
DATE: Sunday, December 20
TIME: 6:00–6:30 pm
TYPE: Public Affairs—Discussion
CONTENT: Host—Edward R. Murrow from London
Guests—Dr. Arthur Larson, President Eisenhower's advisor on international legal questions, from Durham, N. C.; Judge Mahomedali C. Chagla, India's Ambassador to the U. S., from The Hague, Netherlands; and Senator Karl E. Mundt (R-S.D.) from Rapid City, South Dakota
Subject—United States participation in the World Court

PROGRAM: THE TWENTIETH CENTURY: "End of the Battlewagon"
DATE: Sunday, December 20
TIME: 6:30–7:00 pm
TYPE: Public Affairs—Documentary
CONTENT: Historical review of the rise and fall of the battleship as a weapon of naval warfare

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PROGRAM: EYEWITNESS TO HISTORY: "Conference at Paris"
DATE: Sunday, December 20
TIME: 10:30–11:00 pm

TYPE: News
CONTENT: On-the-scene coverage of President Eisenhower's visits to Iran and Greece, and analyses of the Paris Conference by CBS News correspondents
REVIEWS: *NEW YORK DAILY NEWS—December 21: "ABC, NBC and CBS in that order, scheduled first-rate summaries with incisive analyses of President Eisenhower's tour of Europe, Asia and Africa, ending with the Paris Conference."*

NEW YORK TIMES—(Jack Gould), December 21: ". . . weak in its political substance and awkward in its incorporation of yesterday's spot news."

PROGRAM: THE GARRY MOORE SHOW
DATE: Tuesday, December 22
TIME: 10:00–11:00 pm
TYPE: Entertainment—Variety
CONTENT: Program segments included performances by Mahalia Jackson, gospel singer, and a reading by Garry Moore of William Saroyan's essay "Christmas"
REVIEW: *NEW YORK WORLD-TELEGRAM & SUN—(Harriet Van Horne), December 24; "Garry Moore, whose show is always so blithe and bonny, showed less than exquisite taste in closing his Tuesday session with a reading from William Saroyan. In the vast treasury of Christmas literature, there surely must have been a selection more fitting to the occasion."*

PROGRAM: EYEWITNESS TO HISTORY: "The Western Summit"
DATE: Wednesday, December 23
TIME: 7:30–8:30 pm
TYPE: News
CONTENT: The President in Paris, Spain and Morocco, as well as a review of his entire overseas tour, and an evaluation of the Western Summit Conference

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PROGRAM: CIRCLE THEATRE: "The Boy On Page One"
DATE: Wednesday, December 23
TIME: 10:00–11:00 pm
TYPE: Entertainment—Drama
CONTENT: Semi-fictionalized documentary dealing with a new approach to adoption undertaken by Canadian adoption agencies—Douglas Edwards, narrator
REVIEWS: *NEW YORK DAILY NEWS—(Ben Gross), December 24: ". . . an endearing story of Canadian boys and girls who are available for adoption."*

VARIETY—(Gilb), December 30: ". . . unfortunately, despite some fine performances in this live telecast, the hour-long session failed to grip the viewer as it should have . . . the teleplay was worthy in that it afforded viewers a means of discovering how Ontario's machinery for adoption works."

PROGRAM: "Carols of All Nations"
DATE: Thursday, December 24
TIME: 11:15–11:30 pm
TYPE: Public Affairs—Christmas Special
CONTENT: Group of United Nations employees offering traditional Yuletide songs of various countries

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PROGRAM: "The Vigil of Christmas"
DATE: Thursday, December 24
TIME: 11:30 pm–12:30 am
TYPE: Public Affairs—Christmas Special
CONTENT: Christmas Eve service in the Washington National (Episcopal) Cathedral, Washington, D. C.

PROGRAM: "Holy Night"
DATE: Friday, December 25
TIME: 12:30–1:00 am
TYPE: Public Affairs—Christmas Special
CONTENT: Christmas music by combined adult and Children's Choir of St. George's Roman Catholic Church in St. Louis, Missouri

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PROGRAM: SMALL WORLD
DATE: Sunday, December 27
TIME: 6:00–6:30 pm
TYPE: Public Affairs—Discussion
CONTENT: Host—Edward R. Murrow from New York
Guests—Han Su Yin (Dr. Elizabeth Comber), author, from Hong Kong; Malcolm Muggeridge, former editor of "Punch," from Geneva; and Leslie Blanche, author, from Los Angeles
Subject—Love, marriage, polygamy and the rights of women today
REVIEWS: *NEW YORK DAILY MIRROR—December 29: ". . . no verbal holds were barred . . . Much fun."*

NEW YORK POST—(Sidney Skolsky), December 31: ". . . getting to be the sexiest show on the air."

PROGRAM: THE TWENTIETH CENTURY: "The Olympics"
DATE: Sunday, December 27
TIME: 6:30–7:00 pm
TYPE: Public Affairs—Documentary
CONTENT: The historic world-wide sports competition, recapturing interesting and noteworthy moments of past Olympic games
REVIEWS: *NEW YORK DAILY NEWS—(Robert Sylvester), December 19: ". . . an interesting historical record of the Olympics."*

NEWSDAY—December 28: ". . . a fascinating history of the world's leading sports spectacle."

PROGRAM: THE ED SULLIVAN SHOW
DATE: Sunday, December 27
TIME: 8:00–9:00 pm
TYPE: Entertainment—Variety
CONTENT: Program segments included reading from the Bible's Five Books of Moses by Charlton Heston, accompanied by the Robert De Cormier Chorale
REVIEWS: *NEW YORK DAILY NEWS—December 28: "Charlton Heston's readings from the Bible during the Ed Sullivan Show (CBS-TV, 8 to 9 pm) made one realize again the literary artistry of the Good Book."*

NEW YORK JOURNAL AMERICAN—(Atra Baer), December 28: "Ed's show galloped the gamut from Abbe to Charlton Heston in dramatic readings from the Bible—which were beautifully backed by a spiritual-singing chorus."

PART II: DAYTIME

Network Sign On to 6 pm

PROGRAM: RICHARD C. HOTTELET WITH THE NEWS
DATE: Monday–Friday, September 1–December 31
TIME: 8:00–8:15 am*
TYPE: News
CONTENT: News reporting supplemented by appropriate CBS Newsfilm
*Also broadcast throughout all or part of survey period at 9:00–9:15 am and 10:00–10:15 am in order to provide affiliates a choice of three time periods

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PROGRAM: CAPTAIN KANGAROO
DATE: Monday–Saturday, September 1–December 31
TIME: Monday–Friday 8:15–9:00 am; Saturday 8:00–9:00 am**
TYPE: Entertainment—Children's Variety
CONTENT: Presented for pre-school children, with readings, games, demonstrations on how to create objects with simple materials and lessons on such things as good manners, safety and good eating habits
**Presented Saturday at 9:30–10:30 am between September 1 and September 26

PROGRAM: WALTER CRONKITE WITH THE NEWS
DATE: Monday–Friday, September 1–December 31
TIME: 1:00–1:05 pm
(Pre-empted by public affairs on Sept. 15, 28 and Nov. 26)
TYPE: News
CONTENT: News reporting by Walter Cronkite, supplemented by appropriate CBS Newsfilm

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PROGRAM: FOR BETTER OR WORSE
DATE: Monday–Friday, September 1–December 31
TIME: 2:00–2:30 pm
(Pre-empted by public affairs on Sept. 16, 17 and Nov. 26)
TYPE: Entertainment—Drama—Serial
CONTENT: Semi-fictionalized documentaries of cases taken from the files of Dr. James A. Peterson, marriage counselor and Associate Professor of Sociology at the University of Southern California, with explanation of reason marriage is failing and how the problem can be resolved

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PROGRAM: SATURDAY NEWS
DATE: Saturday, September 1–December 31
TIME: 1:00–1:30 pm*** (Pre-empted by "Holiday Bowl" on Dec. 19)
TYPE: News
CONTENT: News reporting supplemented by appropriate CBS Newsfilm
***Also broadcast at 12:00–12:30 pm in order to provide affiliates a choice of the two time periods

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PROGRAM: HARRY REASONER WITH THE NEWS
DATE: Sunday, September 1–December 31
TIME: 11:55–12:00 noon
(Pre-empted by "Salute to the American Theatre" on Dec. 6)
TYPE: News
CONTENT: News reporting

PROGRAM: HARRY REASONER WITH THE NEWS
DATE: Sunday, September 27–December 13
TIME: 4:45–5:00 pm
TYPE: News
CONTENT: News reporting
Note: This program broadcast after professional football (time permitting) in New York and New England area only (Not broadcast on Sept. 27 and Nov. 29)

PROGRAM: G. E. COLLEGE BOWL
DATE: Sunday, October 4–December 31
TIME: 5:30–6:00 pm (Pre-empted by "New York Philharmonic" on Nov. 22)
TYPE: Entertainment—Panel
CONTENT: Two four-man teams representing different colleges compete to answer questions that require a high level of general knowledge, with the winning team winning scholarship awards for its college

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PROGRAM: "The President Speaks in London"
DATE: Tuesday, September 1
TIME: 10:00–10:30 am
TYPE: News
CONTENT: Historic public discussion on world affairs between President Eisenhower and Prime Minister Macmillan at 10 Downing Street

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PROGRAM: ON THE GO
DATE: Wednesday, September 2
TIME: 10:00–10:30 am
TYPE: Entertainment—Talk
CONTENT: On-the-scene interview with members of The American Friends' Service Committee, which helps paroled prisoners readjust to society

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PROGRAM: LAMP UNTO MY FEET: "A Canoe for the River"
DATE: Sunday, September 6
TIME: 10:00–10:30 am
TYPE: Public Affairs—Religion
CONTENT: Drama of early colonial American missionaries and their attempts to preach the word of God among Indians in the early 1800's, with subsequent discussion by Dr. Ronald E. Osborn, Dean of the Christian Theological Seminary, Indianapolis, Indiana, and moderator, Dallas Townsend

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PROGRAM: LOOK UP AND LIVE: "The Curé of Ars"
DATE: Sunday, September 6
TIME: 10:30–11:00 am
TYPE: Public Affairs—Religion
CONTENT: Dramatized episodes in the life of Jean-Marie Vianney, a French parish priest whose selfless life has made him, since 1859, the patron saint of all parish priests—the first in a four-part series dealing with the lives and works of great Catholics of the 19th Century

PROGRAM: EYE ON NEW YORK
DATE: Sunday, September 6
TIME: 11:00-11:30 am
TYPE: Public Affairs—Discussion
CONTENT: Huw Weldon, producer of television talks for the British Broadcasting Company, with his impressions of American culture and his experiences in British television, and Captain Jacques-Yves Cousteau, oceanographer, with an explanation of research; Bill Leonard—moderator

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PROGRAM: CAMERA THREE
DATE: Sunday, September 6
TIME: 11:30–11:55 am
TYPE: Public Affairs—Education
CONTENT: English and Scottish ballads

PROGRAM: THE LAST WORD
DATE: Sunday, September 6
TIME: 5:00–5:30 pm
TYPE: Public Affairs—Discussion
CONTENT: Discussion of questions pertaining to the English language by moderator Dr. Bergen Evans, Professor of English, Northwestern University, John Mason Brown, author, lecturer and critic, and special guests Gov. Foster Furcolo of Massachusetts and Elizabeth Janeway, author

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PROGRAM: FACE THE NATION:
"M. C. Chagla, India's Ambassador to the United States"
DATE: Sunday, September 6
TIME: 5:30–6:00 pm
TYPE: Public Affairs—Discussion
CONTENT: Interviewing panel—William H. Lawrence of The New York Times; Elie Abel of the Detroit News; and George Herman of CBS News
Moderator—CBS News Correspondent Bill Downs
Subject—The crisis in Laos, China's aggression into Indian Territory and rumors about the resignation of Defense Minister V. K. Krishna Menon

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PROGRAM: ON THE GO
DATE: Monday, September 7
TIME: 10:00–10:30 am
TYPE: Entertainment—Talk
CONTENT: On-the-scene coverage of the San Diego Shakespeare festival

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PROGRAM: "President Eisenhower's Arrival in Washington"
DATE: Monday, September 7
TIME: 1:55–2:09 pm
TYPE: News
CONTENT: On-the-scene coverage of President Eisenhower's return to the United States after visits with European leaders

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PROGRAM: ON THE GO
DATE: Tuesday, September 8
TIME: 10:00–10:30 am
TYPE: Entertainment—Talk
CONTENT: A visit with Padre Gennario Carillo of the Verone Fathers, a Catholic priest who has devoted his life to the care of the Pala Indians in the San Diego area

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PROGRAM: ON THE GO
DATE: Thursday, September 10
TIME: 10:00–10:30 am
TYPE: Entertainment—Talk
CONTENT: On-the-spot coverage of the galley of the S. S. Bennington to demonstrate how a "floating city" feeds its naval complement

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PROGRAM: ON THE GO
DATE: Friday, September 11
TIME: 10:00–10:30 am
TYPE: Entertainment—Talk
CONTENT: Interview with the border guards at San Ysidro, California, on measures to halt the flow of narcotics into the United States

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PROGRAM: LAMP UNTO MY FEET:
"The Stone and the Saviour"
DATE: Sunday, September 13
TIME: 10:00–10:30 am
TYPE: Public Affairs—Religion
CONTENT: Drama about religion behind the Iron Curtain, with subsequent discussion by special guest Dr. Theodore Adams, President of the Baptist World Alliance—Dallas Townsend, moderator

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PROGRAM: LOOK UP AND LIVE: "Priest and Poet—Gerard Manley Hopkins"
DATE: Sunday, September 13
TIME: 10:30–11:00 am
TYPE: Public Affairs—Religion
CONTENT: Dramatization of life and ideals of Father Hopkins, starring Edward Mulhare

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PROGRAM: U. N. IN ACTION
(Season Premiere)
DATE: Sunday, September 13
TIME: 11:00–11:30 am
TYPE: Public Affairs—Discussion
CONTENT: Discussion between special guest, U. N. Ambassador Henry Cabot Lodge and moderator Larry LeSueur on the forthcoming visit of Khrushchev and the United Nations General Assembly sessions which begin September 15

PROGRAM: CAMERA THREE:
"Ballads Are News"
DATE: Sunday, September 13
TIME: 11:30–11:55 am
TYPE: Public Affairs—Educational
CONTENT: Folk songs as musical newspapers for illiterates in past eras

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PROGRAM: "Harlem: Self-Portrait"
DATE: Sunday, September 13
TIME: 12:00–1:00 pm
TYPE: Public Affairs—Documentary
CONTENT: Harlem's relationship to the rest of New York as analyzed by the citizens of Harlem
REVIEWS: *NEW YORK JOURNAL AMERICAN*—(*Jack O'Brian*), *August 19: ". . . a fascinating, stark and uncompromising documentary."*

VARIETY—August 26: ". . . tingling, probing electronic journalism of the economic and social blights hanging over Harlem. . . . a job performed with skill and compassion."

NEW YORK TIMES—(John P. Shanley), August 19: ". . . an excellent example of balanced electronic journalism."

NEW YORK DAILY NEWS—August 19: ". . . a graphic, if sometimes too superficial study."

NEWSDAY—(Barbara Delatiner), August 19: ". . . rambling, diffuse and slightly repetitious examination, lacking the clear, incisive approach of completely satisfactory documentaries."

PROGRAM: "The Moscow Fair —Our Guides Return"
DATE: Sunday, September 13
TIME: 5:00–5:30 pm
TYPE: Public Affairs—Discussion
CONTENT: Interviews with guides from the American National Exhibit in Moscow

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PROGRAM: FACE THE NATION:
Senator Mike Mansfield (D. Mont.)
DATE: Sunday, September 13
TIME: 5:30–6:00 pm
TYPE: Public Affairs—Discussion
CONTENT: Interview Panel—Warren Duffee of United Press International; Philip Potter of the Baltimore Sun; and Paul Niven of CBS News
Subject—Situation in Laos, Red Chinese aggression along the Indian border, Soviet Premier Nikita Khrushchev's impending visit to the U.S., and the over-all accomplishments of the 86th Congress

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PROGRAM: ON THE GO
DATE: Tuesday, September 15
TIME: 10:00–10:30 am
TYPE: Entertainment—Talk
CONTENT: On-the-scene tour of a private school where individual training encourages children to learn more rapidly

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PROGRAM: "Arrival of Khrushchev in the United States"
DATE: Tuesday, September 15
TIME: 12:20–2:07 pm
TYPE: News
CONTENT: Live-on-the-spot coverage of Premier Khrushchev's arrival at Andrews Air Force Base, Md., his reception by President Eisenhower, the motorcade to Washington, and his arrival at Blair House

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PROGRAM: ON THE GO
DATE: Wednesday, September 16
TIME: 10:00–10:30 am
TYPE: Entertainment—Talk
CONTENT: Tour of the one-room schoolhouse in the leukemia wing of the City of Hope Medical Research Center in Duarte, California

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PROGRAM: "Khrushchev's Appearance Before the National Press Club, Washington, D.C."
DATE: Wednesday, September 16
TIME: 1:30–3:15 pm
TYPE: News
CONTENT: Live coverage of Premier Khrushchev's news conference at the National Press Club, Washington, D.C., his address and its translation (one hour) and a question and answer session (40 minutes), with commentary by CBS News Correspondent George Herman

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PROGRAM: "Address by Secretary of State Christian A. Herter"
DATE: Thursday, September 17
TIME: 11:00–12:00 noon
TYPE: Public Affairs—Talk
CONTENT: Secretary Christian A. Herter's speech on foreign policy before the United Nations

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PROGRAM: WOMAN! "Is The American Woman Losing Her Femininity?"
DATE: Thursday, September 17
TIME: 2:00–3:00 pm
TYPE: Public Affairs—Discussion
CONTENT: The question of whether the American woman is achieving the fullest realization of her true nature, as analyzed by men and women of all walks of life in and around San Francisco, with subsequent discussion by a panel composed of Dr. Margaret Mead, anthropologist; Dr. Meyer Fortes, Professor of Anthropology at Cambridge; Dr. Morris Janowitz, Professor of Sociology at the University of Michigan; Professor John McKee, psychologist, University of California; Professor Alex Sherrifs, psychologist at University of California; and Dr. Philip Rieff, psychologist at University of California, with Esther Williams as hostess
REVIEWS: *VARIETY—September 23: "Until Dr. Margaret Mead came on with her witty observations . . . 'Woman' wasn't much of a show. For all the expert and lay people it surveyed in the first half, it was getting nowhere with the colorful but unmomentous topic. . . . Then the camera trained on Dr. Mead, and for 20 minutes she let fly theories of her own . . . If she proved nothing more than the others, she was at least entertaining."*

NEW YORK HERALD TRIBUNE—(Ann Warren Griffith), September 20: "...an absorbing nourishing hour-long documentary that should supply much food for thought."

NEW YORK WORLD-TELEGRAM & SUN—(Harriet Van Horne), September 18: "Conclusions reached were tentative, fuzzy and contradictory. They were also tiresome and dull. A group of men, you might know, arranged this hour of enlightenment . . . Only Dr. Margaret Mead, talking turkey in the last half, made any sense. And she, too, seemed to think the question a bit silly, saying our concern ought to be with human beings and their humanity, rather than with the girls and their girlishness."

ASSOCIATED PRESS—(Cynthia Lowry), September 18: "The opinions hardly constituted a scientific sampling, but they did make for an interesting show."

CAMDEN COURIER-POST—September 18: "...the needed spice was lacking...curiously ineffective, almost vacuous program".

NEW YORK HERALD TRIBUNE—September 18: "From the little that we saw . . . it was thought-provoking and straightforward."

TIME—September 28: "Unfortunately for 'Woman'. San Francisco's women were no more helpful than their husbands."

PROGRAM: ON THE GO
DATE: Friday, September 18
TIME: 10:00–10:30 am
TYPE: Entertainment—Talk
CONTENT: Visit to the California Institute for Women, one of the largest penal institutions of its kind, with interviews with inmates and authorities

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PROGRAM: "Khrushchev At Hyde Park"
DATE: Friday, September 18
TIME: 10:30–10:35 am 11:10–11:30 am
TYPE: News
CONTENT: On-the-scene coverage of Soviet premier's visit with Eleanor Roosevelt at Hyde Park

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PROGRAM: "Khrushchev's Address to the U. N."
DATE: Friday, September 18
TIME: 3:00–4:00 pm
TYPE: News

PROGRAM: LAMP UNTO MY FEET:
"A Matter of Dollars and Rubles"
DATE: Sunday, September 20
TIME: 10:00–10:30 am
TYPE: Public Affairs—Religion
CONTENT: Drama, starring Sam Jaffe, about two geologists, one American and the other Russian who meet in a small Mideast nation and realize that they share certain common beliefs despite conflicting backgrounds, with subsequest discussion by moderator Dallas Townsend and guest Dr. Clarence Pickett of the American Friend's Service Committee

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PROGRAM: LOOK UP AND LIVE
DATE: Sunday, September 20
TIME: 10:30–11:00 am
TYPE: Public Affairs—Religion
CONTENT: Program devoted to John Henry Cardinal Newman

PROGRAM: U. N. IN ACTION
DATE: Sunday, September 20
TIME: 11:00–11:30 am
TYPE: Public Affairs—Discussion
CONTENT: Soviet U.N. strategy since the signing of the Organization's charter in 1945, as discussed by three U. N. correspondents: Thomas Hamilton of The New York Times; Krishna Balaraman of the "Hindu" of Madras (India); and Miroslav Radojcic of Yugoslavia's Politka—with Larry LeSueur, moderator

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PROGRAM: CAMERA THREE:
"At the End of the Passage"
DATE: Sunday, September 20
TIME: 11:30–11:55 am
TYPE: Public Affairs—Education
CONTENT: Adaptation of Rudyard Kipling's classic short story

PROGRAM: FACE THE NATION:
Dr. T. Keith Glennan
DATE: Sunday, September 20
TIME: 12:30–1:00 pm
TYPE: Public Affairs—Discussion
CONTENT: The Administrator of the National Acronautics and Space Administration, interviewed by Vern Haugland of the Associated Press, John W. Finney of The New York Times and CBS Newsman Charles von Fremd on the subject of U. S. Space plans and the effect of Russia's successful moon shot on America's space program

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PROGRAM: EYEWITNESS TO HISTORY:
"Khrushchev in Hollywood"
DATE: Sunday, September 20
TIME: 5:30–6:00 pm*
TYPE: News
CONTENT: Film summary of Premier Khruschev's day in Hollywood, with narration by Walter Cronkite of CBS News
*Due to overrun of another "live" program, not all stations carried the entire program

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PROGRAM: ON THE GO
DATE: Wednesday, September 23
TIME: 10:00–10:30 am
TYPE: Entertainment—Talk
CONTENT: A visit to a Swiss restaurant in Los Angeles to view performance of international folk dances

PROGRAM: ON THE GO
DATE: Thursday, September 24
TIME: 10:00–10:30 am
TYPE: Entertainment—Talk
CONTENT: Interview with Miss Jackeaster, head of the speech clinic of Children's Hospital in Los Angeles

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PROGRAM: LAMP UNTO MY FEET:
"Woman of the Pharisees"
DATE: Sunday, September 27
TIME: 10:00–10:30 am
TYPE: Public Affairs—Religion
CONTENT: Drama showing the destructiveness of self-righteousness with subsequent discussions by special guest Father Daniel Berrigan, Professor of Theology at Le Moyne College, Syracuse, New York, and Dallas Townsend, moderator

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PROGRAM: LOOK UP AND LIVE:
"Orestes Brownson"
DATE: Sunday, September 27
TIME: 10:30–11:00 am
TYPE: Public Affairs—Religion
CONTENT: Study of one of the most controversial thinkers of his time, a radical who searched constantly for the final truth and logic

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PROGRAM: U. N. IN ACTION
DATE: Sunday, September 27
TIME: 11:00–11:30 am
TYPE: Public Affairs—Discussion
CONTENT: Discussion of world disarmament problems by James J. Wadsworth, American Deputy Representative to the United Nations, and Howard C. Green, Foreign Minister of Canada, with Larry LeSueur, moderator

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PROGRAM: CAMERA THREE:
"The Stout Gentleman"
DATE: Sunday, September 27
TIME: 11:30–11:55 am
TYPE: Public Affairs—Education
CONTENT: Adaptation of Washington Irving's story, in the second of a two-part series on 19th Century writing

PROGRAM: FACE THE NATION: Senator Hubert H. Humphrey (D.-Minn.)
DATE: Sunday, September 27
TIME: 12:30–1:00 pm
TYPE: Public Affairs—Discussion
CONTENT: Interviewed by Carleton Kent of the Chicago Sun-Times; John C. McDonald of the Minneapolis Tribune and Charles von Fremd of CBS News
Khrushchev's visit and economic dislocations as a result of defense spending reductions in case of disarmament

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PROGRAM: THE LAST WORD
DATE: Sunday, September 27
TIME: 5:00–5:30 pm
TYPE: Public Affairs—Discussion
CONTENT: Regular panel and special guests Harry Ashmore, editor of Little Rock's Arkansas Gazette and Isaac Asimov, professor at Boston University School of Medicine

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PROGRAM: "The Sword and the Quill"
DATE: Sunday, September 27
TIME: 5:30–6:00 pm
TYPE: Public Affairs—Documentary
CONTENT: Special program explaining the aims and accomplishments of the Advertising Council
REVIEW: *VARIETY* — (*Gilb*), *September 30: "While it was interesting to see how the ad field goes about utilizing posters, radio spots, jingles and 'molders of public opinion' to inform the public on the dangers of forest fires, the menace of polio and other crises, 'The Sword and the Quill' appeared to take too much of a 'pat-on-the-back' approach for the voluntary job the Council is doing. . . . When 'outsiders' bestow praise that's different, but when one blows his own horn it should be done more subtly."*

PROGRAM: "President Eisenhower's Press Conference"
DATE: Monday, September 28
TIME: 1:00–1:30 pm
TYPE: News
CONTENT: The President's press conference, followed by news summary presented by Douglas Edwards of CBS News

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PROGRAM: ON THE GO
DATE: Tuesday, September 29
TIME: 10:00–10:30 am
TYPE: Entertainment—Talk
CONTENT: A visit to a fire department training exercise and interviews with the wife and children of a rookie fireman while they watch him in action

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PROGRAM: ON THE GO
DATE: Thursday, October 1
TIME: 10:00–10:30 am
TYPE: Entertainment—Talk
CONTENT: A visit to the Los Angeles County General Hospital to observe an emergency case being processed

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PROGRAM: LAMP UNTO MY FEET: "The Circle"
DATE: Sunday, October 4
TIME: 10:00–10:30 am
TYPE: Public Affairs—Religion
CONTENT: Drama about a middle class neighborhood "invaded" by Puerto Ricans, with subsequent discussion by Rabbi Edward E. Klein of The Stephen Wise Free Synagogue, and Rev. John M. Mulligan of The Church of All Angels
(TVR of the July 10, 1955 broadcast, repeated to illustrate the fact that a problem critical more than five years ago, is as bad or worse today)

PROGRAM: LOOK UP AND LIVE
DATE: Sunday, October 4
TIME: 10:30–11:00 am
TYPE: Public Affairs—Religion
CONTENT: First of a five-part series commemorating 5 years of Protestant participation on the program: "The Theology of Jazz" featuring Dave Brubeck's instrumental quartet and Rev. Alvin Kershaw, expert on jazz and rector of All Saints Parish, Peterborough, New Hampshire

PROGRAM: U. N. IN ACTION
DATE: Sunday, October 4
TIME: 11:00–11:30 am
TYPE: Public Affairs—Discussion
CONTENT: Prince Aly Khan, Pakistan's Permanent Representative to the U. N., Manzoor Qadir, Pakistan's Foreign Minister, Joseph Lash, New York Post correspondent and George Wolff, correspondent of Agency France Presse in a discussion of Pakistan's outcome of the current South-East Asia Treaty Organization (SEATO) and Central Treaty Organization (CENTO) meetings

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PROGRAM: CAMERA THREE
DATE: Sunday, October 4
TIME: 11:30–11:55 am
TYPE: Public Affairs—Education
CONTENT: Tribute to recently deceased American composer, George Antheil, with Alfredo Antonini conducting several of his works

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PROGRAM: FACE THE NATION: Ambassador Henry Cabot Lodge
DATE: Sunday, October 4
TIME: 12:30–1:00 pm
TYPE: Public Affairs—Discussion
CONTENT: Permanent United States Representative to the United Nations interviewed on Khrushchev's reactions to this country and future Soviet moves in the light of the Premier's visit by Peter Lisagor of the Chicago Daily News, William R. Frye of the Christian Science Monitor and Paul Niven of CBS News

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PROGRAM: THE LAST WORD
DATE: Sunday, October 4
TIME: 5:00–5:30 pm
TYPE: Public Affairs—Discussion
CONTENT: Regular panel and special guests Patricia Cutts, British actress, and Russell Lynes, managing editor of Harper's magazine

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PROGRAM: LAMP UNTO MY FEET
DATE: Sunday, October 11
TIME: 10:00–10:30 am

TYPE: Public Affairs—Religion
CONTENT: Commemoration of the Jewish High Holy Days and a memorial to the late composer, Ernest Bloch

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PROGRAM: LOOK UP AND LIVE: "The Four of Us Are Strangers"
DATE: Sunday, October 11
TIME: 10:30–11:00 am
TYPE: Public Affairs—Religion
CONTENT: A dramatized analysis of the role that psychoanalysis plays in the life of a family almost destroyed by its own wrangling

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PROGRAM: U. N. IN ACTION
DATE: Sunday, October 11
TIME: 11:00–11:30 am
TYPE: Public Affairs—Discussion
CONTENT: Discussion of the Algerian situation, Khrushchev's disarmament proposals and the Berlin crisis by France's Foreign Minister, Maurice Couve de Murville, Simon Malley, correspondent for Le Progres Egyptien of Cairo, and Joseph Newman of the New York Herald Tribune

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PROGRAM: CAMERA THREE
DATE: Sunday, October 11
TIME: 11:30–11:55 am
TYPE: Public Affairs—Education
CONTENT: Composer-pianist Lukas Foss and an instrumental ensemble presenting a classical "jam session"

PROGRAM: FACE THE NATION: Senator Lyndon B. Johnson (D.-Texas)
DATE: Sunday, October 11
TIME: 12:30–1:00 pm
TYPE: Public Affairs—Discussion
CONTENT: Senate Majority Leader interviewed on presidential candidacy and foreign policy by Carleton Kent of the Chicago Sun-Times, Liz Carpenter of the Arkansas Gazette and Charles von Fremd of CBS News

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PROGRAM: THE LAST WORD
DATE: Sunday, October 11
TIME: 5:00-5:30 pm
TYPE: Public Affairs—Discussion
CONTENT: Regular panel and authors Allen Drury and Mary McCarthy

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PROGRAM: ON THE GO
DATE: Tuesday, October 13
TIME: 10:00–10:30 am
TYPE: Entertainment—Talk
CONTENT: A visit with a defense coordinator and with a Los Angeles family in their backyard bomb shelter

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PROGRAM: ON THE GO
DATE: Wednesday, October 14
TIME: 10:00–10:30 am
TYPE: Entertainment—Talk
CONTENT: A visit to the Salvation Army Day Nursery in downtown Los Angeles

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PROGRAM: LAMP UNTO MY FEET
DATE: Sunday, October 18
TIME: 10:00–10:30 am
TYPE: Public Affairs—Religion
CONTENT: Drama about a middle-aged business executive who tries to recapture his youth, with discussion by Dr. Allen E. Claxton, President of the Manhattan division of the Protestant Council of Churches and moderator Dallas Townsend

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PROGRAM: LOOK UP AND LIVE: "The Gospel Singer"
DATE: Sunday, October 18
TIME: 10:30–11:00 am
TYPE: Public Affairs—Religion
CONTENT: Mahalia Jackson in a special program of spiritual selections, with special guest Rev. Alvin Kershaw

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PROGRAM: U. N. IN ACTION
DATE: Sunday, October 18
TIME: 11:00–11:30 am
TYPE: Public Affairs—Discussion
CONTENT: Discussion of the Tibetan problem by Gyalo Thondup, brother of the Dalai Lama, Frank Aiken, Foreign Minister of Ireland, Eric Britter, U. N. correspondent for the London Times and Krishna Balaraman, U. N. correspondent for the "Hindu" of Madras

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PROGRAM: CAMERA THREE: "The U. N. and the Arts"
DATE: Sunday, October 18
TIME: 11:30–11:55 am
TYPE: Public Affairs—Education
CONTENT: Demonstrations of how the international organization has succeeded in visualizing abstract ideas on film and how the arts of sculpture and music have been integrated into the motion picture medium

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PROGRAM: FACE THE NATION: Senator John Sherman Cooper (R.-Ky.)
DATE: Sunday, October 18
TIME: 12:30–1:00 pm
TYPE: Public Affairs—Discussion
CONTENT: Interview on the steel situation, the Taft-Hartley injunction and Republican Party activity by Warren Rogers, Jr. of the New York Herald Tribune, Peter Lisagor of the Chicago Daily News and Paul Niven of CBS News

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PROGRAM: "A Memorial: General George C. Marshall"
DATE: Sunday, October 18
TIME: 5:00–5:30 pm
TYPE: News
CONTENT: Film clips reviewing the life and contributions of General George C. Marshall, narrated by Walter Cronkite of CBS News

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PROGRAM: ON THE GO
DATE: Wednesday, October 21
TIME: 10:30–11:00 am
TYPE: Entertainment—Talk
CONTENT: A visit to Casa Colina, a school for handicapped children

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PROGRAM: LAMP UNTO MY FEET: "The Eye of the Soul"
DATE: Sunday, October 25
TIME: 10:00–10:30 am
TYPE: Public Affairs—Religion

CONTENT: A collection of readings illustrating the changing role of education over the centuries, with special guest—Rev. Walter J. Ong, Associate Professor of English at St. Louis University

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PROGRAM: LOOK UP AND LIVE:
"The Hipster"
DATE: Sunday, October 25
TIME: 10:30–11:00 am
TYPE: Public Affairs—Religion
CONTENT: A dramatic examination of the attitudes of today's youth

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PROGRAM: U. N. IN ACTION
DATE: Sunday, October 25
TIME: 11:00–11:30 am
TYPE: Public Affairs—Discussion
CONTENT: Segments of the New York Philharmonic annual U. N. Day Concert

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PROGRAM: CAMERA THREE:
"Selma Broeter"
DATE: Sunday, October 25
TIME: 11:30–11:55 am
TYPE: Public Affairs—Education
CONTENT: Dramatization of the short story by the late Norwegian authoress Sigrid Undset

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PROGRAM: FACE THE NATION: Phoui Sananikone, Prime Minister of Laos
DATE: Sunday, October 25
TIME: 12:30–1:00 pm
TYPE: Public Affairs—Discussion
CONTENT: Interview on the Laotian situation by William R. Frye of the Christian Science Monitor, Chalmers Roberts of the Washington Post, and George Herman of CBS News

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PROGRAM: "Leonard Bernstein and The New York Philharmonic"
DATE: Sunday, October 25
TIME: 5:30–6:30 pm
TYPE: Entertainment—Serious Music
CONTENT: Hour concert, filmed in Moscow, by The New York Philharmonic with Leonard Bernstein conducting and commenting on the music, with brief appearances by Boris Pasternak, Dimitri Shostakovich, and Madame Prokofiev and a commentary by Joseph Welch on the responsibilities inherent in citizenship in his series "Message for Americans"

REVIEWS: *NEW YORK TIMES*—(*Jack Gould*), *October 26: "The orchestra's playing of the first movement of Dimitri Shostakovich's Seventh Symphony, which the composer was present to hear, was the highlight of the television hour. The power of the work itself and the close-ups of the Russian faces in the audience vividly attested to Mr. Bernstein's main point—that music is one inspired way to penetrate political curtains."*

NEW YORK WORLD-TELEGRAM & SUN—October 26: ". . . another brilliant hour for CBS."

VARIETY—(*Rose.*), *October 28: ". . . a gratifying, heartwarming experience . . . If at times the music seemed to elude the point, nonetheless the full-bodied exposition of the analogies was always fascinating . . . a filmed appearance of Joseph N. Welch from Independence Hall . . . was a timely reaffirmation of the responsibilities implicit in citizenship."*

NEW YORK DAILY NEWS—October 26: "There is so little good music on television that all discriminating viewers should welcome this series . . . It is both informative and inspiring."

NEW YORK HERALD TRIBUNE—(*Sid Bakal*), *October 26: ". . . fascinating documentary"*

NEW YORK DAILY MIRROR—October 26: "A superb musical program and a cogent instrument for better understanding."

PHILADELPHIA EVENING BULLETIN—October 26: ". . . a triumph of the brightest magnitude."

PHILADELPHIA INQUIRER—October 26: ". . . a thrilling performance"

UNITED PRESS INTERNATIONAL—October 26: ". . . a rewarding, capitivating hour . . . a video and audio treat."

CLEVELAND PRESS—October 26: ". . . peddling more than just music — Soviet American togetherness . . . I enjoyed the performance, but I didn't buy."

PROGRAM: ON THE GO
DATE: Monday, October 26
TIME: 10:30–11:00 am
TYPE: Entertainment—Talk
CONTENT: A visit to a Braille Institute to demonstrate how the blind become self-sufficient and useful citizens

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PROGRAM: ON THE GO
DATE: Wednesday, October 28
TIME: 10:30–11:00 am
TYPE: Entertainment—Talk
CONTENT: A visit to a unit of the Heart Foundation

PROGRAM: ON THE GO
DATE: Thursday, October 29
TIME: 10:30–11:00 am
TYPE: Entertainment—Talk
CONTENT: A visit with Lawrence Lipton, author, and a tour of the Los Angeles County Sheriff's office

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PROGRAM: LAMP UNTO MY FEET:
"They Do Not Arrest Pastors"
DATE: Sunday, November 1
TIME: 10:00–10:30 am
TYPE: Public Affairs—Religion
CONTENT: Contemporary drama about the campaign being waged in Communist East Germany against organized religion, with subsequent discussion by Dr. Arthur Repp of the Concordia Seminary of the Lutheran Church, St. Louis, Missouri

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PROGRAM: LOOK UP AND LIVE:
"No Man Is An Island"
DATE: Sunday, November 1
TIME: 10:30–11:00 am
TYPE: Public Affairs—Religion
CONTENT: A dramatic study of the need for better understanding in human relations
Note: This program, first presented in 1958, was repeated with a different cast, as part of a series commemorating five years of Protestant participation in the program

PROGRAM: U. N. IN ACTION
DATE: Sunday, November 1
TIME: 11:00–11:30 am
TYPE: Public Affairs—Discussion
CONTENT: David Ormsby-Gore, Minister of State for the United Kingdom; Dobrivoje Vidic, U. N. representative for Yugoslavia; and Ali Sastroamidjojo, U. N. representative for Indonesia, in a round-table discussion on world disarmament

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PROGRAM: CAMERA THREE:
"Why I Live at the P.O."
DATE: Sunday, November 1
TIME: 11:30–11:55 am
TYPE: Public Affairs—Educational
CONTENT: Dramatization of a Eudora Welty short story about an eccentric yet dignified Mississippi family

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PROGRAM: FACE THE NATION:
Senator Paul Douglas (D.-Ill.)
DATE: Sunday, November 1
TIME: 12:30–1:00 pm
TYPE: Public Affairs—Discussion
CONTENT: Interview about the economic effects of the nationwide steel strike, mounting unemployment and the problem of inflation by John Madigan of the Chicago American; Charles Mohr of Time Magazine; and Robert Pierpoint of CBS News

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PROGRAM: CONQUEST: "Mother Love"
DATE: Sunday, November 1
TIME: 5:00–5:30 pm
TYPE: Public Affairs—Documentary
CONTENT: The work of psychologist Dr. Harry F. Harlow and associates at the Primate Laboratory, University of Wisconsin, with films of experiments with baby rhesus monkeys demonstrating that an infant will accept any object as its mother, providing the object is soft and cuddly
REVIEWS: *NEWSDAY*—*November 2: ". . . fascinating study . . . 'Conquest' is off to a promising start."*

NEW YORK HERALD TRIBUNE—(*Marie Torre*), *November 2: "Instructive as well as thought-provoking."*

NEW YORK DAILY NEWS—(*Ben Gross*), *November 2: ". . . a fascinating documentary . . . Here is a first-rate science series, recommended to every discriminating viewer."*

NEW YORK TIMES—(*Jack Gould*), *November 2: ". . . an unusual and fascinating half hour . . . most worth while."*

NEW YORK WORLD-TELEGRAM & SUN—(*Harriet Van Horne*), *November 2: "The return of that fine CBS science show, 'Conquest,' proved it to us yesterday with a laboratory experiment some viewers—sentimentalists and monkey fanciers—may have found cruel and heartless."*

VARIETY—(*Art.*), *November 4: "A profound and fascinating topic, it was embraced in the kind of half-hour the CBS public affairs series might do well to survey again . . . Dr. Harlow was unduly professorial and that the consequent pedantry sounded shrill after a while."*

LONG ISLAND PRESS—*November 2: ". . . a fascinating half hour in which there were only two shortcomings: the program was too brief and the conclusions weren't too definite."*

THE REPORTER—*November 26: "If further 'Conquests' . . . are as enthralling as the one in which baby rhesus monkeys starred in a laboratory examination of mother love, put that entry down as compulsory Sunday viewing."*

PROGRAM: ON THE GO
DATE: Thursday, November 5
TIME: 10:30–11:00 am
TYPE: Entertainment—Talk
CONTENT: A visit to the Lark Ellen Home for Boys at Azusa, Calif.

PROGRAM: ON THE GO
DATE: Friday, November 6
TIME: 10:30–11:00 am
TYPE: Entertainment—Talk
CONTENT: A visit to a Child Observation class where mothers of pre-school children become aware of the nature and needs of their children

PROGRAM: LAMP UNTO MY FEET:
"Touch a Star"
DATE: Sunday, November 8
TIME: 10:00–10:30 am
TYPE: Public Affairs—Religion
CONTENT: Dramatized story of a cynical unemployed mill worker who wraps his woes in make believe dreams of the space age with subsequent discussion by Dr. Robert C. Johnson of the Western Theological Seminary, Pittsburgh, Pa., and moderator, Dallas Townsend of CBS News

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PROGRAM: LOOK UP AND LIVE:
"Catholicism in America"
DATE: Sunday, November 8
TIME: 10:30–11:00 am
TYPE: Public Affairs—Religion
CONTENT: First of this four part series traces the activity of the Catholic Church from the early explorers to the American Revolution

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PROGRAM: U. N. IN ACTION
DATE: Sunday, November 8
TIME: 11:00–11:30 am
TYPE: Public Affairs—Discussion
CONTENT: The progress of World Refugee Year, as discussed by Dr. Auguste R. Lindt, United Nations High Commissioner for Refugees, with moderator Larry LeSueur of CBS News

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PROGRAM: CAMERA THREE
DATE: Sunday, November 8
TIME: 11:30–11:55 am
TYPE: Public Affairs—Education
CONTENT: Author Farley Mowat describing the plight of Canada's diminishing tribe of Ihalmiut Eskimos

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PROGRAM: FACE THE NATION:
Senator George A. Smathers (D.-Fla.)
DATE: Sunday, November 8
TIME: 12:30–1:00 pm
TYPE: Public Affairs—Discussion
CONTENT: Interview about the impact of local elections on 1960 national elections and unrest in Central America by William H. Lawrence of The New York Times, William S. White of the

United Features Syndicate, and Russ Jones of CBS News

PROGRAM: CONQUEST:
"The Fallout Atom"
DATE: Sunday, November 8
TIME: 5:00–5:30 pm
TYPE: Public Affairs—Documentary
CONTENT: Special filmed report on a group of scientists at the Atomic Energy Commission's Argonne National Laboratory and their search to learn the effects of radiation on the human body

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PROGRAM: WOMAN!
"The Marriage That Failed"
DATE: Monday, November 9
TIME: 11:00–12:00 noon
TYPE: Public Affairs—Discussion
CONTENT: The major causes of marital failure and the community facilities available to help people solve those problems, as revealed by couples from Detroit and Toledo, and in discussions by Judge Paul Alexander, Toledo Family Court, Dr. Aaron Rutledge, President of the National Council of Family Relations, Dr. Katherine B. Greene, Wayne County Marriage Counselor, Dr. Emily Mudd, Director of Marriage Council of Philadelphia, Dr. Robert O. Blood, Jr., Professor of Sociology, University of Michigan and Dr. Harrison Sadler, Detroit psychiatrist, with Margaret Truman as hostess
REVIEWS: *NEW YORK DAILY MIRROR—November 10: "Some of the professional statements were platitudinous, but most of the advice and suggestions had merit ...Even though it was repetitious at times, 'The Marriage That Failed' was timely and important and alerted listeners to a better understanding of a grave problem. Every woman should have listened to this program."*

NEWSDAY—November 10: ". . . a top-flight offering, both for the information passed on and for the excellent way the data was presented . . . an extremely effective survey."

VARIETY—(Bill.), November 11: "Although the setups of couples and experts simply talking at the camera made the show necessarily static, the subject matter and its handling more than sustained interest throughout."

PHILADELPHIA INQUIRER—November 10: "Eminently worthwhile program"

PROGRAM: ON THE GO
DATE: Wednesday, November 11
TIME: 10:30–11:00 am
TYPE: Entertainment—Talk
CONTENT: A visit with a group of Mexican farm laborers who have come to Cucamonga,California,in search of work

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PROGRAM: LAMP UNTO MY FEET:
"Out of Faith"
DATE: Sunday, November 15
TIME: 10:00–10:30 am
TYPE: Public Affairs—Religion
CONTENT: Folk-singer Odetta, poet Langston Hughes and the Union Baptist Church Choir of Montclair, N. J., in a program of Negro spirituals

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PROGRAM: LOOK UP AND LIVE:
"The Decisive Years"
DATE: Sunday, November 15
TIME: 10:30–11:00 am
TYPE: Public Affairs—Religion
CONTENT: Part II of "The American Catholic Story," depicting the religious atmosphere of the 19th Century in America when Catholic immigrants suffered at the hands of bigots

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PROGRAM: U. N. IN ACTION
DATE: Sunday, November 15
TIME: 11:00–11:30 am
TYPE: Public Affairs—Discussion
CONTENT: The steady evolution of the African bloc of nations, as discussed by Alex Quaison-Sackey, U. N. Ambassador from Ghana, Charles T. O. King, U. N. Ambassador from Liberia, and Sir Andrew Cohen, British representative to the U. N. Trusteeship Council

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PROGRAM: CAMERA THREE:
"Five Families"
DATE: Sunday, November 15
TIME: 11:30–11:55 am
TYPE: Public Affairs—Education
CONTENT: Dramatic presentation of a chapter from "Five Families," a study of Mexican poverty by anthropologist Oscar Lewis

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PROGRAM: FACE THE NATION: Herve Alphand,French Ambassador to the U.S.
DATE: Sunday, November 15
TIME: 12:30–1:00 pm
TYPE: Public Affairs—Discussion
CONTENT: Interview about the Western Summit Conference, Khrushchev meeting with de Gaulle, and France's nuclear bomb tests in the Sahara by Warren Rogers, Jr. of the New York Herald Tribune, Peter Lisagor of the Chicago Daily News, and Howard K. Smith of CBS News

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PROGRAM: CONQUEST: "The World of TB"
DATE: Sunday, November 15
TIME: 5:00–5:30 pm
TYPE: Public Affairs—Documentary
CONTENT: Filmed at Rockefeller Institute in New York, Dr. Rene Dubos conducts Red Schoendienst, Milwaukee Braves baseball player who has recovered from TB, and host Charles Collingwood, on a tour of the laboratory explaining what science is doing to understand and conquer the disease
REVIEW: *VARIETY—(Hift), November 18: ". . . not only brought to light a lot of interesting and enlightening facts about TB, it was also visually exciting."*

PROGRAM: ON THE GO
DATE: Tuesday, November 17
TIME: 10:30–11:00 am
TYPE: Entertainment—Talk
CONTENT: A visit with some Los Angeles youths who have records of delinquency to discover reasons for the delinquency problem

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PROGRAM: ON THE GO
DATE: Wednesday, November 18
TIME: 10:30–11:00 am

TYPE: Entertainment—Talk
CONTENT: A visit to the All Nations Boys Club, a group seeking to cut the delinquency rate in a Los Angeles slum area

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PROGRAM: ON THE GO
DATE: Thursday, November 19
TIME: 10:30–11:00 am
TYPE: Entertainment—Talk
CONTENT: A visit to "Synanon," an organization devoted to the rehabilitation of dope addicts

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PROGRAM: ON THE GO
DATE: Friday, November 20
TIME: 10:30–11:00 am
TYPE: Entertainment—Talk
CONTENT: A visit to South El Monte, Calif., for information on how children are entertained by group activities conducted by the citizens of the community

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PROGRAM: LAMP UNTO MY FEET: "Mary, Mother of God"
DATE: Sunday, November 22
TIME: 10:00–10:30 am
TYPE: Public Affairs—Religion
CONTENT: A dramatic narration of the life of the Virgin, illustrated by reproductions of old masters, and accompanied by a cappella group directed by Walter Farrell, singing music of the 14th and 15th Century; with a subsequent discussion by Rev. Anselm Burke of Transfiguration Priory, Tarrytown, N. Y., Robert Rambusch of the American Benedictine Academy, and moderator Dallas Townsend of CBS News

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PROGRAM: LOOK UP AND LIVE: "An American Catholic Shrine"
DATE: Sunday, November 22
TIME: 10:30–11:00 am
TYPE: Public Affairs—Religion
CONTENT: Part III of the series, "The American Catholic Story." On-the-scene coverage of dedication ceremonies of the National Shrine of Our Lady of the Immaculate Conception, Washington, D. C.

PROGRAM: U. N. IN ACTION
DATE: Sunday, November 22
TIME: 11:00–11:30 am
TYPE: Public Affairs—Discussion
CONTENT: The fast-growing problems of outer space, as discussed by Oscar Schachter, a member of the United Nations legal department and Larry LeSueur of CBS News

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PROGRAM: CAMERA THREE: "Thomas Hardy"
DATE: Sunday, November 22
TIME: 11:30–11:55 am
TYPE: Public Affairs—Educational
CONTENT: Part I of a two-part series on Thomas Hardy and his unique position as a Victorian novelist and a modern poet: his significance as a novelist revealed by dramatized scenes from "The Mayor of Casterbridge" and "Far From The Madding Crowd"

PROGRAM: FACE THE NATION: Governor Nelson Rockefeller (N. Y.)
DATE: Sunday, November 22
TIME: 12:30–1:00 pm
TYPE: Public Affairs—Discussion
CONTENT: Interview about possible candidacy for President, recent trip through Western U. S. and current national and international issues by William H. Lawrence of The New York Times, Kirt King of United Press International and Walter Cronkite of CBS News

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PROGRAM: "Leonard Bernstein and The New York Philharmonic"
DATE: Sunday, November 22
TIME: 5:00–6:00 pm
TYPE: Entertainment—Music
CONTENT: Hour concert, filmed in Venice, by The New York Philharmonic with Leonard Bernstein conducting and commenting on the music of Wolfgang Amadeus Mozart, and with Joseph Welch offering a commentary on the importance of education in our way of life in the second of his series, "Message for Americans"

REVIEWS: *NEWSDAY—November 23: "Although the quality of the film was pretty poor, the music and Bernstein's lecture managed to transcend the technical limitations."*

VARIETY—(Gros), November 25: ". . . an intelligently conceived program that split education and entertainment values for top results."

LONG ISLAND PRESS—(B. S.), November 23: ". . . another edifying guided tour . . . could be enjoyed even by the less advanced in music appreciation."

NEW YORK WORLD-TELEGRAM & SUN—November 23: ". . . another brilliant hour (CBS). Better music and better talk have never been combined in a single hour."

NEW YORK TIMES—(Jack Gould), November 23: "Although the sound track of the film was not of an ideal technical standard, the hour was still one of the best in a consistently rewarding series offered by the conductor and the New York Philharmonic."

NEW YORK HERALD TRIBUNE—(Sid Bakal), November 23: ". . . the lecture was generally talkier and more technical than his previous discourses in the same vein. The over-all hour, however, was certainly worthwhile and an interesting addition to television's cultural picture."

NEW YORK DAILY NEWS—November 23: "An outstanding program"

NEW YORK HERALD TRIBUNE—(John Crosby), November 25: ". . . one of those rare treats that this barbaric capitalist culture isn't supposed to offer its downtrodden citizens . . . Bernstein spoke of Mozart with that sweeping facility of phrase and mastery of his subject that are his trademarks. I wish, though, he'd get over the professorial interrogative, 'Why Mozart?' cries Bernstein at the opening. Then he proceeds to answer his own question. Stylistically, this has become a very bad habit and I wish he'd cut it out or at least down . . . But these are tiny flaws; otherwise, it was an exalted hour of music."

PROGRAM: ON THE GO
DATE: Monday, November 23

TIME: 10:30–11:00 am
TYPE: Entertainment—Talk
CONTENT: A visit to Orlando, Fla., for a barbecue for Cerebral Palsy children

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PROGRAM: ON THE GO
DATE: Friday, November 27
TIME: 10:30–11:00 am
TYPE: Entertainment—Talk
CONTENT: A visit to a Citizenship School where people from all over the world are instructed on what it means to be an American

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PROGRAM: LAMP UNTO MY FEET: "Monday on 48th Street"
DATE: Sunday, November 29
TIME: 10:00–10:30 am
TYPE: Public Affairs—Religion
CONTENT: Contemporary drama about a conflict between moral values and business practices, with subsequent discussion by the Rt. Rev. Arthur Lichtenberger, Presiding Bishop of the Protestant Episcopal Church and Dr. George Crothers of CBS News

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PROGRAM: LOOK UP AND LIVE: "Today and Tomorrow"
DATE: Sunday, November 29
TIME: 10:30–11:00 am
TYPE: Public Affairs—Religion
CONTENT: Part IV of a four-part historical review "The American Catholic Story" in the United States

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PROGRAM: U. N. IN ACTION
DATE: Sunday, November 29
TIME: 11:00–11:30 am
TYPE: Public Affairs—Discussion
CONTENT: The proposed U. N. debate on Hungary as discussed by Sir Leslie Munro, U. N. special representative on the Hungarian situation with Larry LeSueur of CBS News

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PROGRAM: CAMERA THREE: "Winter Words"
DATE: Sunday, November 29
TIME: 11:30–11:55 am
TYPE: Public Affairs—Education
CONTENT: Thomas Hardy's significance as a poet; Part II of a two-part series devoted to a writer who was a Victorian novelist and modern poet

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PROGRAM: FACE THE NATION: Chandra S. Jha, India's Ambassador to the U. N.
DATE: Sunday, November 29
TIME: 12:30–1:00 pm
TYPE: Public Affairs—Discussion
CONTENT: Interviewed about the Hungarian question, disarmament, and India's border dispute with Red China by William R. Frye of the Christian Science Monitor, Peter Lisagor of the Chicago Daily News, and Howard K. Smith of CBS News

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PROGRAM: CONQUEST: "The Bottom of the Sea"
DATE: Sunday, November 29
TIME: 5:00–5:30 pm
TYPE: Public Affairs—Discussion
CONTENT: Part I of a two-part report, filmed on-the-scene of a plunge to the ocean floor by the U. S. Navy bathyscaphe, "Trieste," off the coast of California
REVIEWS: *NEWSDAY—November 30: ". . . science-fact at its documentary best."*

VARIETY—(Horo), December 2: ". . . interesting pictorial study"

PROGRAM: ON THE GO
DATE: Friday, December 4
TIME: 10:30–11:00 am
TYPE: Entertainment—Talk
CONTENT: A visit with women in Los Angeles, California who are facing the problem of desertion by their husbands

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PROGRAM: LAMP UNTO MY FEET: "A Lady Protests"
DATE: Sunday, December 6
TIME: 10:00–10:30 am
TYPE: Public Affairs—Religion
CONTENT: Drama of a young wife's struggle to overcome alcoholism, with subsequent discussion by Mrs. Marty Mann, founder and executive director of the National Council of Alcoholism, and Dr. George Crothers of CBS News

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PROGRAM: LOOK UP AND LIVE: "The Maccabees"
DATE: Sunday, December 6
TIME: 10:30–11:00 am
TYPE: Public Affairs—Religion
CONTENT: First of a three-part series telling the story of the Jewish holiday, Chanukah, or The Feast of Lights

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PROGRAM: U. N. IN ACTION
DATE: Sunday, December 6
TIME: 11:00–11:30 am
TYPE: Public Affairs—Discussion
CONTENT: Current U. N. problems discussed by three U. N. Ambassadors: C. S. Jha, of India, Jerzy Michalowski of Poland and Frederick H. Boland of Ireland, with moderator Larry LeSueur of CBS News

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PROGRAM: "A Salute to the American Theatre"
DATE: Sunday, December 6
TIME: 11:30–12:30 pm
TYPE: Entertainment—Drama
CONTENT: A special hour-long star-studded program devoted to the theme of freedom and anti-discrimination in the theatre, featuring excerpts from twelve outstanding dramatic and musical plays
REVIEWS: *NEWSDAY—December 7: ". . . may not have succeeded totally in showing how the stage contributed to the themes of freedom and antidiscrimination, but the excerpts from hits of the past and present sure whetted a viewer's appetite for more."*

NEW YORK DAILY MIRROR—(Nick Kenny), December 7: ". . . excellent public affairs presentation . . ."

NEW YORK TIMES—(John P. Shanley), December 7: ". . . a glorious tribute to the American theatre. It was an exceptional program containing excerpts from stage

works with ideas that normally would be regarded as too provocative for the TV screen . . . This was a taped show that should be repeated at a time when more viewers can see it . . . It was an hour of significant television, offering not only superior drama but also a reminder of the importance of the theatre as a force against the disease of prejudice."

VARIETY—(*Gilb*). *December 9:* "*Broadway's many contributions to the cause of freedom of expression and anti-discrimination were ably compressed into an hour long 'Salute to the American Theatre'.*"

PROGRAM: FACE THE NATION:
Senator John C. Stennis (D.-Miss.)
DATE: Sunday, December 6
TIME: 12:30–1:00 pm
TYPE: Public Affairs—Discussion
CONTENT: Interview on the effect of new defense budget on missile programs by William H. Lawrence of The New York Times, Warren Duffee of the United Press International, and George Herman of CBS News

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PROGRAM: CONQUEST: "The Bottom of the Sea: The Deep Search"
DATE: Sunday, December 6
TIME: 5:00–5:30 pm
TYPE: Public Affairs—Documentary
CONTENT: Second in a two-part series devoted to a plunge to the ocean floor off San Diego, California by the Navy bathyscaphe, "Trieste"

PROGRAM: LAMP UNTO MY FEET:
"The People Called Methodists"
DATE: Sunday, December 13
TIME: 10:00–10:30 am
TYPE: Public Affairs—Religion
CONTENT: The history of the founding and growth of the Methodist religion narrated by Bishop Donald Harvey Tippett of San Francisco and U. S. Representative John Brademas (D.-Ind.), with music by The Choir of the South Church, Manchester, Connecticut

PROGRAM: LOOK UP AND LIVE:
"The Lights"
DATE: Sunday, December 13
TIME: 10:30–11:00 am
TYPE: Public Affairs—Religion
CONTENT: Part II of a three-part series commemorating the Jewish festival of Chanukah, the Feast of Lights

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PROGRAM: U. N. IN ACTION
DATE: Sunday, December 13
TIME: 11:00–11:30 am
TYPE: Public Affairs—Discussion
CONTENT: Former President Harry S. Truman discussing the evolving role of the U. N. as an instrument for world understanding

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PROGRAM: CAMERA THREE:
"Save the Hay For Winter"
DATE: Sunday, December 13
TIME: 11:30–11:55 am
TYPE: Public Affairs—Education
CONTENT: Dramatization of a selection of Polish political satires expressing the bewilderment and despair of the people under the Communist regime

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PROGRAM: FACE THE NATION:
Senator Thruston B. Morton (R.-Ky.)
DATE: Sunday, December 13
TIME: 12:30–1:00 pm
TYPE: Public Affairs—Discussion
CONTENT: Interview on Republican politics by James Reston, chief Washington correspondent of The New York Times, Arthur Sylvester of the Newark News, and Charles von Fremd of CBS News

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PROGRAM: CONQUEST:
"Hypnosis: Science or Witchcraft"
DATE: Sunday, December 13
TIME: 5:00–5:30 pm
TYPE: Public Affairs—Documentary
CONTENT: A film visit to Harvard University Medical School, with Dr. Martin T. Orne and his associates demonstrating their advanced scientific research into hypnotism

PROGRAM: ON THE GO
DATE: Tuesday, December 15
TIME: 10:30–11:00 am
TYPE: Entertainment—Talk
CONTENT: A visit with a three-year-old child, born deaf, who is now able to speak as a result of help from the Hear Foundation of Los Angeles, California

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PROGRAM: WOMAN! "You Can't Raise Children by the Book"
DATE: Wednesday, December 16
TIME: 4:00–5:00 pm
TYPE: Public Affairs—Discussion
CONTENT: The many conflicting theories on child raising, with segments of the program filmed at Yale's Child Study Center and the Gesell Institute of Child Development, and comments by many authorities, including Dr. Benjamin Spock, author of many books on child care, Dr. Milton Senn, Director of the Yale Child Study Center, Dr. Louise Bates Ames, Director of Gesell Institute, Dr. L. Joseph Stone, Chairman of the Department of Child Study at Vassar, with Patrice Munsel as the hostess

REVIEWS: *NEW YORK WORLD-TELEGRAM & SUN*—(*Harriet Van Horne*), *December 17:* "*The program really didn't take on color and interest until we had Biff alone with the experts at the renowned Yale Child Study Center. Here, for the first time, we seemed to get the 'pure culture' of the child's personality . . . Must a documentary have so many 'home movie' scenes? Is creative imagination taboo when you're making a program for the ladies?*

"*A disturbed little boy, groping his way to understanding, is a challenging subject. One hopes CBS will take another look at it some day.*"

NEWSDAY—(*Barbara Delatiner*), *December 17:* "*A little more attention to Mrs. Russell's own personal problems, which seemed to affect her attitudes toward Biff, might have given the study more depth. But despite this limitation, the program, narrated by Patrice Munsel, who was a bit overdressed in her plunging neckline gown, was first-rate dramatized docu-*

mentary fare. Shall we all start book-burning bonfires now?"

NEW YORK DAILY NEWS—*December 17: "There was a lot of talk, much analysis, some of it both intelligent and revealing."*

TV GUIDE—*December 19: ". . . inconclusive but fascinating"*

PROGRAM: ON THE GO
DATE: Thursday, December 17
TIME: 10:30–11:00 am
TYPE: Entertainment—Talk
CONTENT: A visit with a reformed alcoholic who is now helping in the rehabilitation of other alcoholics

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PROGRAM: "Cantata of St. Nicholas"
DATE: Sunday, December 20
TIME: 10:00–11:00 am
TYPE: Public Affairs—Christmas Special
CONTENT: Performance of Benjamin Britten's Cantata from Riverside Church in New York City

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PROGRAM: U. N. IN ACTION:
"The United Nations Singers"
DATE: Sunday, December 20
TIME: 11:00–11:30 am
TYPE: Public Affairs—Christmas Special
CONTENT: Staff members of the United Nations in a program of traditional Christmas songs from their native lands

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PROGRAM: CAMERA THREE
DATE: Sunday, December 20
TIME: 11:30–11:55 am
TYPE: Public Affairs—Education
CONTENT: Daniel Lang in a discussion of his writings on how individual lives are affected by the Atomic Age

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PROGRAM: FACE THE NATION: Jawaharlal Nehru, Prime Minister of India
DATE: Sunday, December 20
TIME: 3:00–4:00 pm
TYPE: Public Affairs—Discussion
CONTENT: Interviewed about the President's trip, China and the population explosion by A. T. Steele of the New York Herald Tribune, Philip Potter of the Baltimore Sun, and Daniel Schorr of CBS News (Program taped in New Delhi)
REVIEW: THE CHRISTIAN SCIENCE MONITOR *December 22: ". . . we only wish there were more programs like CBS's 'Face the Nation' interview with Prime Minister Nehru. At one point in this extraordinary hour-long look into Mr. Nehru's thinking, the Indian Prime Minister remarked that President Eisenhower's visit was 'a moving experience' that created 'deeper bonds . . . than any kind of thing you might put down on paper.' This characterizes somewhat our feeling about the TV interview with Mr. Nehru. It showed the man in action, thinking out loud about a wide range of problems. It showed his mobile personality, his deep emotional commitment to free parliamentary institutions, and, through his words, the problems and aspirations of the Indian people. It showed them with great effectiveness, since they could never quite be put down on paper exactly as they were conveyed visually. This is the kind of 'live and in color' work at which TV really excels. Our compliments to the chef."*

PROGRAM: "The Year Gone By"
DATE: Sunday, December 20
TIME: 4:00–5:00 pm
TYPE: Public Affairs—Discussion
CONTENT: Part I of a two-part forum examining America's achievements in the arts, sciences and humanities during 1959 hosted by Garry Moore
REVIEWS: NEW YORK JOURNAL-AMERICAN —*December 21: ". . . intelligent, informative analysis"*

NEW YORK TIMES—*(John P. Shanley), December 21: "While the hurried digest produced a few random notes of interest, the whole necessarily was rather superficial."*

NEW YORK HERALD TRIBUNE—*(Marie Torre), December 21: ". . . an informative, if not comprehensive, report, which was cramped by the attempt to cover too many subjects in so little time; conversely, too little time for so many subjects."*

NEWSDAY—*(Barbara Delatiner), December 21: "It was a perfect example of how not to attract audiences to the 'better' things in television life. Only the most dedicated students of intellectual affairs—and TV critics—could have possessed the patience to sit through this ponderous, inept and painfully-dull hour."*

VARIETY—*(Herm.), December 23: ". . . attempted much and accomplished little . . . Since there was no central focus on the show, the random talks added up to an intellectual blur smeared over with platitudes about public 'rights' and 'responsibilities.' "*

NEW YORK WORLD-TELEGRAM & SUN—*(Harriet Van Horne), December 21: "As year-end roundups go, this one was uncommonly interesting."*

PROGRAM: CONQUEST:
"The Voice of the Insect"
DATE: Sunday, December 20
TIME: 5:00–5:30 pm
TYPE: Public Affairs—Documentary
CONTENT: The story of how modern science is constantly developing new weapons for man in his eternal struggle against the insect world, showing experiments conducted by Dr. R. C. Busnel of The National Institute of Agricultural Research in Paris, and by Dr. Edward S. Hodgson of Columbia University

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PROGRAM: ON THE GO
DATE: Monday, December 21
TIME: 10:30–11:00 am
TYPE: Entertainment—Talk
CONTENT: A visit to Rancho San Antonio in Chatsworth, California, a home for teenage boys who are the victims of faulty environment or parental breakup

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PROGRAM: ON THE GO
DATE: Wednesday, December 23

TIME: 10:30–11:00 am
TYPE: Entertainment—Talk
CONTENT: A visit to "Girls' Town" in Arlington, California, where 80 girls from separated families make their home

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PROGRAM: "Christmas Tree Lighting Ceremony"
DATE: Wednesday, December 23
TIME: 5:00–5:30 pm
TYPE: Public Affairs—Talk
CONTENT: President Eisenhower lighting the National Community Christmas Tree on the White House lawn and reviewing his recent trip in his Christmas message to the Nation

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PROGRAM: ON THE GO
DATE: Friday, December 25
TIME: 10:30–11:00 am
TYPE: Entertainment—Talk
CONTENT: A visit to the California Institution for Women in Corona, California, where Santa Claus is played by a woman serving a life sentence

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PROGRAM: LAMP UNTO MY FEET: "A Twig Shall Grow"
DATE: Sunday, December 27
TIME: 10:00–10:30 am
TYPE: Public Affairs—Religion
CONTENT: Special broadcast originating in the Touro Synagogue, Newport, R.I., in observance of Chanukah, the Jewish Feast of Lights, with Robert Frost, poet, speaking on the meaning of freedom in America and joining Rabbi Theodore Lewis of the Touro Synagogue in a discussion of the early contributions made to our nation's colonial culture by American Jewry

PROGRAM: LOOK UP AND LIVE: "Chanukah Festival"
DATE: Sunday, December 27
TIME: 10:30–11:00 am
TYPE: Public Affairs—Religion
CONTENT: Third and final program in a three-part series, depicting the story of how the annual Jewish Feast of Lights is celebrated by Jewish communities in various parts of the world

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PROGRAM: U. N. IN ACTION
DATE: Sunday, December 27
TIME: 11:00–11:30 am
TYPE: Public Affairs—Discussion
CONTENT: Mrs. Eleanor Roosevelt in a discussion of the origin and present significance of United Nations Human Rights Day

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PROGRAM: CAMERA THREE: "The Toys of Peace"
DATE: Sunday, December 27
TIME: 11:30–11:55 am
TYPE: Public Affairs—Education
CONTENT: Dramatization of two short stories by H. H. Munro (Saki)

PROGRAM: FACE THE NATION: Senator Estes Kefauver (D.-Tenn.)
DATE: Sunday, December 27
TIME: 12:30–1:00 pm
TYPE: Public Affairs—Discussion
CONTENT: Interviewed on possible candidacy for President and hearings on excessive profits in "wonder drugs" industry by Robert Roth of the Philadelphia Bulletin, Warren Duffee of United Press International, and Charles von Fremd of CBS News

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PROGRAM: "The Year Gone By"
DATE: Sunday, December 27
TIME: 4:00–5:00 pm
TYPE: Public Affairs—Discussion
CONTENT: Second of two-part program examining America's achievements in the arts, sciences and humanities in 1959
REVIEWS: *NEW YORK DAILY NEWS*—(*Ben Gross*), *December 28: "pertinent analysis"*

NEW YORK WORLD-TELEGRAM & SUN—(*Harriet Van Horne*), *December 28: "...a sharp falling-off from last week's fine beginning."*

NEWSDAY—(*Barbara Delatiner*), *December 28: "A fairly interesting session . . . Garry Moore was great handling both his questioning and commenting chores."*

PROGRAM: CONQUEST: "The Landing Barrier"
DATE: Sunday, December 27
TIME: 5:00–5:30 pm
TYPE: Public Affairs—Documentary
CONTENT: A visit to the Forrestal Research Laboratory at Princeton University, where Dr. David Hazen and other aerodynamicists are striving to slow down the landing speeds of the fastest aircraft

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PROGRAM: ON THE GO
DATE: Monday, December 28
TIME: 10:30–11:00 am
TYPE: Entertainment—Talk
CONTENT: A visit to the "Bar None Club" organized by ex-convicts

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PROGRAM: ON THE GO
DATE: Thursday, December 31
TIME: 10:30–11:00 am
TYPE: Entertainment—Talk
CONTENT: A visit with Harry Holt, who is responsible for bringing Korean War orphans of mixed blood to the United States for adoption

30 Annual Report to the Stockholders of Columbia Broadcasting System, Inc.

CBS 1960

1960 Annual Report to
the Stockholders of
Columbia Broadcasting
System, Inc.
For the Fiscal Year ended
December 31, 1960

CONTENTS

The 1961 Annual Meeting of Stockholders of Columbia Broadcasting System, Inc., will be held on Wednesday, April 19, at 10 A.M., in CBS Television Studio 50 at 1697 Broadway, New York City.

To the Stockholders:

The highest net sales in the 33-year history of Columbia Broadcasting System, Inc., 5 per cent above 1959 levels, were reached in 1960. Net income for the year was the third highest in CBS history, having been exceeded only in 1958 and 1959.

Detailed financial reports begin on page 25, and a ten-year financial summary appears on pages 30 and 31. The table below shows the key financial data for 1960 as compared with 1959.

	1960	1959
Net Sales	$464,598,318	$444,311,357
Net Income	23,235,074	25,267,187
Net Income per Share	2.77	3.02*

**Adjusted for Stock Dividend*

Cash dividends of $1.40 per share were paid in 1960, compared with $1.25 in 1959. A stock dividend of 3 per cent was paid on December 19, 1960. (A stock dividend of 3 per cent was also paid in December 1959.)

Divisional Highlights. Although each Division President reports on the operations of his Division in the following pages, there were some highlights which deserve special attention.

CBS News attained a new high in the proportion of the total programming it provided the CBS Radio and Television Networks. By the end of the year the Division's news, public affairs, and sports programs accounted for approximately 55 per cent of the CBS Radio Network schedule, and approximately 15 per cent of the CBS Television Network schedule. (See page 4.)

The CBS Television Network attracted the largest audiences in television for the sixth consecutive year, and for the seventh consecutive year ranked as the world's largest advertising medium. (See page 5.)

Four out of the five CBS Owned television stations were first in their communities in audience and in sales. The fifth was first in sales and fluctuated between first, second, and third in a close three-way circulation race. (See page 6.)

William S. Paley (right), Chairman of the Board, and Frank Stanton, President, at scene of first debate between the Presidential candidates, which was broadcast from Studio 1, CBS Chicago, on September 26.

Larger audiences were drawn to advertising messages by the CBS Radio Network than by any other radio network; and the seven CBS Owned radio stations increased their advertising revenues. (See page 7.)

The highest sales volume in its history was achieved by Columbia Records. The Division maintained its dollar sales leadership in the record industry and introduced new products and new marketing techniques. (See page 8.)

Due primarily to industry-wide price cutting and reduction of customers' inventories, CBS Electronics sales fell short of the year's goals, with the result that the Division operated at a loss. A greatly expanded research and development program was launched by the Division. (See page 9.)

Additional research and development facilities were acquired by CBS Laboratories. The Division also increased its scientific and engineering staffs. (See page 10.)

Sales of CBS International were the highest in its history. (See page 10.)

International Operations. Two wholly owned foreign holding companies were organized in 1960: CBS COLUMBIA SA, and CBS AUSTRALIA PTY. LTD. CBS COLUMBIA SA is the parent corporation of CBS Europe (Zurich) and CBS Limited (London). CBS AUSTRALIA PTY. LTD. acquired the entire equity in Australian Record Company, Ltd., and all of its subsidiaries.

Of the eight CBS Divisions seven operate internationally, and prospects for increased earnings from these overseas operations, particularly in television programming and phonograph records, are promising.

New Facilities. CBS' continuous growth has long put a strain on its physical facilities. In 1960 several significant steps were taken to solve this problem. Foremost among these was the announcement of a new CBS headquarters building in New York. To be located in one of Manhattan's most rapidly developing centers, on the Avenue of the Americas between 52nd and 53rd Streets, the building, which will reflect CBS' position of leadership, will be designed by Eero Saarinen & Associates. One of the most versatile and imaginative architects of our time, Eero Saarinen has been responsible for such outstanding buildings as the General Motors Technical Center, the Kresge Auditorium at the Massachusetts Institute of Technology and the U. S. Embassies in Oslo and London. Among his current projects are the TWA terminal at Idlewild, the Dulles International Airport, and the Lincoln Center Repertory Drama Theatre.

All WCBS and network radio broadcasting activities in New York City, except network news, were centered for the first time in a single CBS Owned building. This involved the transfer of central controls, the rebuilding of two studios, and the construction of new tape studios and other facilities. Remote control equipment was completed during the year at six of the seven CBS Owned radio stations. New transmitter buildings were finished at KNX Los Angeles and planned for WCBS New York.

A new manufacturing plant for Columbia Records was completed and put into operation in Pitman, New Jersey. CBS Electronics opened a new semiconductor plant in Lowell, Massachusetts, and also a feeder plant for its electron tube operations in North Windham, Maine—facilities designed to reduce unit costs and add production capacity in promising product lines.

Employees' Stock Purchase Plan. At the 1960 Annual Meeting, Stockholders authorized an Employees' Stock Purchase Plan under which eligible employees can become stockholders through payroll savings and contributions by CBS. More than 41 per cent of eligible employees have become participants in this Plan.

Management Announcements. Clarence H. Hopper was appointed President of the CBS Electronics Division, and was elected to the Board of Directors. Mr. Hopper had been corporate Vice President—Facilities.

Richard S. Salant was appointed President of the CBS News Division. Mr. Salant had been corporate Vice President—Corporate Affairs.

Henry C. Bonfig, formerly Vice President—Marketing Services, became a Consultant.

The increasing importance of news and public affairs programming was reflected in the establishment of the *CBS News Executive Committee.* Its purpose is to achieve a closer working relationship between the broadcasting divisions and the CBS News Division, which creates the news and public affairs programs supplied them. It has authority over the networks' scheduling of CBS News programs and is responsible for policies and operations of the CBS News Division. The Committee is composed of the Chairman of the Board, the President of CBS, the Presidents of CBS News, CBS Radio, CBS Television Network, and CBS Television Stations.

William J. Fennessy was elected Assistant Controller, and Walter P. Rozett Assistant Treasurer.

We record with deep regret the death of H. Leslie Atlass, who, for many years, had been Vice President of CBS Radio's Central Division. At the time of his retirement on January 1, 1960, Mr. Atlass was Vice President and General Manager of WBBM and WBBM-TV Chicago. He was a principal owner of WBBM when CBS purchased the majority interest in the station in 1929.

Section 315. In the 1960 Presidential campaign broadcasting was permitted to make far greater use of its capacities to inform the electorate than ever before. Four times the two major party candidates appeared in history-making joint appearances and discussed the leading issues.

This was made possible by a Congressional resolution (S. J. Res. 207) suspending, for the 1960 Presidential campaign only, the equal time requirements of Section 315 of the Communications Act. The CBS Radio and Television Networks, in joining in the broadcast of these "debates," realized CBS' long sought objective of presenting Presidential candidates in something more than prepared speeches. One or more of these joint appearances was seen or heard by 115 million Americans. There was general agreement among the press, political commentators, and statesmen that these discussions added a vitally needed new dimension to political campaigns.

Since the legislation making these debates practicable was only temporary, however, similar appearances of future candidates will be foreclosed unless additional legislation is enacted. CBS is actively seeking such legislation.

CBS Foundation. Through CBS Foundation Inc., the Columbia Broadcasting System continued its support of philanthropic activities in the areas in which it has stations or other facilities, and also its support of educational and cultural institutions throughout the nation. As in the past, eight electronic journalism fellowships were provided at Columbia University; and 19 other universities received grants.

A noteworthy pledge made in 1960 was one of $150,000 to The Museum of Modern Art in New York to assist in the circulation of a number of distinguished art exhibitions to all parts of this country and Canada. Because the main areas of CBS activities—radio, television, recorded music—are directly related to the arts, CBS obviously has a special interest in the cultivation of a society sensitive to the best in all the arts. Like the community grant of $100,000 pledged to the Lincoln Center for the Performing Arts, this gift reflects a conviction that the arts play a vital role in shaping our society and should share substantially in modern corporate giving programs.

Outlook. The slowdown which characterized business activity generally during the last half of 1960 prevented CBS from achieving the volume of sales which would have provided profits equal to or better than those for the previous year. The economy, however, is expected to rise to new high levels during the last half of 1961, and if this occurs we are confident that our sales and profits will be higher in 1961 than they were in 1960.

WILLIAM S. PALEY, *Chairman of the Board*
FRANK STANTON, *President*

February 10, 1961

CBS News

The CBS News Division produces approximately 55 per cent of the new CBS Radio Network schedule, and approximately 15 per cent of the CBS Television Network schedule.

The most significant programming development of 1960 was the marked expansion of CBS News participation in the prime time evening schedule of the CBS Television Network. Sponsors continued to show increasing interest in news and public affairs programs, but the costs of such programs still greatly exceeded their revenues. The deficits were met by the CBS Radio and Television Networks in the fulfillment of their responsibilities toward a better informed nation.

The Division's most productive year was marked by intensive coverage of events, including the election year story; the extraordinary United Nations General Assembly session; the U-2 incident; the collapse of the Summit Conference in Paris; President Eisenhower's trips to South America and the Far East; the development of the new African nations; President de Gaulle's trips to the United States and Algeria; Princess Margaret's wedding; and the Summer and Winter Olympics.

Joint Appearances. CBS News produced the first of the four Kennedy-Nixon broadcast joint appearances, making a reality of the objective—long sought by CBS—of bringing the major Presidential candidates face-to-face before the nation's television and radio audiences. Both the CBS Radio and Television Networks broadcast each of the "debates." On television alone an average of 71,000,000 Americans witnessed these historic broadcasts.

Other News Coverage. To cover the political conventions, CBS News assigned a staff of 275 correspondents, reporters and technicians. Direct coverage of the sessions totaled 55 hours for television and 43 for radio. Excluding politics, the largest reporting effort came when a staff of 48 covered Nikita Khrushchev's arrival for the UN session. Intensive special coverage was provided for two catastrophes—the aircraft collision over New York City, and the *USS Constellation* fire. At year's end, CBS News foreign correspondents came home for "Years of Crisis," an hour-long broadcast on which they reviewed and analyzed the year's events.

"Eyewitness to History" became the first 30-minute weekly nighttime television news program, covering the week's top stories, frequently within hours after their occurrence.

Regularly scheduled news programs produced for the CBS Television Network and WCBS-TV New York totaled 56 per week. "Douglas Edwards with the News," completed its 13th year.

Regularly scheduled news programs produced for the CBS Radio Network totaled 122 a week. For these, and for the nightly "In Person" and the weekly "Background," 25-minute programs of news sidelights and analysis launched during 1960, 42 correspondents furnished 6500 on-the-scene reports.

Public Affairs Programs. The full-hour "CBS Reports" series won ten major awards and solidified its influential role in electronic journalism. The series included "The Year of the Polaris," "Lippmann on Leadership," "Harvest of Shame," "Money and the Next President," and "The Great Holiday Massacre." Immediately after the elections "Face the Nation" was shifted to Mondays, 10:30 to 11 pm, EST, for the remainder of 1960. In 1961 it was scheduled to alternate with "CBS Reports" on Thursdays, 10 to 11 pm, EST. During 1960, "Face the Nation" presented many distinguished national and international figures.

CBS News introduced a new approach to informational television with a pre-election special, "The Right Man," a review of Presidential campaigns told in song and vignette.

"Presidential Countdown" kept pace with the campaign, providing insight into the character of the major Presidential and Vice-Presidential candidates. Each was presented in a full 30-minute interview. Another CBS News informational highlight was the "Tomorrow" series which probed the effect of recent technological advances.

In its fourth season, "The Twentieth Century," one of the most honored documentary series in television, shifted its focus from history to current affairs with such topics as "Japan's Changing Face," and a study of air traffic safety problems.

Also included in the CBS News television schedule were the two religious series, "Lamp Unto My Feet" and "Look Up and Live." "Church of the Air" continued on the CBS Radio Network.

Thirty-two news feature programs were added to the expanded CBS Radio Network's weekly informational schedule, including "Your Man in Paris," "A Woman's Washington," "Week in Space," and "Report from Moscow." "Capitol Cloakroom" and "The Leading Question" presented public figures and issues throughout the year. "Invitation to Learning" went into its 21st year of broadcasts on great literature.

Sports. CBS News provided the sports highlight of the year with exclusive television coverage of the Winter Olympics at Squaw Valley and the Summer Olympics in Rome. Altogether, the Sports Department produced 315½ hours of programming for television and 86½ hours for radio. "Sports Spectacular," a new 13-week series of 90-minute programs, was devoted to sports not usually seen on television.

CBS Newsfilm. CBS Newsfilm, the leading television news syndication service, now covers all major domestic markets, 38 cities in 27 foreign countries, and is seen in more than 62,000,000 homes—or two out of three television homes throughout the world.

Executive Appointment. Blair Clark was appointed General Manager and Vice President of the Division.

Outlook for 1961. CBS News' goal for 1961 is better and more meaningful reporting of an increasingly complex world in which accurate, interesting, and fair reporting and public information have become a prerequisite to survival. CBS News enters the year 1961 resolved to achieve fresh means by which to increase the public's capacity better to understand and appraise the urgent facts – so that the public can both guide and respond to our national leadership quickly and intelligently.

RICHARD S. SALANT, *President*
CBS News Division

CBS Television Network

In a year when the CBS Television Network presented its most balanced schedule of entertainment, news, and public affairs programs, it continued to maintain a position of leadership in both audience and revenue. Sales showed a healthy improvement over 1959 and were 11 per cent over any other network's. The CBS Television Network attracted the largest audiences for the sixth consecutive year and ranked as the world's largest advertising medium for the seventh consecutive year.

Network Facilities. By the close of 1960 the Network was affiliated with 258 television stations: 206 in the United States, 48 in Canada, and one each in Bermuda, Guam, Mexico, and Puerto Rico.

At the end of the year, 39 stations were participating in the Network's Extended Market Plan (EMP), which enables stations in small markets to share in national network advertising and their audiences to benefit by improved program service. Sales to these stations were up 30 per cent over 1959 sales, and in a typical week the average EMP station carried 25 hours of network programming.

Programs. In 1960, as it has for the last five years, the CBS Television Network averaged the largest audiences in television. Indeed, the Network achieved leadership in every major entertainment programming category – drama, comedy, variety, and action.

This audience leadership was achieved with the most balanced program schedule in network television—a schedule in which no single program category dominated. It included fewer program series of action-adventure and devoted more time to comedy, drama, variety, news, and public affairs than any other network. The result has been to provide a schedule that appealed to the widest possible range of public tastes and interests.

The success of this philosophy is indicated by the fact that more people watched the new programs introduced in the Fall of 1960 on the CBS Television Network than on any other. Indeed, five of the "top ten" new shows were presented on this Network: "The Andy Griffith Show," "Checkmate," "Candid Camera," "The Tom Ewell Show," and "Pete and Gladys."

The Network also continued to serve a great variety of tastes and interests with its diversified schedule of entertainment specials. Fifty-seven of these were broadcast in 1960—more than in any other previous year. They featured such outstanding stars as Desi Arnaz, Lucille Ball, Harry Belafonte, Jack Benny, Sid Caesar, Art Carney, Maurice Chevalier, Jackie Gleason, Phil Silvers, and Red Skelton.

The year opened with a noteworthy production of "The Fabulous Fifties," with Julie Andrews, Shelley Berman, Betty Comden and Adolph Green, Jackie Gleason, Rex Harrison, Mike Nichols and Elaine May, Eric Sevareid, and Dick Van Dyke. The "DuPont Show of the Month" continued to present distinguished television plays including Sinclair Lewis' "Arrowsmith," Robert Louis Stevenson's "Treasure Island," Sidney Kingsley's "Men in White," and Edith Wharton's "Ethan Frome," which starred Julie Harris and Sterling Hayden. In October, Danny Kaye appeared in his first entertainment special on television. And in December, the holiday showing for the third consecutive year of the much loved film "The Wizard of Oz" was another memorable television event.

This year the Network introduced "Family Classics," a series of dramatizations of great literature. Two classics were presented in the Fall: "The Scarlet Pimpernel" and "The Three Musketeers." Each of the programs was broadcast in two one-hour parts on successive nights.

For the third consecutive year, performances by the New York Philharmonic and its conductor Leonard Bernstein were broadcast in two important music-with-commentary series for young and adult audiences. In the Spring, the Network presented a special "festival" of four full-hour musical programs. They included Agnes De Mille's "Gold Rush," a performance by The Philadelphia Orchestra conducted by Eugene Ormandy, a program devoted to "American Soloists," and another devoted to "Folk Sound—USA."

Because 1960 was the year of the Presidential election and the Olympics, as well as a year in which the travels of world leaders made news, the Network presented an unprecedented total of 765 hours of news and public affairs programming, including such distinguished programs as "CBS Reports," "Eyewitness to History," "Face the Nation," and "The Twentieth Century."

The Network's daytime audiences in 1960 were the highest in its history. Three new daytime shows were introduced during the year: "Video Village," a new audience participation program, and "The Clear Horizon" and "Full Circle," two daytime dramatic series. "Captain Kangaroo," continued to win many awards as the best children's program on television and attracted increasing advertising support as well.

Under the supervision of Albert McCleery and such guest producers as Robert Herridge, the "CBS Television Workshop" produced a full schedule of experimental programs each Sunday during the Spring and Fall seasons. The "Workshop" aided in the development of new television writing, acting, and directing talent both through seminars and the actual weekly production of programs.

Executive Appointments. Merritt Coleman was appointed Vice President and Business Manager, Talent and Contract Properties—Hollywood; William C. MacPhail, Vice President, Sports; Hunt Stromberg, Jr., Vice President, Program Development—Hollywood.

Outlook for 1961. With the evolution of a three network rivalry, 1961 promises to be one of the most competitive years the CBS Television Network has faced. Nevertheless, this Division looks forward to a highly satisfactory year—and one in which audiences and advertisers alike will benefit from a program schedule that reflects the full range of television's capacity to inform, to inspire, and to provide the best of the world's entertainment.

JAMES T. AUBREY, JR., *President*
CBS Television Network Division

CBS Television Stations

The CBS Television Stations Division embraces non-network CBS Television operations, including the five CBS Owned television stations, CBS Television Spot Sales, CBS Films Inc., and foreign subsidiary corporations engaged in television activities. It is also responsible for corporate international investments and consultation activities in the television broadcast field. In 1960 the Division's net sales increased substantially over the previous year's.

CBS Owned Television Stations. The CBS Owned stations—WCBS-TV New York, KNXT Los Angeles, WBBM-TV Chicago, WCAU-TV Philadelphia, and KMOX-TV St. Louis—increased their non-network billings by 13 per cent, and their national non-network sales increased at double the rate for the industry as a whole. As a group, the stations continued to attract a larger combined audience than that of the nearest competing stations in their markets. They were watched in 1960 by more than 32 million different viewers each week.

The five stations devoted almost $14 million worth of time and facilities to non-network public affairs broadcasting, receiving 41 awards and citations during the year for outstanding community service programming. In addition to expanded regular schedules of such programs, there were hour-long community-interest specials in prime evening time, station editorials, programs discussing viewers' opinions, and an inter-city exchange of informational shows of common community interest. A noteworthy innovation was the scheduling of a regular program on WBBM-TV reviewing the printed press.

On June 30, KMOX-TV presented St. Louis' educational station KETC with $75,000 in cash and equipment, enabling this non-profit station, on the verge of being forced to black out its signal, to continue operations.

CBS Television Spot Sales. This organization, which serves as the national sales representative for the five CBS Owned stations and five CBS Television Network affiliates, showed a 12 per cent sales increase over 1959, substantially higher than the rate of increase for the industry.

As the result of an FCC ruling preventing sales representation of independently-owned CBS Television Network affiliated stations after December 31, 1961, CBS Television Spot Sales is making the transition which will result in exclusive and more vigorous sales efforts for the CBS Owned stations after the deadline.

CBS Films Inc. This subsidiary of Columbia Broadcasting System, Inc. distributes various CBS film products, including CBS Newsfilm, Terrytoons cartoons for television, and certain CBS Television Network Programs. In addition, CBS Films Inc. produces and distributes a limited amount of its own television programming.

In 1960 three new film series were released for syndication sales, and a fourth was sponsored on the CBS Television Network.

Through nine domestic sales offices and 15 international representatives, more than 60 program series were distributed. Foreign sales of programs were 30 per cent higher than in 1959, with sales being made for the first time in such widely-separated places as Brazil, Hong Kong, Haiti, and the United Arab Republic. A total of more than 1100 CBS program half hours, in more than a dozen languages, were broadcast weekly in 40 countries outside the United States.

Newsfilm, a CBS News product, was sold in 27 countries, reaching three out of four television homes throughout the non-Communist world.

Terrytoons. This Division of CBS Films Inc. produces cartoon films for theatres and television. Eighteen theatrical cartoons were completed during the year for world-wide distribution by Twentieth Century-Fox Film Corporation. Filmed commercials were produced for 16 clients. Three Terrytoons program series appeared on the CBS Television Network, and two others were syndicated by CBS Films, including the immediately successful "Deputy Dawg" series.

One theatrical cartoon, "The Minute and ½ Man," received a Bronze Award at the 12th International Exhibition of Films for Children in Venice, Italy.

International Operations. The rapid expansion of television abroad provided the Division with opportunities for foreign expansion in 1960.

PROARTEL, a production company formed by CBS and Latin American interests, constructed and equipped modern television studios in Buenos Aires, the second-largest city in the Western Hemisphere. Commercially successful since its inauguration on October 1, PROARTEL provides sales and program services to Channel 13, a new Buenos Aires station, and expects eventually to furnish program product and consultation services to television stations to be established in the Argentine interior. A similar production company in which CBS has an interest provided sales and program services throughout 1960 to Channel 13 in Lima, Peru.

Under an agreement signed in September, which will extend over a period of several years, CBS has been providing advice and assistance to Freies Fernsehen GmbH, the organization which is expected to furnish programming to the new West German television network. This television network of 29 stations will serve West Germany's 53 million people.

A mutual assistance understanding was negotiated with Radio-Televisione Italia, the national television system in Italy. Other opportunities were in varying stages of exploration.

Outlook for 1961. The CBS Owned stations group again looks forward to increased sales and a predominant competitive position. CBS Television Spot Sales will continue to earn a substantial share of spot television advertising appropriations in the markets of its represented stations. CBS Films Inc. foresees increased sales at home and abroad. The Division expects to make further international investments and consultation agreements wherever conditions are favorable.

In sum, the Division anticipates another excellent year.

MERLE S. JONES, *President*
CBS Television Stations Division

CBS Radio

In 1960, U. S. radio ownership reached the record figure of 146.4 million sets, or three per family, with 10 million additional sets in public places. Industry sales for the year totaled an estimated 18 million sets, an 18 per cent rise over 1959 radio set sales.

CBS Owned radio stations attracted larger local advertising investments than in recent years, and CBS Radio Network sales showed an improvement over 1959 sales despite unfavorable national business conditions in the last half of the year.

CBS Radio Network. Throughout the year the Network drew larger audiences to advertising messages than any other radio network.

A major development was the adoption of modifications in the two-year-old Program Consolidation Plan (PCP) at the Annual Convention in September of stations affiliated with the CBS Radio Network, attended by the largest representation of stations in seven years. Modifications did not affect the basic financial relationship between the Network and stations. Rather, the changes, worked out jointly by the Network and stations, concerned Network programming emphasis. To meet changing listening tastes, serial drama and other entertainment forms that no longer attracted broad interest were withdrawn. News and informational programs, for which demand has grown increasingly strong, were given new importance in the Network schedule.

Programs. Notable among the PCP modifications, which took effect November 28, 1960, was the initiation of ten-minute Network news on the hour to cover events in greater detail than was possible in the former five-minute format. Also added were 19 informational features on a variety of subjects, broadcast throughout the week, and ten sports shows on weekends.

Earlier in the year, a new program starring Bing Crosby and Rosemary Clooney joined the popular weekday line-up which includes Arthur Godfrey, Art Linkletter, and Garry Moore. Another innovation was the Monday-through-Friday evening series, "In Person," with Ron Cochran interviewing people in the news. These programs continue in the new schedule, along with "The Mitch Miller Show," "Gunsmoke," and "Yours Truly, Johnny Dollar." Also unchanged are the Network's outstanding presentations of symphony concerts, major sports events, public affairs programs, and special broadcasts. In 1960 the latter totaled 216.

Among other highlights of the year were the Democratic and Republican Conventions and election night returns, sponsored by Westinghouse, the 15 hour-long "Jazz Festival" broadcasts for the Studebaker-Packard Corporation, and the sixth consecutive "Christmas Sing With Bing" presented by the Insurance Company of North America.

Technical Advances. A new electronic device, the CBS Radio NetALERT, was developed by the Network and CBS Laboratories. NetALERT, an important advance over previous signaling systems, instantaneously alerts affiliated stations to news bulletins and special programs, and can summon station executives to duty at any hour, day or night, in the event of major news or a national emergency.

Modernization and consolidation of the Network central control unit was completed. This New York installation, considered the most complete and efficient unit of its kind in the world, increased broadcast fidelity and effected substantial operating economies.

CBS Owned Radio Stations. In 1960 work was completed on remote control equipment at six of the seven CBS Owned radio stations. The new equipment permits operation of transmitters from studio locations with resultant savings in operating costs. A new transmitter building at KNX Los Angeles was completed. Plans for a new WCBS New York transmitter were approved and work was begun. In November approval was secured from the Federal Communications Commission for KMOX-FM St. Louis. With this addition, each of the seven CBS Owned radio facilities is now authorized for both FM and AM operation.

CBS Owned Station Programs. The all-night program, "Music 'til Dawn," began its eighth year under American Airlines sponsorship on five CBS Owned stations. An outstanding development of 1960 was the launching of "Dimension," a new concept in program service which was applauded by industry observers. "Dimension" presents people in the arts, sciences, government, and business in informal radio vignettes designed to fit smoothly into local programming.

The CBS Owned radio stations again served their communities with distinctive programming of their own origination. WCBS New York, in cooperation with New York University, developed "The College Career Clinic," which received special attention in the press and local schools; KNX Los Angeles featured in its year-long public affairs effort "The Image of America," later broadcast on other CBS Owned stations; WBBM Chicago continued its unique presentation of American history in music with "Songs of Our Politics," heard on the Network; WCAU Philadelphia featured "Anatomy of Freedom," in four parts, subsequently broadcast by the other stations; WEEI Boston commemorated the 40th anniversary of women's suffrage with "The Woman Who Won," tapes of which were given to the Library of Congress; KMOX St. Louis attracted increased audiences with its unprecedented feature, "At Your Service," which concentrates on information and eliminates music between 12 noon and 7 pm CST, weekdays; KCBS San Francisco supplemented its adult-opinion series with "Student Viewpoint," a weekly platform for high school students' views.

The CBS Owned radio stations expanded their policy of editorializing on matters of local interest, earning praise from community leaders and listeners. A total of 163 editorials were presented.

Executive Appointment. George M. Perkins was appointed Vice President, Network Programs.

Outlook for 1961. On the basis of the year's vigorous program activity, and major improvements in facilities, the Division looks forward to increasing radio leadership in 1961.

ARTHUR HULL HAYES, *President*
CBS Radio Division

Columbia Records

Columbia Records maintained its sales leadership in the phonograph record industry throughout 1960, achieving the highest volume in its history. The Division expanded every phase of its operations, added new products, introduced new marketing concepts, and was successful in its diversification program.

New Products and Marketing. Columbia Records' newest merchandising innovation was the Home Music Library, a sales program for home marketing of a basic record library, a specially prepared encyclopedia, and a stereophonic phonograph. Meeting with extraordinary success in preliminary tests, the Home Music Library program is gradually being extended to provide nationwide coverage.

At year's end Columbia Records prepared to launch "Panorama," a new subscription service of the Columbia Record Club, the world's largest record club. An exciting new device for home entertainment and education, Panorama provides a film projector, a monthly package of 32 single-frame colorslides, a handsomely illustrated, authoritative book, and a companion 33⅓ rpm record which describes with sounds and music the subject of the slides. Members are offered four subject categories: Travel, Art, Nature and Science, and an omnibus program with selections from all three. Many distinguished personalities will be heard on the records including Charles Boyer, Vincent Price, and Walter Cronkite.

A significant move to stabilize and simplify record retailing was Columbia Records' seven-inch 33⅓ rpm Single record. Introduced in mid-Summer, this record was subsequently adopted by all of the major record companies, thus pointing the way to the more convenient and profitable use of one speed—33⅓ rpm – for all recordings, both albums and singles.

Custom Products. The Transcription Department, newly titled Columbia Record Productions, was reorganized and expanded. Its Custom Record operation made important advances in pressing for private labels. An outstanding achievement was the negotiation of a one year contract with the U. S. government to produce recorded material for all federal agencies. A Special Products operation was organized to develop sales of diversified products and services—including premiums and promotions, electrical transcriptions, and studio services.

International Expansion. The Australian Record Company, a wholly-owned subsidiary, was added to Columbia Records' growing international organization. The headquarters and facilities of Columbia Records' Canadian subsidiary were expanded.

Hits. Columbia Records again recorded Broadway's biggest hits—"Bye Bye Birdie," "Irma La Douce," and "Camelot," which opened with the largest advance ticket sales in theatre history. In its first month on the market "Camelot" album sales surpassed 200,000.

Conductor-arranger Percy Faith's "Theme From A Summer Place" reached the million copy sales mark, the fourth of his records to do so. The Brothers Four, a new folk song group, acquired popular status with a hit recording, "Greenfields." Another of the year's best-sellers was the late Johnny Horton's "North to Alaska."

The multimillion sales of their albums brought capacity audiences to singer Johnny Mathis and conductor-arranger Ray Conniff on their first cross-country concert tours. Mitch Miller's "Sing Along" album series continued to be the most successful in record industry history. Albums such as "Ride This Train" and "More Gun Fighter Ballads," by singers Johnny Cash and Marty Robbins, respectively, also became best-sellers.

Serious Music. Three major musical associations were renewed with Columbia Records. Long term contracts were signed with Leonard Bernstein, the New York Philharmonic, and The Philadelphia Orchestra with Eugene Ormandy. Octogenarian conductor Bruno Walter continued to devote himself to recording a treasury of great orchestral works including the complete symphonies of Brahms.

As in past years, Columbia Records recorded works by distinguished American composers including Charles Ives' Second Symphony, and Aaron Copland's opera "The Second Hurricane," both performed by Leonard Bernstein and the New York Philharmonic.

American history was chronicled on a new Columbia Legacy Series album, "The Revolution," presenting in music, sounds, words, and pictures the early history of the Republic.

Epic Records. This second label marketed by the Columbia Records Division introduced a novel series of albums of instruction and entertainment: "Anyone Can Play The Harmonica," "Joe Williams Shows You How To Bowl Your Best," and "Anyone Can Play Bongos." Its classical catalog continued to present an international roster of great artists and orchestras, including The Cleveland Orchestra, conducted by George Szell, the Amsterdam Concertgebouw Orchestra, the American pianist Leon Fleisher, and the Belgian violinist Arthur Grumiaux.

Facilities. New manufacturing facilities at Pitman, New Jersey, began operation, adding to the production of existing plants in Connecticut, California, and Indiana.

Executive Appointments. Norman A. Adler was appointed Executive Vice President; William S. Bachman, Vice President, Research and Development; Peter de Rougemont, Vice President, Latin and South American Operations; William P. Gallagher, Vice President, Columbia Records Sales Corp.; Kenneth D. Glancy, Vice President and General Manager, Columbia Record Distributors, Inc.; William F. Grady, Vice President, Manufacturing; Deborah Ishlon, Vice President, Creative Services; Cornelius F. Keating, Vice President and General Manager, Columbia Record Club, Inc.; and Albert C. Simonson, Vice President, Sales Promotion, Columbia Record Club, Inc.

Outlook for 1961. Sales of the record industry continue to rise at a growth rate exceeding that of total recreational spending. Through new repertoire, new products, and new marketing techniques, the Division looks forward confidently to increased growth and sales.

GODDARD LIEBERSON, *President*
Columbia Records Division

CBS Electronics

Intensive domestic and foreign competition, drastic industry-wide price reductions, and the tightening of customers' inventories affected the Division as a whole; cancellation or shift of emphasis in many government contracts proved especially injurious to semiconductor sales. Despite these factors, sales of CBS Electronics' products were impressive in many military and industrial fields, although they fell far short of the goals set for the year.

To meet increasing competition and bring the Division's sales up to their projected levels, the Division has already effected changes in management, organization, research and development, facilities, and products.

Products. A wealth of improved products for data processing, military, and space programs were introduced during the year. These included in semiconductors: diffused silicon diodes, precision alloyed fast-switching transistors, and the most complete line of high-powered transistors available; in electron tubes: specialized tubes for instrumentation and communication which employ the advanced techniques of ultra-high resolution cathode ray and secondary electron emission; in microelectronics: microminiature circuits for electronic computers far smaller than the printed circuits they will replace; in audio components: microphones, tone arms, and stereophonic phonograph cartridges.

Finally, the electronic equipment section, formerly maintained solely for internal requirements, has initiated a program to supply military contractors and other manufacturers with various types of testing equipment. This appears to be an area where the electronic skills of the Division can be utilized to develop additional business.

Facilities. The new $5 million semiconductor plant in Lowell, Massachusetts, designed by Minoru Yamasaki and Associates, was completed and occupied late in the year. Considered to be the finest in the industry, its many unique manufacturing innovations will increase component reliability while lowering production costs. The additional 160,000 square feet of space will enable the Division to triple its semiconductor production capacity. A feeder plant was opened in North Windham, Maine, to produce sub-assemblies for the electron tube operation. The production of audio components was centralized in one of the Newburyport, Massachusetts, locations. Parts finishing operations for electron tubes were centralized at Danvers, Massachusetts.

Research and Development. It is almost an axiom in the electronics industry that future growth depends upon research and development. In December CBS Electronics research and development activity was intensified. Programs formerly concentrated in the Danvers and Newburyport plants were transferred to CBS Laboratories, which was already engaged in semiconductor and other research activities for the Division. This move was made to take further advantage of the Laboratories' superb scientific staff and facilities. It is also designed to provide immediate and significantly increased research and development support both for present products and for those of the future.

Engineering activities associated with present product design and development will continue to be performed at CBS Electronics.

Columbia Phonographs. In 1960 Columbia Phonographs completed its second full year of operation as a department of CBS Electronics.

In June a complete new line of merchandise was introduced. Top quality and excellent value were emphasized rather than confusing gadgets. Two new portable tape recorders, one fully transistorized, were introduced, along with a new line of console and portable phonographs, and transistorized and plug-in radios.

Since the introduction of the new product lines, expansion of the field marketing organization and improved channels of distribution have accounted for a marked sales increase for the last six months of 1960 as compared with 1959. This increase considerably exceeded the industry sales pattern.

A remarkable new stereo turret cartridge, developed by CBS Laboratories as a part of the CBS Electronics research and development program with CBS Laboratories, will be exclusively featured in the 1962 line of Columbia Phonographs to be introduced this June. Besides its excellent sound reproduction qualities the new cartridge will feature innovations long required but not previously available.

Energetic advertising and sales promotion programs undertaken in 1960 considerably improved the market potential of the Columbia Phonograph Department's products.

Reorganization. A separate industrial distributor sales group was established as a further step in improving the Division's position to take advantage of the growing volume of business done by distributors with industrial customers. A program of "Total Reliability" was instituted to take advantage of, and to reinforce, the CBS reputation for quality. Military sales activities were strengthened, and a Newark, New Jersey distribution center was opened to increase service facilities in the metropolitan New York market.

Consolidation of various service departments previously decentralized within the semiconductor and electron tube operation was effected. A vigorous program of cost reduction and realignment within the Division was put into effect late in 1960.

Outlook for 1961. Diversification into new electronic fields will continue. Expansion of product lines, increased efficiency through automation, greatly expanded research and development, and more aggressive marketing and distribution activities will spark the Division's drive to meet domestic and foreign competition.

CLARENCE H. HOPPER, *President*
CBS Electronics Division

CBS Laboratories

CBS Laboratories had an eventful year in 1960. Important projects progressed from the prototype stage to the production stage. The Division expanded its facilities and increased its staff 25 per cent. It acquired a major part of the CBS Electronics Division's expanded research and development program – a move which further demonstrated the advantage of a close working relationship between the research and development facilities of the Laboratories and the manufacturing and marketing facilities of CBS Electronics.

Electronic Semiconductors. In September a new Electronics Semiconductor Research Department was established to serve primarily as the research and development arm of the CBS Electronics Division's semiconductor operations. This department is concentrating on microelectronics, on highly reliable semiconductor components for computers, and on new basic technology for the economical mass production of such devices.

Acoustics and Magnetics. One of the Laboratories' most interesting contributions in 1960 was the development of the NetALERT system for the CBS Radio Network. With NetALERT the Network can communicate instantaneously with each of its affiliated stations, whether they are on or off the air, for the first time in broadcasting history. The system works by superimposing a series of almost inaudible pulses over the regular programming lines. When the NetALERT receiver picks up these pulses a signal light flashes, a number designating the urgency of the alert lights up on the receiving panel, and a buzzer sounds. Local programming can thus be interrupted for important bulletins or major news breaks.

A new phonograph cartridge and two types of ceramic microphones were also produced by the Acoustics and Magnetics Department.

Electron Tubes. The Electron Tube Department develops and manufactures photomultiplier and special purpose cathode-ray tubes which have many applications in industrial and space research. Among its contributions during the year was a new Line Scan Tube which generates an image 30 times brighter than conventional scanning tubes. The tube's life span, normally only a few minutes, has been increased to more than 1000 hours.

Military and Industrial Systems. A number of "Photoscan" systems were designed for reconnaissance missions for the Army and the Navy. Photoscan is unique in that it works equally well with cameras that record photographic, radar, or infrared intelligence.

The first production models of the VIDIAC (*V*isual *I*nformation *DI*splay *A*nd *C*ontrol) character generator were delivered to Thompson Ramo Wooldridge for inclusion in a major defense communications system.

Solid-State Physics. The Solid-State Physics Department's major research areas are solid-state materials and devices, electron and ion beams, and solid lubricants. Among the products developed during the year were: ball bearings which function in the vacuum of space, as well as in the atmosphere, making possible a significant reduction in the size and weight of airborne power supplies; and highly purified compounds for photoconductors of superior characteristics.

Educational Television. The Laboratories' most recent contribution to the television art is narrow-band television. This new technique makes it possible to compress two television channels into a frequency spectrum now required for one. A system incorporating this technique has been developed by CBS Laboratories, and operating equipment is now being built for the Midwest Council on Airborne Television Instruction.

Outlook for 1961. Research and development is the key to the basic discoveries and new products of the challenging age of electronics, now entering its second decade. In the 1960's the skilled scientific staff and superb facilities of CBS Laboratories, while continuing to serve industry and government, will be increasingly devoted to the expanding requirements of CBS operating divisions.

PETER C. GOLDMARK, *President*
CBS Laboratories Division

CBS International

In the field of foreign trade 1960 was a critical year. Former top markets for finished goods were tightly restricted or lost altogether—Venezuela and Cuba for example. For the first time imports of radio receiving tubes, principally from Japan, exceeded exports of tubes made in the United States. On the other hand, it was also a year in which the British Commonwealth countries opened their doors—a crack—to American products in the "luxury" category.

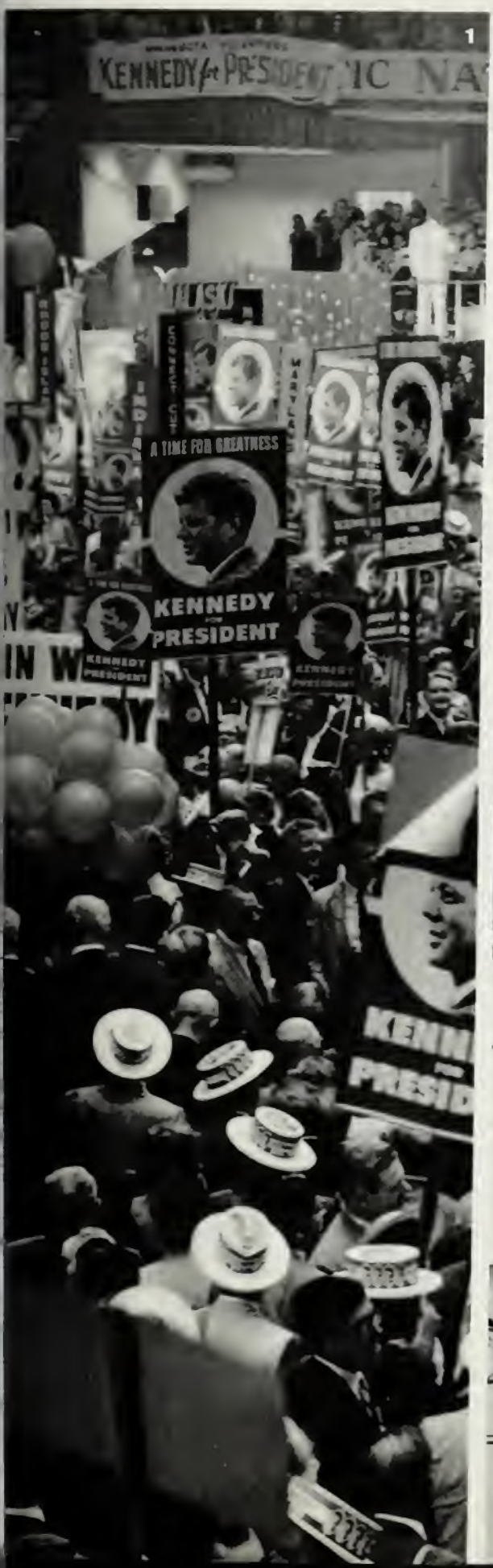
Sales. CBS International felt the pinch of Japanese competition in the field of radio receiving tubes, sold all over the world at prices far below the U. S. industry's. Sales of the Division's television picture tubes, however, made up to a great extent for this loss. The industry change-over to 19-inch and 23-inch tubes caught most foreign plants unprepared, and CBS International was able to supply these new tubes in large quantities to South America and Europe. Sales of other products, such as records, phonographs, tape, broadcast equipment, and appliances, held up well. Receipts from royalties, moreover, were at a new high, and gains were also made in the sale of kits for television sets. As a result of these factors sales for the year exceeded the high levels of 1958 and 1959, reaching an all time high for the Division.

Facilities. The picture tube plant in Buenos Aires, in which CBS owns an interest, was completed and pilot production started in December. Full production is planned in 1961.

Outlook for 1961. With new television stations opening up in many areas, sales of broadcast equipment, picture tubes, and television kits and parts, should show gains in the year ahead. Royalties from television sets and picture tubes produced under our licenses are also expected to increase.

LEWIS GORDON, *President*
CBS International Division

CBS News



1 Delegates demonstrated wildly when Senator John F. Kennedy was nominated for the Presidency at the Democratic National Convention in Los Angeles. CBS News sent 275 newsmen and technicians, 15 tons of broadcasting equipment, to both conventions. **2** Decathlon-winner Rafer Johnson puts the shot at the Summer Olympic Games in Rome. Both the Summer Games, and the Winter Olympics from Squaw Valley, California, were exclusively televised on the CBS Television Network. **3** The distinguished political columnist Walter Lippmann made his first television appearance on the "CBS Reports" program "Lippmann on Leadership." **4** Edward R. Murrow and the skipper of the ballistic missile submarine *George Washington* in a scene from "The Year of the Polaris," a "CBS Reports" award-winner.

1 India's Prime Minister Jawaharlal Nehru and Defense Minister V. K. Krishna Menon at the opening of the 15th General Assembly Session of the United Nations in New York. **2** Correspondents and couriers mingle at CBS News election headquarters in Studio 65, New York City, for the election night report on the voting for President and other national and state offices. **3** At year's end foreign correspondents returned to the U.S. for the 11th annual "Years of Crisis" broadcast on which they reviewed and analyzed the year's eventful news. **4** Broadcasting history: The first face-to-face encounter on radio and television between the two major candidates for the Presidency took place in the studios of WBBM-TV Chicago on September 26. **5** A scene from the Winter Olympics at Squaw Valley in February. **6** Migrant workers in "Harvest of Shame," the "CBS Reports" study of migrant farm labor.

CBS Television Network

1 Stars of "The Fabulous Fifties" line up at rehearsal. The two-hour musical, dramatic, comic, and photographic revue focused on the memorable events and personalities of the past decade. **2** Harry Belafonte starred in an unusual musical special that portrayed the character and excitement of New York's West Side. **3** "Gunsmoke" continued to reign as the nation's most popular television series. **4** "Candid Camera" starred Arthur Godfrey, who participated as an ice cream vendor in one of its first sequences. The series uses hidden cameras to capture people's reactions to unusual and surprising situations.

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1 Julie Harris and Sterling Hayden starred in Edith Wharton's "Ethan Frome," a moving "Show of the Month" production. **2** "The Andy Griffith Show" ranked as the most popular of all the new series introduced on television last Fall. **3** Danny Kaye gave a memorable performance in his first entertainment special on television. **4** Ed Sullivan continued to search the world for the best in entertainment. He is seen here with some of Japan's famed Takarazuka dancers who were featured exclusively on his show. **5** "Family Classics" brought "The Scarlet Pimpernel" to home screens with a two-part production starring Michael Rennie, Maureen O'Hara, and Zachary Scott. **6** Television's favorite clown, Red Skelton, had another successful year with his own show, also appeared on two specials. **7** Jack Benny, appearing weekly for the first time in his television career, gave several violin "recitals" and kept his audiences laughing even when he just stood and stared.

CBS Television Stations

1 New York's Governor Nelson A. Rockefeller discusses his political plans with newsman Charles Shaw on WCAU-TV's weekly series "Eye on Philadelphia." **2** WBBM-TV Chicago cameraman films an actual heart operation for the special one-hour documentary "Four Seasons," which traced the effect of recent scientific and medical advances upon the four medical "seasons" of life—infancy, adolescence, maturity, and senescence.

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1 "Survival," presented by KNXT Los Angeles, showed school children taking cover during simulated atomic attack. The hour-long documentary assessed their chances of survival. **2** This bronze medal was awarded Terrytoons Division of CBS Films at the 12th International Exhibition of Films in Venice for its theatrical cartoon "The Minute and ½ Man." **3** Petite Annie Fargé and Marshall Thompson starred in the CBS Films Series "Angel," seen on the CBS Television Network. **4** Averell Harriman and interviewers as they appeared on the WCBS-TV weekly series "New York Forum." Gov. Harriman was questioned on his fact-finding trip to West Africa. **5** Gretchen Wyler did a 1920's flapper number on the WCBS-TV one-hour tribute to Broadway—"Broadway, I Love You." **6** KMOX-TV's "Alone in Its Greatness," with Vincent Price, Mimi Benzell, Earl Wrightson, and the St. Louis Municipal Opera Company, traced the history of the Opera.

CBS Radio

1 In May CBS Radio Network listeners heard an exclusive, live broadcast from Paris—the three-hour Khrushchev press conference on the failure of the Summit meeting. **2** The New York Philharmonic, shown here under the baton of Leonard Bernstein, began its 31st consecutive concert season on the Network. Early in the year more than 12,000 letters were received from listeners who urged continuation of these broadcasts. **3** Arthur Godfrey and Garry Moore, Network weekday regulars, are shown during a visit by Moore to "Arthur Godfrey Time."

Columbia Records

1 Ex-Yankee star Jerry Coleman joined the CBS Radio Network in 1960, broadcasting ten sports shows every weekend. 2 CBS News Correspondent Nancy Hanschman, shown interviewing Senator Kennedy, was heard weekdays on "A Woman's Washington," one of 19 new Network features. 3 World traveler Lowell Thomas completed his sixth successive year of Monday-through-Friday news sponsored by a division of General Motors. 4 Edward R. Murrow returned to the air in a new Sunday program, "Background," which explored the week's news in depth. 5 Bing Crosby and Rosemary Clooney joined the Network's weekday line-up of star personalities.

1 Johnny Mathis, whose Columbia album sales nu ber in the millions, drew capacity audiences on a tionwide concert tour. 2 Eugene Ormandy, who c ducted The Philadelphia Orchestra in a series of tinguished recordings for Columbia, also appea in "Playback," a five-minute television program p duced and sponsored by Columbia Records. 3 Col bia recorded Broadway's biggest hits includ "Camelot" with Richard Burton and Julie Andre The stars are shown here with composer Freder Loewe and author-lyricist Alan Jay Lerner. 4 C ductor Mitch Miller's "Sing Along" albums comp the best-selling album series in record industry tory. 5 Conductor-arranger Ray Conniff re-crea his best-selling Columbia albums on a cross-coun concert tour—"Concert in Stereo." 6 Versatile Le ard Bernstein was recorded in three different ro conductor, pianist, and narrator. 7 Conduct arranger Percy Faith's recording of "Theme Fro Summer Place" topped the million copy sales m 8 In 1960 Columbia Records saluted violinist Is Stern on his 25th anniversary as a concert ar 9 The Brothers Four, a folk song group, acqui popular status with their hit recording "Greenfiel

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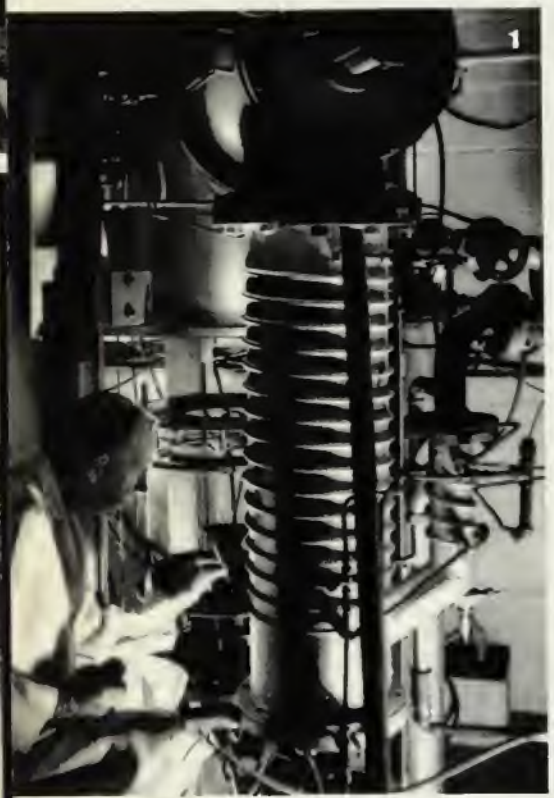
CBS Electronics

1 Advanced equipment creates microcircuitry by depositing thin films under near-vacuum conditions. **2** Fully automated equipment uses the latest electrochemical, diffusion, and microalloy techniques to mass produce high-speed computer transistors. **3** These components are representative of CBS Electronics' industrial and military tubes, semiconductors, audio components, microminiature circuits, and computer memories. **4** This hermetically sealed microminiature diode, engineered by the Division, is one-fiftieth the size of previous subminiature diodes. **5** Automated tube assembly insures precision, cuts manufacturing costs, and improves tube performance. **6** The Division's skills in designing and building electromechanical equipment and electronics instrumentation are now available to industry. **7** Microalloyed switching transistors are tested automatically at the Division's new $5 million semiconductor plant in Lowell, Massachusetts. The new plant tripled the Division's semiconductor production capacity. **8** A new portable stereophonic phonograph with AM-FM radio was introduced by Columbia Phonographs Department.

3



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CBS Laboratories

1 A technician in the Solid-State Physics Department conducts tests on solid lubricants for space applications. **2** This equipment, designed and built by CBS Laboratories, is used for specialized research on electron, ion, and molecular beam impact phenomena. **3** The testing of evaporated semiconductor films is part of a program undertaken to develop economical mass production techniques for transistors and other microelectronic units.

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CBS International

1 One of the VIDIAC (*V*isual *I*nformation *DI*splay *A*nd *C*ontrol) character generators delivered to Thompson Ramo Wooldridge for inclusion in a major defense communications system. **2** This new five-inch nuclear detection tube is one of the many special purpose tubes designed and manufactured by CBS Laboratories. **3** Electron beam technology is a useful tool in the search for new methods of fabricating microelectronics junctions. This program is financed by the U.S. Army Signal Corps Research and Development Laboratories, Fort Monmouth, New Jersey.

Part of a shipment of equipment for a new picture tube plant in Buenos Aires, Argentina, is lowered into the hold a freighter in New York. The factory, in which CBS owns a part interest, was completed during 1960 and pilot p duction of television picture tubes began in December. Full production is expected to begin in the latter part of 19

Columbia Broadcasting System, Inc.

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LEON LEVY
J. A. W. IGLEHART
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REGISTRAR
Bankers Trust Company

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& Montgomery

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CBS Television Stations

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THOMAS K. FISHER, *Vice President*
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CBS Radio

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MAURIE E. WEBSTER, *Vice President*
GERALDINE B. ZORBAUGH, *Vice President*
RAYMOND R. SCHWARTZ, *Controller*

Columbia Records

GODDARD LIEBERSON, *President*
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WILLIAM S. BACHMAN, *Vice President*
PETER de ROUGEMONT, *Vice President*
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WILLIAM F. GRADY, *Vice President*
DEBORAH ISHLON, *Vice President*
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ANDREW J. SCHRADE, *Vice President*
WILLIAM G. WILKINS, *Director of Finance*

CBS Electronics

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JAMES J. SHALLOW, *Vice President*
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CBS Laboratories

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BENJAMIN B. BAUER, *Vice President*
JOHN W. CHRISTENSEN, *Vice President*
THOMAS PETERSEN, *Controller*

CBS International

LEWIS GORDON, *President*
WILLIAM P. MUNRO, *Vice President*

Domestic Subsidiaries

SAM COOK DIGGES, *Vice President, CBS Films Inc.*
ROBERT F. LEWINE, *Vice President, CBS Films Inc.*
WILLIAM M. WEISS, *Vice President, Terrytoons, a division of CBS Films Inc.*
CORNELIUS F. KEATING, *Vice President, Columbia Record Club, Inc.*
ALBERT C. SIMONSON, *Vice President, Columbia Record Club, Inc.*
KENNETH D. GLANCY, *Vice President, Columbia Record Distributors, Inc.*
WILLIAM P. GALLAGHER, *Vice President, Columbia Records Sales Corp.*

Columbia Broadcasting System, Inc. and domestic subsidiaries

Income Statements

	52 WEEKS ENDED Dec. 31, 1960	52 WEEKS ENDED Jan. 2, 1960
Net sales	**$464,598,318**	**$444,311,357**
Cost of sales	*324,181,355*	*310,774,882*
Selling, general and administrative expenses	*91,621,794*	*79,309,507*
Operating income	**48,795,169**	**54,226,968**
Other income	4,470,444	6,527,029
Other deductions	*1,930,539*	*7,786,810*
Income before federal income taxes	**51,335,074**	**52,967,187**
Federal income taxes	*28,100,000*	*27,700,000*
Net income	**$ 23,235,074**	**$ 25,267,187**

Columbia Broadcasting System, Inc. and domestic subsidiaries

Balance Sheets

ASSETS

	Dec. 31, 1960	Jan. 2, 1960
Current assets:		
Cash	$ 18,257,378	$ 18,011,454
United States Government securities, at cost and accrued interest	182,194	181,319
Notes and accounts receivable, less allowance for doubtful accounts: December 31, 1960, $4,778,034; January 2, 1960, $3,534,268	83,835,046	79,705,424
Inventories, at lower of cost or market	24,556,183	25,597,939
Films, film rights and other prepaid expenses	47,248,905	43,713,268
Total current assets	**174,079,706**	**167,209,404**
Investments:		
Wholly owned foreign subsidiaries, at cost	2,426,127	2,307,606
Other, at cost or less	6,463,866	6,909,631
	8,889,993	**9,217,237**
Property, plant and equipment, at cost:		
Land	13,860,780	7,312,180
Buildings	37,882,959	32,790,501
Machinery and equipment	59,474,665	54,217,781
Leasehold improvements	8,784,870	10,048,515
	120,003,274	104,368,977
Less accumulated depreciation	*44,311,335*	*42,964,373*
	75,691,939	**61,404,604**
Contract rights and other assets at cost, less amortization	**6,599,628**	**10,072,388**
	$265,261,266	**$247,903,633**

LIABILITIES AND STOCKHOLDERS' EQUITY

	Dec. 31, 1960	Jan. 2, 1960
Current liabilities:		
Accounts payable and accrued liabilities	$ 51,522,920	$ 46,445,033
Federal income taxes	23,114,105	19,871,069
Current instalments on notes and mortgages	4,920,728	3,921,356
Total current liabilities	**79,557,753**	**70,237,458**
Amounts due after one year:		
Notes payable, 3½%-4¼%, due 1962 to 1973	38,380,000	41,364,000
Mortgages	3,024,834	3,134,363
Other	4,980,494	6,052,406
Total amounts due after one year	**46,385,328**	**50,550,769**
Deferred federal income taxes	**2,270,000**	**1,750,000**
Stockholders' equity:		
Common stock, par value $2.50 per share: authorized 12,000,000 shares; issued: December 31, 1960, 8,641,104 shares; January 2, 1960, 8,382,239 shares *(note 1)*	21,602,760	20,955,598
Capital surplus	40,863,455	31,767,864
Retained earnings *(note 2)*	74,581,970	72,641,944
Total stockholders' equity	**137,048,185**	**125,365,406**
	$265,261,266	**$247,903,633**

See notes to financial statements

Columbia Broadcasting System, Inc. and domestic subsidiaries

Statements of Retained Earnings and Capital Surplus

RETAINED EARNINGS	52 WEEKS ENDED Dec. 31, 1960	52 WEEKS ENDED Jan. 2, 1960
Balance at beginning of period	**$72,641,944**	**$67,676,066**
Net income	23,235,074	25,267,187
	95,877,018	**92,943,253**
Deduct:		
Cash dividends: 1960, $1.40 per share; 1959, $1.25 per share	*11,734,742*	*10,169,374*
Stock dividends, three per cent: 1960, 251,587 shares at $38.00 per share; 1959, 244,143 shares at $41.50 per share	*9,560,306*	*10,131,935*
Balance at end of period *(note 2)*	**$74,581,970**	**$72,641,944**

CAPITAL SURPLUS		
Balance at beginning of period	**$31,767,864**	**$21,879,215**
Excess of proceeds from sales of common stock, under option agreements, over par value of shares sold	164,252	367,072
Excess of market value over par value of shares issued in payment of stock dividends	8,931,339	9,521,577
Balance at end of period	**$40,863,455**	**$31,767,864**

See notes to financial statements

Notes to Financial Statements

1. The Company has granted options to certain employees, including officers, to purchase shares of Company stock at a price not less than 95% of market value on the dates the options were granted. Unissued shares of Company stock under option at the beginning and end of 1960 (exercisable at various dates through 1967) and changes during 1960 are summarized as follows:

Shares under option at January 2, 1960	245,294
Options granted during 1960 (at $37.25 to $41.25 per share) net of terminations	14,409
Adjustments resulting from 3% stock dividend	7,572
	267,275
Less option exercised during 1960 (at $25.07 per share)	7,278
Shares under option at December 31, 1960 (at prices ranging from $26.31 to $42.65 per share), of which options on 59,377 shares were exercisable at December 31, 1960	259,997

At the beginning of 1960 there were 16,503 shares of unissued stock reserved for future options. No shares were reserved for this purpose at the end of 1960.

2. Under the agreements covering notes payable there are certain restrictions with respect to the payment of dividends (other than stock dividends) on Company stock and to the purchase, redemption or retirement of its stock. At December 31, 1960, $47,400,000 of retained earnings was free of such restrictions.

3. Depreciation of property, plant and equipment and amortization of contract rights for the years 1960 and 1959 amounted to $9,583,566 and $9,429,594, respectively. Interest expense for the years 1960 and 1959 was $1,746,047 and $1,905,383, respectively.

4. Included in other investments at December 31, 1960 are 9,926 shares of Company stock at a cost of $372,461 which are being held for distribution under the Employees' Stock Purchase Plan and the Deferred Additional Compensation Plan.

Report of Auditors

To the Stockholders of Columbia Broadcasting System, Inc.:

We have examined the consolidated balance sheets of Columbia Broadcasting System, Inc. and domestic subsidiaries as of December 31, and January 2, 1960, and the related statements of income, retained earnings and capital surplus for the fiscal years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheets and statements of income, retained earnings and capital surplus present fairly the consolidated financial position of Columbia Broadcasting System, Inc. and domestic subsidiaries at December 31, and January 2, 1960, and the results of their operations for the fiscal years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

LYBRAND, ROSS BROS. & MONTGOMERY

New York, February 8, 1961

Columbia Broadcasting System, Inc. and domestic subsidiaries

10-Year Financial Summary

	1960	1959	195
Income and dividends			
Net sales	**$464,598**	**$444,311**	**$411,80**
Income before federal income taxes	51,335	52,967	53,52
Less: Federal income taxes	*28,100*	*27,700*	*29,1*
Net income	**$ 23,235**	**$ 25,267**	**$ 24,4**
Per cent of net income to net sales	5.0%	5.7%	5
Net income per share *(see note)*	**$ 2.77**	**$ 3.02**	**$ 2.**
Cash dividends paid per share *(see note)*	$ 1.40	$ 1.21	$ 0.
Balance sheet items			
Current assets	$ 174,079	$ 167,209	$151,9
Less: Current liabilities	*79,558*	*70,237*	*68,1.*
Net working capital	94,521	96,972	83,7
Investments and other assets	15,490	19,289	20,9
Property, plant and equipment—net	75,692	61,405	58,5
Less: Long-term liabilities	*48,655*	*52,301*	*53,4*
Total net assets	**$137,048**	**$125,365**	**$109,8**
Stockholders' equity:			
Common stock	$ 21,603	$ 20,955	$ 20,2
Capital surplus	40,863	31,768	21,8
Retained earnings	74,582	72,642	67,6
	$137,048	**$125,365**	**$109,8**
Ratio of current assets to current liabilities	2.19	2.38	2

Note: Based on the average number of shares outstanding in each year, adjusted for 3 for 1 stock split in 1955

(Dollars in thousands)

1957	1956	1955	1954	1953	1952	1951
35,409	**$354,780**	**$316,573**	**$280,291**	**$236,972**	**$194,109**	**$146,380**
48,593	35,083	29,897	23,215	21,395	15,246	13,619
26,400	*18,800*	*16,500*	*11,800*	*12,500*	*8,800*	*7,259*
22,193	**$ 16,283**	**$ 13,397**	**$ 11,415**	**$ 8,895**	**$ 6,446**	**$ 6,360**
5.8%	4.6%	4.2%	4.1%	3.8%	3.3%	4.3%
2.65	**$ 1.95**	**$ 1.61**	**$ 1.39**	**$ 1.09**	**$ 0.79**	**$ 0.89**
0.91	$ 0.81	$ 0.68	$ 0.55	$ 0.53	$ 0.46	$ 0.46
60,875	$ 131,496	$ 117,369	$ 105,936	$ 78,593	$ 64,054	$ 66,002
67,878	*57,040*	*51,529*	*48,785*	*42,278*	*34,194*	*30,284*
92,997	74,456	65,840	57,151	36,315	29,860	35,718
12,900	11,494	10,603	9,953	10,477	7,548	8,546
49,095	53,107	52,117	53,410	46,971	40,119	26,933
56,643	*55,259*	*54,527*	*54,599*	*41,785*	*30,113*	*26,560*
08,349	**$ 83,798**	**$ 74,033**	**$ 65,915**	**$ 51,978**	**$ 47,414**	**$ 44,637**
19,703	$ 19,129	$ 18,715	$ 6,097	$ 5,852	$ 5,852	$ 5,845
12,876	7,645	3,407	8,733	3,825	3,825	3,758
55,770	57,024	51,911	51,085	42,301	37,737	35,034
8,349	**$ 83,798**	**$ 74,033**	**$ 65,915**	**$ 51,978**	**$ 47,414**	**$ 44,637**
2.37	2.31	2.28	2.17	1.86	1.87	2.18

ock dividends. Stock dividends of 3% were declared in 1960, 1959, 1958 and 1957, 2% in 1956, 1955 and 1954.

Columbia Broadcasting System, Inc.
485 Madison Avenue, New York 22, New York *(Executive Offices)*
1735 De Sales Street, N.W., Washington 6, D. C.

CBS News
485 Madison Avenue, New York 22, New York

CBS Television Network
485 Madison Avenue, New York 22, New York

CBS Television Stations
485 Madison Avenue, New York 22, New York

CBS Radio
485 Madison Avenue, New York 22, New York

Columbia Records
799 Seventh Avenue, New York 19, New York

CBS Electronics
100 Endicott Street, Danvers, Massachusetts

CBS Laboratories
227 High Ridge Road, Stamford, Connecticut

CBS International
46 East 52nd Street, New York 22, New York

Journ.

1961 Annual Report to the Stockholders of Columbia Broadcasting System, Inc.

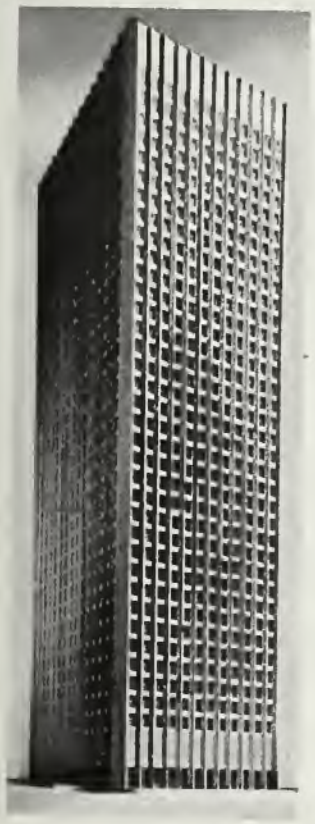
CBS 1961

1961 Annual Report to the Stockholders of Columbia Broadcasting System, Inc.
For the Fiscal Year ended December 30, 1961

CONTENTS

The 1962 Annual Meeting of Stockholders of Columbia Broadcasting System, Inc., will be held on Wednesday, April 18, at 10 A.M., in Studio 33 at Television City, 7800 Beverly Boulevard, Los Angeles, California.

A model of the new CBS headquarters building designed by Eero Saarinen, to be erected in New York City. The skyscraper will be completed and ready for occupancy in 1964.



To our Stockholders: On September 18, 1962 the Columbia Broadcasting System will celebrate its 35th anniversary. It may therefore be appropriate to note the vital role that broadcasting has come to play during that 35-year period.

It is not an overstatement to say that broadcasting has become one of the most powerful cultural, informational, and entertainment forces in modern society, and CBS is proud of its part in this development.

In this we have been conscious always of the long-term interests of the American people and the democratic society of which we are a part. We have fought to keep broadcasting free and to make it worthy of its freedom. We have done so with all our vigor, enterprise and ingenuity in the great goal of making broadcasting a constantly better medium of public enlightenment and entertainment. And in this process we have been able to sustain CBS as a profitable business endeavor in a free and competitive economy.

We look to the future with enthusiasm and optimism. Problems remain to be solved, but we move forward confident in our ability to meet the challenge of the future as we have met the challenge of the past. CBS regards service to the public as its primary responsibility. As we constantly improve in our efforts to meet that responsibility, we expect to prosper, to grow, and to maintain our position of leadership.

Financial Results. In 1961 CBS net sales were the highest in its history, exceeding the previous sales peak reached in 1960 by about $9 million. Net income in 1961, however, was about 5 per cent lower than in 1960. During the Summer the unprofitable CBS Electronics Division, which manufactured semiconductors and electron tubes, was discontinued in order to eliminate its drain on earnings. (Substantially all of this Division's assets have been disposed of and losses and expenses related to the disposition were charged to retained earnings, not income.)

Detailed financial reports begin on page 29, and a ten-year financial summary appears on pages 34 and 35. The table below shows the key financial data for 1961 as compared with 1960.

	1961	1960
Net sales	$473,843,935	$464,598,318
Net income	22,037,828	23,235,074
Net income per share	2.55	2.69*

**Adjusted for Stock Dividend*

Cash dividends of $1.40 per share were paid in 1961, plus a stock dividend of 3 per cent paid on December 18, 1961. (Since its formation in 1927, CBS has paid to its stockholders over $128 million in cash dividends.)

Divisional Operations. Following are highlights of the individual annual reports, beginning on page 4, by Presidents of the seven CBS operating Divisions.

CBS News production for the CBS Television Network 1961-62 schedule was expanded 40 per cent over the previous season—a total of 690 hours, or 17 per cent of the Network's programming. The Division produced 55 per cent of the CBS Radio Network schedule. CBS Newsfilm, the leading television news syndication service, was seen in three out of four television homes in the world. See page 4.

The CBS Television Network once again was the world's largest advertising medium. Its programming and balanced schedule of drama, news, comedy, sports, public affairs, action-adventure, variety, and children's programming made it the most popular of the three television networks. See page 5.

Of the five CBS Owned television stations, four were first in their communities in circulation and sales — WCBS-TV New York; KNXT Los Angeles; WBBM-TV Chicago; and KMOX-TV St. Louis. The fifth, WCAU-TV Philadelphia, was also first intermittently in its highly competitive market. More than 1500 television program half hours were distributed weekly by CBS Films Inc. in 55 countries outside the United States. See page 6.

The CBS Radio Network broadcast more of the 25 most popular radio programs than the other three nationwide networks combined, and drew larger audiences to advertising messages than any of its competitors. See page 7.

Columbia Records' pre-eminent position in the phonograph records industry was further enhanced by a 33 per cent increase in dollar volume over 1960 —a new record—and large-scale expansion of its domestic and foreign operations. See page 8.

CBS Laboratories provided additional research and development services for industrial, educational, and governmental clients. See page 9.

CBS International sales for the year reached a new high. See page 10.

International Operations. In addition to CBS News operations, CBS international activities consist of wholly owned foreign subsidiaries, financial interests in foreign corporations, licensing-royalty arrangements, and the direct sale of goods and services. The television and phonograph record industries abroad are growing, often at an even greater rate than in the United States. Our overseas investments are profitable, and the trend is toward greater profits from these sources in the future.

New Facilities. The design of the new CBS Headquarters building in New York City was completed by Eero Saarinen, one of the great architects of his time, before his death last Summer. The new building, to be located on the Avenue of the Americas between 52nd and 53rd Streets, will be completed in 1964. Of

the design, a leading architectural magazine recently commented: "A sculptured shaft that will make most high-rise buildings appear hulking and graceless will be Eero Saarinen's legacy to New York . . . a sheer vertical leap of masonry and glass – the *idea* of the skyscraper translated into visual actuality."

Plans were announced to modernize CBS radio and television production facilities in New York, consolidating them into one centralized facility, comparable to Television City, the CBS Television Network complex in Los Angeles. The CBS Production Center, when completed in 1964, will be the most modern and most efficient broadcast production facility in the world. Among other advantages, the Center will give producers and directors greater artistic scope and many technical and economic advantages.

The world's largest plant for manufacturing long-playing records, with a 25 million annual capacity, was opened by Columbia Records at Pitman, New Jersey; and large-scale expansion of the Division's Terre Haute, Indiana, facility was completed.

Contributions and Grants. CBS believes that support of the arts is as much the duty of corporations, as members of the community, as is their obligation to support welfare, educational, and other philanthropic activities. Since radio, television, and recorded music are directly related to the arts, CBS has a special reason and responsibility for encouraging and supporting the arts.

In 1961 CBS contributions to the arts included a grant of $100,000 to the New York Philharmonic to enable this fine orchestra, led by Leonard Bernstein, to tour Canada, Japan, and the United States.

The CBS Foundation continued to make contributions to educational, cultural, and charitable institutions. Among these were a payment toward a pledge of $100,000 to the Lincoln Center for the Performing Arts; and a payment on a grant of $150,000 to The Museum of Modern Art in New York to make it possible for the Museum to circulate distinguished art exhibitions through the United States and Canada.

Eight CBS Foundation News Fellowships again were provided at Columbia University. The first contribution on a $50,000 pledge was made by the Foundation to the Columbia-Presbyterian Medical Center Development Fund in New York City.

CBS has always had a special interest in educational television, has supported its growth, and has directly contributed to the widening of its range of activities. CBS welcomes educational television not only as supplementary to, but as competitive with, commercial television service. We believe this competition will benefit both types of service. During 1961, CBS made significant grants to educational television, among them a contribution of $250,000 to Educational Television for the Metropolitan Area, Inc. to aid it in acquiring Channel 13 in New York City for non-commercial educational use, and a gift of much-needed and valuable television equipment to WGBH-TV, Boston's educational television station, whose own equipment had been destroyed by fire.

Hearings. Late in January 1962 CBS testified at public hearings before the Federal Communications Commission on network television programming, a subject of intensive examination and discussion for several years. CBS took the position that government regulation of programming, suggested by some as the road to improved programs, is illusory and dangerous. We advanced the view that the future of television will be most promising if the medium continues to derive its impetus from a free competition for the attention and approval of the public.

Elections. Richard S. Salant, President of CBS News, was elected to the Board of Directors. Thomas K. Fisher was elected Vice President and General Counsel. Mr. Fisher was formerly Vice President and General Attorney, CBS Television Network. Theodore F. Koop, formerly Director of CBS News, Washington, was elected CBS Vice President, Washington. Peter M. Abel, Clive J. Davis, and Richard A. Forsling were elected Assistant Secretaries, and John J. Lorenz and John C. Reddy, Jr., Assistant Controllers.

Outlook. During the early part of 1961 business still felt the effects of the economic decline that started in mid-1960. By the second quarter of 1961 conditions had improved, and by the end of the year business generally had passed its pre-recession high.

National advertising reached its peak in the second quarter of 1960 and then declined through the first quarter of 1961. It began to recover in the second quarter of 1961 and by the third quarter had about recouped all of its depression decline. Both radio and television advertising, however, declined during the recession by smaller percentages and for shorter periods than national advertising as a whole.

We think that 1962 will see a broad improvement in business and that this will lead to a new high in advertising expenditures. We expect that CBS will share fully in this advance and that broadcasting revenues—particularly television revenues—will reach new peaks. We also expect a new high in the sale of phonograph records.

CBS, therefore, looks forward to a strong year that promises excellent results.

WILLIAM S. PALEY, *Chairman*
FRANK STANTON, *President*

February 14, 1962

CBS News. The year of 1961 was a time of challenge and change. A new administration entered the White House. Man vaulted into outer space and returned safely. War and the threat of war pocked the globe—in Algeria, Berlin, the Congo, India. Meeting this increasingly complex flow of important news and issues was CBS News' challenge and achievement.

Presidential Coverage. The initial year of John F. Kennedy as the 35th President was covered thoroughly in a continuing series of CBS News specials on the CBS Television Network and the CBS Radio Network. CBS News coverage of the Presidential activities included the Inauguration, the State of the Union message, 18 news conferences, trips to Europe and Latin America, and special messages to the Congress and the nation.

In addition, CBS News presented the President and Mrs. Kennedy in a number of unusual informational and cultural appearances on the CBS Television Network. The President offered an appreciation of poet Robert Frost for "Accent." For the same series, Mrs. Kennedy provided a personal evaluation of the National Gallery of Art in Washington, D.C. President Kennedy also permitted CBS News to record a typical work day in the President's life, the first to be televised, for broadcast on the "Eyewitness" series. At year's end, the White House granted CBS News permission to produce a full-hour "Tour of the White House with Mrs. John F. Kennedy" for broadcast on the CBS Television Network early in 1962.

Other News Coverage. Major events covered by CBS News during 1961 included the Berlin crisis; the Soviet and United States exploration of space; the Cuban invasion; and the Algerian, Congolese, and Dominican crises. In a number of instances CBS News provided important first information, including an exclusive interview with Gen. Raoul Salan in Algeria; the first broadcast news of the death of United Nations Secretary General Dag Hammarskjold; the first indication of Soviet orbital activity; the first broadcast news of the preparation for the Cuban invasion; and the only television network live on-the-scene broadcast of Ambassador Adlai E. Stevenson's first major speech at the UN, violently interrupted by rioting. Many other significant news beats were broadcast on the "Douglas Edwards with the News" series, which completed its 14th consecutive year on the CBS Television Network.

News Specials. Many radio and television news specials ranged from bulletins interrupting network schedules, such as the announcement and playback of Roger Maris' 61st home run, to one-hour specials produced within hours after the event, such as the Soviet first orbiting of the earth. Other outstanding hour-long news specials included "Berlin: Act of War?," "Where We Stand: War or Peace?," and "Years of Crisis," the 13th annual review of world events by key CBS News correspondents.

Public Affairs. The major new public affairs television series produced by CBS News during 1961 was "Calendar," a daily half-hour broadcast with Harry Reasoner and Mary Fickett. Other new public affairs series are "Accent"; "Washington Conversation," a weekly self-portrait of leading figures on the world scene; "Joint Appearance," combining a news interview with a clash of opinion; and "At the Source," a series of informal, on-location interviews.

With the series seen every three of four Thursdays in the 1961-62 season, "CBS Reports" began a significant and widely acclaimed series, "Eisenhower on the Presidency." Other reports analyzed such subjects as civil defense in the nuclear age, the problems of disarmament, the world's water supply, Brazil, an assessment of the year by Walter Lippmann, and "Biography of a Bookie Joint," a unique experiment in crime reporting.

Among outstanding documentaries on "The Twentieth Century," in the series' fifth consecutive year on the CBS Television Network, were "The Burma Surgeon Today" and "The Man Who Spied on Pearl Harbor." For the CBS Radio Network, CBS News produced not only the "Dimension" series, but also 48 special public affairs broadcasts including discussions, talks, interviews and documentaries.

Service. CBS News during 1961 continued to produce 55 per cent of the entire schedule of the CBS Radio Network, an average total of 18 hours and 45 minutes of regularly scheduled news broadcasts each week. The Division is also responsible for more than 17 per cent of the entire CBS Television Network schedule. This reflects a 40 per cent increase in regularly scheduled informational programming and does not include sports. Plans for major expansion of domestic coverage were announced with the creation of five new regional bureaus in Atlanta, Dallas, Los Angeles, New York, and Washington.

Religious Programming. The "Church of the Air" series celebrated its 30th anniversary of continuous broadcasting on the CBS Radio Network. "Lamp Unto My Feet" and "Look Up and Live" continued among the most imaginative television broadcasts.

CBS Newsfilm. CBS Newsfilm, the leading television news syndication service, covers all domestic markets, 36 cities in 24 foreign countries, and is seen in more than 70 million homes, or three out of every four television homes in the world.

Executive Appointment. David Klinger was appointed Vice President, Administration.

Outlook for 1962. It is the conviction of CBS News that its function is not to substitute conclusions of its own for those of the viewer or listener; rather, all significant facts and viewpoints should be presented in order that the viewer or listener can make up his own mind on a fully-informed basis. In its pioneering tradition, CBS News will continue to experiment with fresh approaches and programming ideas. It will continue to provide thorough day-by-day coverage of the news, also a tradition. The keystone of CBS News policy continues to be accuracy, objectivity, fairness, and balance.

RICHARD S. SALANT, *President*
CBS News Division

CBS Television Network. In 1961—for the seventh consecutive year—the CBS Television Network attracted the largest audiences in broadcasting. During the year the Network again presented television's most balanced schedule of drama, news, comedy, sports, public affairs, action-adventure, variety, and children's programming.

In 1961, too, the advertisers of the nation—for the eighth consecutive year—invested more money in the CBS Television Network than any other single advertising medium in the world.

Programs. At night the CBS Television Network broadcast more of the most popular programs than the other two networks combined – a total of six of the top ten and 23 of the top 40. Such favorites as Jack Benny, Andy Griffith, Garry Moore, Red Skelton, Ed Sullivan, and Danny Thomas continued to provide much of television's top entertainment week in and week out throughout the year.

Because of the popularity of its program schedule, the Network introduced fewer new programs last Fall than its competitors, a total of 11. One of them, "The Defenders," created by playwright Reginald Rose and produced by Herbert Brodkin, was cited as the year's best series by the *Associated Press*.

The Network also continued to serve a great variety of tastes and interests with a diversified schedule of entertainment specials. Thirty-seven of these were broadcast during 1961. Among the outstanding special programs were a notable 90-minute revue of American music, "The Gershwin Years," produced by Leland Hayward, with Richard Rodgers as host and featuring Maurice Chevalier, Julie London, Ethel Merman, and Frank Sinatra; Ingrid Bergman in a magnificent performance in a Stefan Zweig tale, "24 Hours in a Woman's Life"; "Night of the Storm," a memorable drama written especially for television by Horton Foote, starring Julie Harris, E. G. Marshall, Jo Van Fleet, and Mildred Dunnock; an Arthur Godfrey travelogue; a sparkling comedy performance by Jackie Gleason in "The Million Dollar Incident"; Victor Borge's Twentieth Anniversary Show; Jack Benny's inspired concert at Carnegie Hall, and Danny Kaye in his second annual television comedy special.

During the Summer, the CBS Television Network televised the traditionally popular "Miss Universe" and "Miss America" pageants. The latter attracted the biggest audience of any program broadcast on the Network in 1961.

On October 29 the Network broadcast a two-hour production of Graham Greene's "The Power and the Glory," starring Sir Laurence Olivier and one of the most brilliant casts ever assembled for television. One review described the program as "the year's most searching and significant television drama."

Two original dramas sponsored by Westinghouse Electric Corporation were featured in the Fall: "The Dispossessed," starring Ralph Bellamy, Dina Merrill, and Earl Holliman, and "Come Again to Carthage," starring Maurice Evans, Piper Laurie, and Ann Harding.

Daytime. Daytime audiences in 1961 were the biggest in history. For the fourth successive year, the Network's daytime schedule attracted larger audiences than any other—averaging four of the top five, seven of the top ten, and ten of the top 15 programs. In addition, daytime sales were up substantially over a year ago. In February of 1961, the Network introduced a new morning sales plan. This proved so successful that by the fourth quarter the morning schedule was virtually sold out.

In the Fall, the Network also introduced four new daytime series: "Password," a stimulating word game featuring Allen Ludden as host; "Calendar," a CBS News production featuring news and entertainment, and two new five-minute news broadcasts.

Children's Programs. "Captain Kangaroo," which continues to rank as television's outstanding program for very young children, was expanded from 45 minutes to an hour each weekday, in addition to its regular hour-long broadcast on Saturday mornings.

The six weekly hours of "Captain Kangaroo" are part of a strong line-up of programs for children and young people that includes such family entertainment favorites as "Dennis the Menace," "G-E College Bowl," "Lassie," "The Magic Land of Allakazam," "Mighty Mouse Playhouse," "Mr. Ed," "My Friend Flicka," "The Roy Rogers Show," "Sky King," and "Video Village, Jr. Edition."

In December, two New York Philharmonic series conducted by Leonard Bernstein, one for children

and one for adults, returned to the air. For the first time they are being broadcast in prime evening hours, enabling the largest possible family audience to enjoy these fine musical programs.

Sports. On January 1, 1961, the CBS Sports Department became a part of the CBS Television Network Division. In the Fall the Network averaged television's biggest football audiences with its coverage of the National Football League games and with the "NFL Game of the Week," an edited replay on Saturday afternoons of the previous Sunday's best game. The Sports Department also televised such major events of the year as the Triple Crown races, the Masters and PGA golf tournaments, five bowl games, and the "Baseball Game of the Week," as well as the annual "Sports Spectacular" series.

News. The traditionally important role of CBS News was again reflected in the schedule of the CBS Television Network in 1961. A full account of news and public affairs activities will be found in the report of the CBS News Division.

Network Facilities. By the close of 1961, the CBS Television Network was affiliated with 254 stations: 202 in the United States, 47 in Canada, and one each in Bermuda, Guam, Mexico, Puerto Rico, and the Virgin Islands.

Executive Appointment. Lawrence R. White was appointed Vice President, Daytime Programs.

Outlook for 1962. Although there is no prospect for a let-up in the keen three-network competition, the CBS Television Network confidently expects to continue to lead the television industry as the first choice of both audiences and advertisers.

JAMES T. AUBREY, JR., *President*
CBS Television Network Division

CBS Television Stations. The CBS Television Stations Division is responsible for the non-network television operations of the company, including the five CBS Owned television stations, CBS Television Stations National Sales, and CBS Films Inc., as well as foreign subsidiary television corporations and certain other corporate international television investments.

The Division's net sales for the year held steady at the 1960 level.

CBS Owned Television Stations. Despite unprecedented price-cutting competition, the CBS Owned stations group – WCBS-TV New York, KNXT Los Angeles, WBBM-TV Chicago, WCAU-TV Philadelphia, and KMOX-TV St. Louis—continued an unbroken record of yearly increases in non-network billings.

These stations continued to command the largest average share of the audience in their markets, except in Philadelphia where each of the three stations, including WCAU-TV, was in first position at intervals during the year. As a group, the five CBS Owned stations were viewed by an audience of more than 33 million different people each week.

The stations extended their dedication to community service in many ways during 1961, and received 64 awards and citations for their efforts. The value of time and facilities devoted to non-network public affairs broadcasting totaled almost $15 million. Of particular interest was an International Program Exchange with seven foreign countries, enabling the stations to present 13 one-hour cultural programs from these countries in exchange for the WCBS-TV production, "The American Musical Theatre." Of this exchange program the Department of State said that it was ". . . delighted this great medium is being harnessed to the task of improving mutual understanding among countries."

An increasing number of editorials on local issues was presented by station management. Additional one-hour special programs concerning community affairs were broadcast in prime evening time. Experimental theatres were established by WBBM-TV and WCAU-TV to encourage new talent. KNXT developed a 45-minute nightly news broadcast. Series providing constructive criticism of newspapers and magazines were broadcast on KMOX-TV, WBBM-TV, and WCBS-TV. In association with public libraries and schools, KMOX-TV created a reading service to stimulate reading and to assist students in the selection of television programs. The Superintendent of the St. Louis Public School System called it a "pioneering project (which) points the way toward the use of television programs in a most valuable educational manner." Response to the KMOX-TV service has been so favorable that each of the other CBS Owned television stations will attempt to institute a similar service in its area during 1962.

CBS Television Stations National Sales. On July 1 having relinquished its sales representation of seven affiliated stations in compliance with an industry-wide FCC ruling, CBS Television Spot Sales changed its name to CBS Television Stations National Sales and became the national sales unit of the CBS Owned stations exclusively. National non-network sales on this station group increased again in 1961, exceeding the average rate of growth for the industry.

CBS Films Inc. The production function of CBS Films Inc. was discontinued during the year, eliminating the need for highly speculative investment in television pilot films and series. Concentrating on its

primary function—domestic and foreign distribution of television film product—CBS Films maintained its domestic sales at average industry levels and increased its international sales 32 per cent over 1960.

Programs distributed by CBS Films were exhibited in 55 foreign countries, at a rate of more than 1500 program half hours weekly. These programs, including "Gunsmoke" and "I Love Lucy," were dubbed or subtitled in more than a dozen languages. Many CBS News series, such as "The Twentieth Century," "CBS Reports" and the regular CBS Newsfilm service, were widely distributed, being shown throughout the world in nations having an estimated 35 million television homes outside the United States.

Terrytoons. For theatrical release, Terrytoons created 18 new cartoons during the year, which were distributed world-wide by Twentieth Century-Fox. Television series productions included "Deputy Dawg," "Mighty Mouse Playhouse," and "Lariat Sam." "Mighty Mouse," seen on the CBS Television Network, was named ambassador of the UNICEF "Trick or Treat" drive.

To secure a greater share of the increasing market for cartoon and live action film commercial announcements, CBS Animations was created at midyear. Commercials were produced for 13 clients, indicating an interesting potential for this new department.

International Operations. In association with Argentine interests, CBS has provided capital, equipment, and experience to PROARTEL, a television production company supplying programs to Channel 13, Buenos Aires. On October 1, the station completed its first year of operation with 20 of the 30 most popular programs in a four-station market.

PROARTEL is now expanding to the interior of the Argentine Republic and has associated with a station in Cordoba, the nation's second largest city.

CBS also has invested in a television production company in Peru which supplies programs to Lima's most popular station, Channel 13.

CBS has an interest in a new television station that will be constructed in Trinidad, West Indies.

Opportunities for profitable associations in other parts of the world are being actively explored.

Executive Appointment. E. Hal Hough was appointed Vice President, Program Services.

Outlook for 1962. The CBS Owned television stations face their most competitive year in 1962. The Division, however, expects to meet this competition and to increase its over-all sales. The streamlined distribution efforts of CBS Films Inc. also provide bright prospects.

MERLE S. JONES, *President*
CBS Television Stations Division

CBS Radio. For the CBS Radio Division 1961 was a gratifying year in which the Division felt the favorable effects of a comprehensive operational streamlining program started three years ago. The success of the Program Consolidation Plan, improvements in plant and facilities, and increased operating efficiency combined to offset generally unfavorable business conditions in the first half of the year. Network sales improved in the last half, and for the fourth quarter exceeded the previous year's comparable period by 25 per cent. At the end of the year the trend toward greater investment by advertisers in network and local radio appeared well established —with good prospects for CBS Radio, which attracts a significant share of these revenues.

CBS Radio Network. During the year, the Network again drew the largest radio network audiences to advertising messages: 18 per cent over the second nationwide network, 59 per cent over the third, and 72 per cent over the fourth. News and informational broadcasts, which accounted for more than half the Network's schedule, were well received. On the average, sponsored CBS News broadcasts were the most popular news presentations in network radio.

Network Programs. New in 1961: "Anatomy of a Headline," bringing listeners weekly examinations of major news by CBS News correspondents; "Science Editor" and "University Explorer," with discussions of scientific, sociological and similar topics. Also, five new broadcast series were added to the "Dimension" group, which now comprises 47 five-minute broadcasts a week. They were: "At Your Leisure" with Bill Leonard; "European Diary" with Daniel Schorr; "In New York" with Ken Banghart; "This Week in Business" with Harry Reasoner; and "To Your Health" with Douglas Edwards.

The Network's unrivaled weekday morning entertainment line-up – starring Bing Crosby and Rosemary Clooney, Arthur Godfrey, Art Linkletter, Garry Moore and Durward Kirby—continued its long-established popularity. Unchanged, too, were the many year-round symphony concerts, dramatic presentations, major sports events, public affairs programs, and special broadcasts of all kinds. In 1961, the latter totaled 142.

Technical Advances. NetALERT, the new signaling system developed by the Network and CBS Laboratories to alert affiliated stations to news bulletins and special broadcasts, went into operation on September 1. By year's end, NetALERT had been used 70 times, enabling CBS Radio Affiliates to be consistently first in their communities with important world developments. Also in September, NetALERT was adopted by the Armed Forces Radio Service.

Audience Research. A forward step in audience measurement was initiated by the Network. Present national research does not measure those who listen on transistor or battery portable sets. The size of this audience, however, is suggested by the public investment of almost $1 billion in such sets during the past five years. In 1961 two studies were made on behalf of the Network. They indicated that ownership of portable sets approaches 50 per cent of homes with plug-in sets, higher than anticipated. More detailed research in this area is under way.

Network Affiliates. In 1961, the Program Consolidation Plan, as modified in 1960, continued to provide an effective working relationship between the Network and its 206 affiliated stations. A resolution adopted by the stations reflected general satisfaction: "The CBS Radio Affiliates Association in its Eighth Annual Convention wishes to record its whole-hearted agreement with and support of the Network's evaluation of the effectiveness of the Program Consolidation Plan; the Network's outstanding contribution in the increasingly vital area of News and Public Affairs Programming; and the major advance in news communication represented by the development of the CBS Radio NetALERT, now in operation at all CBS Radio Network Affiliated stations . . ."

CBS Owned Radio Stations. In 1961, the seven CBS Owned radio stations initiated the most ambitious current affairs project they have ever undertaken. Seven 50-minute broadcasts dealing with nationwide economic issues were locally produced and heard each week on WCBS New York, KNX Los Angeles, WBBM Chicago, WCAU Philadelphia, WEEI Boston, KMOX St. Louis, and KCBS San Francisco under the title, "How Serious the Challenge?" Commendations from high civic officials were among the many congratulatory messages on the series.

The all-night program, "Music 'til Dawn," sponsored by American Airlines six nights a week on five CBS Owned stations, was renewed for three more years. This extends the program to 12 years of continuous broadcasting for one sponsor, an unprecedented advertising endeavor.

A campaign, "Advertising Speaks for Itself," designed to acquaint listeners in the station markets with the contribution that advertising makes to our society, began in August with the cooperation of 44 leading advertising agencies.

Editorials. In 1961, the CBS Owned radio stations expanded their presentation of broadcast editorials on matters of community and regional concern. The number of editorials reached a new high, 250, as compared with 163 in 1960, and 29 rebuttals were also heard. This endeavor by the stations again earned high praise from community leaders and listeners.

Executive Appointments. Fred Ruegg, Vice President and General Manager, KNX, was appointed Vice President, Station Administration. Maurie E. Webster, Vice President and General Manager, KCBS, was appointed Vice President and General Manager, CBS Radio Spot Sales. Jules Dundes, Vice President, Station Administration, replaced Mr. Webster at KCBS, and Robert P. Sutton was named Vice President and General Manager, KNX. William J. Fennessy was appointed Controller.

Outlook for 1962. The Division anticipates in 1962 a continuation and acceleration of the favorable trends manifest in the last half of the past year.

ARTHUR HULL HAYES, *President*
CBS Radio Division

Columbia Records. In 1961 the Columbia Records Division achieved the greatest dollar volume in its history, a 33 per cent increase over 1960, and strengthened further its consumer sales leadership of the phonograph record industry. The Division continued to expand its domestic manufacturing facilities and broadened the scope of its widespread international operations. The Columbia Record Club maintained its pre-eminence in the record-club field.

Hits. The Original Broadway Cast recording of "The Sound of Music," by Rodgers and Hammerstein, became the third Columbia Records Broadway musical album to attain sales of more than a million. The other two are "My Fair Lady," over 3 million albums of which have been sold to date; and "South Pacific," with album sales of nearly 2 million.

During 1961 Columbia Records original-cast recordings of other Broadway musical hits included "Camelot," by Lerner and Loewe, creators of "My Fair Lady," and "Kean" by Wright and Forrest.

Mitch Miller's popular "Sing Along" series continued to break all sales precedents in the record industry. Three albums—"Sing Along With Mitch," "More Sing Along With Mitch," and "Christmas Sing Along With Mitch"—sold a million copies each in 1961, and the latest, "Holiday Sing Along With Mitch," sold over 500,000 copies within two months.

Also a best-selling album of 1961 was Johnny Mathis' "Portrait of Johnny," which was packaged with a framed reproduction of the cover painting of the youthful star, a successful marketing innovation.

"Big Bad John," written and sung by Jimmy Dean, became the year's biggest single record hit, selling almost a million copies in less than one month.

Dave Brubeck and his Jazz Quartet achieved best-

seller status with a single record release, "Take Five."

Television and record star Andy Williams joined the Columbia artist roster and won a place on best-seller lists with his first release, "Danny Boy."

The year's outstanding motion picture, "West Side Story," with score by Leonard Bernstein and Stephen Sondheim, provided another Columbia best seller with the original sound track recording.

Serious Music. Eugene Ormandy and The Philadelphia Orchestra won a major music magazine's reader poll for the best Lp of the year with their performance of Tchaikovsky's Sixth Symphony. Conductor Leonard Bernstein and the New York Philharmonic continued to broaden their international audiences with concert tours of Canada and Japan. The famous conductor Bruno Walter devoted much of his eighty-fifth year to recording for Columbia. Igor Stravinsky, widely considered the world's greatest living composer, continued to document his art exclusively on Columbia recordings, with the new releases ranging from his famous "Rites of Spring" to his latest work, "Movements for Piano and Orchestra."

The celebrated Mormon Tabernacle Choir brought its musical gifts to an unusual collection of Civil War songs. Brilliant soprano Eileen Farrell maintained best-seller status in her dual role as opera star and blues singer. Also introduced in 1961 was a unique series of modern language courses prepared in conjunction with Dr. Howard Harvey of Rochester University, a pioneer in language laboratory techniques.

Epic Records. During the year a number of best-selling records was produced under Columbia Records' second label, Epic, including several singles and an album with rising young singer Tony Orlando. Society bandleader Lester Lanin and vocalists Buddy Greco and Roy Hamilton continued to amass large album sales. Epic Records also entered the Country and Western field for the first time, and the Okeh label was re-activated for its rhythm and blues artists.

In the classical market, Epic Records was widely esteemed for a series with conductor George Szell and The Cleveland Orchestra, including the complete Beethoven concertos with pianist Leon Fleisher.

International Expansion. In March, The Australian Record Club, the first club to be operated by a major record company on that continent, was inaugurated by Columbia's wholly owned subsidiary, Australian Record Company, Ltd. New recording studios and expanded manufacturing facilities were constructed in Argentina. Columbia's Canadian subsidiary, which also operates a record club, experienced its most successful year, despite the country's slow recovery from the recent recession. By the end of the year, Columbia Records had launched long-range plans to broaden the Division's distribution and recording operations in all major markets throughout the world.

Custom Products. The Division's custom service operation, Columbia Record Productions, expanded greatly in 1961, with sales volume doubling the total of the previous year. Its Custom Pressing activities for key independent record companies also increased substantially, while its Special Products operation created successful premiums and promotions for leading manufacturers of a wide variety of products.

Facilities. In May, Columbia Records officially opened its fourth domestic manufacturing facility. Located in Pitman, New Jersey, and housing the world's largest Lp manufacturing facilities, the new plant has an annual capacity of 25 million Lp's. Large-scale expansion of the Division's Terre Haute, Indiana, facility – fulfillment headquarters of the Columbia Record Club – was completed during the year. Unprecedented manufacturing records at all of the Division's facilities were set in 1961, with production of more than a million Lp's per week during the peak Fall months. At Columbia Square in Hollywood, the Division completed construction of a new recording complex, including one of the country's most advanced studios.

Executive Appointments. Walter L. Dean was appointed Vice President, Business Affairs; Albert B. Earl, Vice President, Operations; and William P. Gallagher, Vice President, Marketing.

Outlook for 1962. The continued rapid expansion of the record industry and Columbia Records' extensive program for new products, wide diversification and increased efficiency in operations and distribution provide the basis for a highly favorable forecast by this Division for greater sales and considerable growth in the coming year.

GODDARD LIEBERSON, *President*
Columbia Records Division

CBS Laboratories.

The CBS Laboratories Division furthers the growth and diversification of CBS operations through research and development. At the same time the Division's services and products are bought by other industries, government agencies, and educational institutions. During most of 1961 facilities of CBS Laboratories were used to capacity.

Acoustics and Magnetics. NetALERT, the new system of communication between CBS Radio Network headquarters and the Network's Affiliates, described earlier in the report of the CBS Radio Division, began operation on September 1. NetALERT was developed and produced by CBS Laboratories.

"Audimax," an automatic sound level control device which increases audio broadcast area coverage and produces a uniform sound level, was developed by the Laboratories in cooperation with the CBS Radio Network. It is also used by the CBS Television Network and CBS Owned radio and television stations.

CBS Laboratories has continued to provide research and development services to the Columbia Records Division, mainly for the improvement of disk recording technology. In 1961 a unique stereophonic test record was introduced by the two divisions for audiophiles and equipment manufacturers. The record provides an automatic sound-balance test of phonograph reproduction equipment.

Industrial and Military Electronics. In close engineering liaison with the CBS Television Network, the CBS Laboratories Division developed the Multiposition Preset Matte-Keyer, an electronic device to assist the Network in making a "build-up" or cumulative display of animated commercials, ballgame scores, and other sequences of graphics.

A program of research and development in military high-altitude communications was initiated by the Division under Air Force sponsorship. Other areas of government-sponsored work include special magnetic recorders, psycho-acoustics, and methods of adding sound to picture slides.

Solid-State Physics. Microminiaturized silicon computer elements using extremely small amounts of power have been developed by CBS Laboratories for military electronic systems.

A system utilizing electron beams to make semiconductor devices, such as diodes and transistors, is under development for the U. S. Army Signal Research and Development Laboratories, Fort Monmouth, New Jersey. Unique solid dry-film lubricants and vacuum bearings, introduced in 1959, have been enthusiastically received by space research agencies and bearing manufacturers. These materials extend bearing life by a factor of more than 100. New CBS Laboratories techniques for relubricating in space indicate an almost indefinite extension of bearing life span.

Special Electron Tubes. Special-purpose electron tubes have many applications, from space vehicle guidance to steel production. Among the newer devices developed during the year are: the Reconotron tube, which converts photographic data into video signals in "Photoscan" systems; light-sensitive image-scanning tubes, which are used in star-tracking and certain television applications, where extremely high reliability and simplicity of operation are necessary; and neutron detector tubes, which are used in nuclear research and utilize an entirely new approach to provide great accuracy.

Marketing. CBS Laboratories has granted worldwide rights to the manufacture and marketing of a pocketsize, rechargeable dictating device to Gulton Industries, Inc. Zenith Radio Corporation purchased United States rights to a phonograph pickup cartridge and arm system developed by the Laboratories.

Executive Appointments. Wolfgang W. Gaertner was appointed Vice President, Solid-State Physics Branch; John Manniello, Vice President, Program Development; and Clarence E. Watson, Vice President, Business Administration.

PETER C. GOLDMARK, *President*
CBS Laboratories Division

CBS International.

Two factors contributed toward making 1961 the best year experienced by this Division: the Buy-American policy instituted by our government at overseas Post Exchanges, and the appreciably increased income from our CBS licensees in Argentina, Peru, and Uruguay.

Sales. New highs were achieved in sales of phonograph records to military stores out of the United States. At Army, Navy, and Air Force installations in the Far East and Europe, sales increased as much as 40 per cent over last year.

The new bonded (laminated) television picture tube enjoyed a substantial sales gain and was in good demand both in South America and Europe.

Sales of television sets and kits, appliances, recording tape, radio tubes, phonographs, tape recorders, and broadcast equipment continued at a satisfactory pace, despite ever-increasing price competition from European and Japanese manufacturers.

Investments. The television picture tube plant in Buenos Aires, owned by CBS Electronics Argentina, S.A., in which CBS has an interest, began volume production by midyear. Starting-up expenses prevented any profits in 1961, but a break-even position was achieved by year's end. Profits are expected in 1962.

During the year, minority interests were purchased in Televa, S.A., and Electronica Peruana, S.A., two CBS licensees in Argentina and Peru respectively. Both of these companies assemble television sets under the trademark "CBS-Columbia" and both are in leading positions in their countries.

Outlook for 1962. With an expected easing of restrictions and tariffs against American products in many foreign markets, and with an anticipated increase in royalties, CBS International in 1962 hopes to better its record year of 1961.

LEWIS GORDON, *President*
CBS International Division

Former President Eisenhower talked with Walter Cronkite—and the world—on "CBS Reports."

CBS News

1 Hurricane Carla, which hit Texas in September, was the subject of special reports. 2 Soviet Premier Nikita S. Khrushchev, a major nev maker, was seen and heard on the "Eyewitness" series and other broadcasts. 3 A "CBS Reports" camera crew set up in Mesopotan for a global report on "The Water Famine." 4 In the shadow of the Redstone rocket, Cmdr. Alan B. Shepard, Jr., heads for a historic h into space May 5, 1961, covered live and in special reports by CBS News. 5 East German soldiers peer at the West from a rooftop. The Ber crisis was fully covered by CBS News. 6 This is how President and Mrs. Kennedy appeared on the CBS Television Network on Inaugurat

. **7** An unusual story of wartime espionage was re-created by Takeo Yoshikawa, "The Man Who Spied on Pearl Harbor," on "The Twen-
h Century." **8** President John F. Kennedy was met by Premier Khrushchev in Vienna, the subject of special reports on radio and tele-
on. **9** The General Assembly of the United Nations honored the memory of Dag Hammarskjold in September. CBS News coverage of
UN included a special broadcast on the death of the Secretary General. **10** The record $2.3 million sale of Rembrandt's "Aristotle Con-
plating the Bust of Homer" to the Metropolitan Museum of Art in New York City was covered on "Calendar," new public affairs series.

CBS Television Network

1 "Gunsmoke," expanded to an hour last Fall, continued as one of the most popular television programs of all time. **2** Maurice Evans Piper Laurie starred in "Come Again to Carthage," an original hour-long dramatic special. **3** Ingrid Bergman was the star of "24 Hou a Woman's Life," a dramatization of a Stefan Zweig tale. **4** Television's largest football audiences were attracted by the professional g of the National Football League, including the edited re-broadcast of the "NFL Game of the Week." Ninety-one League games were vised regionally by the Network. **5** Jack Benny, accompanying violinist Isaac Stern, demonstrated his virtuosity in music and comedy

negie Hall concert. On the special program, "Carnegie Hall Salutes Jack Benny," noted musical artists paid tribute to the comedian his many benefit concerts. **6** Sir Laurence Olivier gave a magnificent performance in a two-hour production of Graham Greene's "The ver and the Glory," outstanding drama of the year. **7** Ed Sullivan, here with Ethel Merman, presented a variety of superb entertainment actions on his ever-popular weekly show. The showman-star begins his 15th season on television in 1962. **8** Conductor Leonard Bernstein the New York Philharmonic in two notable series of concerts, one programmed for children, both broadcast during prime evening time.

CBS Television Network

9 "Captain Kangaroo," the gentle series of real and imaginative adventures for very young children, became an hour program six days a week. Here the Captain (Bob Keeshan) introduces a furred friend. **10** "The Miss America Pageant," broadcast live from Atlantic City, attracted the largest audience of the year. **11** Horse racing, including the Triple Crown, was a popular sports presentation. **12** Principals of "The Garry Moore Show" provide music and fun weekly: Carol Burnett, Durward Kirby, Marion Lorne, and Garry Moore. **13** E. G. Marshall is the star of the year's outstanding new series "The Defenders," created by playwright Reginald Rose.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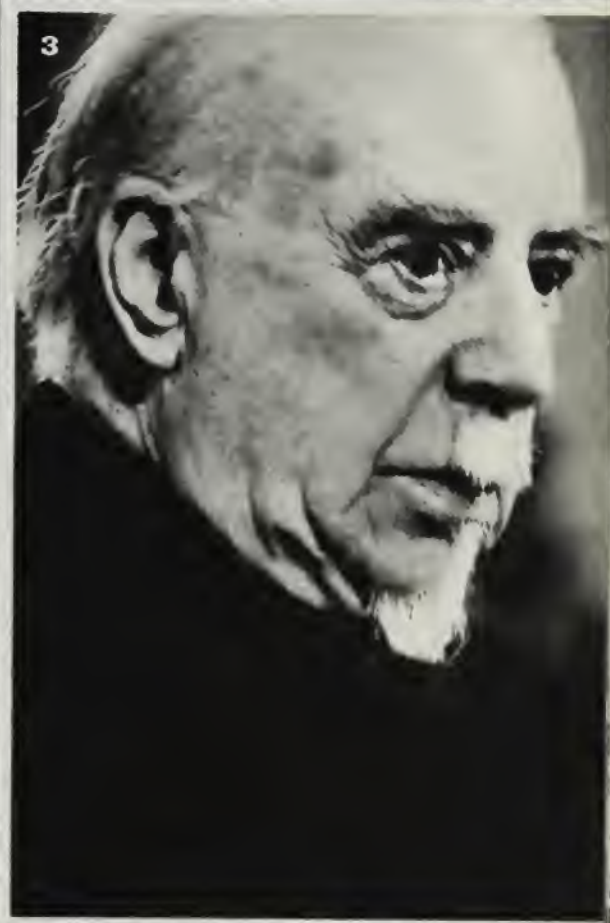
CBS Television Stations

1 Members of the Foreign Policy Research Institute of the University of Pennsylvania analyze the East-West struggle on "This Is Strategy," on WCAU-TV Philadelphia. **2** William Randolph Hearst, Jr. (right) and Frank Conniff of Hearst newspapers were guest critics on "WCBS-TV Views the Press." **3** A study-in-music of Sir Thomas Beecham was broadcast on "The International Hour," a world-wide program exchange. **4** Harpist Mimi Allen appeared on "Montage," an excursion into the arts on KMOX-TV St. Louis. **5** John van Dreelan and Kathleen Crowley appeared in Arthur Schnitzler's "The Affairs of Anatol," a 90-minute special on KNXT Los Angeles.



CBS Television Stations

6 "Demons in the Streets" was a documentary on WCAU-TV Philadelphia seeking out causes and remedies for juvenile violence. **7** A 15- fact-finding tour of South America was undertaken by newsman Frank Reynolds and a camera crew from WBBM-TV Chicago. The res were broadcast in a two-part documentary, "The Other Americans." **8** Jean Engstrom starred in George Bernard Shaw's "Candida 90-minute drama special on KNXT Los Angeles. **9** "Deputy Dawg," produced by Terrytoons and sold by CBS Films Inc. in more than markets, has proved to be one of the nation's most popular syndicated cartoon series. **10** Narcotics addiction was examined in "Junky

he Sea," a WCBS-TV New York documentary. **11** Television fans swarm the lobby of PROARTEL (Producciones Argentinas de Television), nos Aires, which produces programs for Argentine stations. CBS has an interest in PROARTEL. **12** Dr. Edward Teller discussed the at of nuclear war on KMOX-TV's "Eye on St. Louis." **13** Among programs from other countries on "The International Hour," presented kly by the CBS Owned television stations, was "Folk Songs of Japan," produced by the Tokyo Broadcasting System. **14** "Jeanne d'Arc: Trial" was a WBBM-TV Chicago production on "Repertoire Theatre," an experimental workshop in development of creative talent.

CBS Radio

1 The slide presentation, "Expansion for the Sixties," employed the unusual technique of incorporating actual radio transmission wit a sales presentation. It was shown to more than 1100 key agency and advertising people in ten cities coast to coast. **2** A significant news b was scored by CBS News Correspondent Stuart Novins with his report on the Cuban invasion. Here a wire dispatch tells the story. **3** C News Correspondent Robert Trout, shown reporting the Project Mercury story at Cape Canaveral, Florida, is celebrating his 30th year broadcasting. **4** Arthur Godfrey, in a two-week trip through the Midwest and Southwest in October, originated 11 broadcasts in eight cit

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UPI A139N
(MH-WA)

NEW YORK, APRIL 6 (UPI)--THE COLUMBIA BROADCASTING SYSTEM REPORTED TONIGHT THERE ARE UNMISTAKABLE SIGNS THAT A MILITARY INVASION BY CUBAN EXILES AGAINST THE GOVERNMENT OF CUBAN PREMIER FIDEL CASTRO IS NOW IN ITS FINAL STAGES.

A RADIO REPORT FROM MIAMI, FLA., BY STUART NOVINS, CBS NEWS CORRESPONDENT ASSIGNED TO LATIN AMERICA, SAID IT WAS LEARNED THAT MOBILIZATION ORDERS WERE ISSUED LAST WEDNESDAY BY THE ANTI-CASTRO COMMAND. IT ORDERED MEMBERS OF ANTI-CASTRO FORCES TO REPORT IN

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‹ distinguished musicians discussed "The Future of American Music" on a public affairs broadcast from Tanglewood in August: (l to r) ard Burgin, Arthur Fiedler, Erich Leinsdorf, Aaron Copland, Leonard Bernstein, and Gary Graffman. **6** Garry Moore, with Durward y, celebrated his 2100th broadcast on the CBS Radio Network in October. **7** President Arthur Hull Hayes checks the controls of ALERT, new signaling system to alert affiliated stations to news bulletins and special broadcasts. NetALERT went into operation in ember. **8** Marvin Kalb, Moscow Bureau Chief, is one of the outstanding CBS News correspondents reporting regularly on CBS Radio.


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Columbia Records

1 Eugene Ormandy and The Philadelphia Orchestra won major acclaim for their recording of Tchaikovsky's Sixth Symphony. **2** Alf Drake dazzled Broadway audiences with his acting and singing in "Kean." The original-cast album of the Wright and Forrest musical an Lp success. **3** Mahalia Jackson, on a triumphant concert tour of Europe, recorded a souvenir Columbia Records album en route. **4** "Sound of Music" original-cast album sold more than a million copies and Goddard Lieberson, President, Columbia Records, commemora the occasion with gold records to Mary Martin, Richard Rodgers, and Mrs. Oscar Hammerstein. **5** The new plant at Pitman, New Jer

ich opened in May of 1961, houses the world's largest Lp manufacturing facilities. It has an annual capacity of 25 million long-playing ords. **6** The "Portrait of Johnny," packaged with a detachable portrait of Johnny Mathis, was one of the year's best-selling albums. Mitch Miller's "Sing Along" album series continued to break all previous record industry sales figures during the year. **8** The Mormon ernacle Choir records in the celebrated Tabernacle on Temple Square in Salt Lake City, Utah. **9** Among their many activities, conductor nard Bernstein and the New York Philharmonic toured Canada, Japan and the United States, and recorded a number of major Lp releases.

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Columbia Records

10 Doris Day renewed her long-term association with Columbia Records in 1961. The motion-picture star continues as one of the all-time popular singers. **11** Andy Williams, television and recording star, joined the Division's artist roster and his first release, "Danny Boy," became an immediate best seller. **12** Jimmy Dean, who wrote and sang "Big Bad John" for Columbia Records release, had the biggest single record hit of the year. "Big Bad John" sold over a million copies in five weeks. **13** Dave Brubeck and his Jazz Quartet recorded a single-release best seller, "Take Five," and two of the year's most successful jazz albums, "Time Out" and "Time Further Out."


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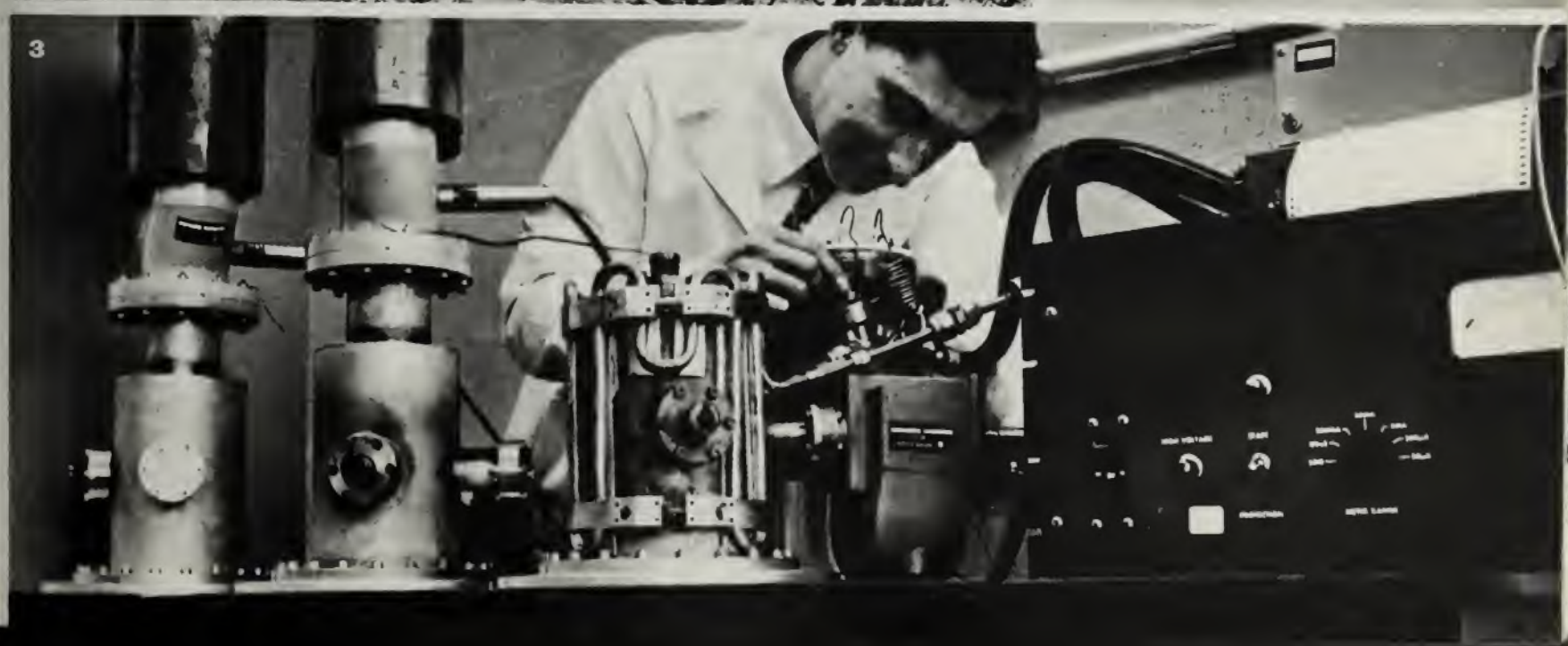
CBS Laboratories

1 Dr. Leonard Carmichael, Secretary of Smithsonian Institution, accepts first long-playing phonograph record (dated November 1, 1945) from Dr. Peter C. Goldmark, principal developer of the Lp (center), and William S. Bachman, Vice President, Research and Development, Columbia Records. **2** This high-altitude reconnaissance photograph was transmitted and received by "Photoscan" equipment. **3** Dry film lubricants and vacuum bearings for satellites are evaluated under conditions simulating outer space. **4** "Audimax" acts as alert engineer in assuring constant maximum broadcast modulation. **5** Dummy used in research on high-altitude communications.



CBS International

1 Visitors to the Second Pacific Trade Fair in Lima, Peru, last October, made the exhibit of Electronica Peruana, S.A., one of the most popu r of the fair. It featured an assembly line, manned by 25 Peruvian workers, that turned out 15 CBS-Columbia television sets a day. Electr ica Peruana, S.A., is a leading Peruvian television set company in which CBS owns an interest. 2 Columbia phonographs being shippe o overseas Post Exchanges. 3 The President of Peru, Manuel Prado y Ugarteche, visited the CBS-Columbia exhibit at the Second Pacific Tr Fair. With him (l) are John McManus of the U. S. Department of Commerce (center), and Lewis Gordon, President, CBS International

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Frank Stanton

TRANSFER AGENT
Chemical Bank New York Trust Company

REGISTRAR
Bankers Trust Company

PUBLIC AUDITORS
Lybrand, Ross Bros. & Montgomery

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CARL S. WARD, *Vice President*
LAWRENCE R. WHITE, *Vice President*
JAMES H. GEER, *Controller*

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CLARK B. GEORGE, *Vice President*
E. HAL HOUGH, *Vice President*
CRAIG R. LAWRENCE, *Vice President*
JOHN A. SCHNEIDER, *Vice President*
HARVEY J. STRUTHERS, *Vice President*
NORMAN E. WALT, JR., *Vice President*
EUGENE B. WILKEY, *Vice President*
ROBERT D. WOOD, *Vice President*
WILLIAM J. FLYNN, *Controller*

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W. THOMAS DAWSON, *Vice President*
JULES DUNDES, *Vice President*
THOMAS Y. GORMAN, *Vice President*
ROBERT F. HYLAND, *Vice President*
GEORGE M. PERKINS, *Vice President*
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DAVIDSON VORHES, *Vice President*
MAURIE E. WEBSTER, *Vice President*
WILLIAM J. FENNESSY, *Controller*

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BERNARD E. LINDEN, *Vice President*
JOHN MANNIELLO, *Vice President*
CLARENCE E. WATSON, *Vice President*
THOMAS PETERSEN, *Controller*

CBS International

LEWIS GORDON, *President*
WILLIAM P. MUNRO, *Vice President*

Domestic Subsidiaries

SAM COOK DIGGES, *Vice President, CBS Films Inc.*
ROBERT F. LEWINE, *Vice President, CBS Films Inc.*
WILLIAM M. WEISS, *Vice President, Terrytoons, a division of CBS Films Inc.*
CORNELIUS F. KEATING, *Vice President, Columbia Record Club*
ALBERT C. SIMONSON, *Vice President, Columbia Record Club*
KENNETH D. GLANCY, *Vice President, Columbia Record Distributors*

Foreign Subsidiaries

DOUGLAS TAYLOR, *General Manager*
Orfeo SA (Argentina)

LUIS CALVO, *Manager-Operations*
JUAN TRUDEN, *Manager-Administration*
Columbia Argentina SRL

A. WILLIAM T. SMITH, *Managing Director*
Australian Record Company Limited

WILLIAM G. WELLS, *Managing Director*
CBS Films Pty Limited (Australia)

EVANDRO RIBEIRO, *General Manager*
Columbia do Brasil SA

ROBERT R. PAMPE, *Vice President and Managing Director*
Columbia Records of Canada, Ltd.

MICHAEL BURKE, *Managing Director*
CBS Limited (England) and CBS (Europe) Ltd.

J. MANUEL VILLARREAL, *General Manager*
Discos Columbia de Mexico, SA

Columbia Broadcasting System, Inc. and domestic subsidiaries

Income Statements

	52 WEEKS ENDED Dec. 30, 1961	52 WEEKS ENDED Dec. 31, 1960
Net sales	**$473,843,935**	**$464,598,318**
Cost of sales	*332,302,708*	*324,181,355*
Selling, general and administrative expenses	*96,626,746*	*91,621,794*
Operating income	**44,914,481**	**48,795,169**
Other income	4,996,742	4,470,444
Other deductions	*2,873,395*	*1,930,539*
Income before federal income taxes	**47,037,828**	**51,335,074**
Federal income taxes	*25,000,000*	*28,100,000*
Net income	**$ 22,037,828**	**$ 23,235,074**

See notes to financial statements

Columbia Broadcasting System, Inc. and domestic subsidiaries

Balance Sheets

ASSETS

	Dec. 30, 1961	Dec. 31, 1960
Current assets:		
Cash	$ 32,659,360	$ 18,257,378
United States Government and other marketable securities, at cost and accrued interest	12,690,881	182,194
Notes and accounts receivable, less allowance for doubtful accounts: December 30, 1961, $7,451,773; December 31, 1960, $4,778,034	83,699,744	83,835,046
Inventories, at lower of cost or market	10,882,607	24,556,183
Films, film rights and other prepaid expenses	53,125,659	47,248,905
Total current assets	**193,058,251**	**174,079,706**
Investments:		
Wholly owned foreign subsidiaries, at cost	2,953,289	2,426,127
Other, at cost or less *(note 2)*	9,566,581	6,463,866
	12,519,870	**8,889,993**
Property, plant and equipment, at cost:		
Land	14,428,465	13,860,780
Buildings	35,471,166	37,882,959
Machinery and equipment	48,520,148	59,474,665
Leasehold improvements	8,533,742	8,784,870
	106,953,521	120,003,274
Less accumulated depreciation	*40,729,193*	*44,311,335*
	66,224,328	**75,691,939**
Contract rights and other assets at cost, less amortization	**4,056,413**	**6,599,628**
	$ 275,858,862	**$ 265,261,266**

LIABILITIES AND STOCKHOLDERS' EQUITY

	Dec. 30, 1961	Dec. 31, 1960
Current liabilities:		
Accounts payable and accrued liabilities	$ 55,616,061	$ 51,522,920
Federal income taxes	21,325,965	23,114,105
Current instalments on notes and mortgages	4,557,089	4,920,728
Total current liabilities	**81,499,115**	**79,557,753**
Amounts due after one year:		
Notes payable, 3½%-4¼%, due 1963 to 1973	35,021,000	38,380,000
Mortgages	3,125,879	3,024,834
Other	11,318,638	4,980,494
Total amounts due after one year	**49,465,517**	**46,385,328**
Deferred federal income taxes	**2,470,000**	**2,270,000**
Stockholders' equity:		
Common stock, par value $2.50 per share: authorized 12,000,000 shares; issued: December 30, 1961, 8,908,678 shares; December 31, 1960, 8,641,104 shares *(note 3)*	22,271,695	21,602,760
Capital surplus	49,752,058	40,863,455
Retained earnings *(note 4)*	70,400,477	74,581,970
Total stockholders' equity	**142,424,230**	**137,048,185**
	$275,858,862	**$ 265,261,266**

See notes to financial statements

Columbia Broadcasting System, Inc. and domestic subsidiaries

Statements of Retained Earnings and Capital Surplus

RETAINED EARNINGS	52 WEEKS ENDED Dec. 30, 1961	52 WEEKS ENDED Dec. 31, 1960
Balance at beginning of period	**$74,581,970**	**$72,641,944**
Net income	22,037,828	23,235,074
	96,619,798	**95,877,018**
Deduct:		
Cash dividends: 1961, $1.40 per share; 1960, $1.40 per share	*12,092,074*	*11,734,742*
Stock dividends, three per cent: 1961, 259,133 shares; 1960, 251,587 shares	*9,328,788*	*9,560,306*
Loss on disposition of assets of CBS Electronics Division (note 5)	*4,798,459*	
Balance at end of period *(note 4)*	**$70,400,477**	**$74,581,970**

CAPITAL SURPLUS		
Balance at beginning of period	**$40,863,455**	**$31,767,864**
Excess of proceeds from sales of common stock, under option agreements, over par value of shares sold	207,647	164,252
Excess of market value over par value of shares issued in payment of stock dividends	8,680,956	8,931,339
Balance at end of period	**$49,752,058**	**$40,863,455**

See notes to financial statements

Notes to Financial Statements

1. Depreciation of property, plant and equipment and amortization of contract rights for the years 1961 and 1960 amounted to $8,942,571 and $9,583,566, respectively.

2. Included in other investments at December 30, 1961 are 15,284 shares of Company stock at a cost of $585,852 which are being held for distribution under the Employees' Stock Purchase Plan and the Deferred Additional Compensation Plan.

3. Under Stock Option Plans approved by the stockholders in 1951 and 1961, the Company has granted options to certain employees, including officers, to purchase shares of Company stock at a price not less than 95% of market value on the dates the options were granted. Unissued shares of Company stock under option at the beginning and end of 1961 (exercisable at various dates through 1968) and changes during 1961 are summarized as follows:

Shares under option at December 31, 1960	259,997
Options granted during 1961 (at $33.00 per share) net of terminations	9,687
Adjustments resulting from 3% stock dividend	8,005
	277,689
Less options exercised during 1961 (at $27.10 per share)	8,441
Shares under option at December 30, 1961 (at prices ranging from $25.54 to $41.41 per share), of which options on 95,518 shares were exercisable at December 30, 1961	269,248

At the beginning of 1961 there were no shares reserved for future options under the 1951 Plan. At the end of 1961, 388,354 shares of unissued stock were reserved for future options under the 1961 Plan. Options for these shares may be granted prior to January 1, 1971 at the discretion of the Board of Directors.

4. Under the agreements covering notes payable there are certain restrictions with respect to the payments of dividends (other than stock dividends) on the Company stock and to the purchase, redemption or retirement of its stock. At December 30, 1961, $48,900,000 of retained earnings was free of such restrictions.

5. During 1961, the operations of the CBS Electronics Division, which had been engaged in the manufacture and sale of semiconductor devices, receiving tubes and related products, were discontinued and substantially all of the assets of this division have been disposed of. Losses and expenses of $4,798,459 (after applicable tax credits) related to this disposition have been charged to retained earnings.

Report of Auditors

To the Stockholders of Columbia Broadcasting System, Inc.:

We have examined the consolidated balance sheets of Columbia Broadcasting System, Inc. and domestic subsidiaries as of December 30, 1961, and December 31, 1960, and the related statements of income, retained earnings and capital surplus for the fiscal years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheets and statements of income, retained earnings and capital surplus present fairly the consolidated financial position of Columbia Broadcasting System, Inc. and domestic subsidiaries at December 30, 1961, and December 31, 1960, and the results of their operations for the fiscal years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

LYBRAND, ROSS BROS. & MONTGOMERY

New York, February 12, 1962

Columbia Broadcasting System, Inc. and domestic subsidiaries

10-Year Financial Summary

	1961	1960	1959
Income and dividends			
Net sales	**$ 473,844**	**$464,598**	**$444,311**
Income before federal income taxes	47,038	51,335	52,967
Less: Federal income taxes	*25,000*	*28,100*	*27,700*
Net income	**$ 22,038**	**$ 23,235**	**$ 25,267**
Per cent of net income to net sales	4.7%	5.0%	5.7
Net income per share *(see note)*	**$ 2.55**	**$ 2.69**	**$ 2.93**
Cash dividends paid per share *(see note)*	$ 1.40	$ 1.36	$ 1.18
Balance sheet items			
Current assets	$ 193,059	$ 174,079	$167,209
Less: Current liabilities	*81,499*	*79,558*	*70,237*
Net working capital	111,560	94,521	96,972
Investments and other assets	16,576	15,490	19,289
Property, plant and equipment—net	66,224	75,692	61,405
Less: Long-term liabilities	*51,936*	*48,655*	*52,301*
Total net assets	**$ 142,424**	**$137,048**	**$125,365**
Stockholders' equity:			
Common stock	$ 22,272	$ 21,603	$ 20,95
Capital surplus	49,752	40,863	31,76
Retained earnings	70,400	74,582	72,64
	$ 142,424	**$137,048**	**$125,36**
Ratio of current assets to current liabilities	2.37	2.19	2.3

Note: Based on the average number of shares outstanding in each year, adjusted for prior years' stock dividends an

(Dollars in thousands)

1958	1957	1956	1955	1954	1953	1952
11,800	**$385,409**	**$354,780**	**$316,573**	**$280,291**	**$236,972**	**$194,109**
53,529	48,593	35,083	29,897	23,215	21,395	15,246
29,100	*26,400*	*18,800*	*16,500*	*11,800*	*12,500*	*8,800*
24,429	**$ 22,193**	**$ 16,283**	**$ 13,397**	**$ 11,415**	**$ 8,895**	**$ 6,446**
5.9%	5.8%	4.6%	4.2%	4.1%	3.8%	3.3%
2.83	**$ 2.57**	**$ 1.89**	**$ 1.56**	**$ 1.35**	**$ 1.06**	**$ .77**
.92	$ .89	$ .78	$ .66	$ .53	$ .52	$ .45
1,904	$ 160,875	$ 131,496	$ 117,369	$ 105,936	$ 78,593	$ 64,054
8,149	*67,878*	*57,040*	*51,529*	*48,785*	*42,278*	*34,194*
3,755	92,997	74,456	65,840	57,151	36,315	29,860
0,996	12,900	11,494	10,603	9,953	10,477	7,548
8,522	49,095	53,107	52,117	53,410	46,971	40,119
3,421	*56,643*	*55,259*	*54,527*	*54,599*	*41,785*	*30,113*
9,852	**$ 98,349**	**$ 83,798**	**$ 74,033**	**$ 65,915**	**$ 51,978**	**$ 47,414**
0,297	$ 19,703	$ 19,129	$ 18,715	$ 6,097	$ 5,852	$ 5,852
1,879	12,876	7,645	3,407	8,733	3,825	3,825
7,676	65,770	57,024	51,911	51,085	42,301	37,737
9,852	**$ 98,349**	**$ 83,798**	**$ 74,033**	**$ 65,915**	**$ 51,978**	**$ 47,414**
2.23	2.37	2.31	2.28	2.17	1.86	1.87

ck split in 1955. Stock dividends of 3% were declared in 1961, 1960, 1959, 1958 and 1957, 2% in 1956, 1955 and 1954.

Columbia Broadcasting System, Inc.
485 Madison Avenue, New York 22, New York *(Executive Offices)*
1735 De Sales Street, N.W., Washington 6, D. C.

CBS News
485 Madison Avenue, New York 22, New York

CBS Television Network
485 Madison Avenue, New York 22, New York

CBS Television Stations
485 Madison Avenue, New York 22, New York

CBS Radio
485 Madison Avenue, New York 22, New York

Columbia Records
799 Seventh Avenue, New York 19, New York

CBS Laboratories
227 High Ridge Road, Stamford, Connecticut

CBS International
46 East 52nd Street, New York 22, New York

1962 Annual Report to the Stockholders of Columbia Broadcasting System, Inc.

1962 Annual Report to the Stockholders of Columbia Broadcasting System, Inc.

1962 Annual Report to the Stockholders of Columbia Broadcasting System, Inc. for the Fiscal Year ended December 29, 1962

CONTENTS

The 1963 Annual Meeting of Stockholders of Columbia Broadcasting System, Inc., will be held on Wednesday, April 17, at 10 AM, in CBS Television Studio 50 at 1697 Broadway (near 53rd St.), New York City.

er) This panoramic view of the new Headquarters building site was photographed BS employee Philip Mancino and won ze in the Company's Building Photo Contest. ble in lower foreground is plexiglass valk superintendent's" fence.)

To Our Stockholders:

1962 was not only one of the most significant years in your Company's history but also in the world-wide development of electronic communications. The successful launching of Telstar and of its sister satellite, Relay, were the promising beginnings of a new age of direct international live television. The experimental transmission by satellite between America and Europe and the broadcast of such special events as the opening of the Ecumenical Council commanded the most affirmative reaction, both here and abroad, of any development in television's short, crowded history. CBS played a major part in this broadcasting epoch.

At home, broadcasting has become more firmly established than ever as an integral part of American life. Audiences for both the news and entertainment broadcasts of the CBS Television Network reached new highs.

History was also made for CBS in 1962 when for the first time net sales exceeded the half-billion dollar mark.

Financial Results. In 1962 net income as well as net sales were the highest in our 35-year history. Net sales increased by 7 per cent over 1961, representing the continuation of a trend of annual sales increases for 14 consecutive years. Net income increased 32 per cent over 1961 and 15 per cent over 1959, which had been the previous high year. (Net income in 1960 and 1961 was affected adversely by losses of the electronics manufacturing division, which was discontinued in 1961.)

Detailed financial reports begin on page 33, and a ten-year financial summary appears on pages 38 and 39. The table below shows key financial data for 1962 as compared with 1961.

	1962	1961
Net sales	$509,269,813	$473,843,935
Net income	29,053,734	22,037,828
Net income per share	3.27	2.47*

*Adjusted for Stock Dividend

Cash dividends of $1.40 per share were paid in 1962, plus a stock dividend of 3 per cent paid on December 17.

Divisional Operations. The rapid expansion of CBS and a determination to develop strong management led your Company some years ago to adopt a decentralized organization. Today this consists of seven operating Divisions assisted by a central group of Corporate officers and their staffs. Each Division is headed by its own President, who is also a Vice President of Columbia Broadcasting System, Inc., and who carries internal responsibility for the successful operation and growth of his Division. Each Division has its own complement of officers.

This decentralized organization has already demonstrated strength in developing executive talent, in competing effectively and in increasing sales and profits.

The individual reports of the Presidents of the seven operating Divisions begin on page 6. They give a concise picture of the extent of your Company's interests, how we are measuring up to our responsibilities, and where we are headed.

Here are some of the highlights of 1962.

In a year crammed with crises, and the emergence of public issues of far-reaching importance, CBS News expanded its operations. The Division produced 17 per cent of the CBS Television Network schedule—an increase of 187 hours over 1961—and 51 per cent of the CBS Radio Network schedule. The Division completed organizing five new U.S. regional bureaus, and created two new foreign bureaus. CBS Newsfilm, the largest single newsfilm syndication service in the world, increased its potential circulation by 15 million homes and was seen in four out of every five television homes in the world.

The CBS Television Network decisively led all networks in audience popularity and advertising revenues. For the eighth consecutive year the CBS Television Network attracted the largest audiences in broadcasting. And for the ninth year it was the world's largest advertising medium. Throughout the year it broadcast more of the most popular programs, both day and night, than the other two networks combined.

All five CBS Owned television stations—WCBS-TV New York, KNXT Los Angeles, WBBM-TV Chicago, WCAU-TV Philadelphia and KMOX-TV St. Louis—ended the year first in their communities in circulation. Four of them,

am S. Paley (right), Chairman, and Frank Stanton, President

and probably all five, were first in sales also. All five distinguished themselves in anticipating and fulfilling community needs, and in advancing experimental programming. Offshore operations conducted under the CBS Television Stations Division were expanded; and at year's end 2000 half hours of television programming distributed by CBS Films Inc. were being exhibited weekly in 63 foreign countries.

For the CBS Radio Network and the seven CBS Owned radio stations—WCBS New York, KNX Los Angeles, WBBM Chicago, WCAU Philadelphia, WEEI Boston, KMOX St. Louis and KCBS San Francisco—1962 was a year of searching reappraisal. Revealing studies of radio audiences, network service and station management led to programming and operational changes which should contribute to the growth of the CBS Radio Network, greater audiences, and increased advertising revenues. In 1962 the Network's audience for sponsored programs averaged 25 per cent greater than its nearest competitor's.

For the fourth consecutive year Columbia Records increased its sales and held its position of leadership in the phonograph record industry. Achieving a 15 per cent improvement in total sales volume, the Division carried forward a broad program to expand and improve its recording, manufacturing, and distributing facilities at home and abroad.

CBS Laboratories facilities were employed in a wide variety of research and development projects for government and industry, ranging from refinement of a lubricant for satellite equipment to production of the West's largest light-sensitive tube. In addition, the Division designed and developed specialized equipment requiring advanced technology for the CBS operating Divisions.

CBS International's intensified program to increase sales in European and Near Eastern markets, following the adverse effect of the Argentine collapse on the Division's Latin American sales, showed promising results.

International Operations. The international activities of CBS, our wholly-owned foreign subsidiaries and foreign corporations in which we have financial interests, include production and sale of television programming, recording and marketing of phonograph records, sale of other goods and services, licensing and royalty arrangements and the operations of CBS News. Last year, the foreign industries in which we are particularly interested—television and phonograph records, for example—continued to grow and we, and the companies in which we have an interest, participated in the advance. (See the reports of the CBS Television Stations Division and the Columbia Records Division.)

In the aggregate our foreign activities and investments were profitable in 1962, and the prospect for greater future earnings from foreign operations is highly promising.

Facilities. The growth of CBS as it reached its 35th anniversary was exemplified by three major construction projects started during the year. The new CBS Headquarters building in New York City, designed by the late Eero Saarinen, will provide over 800,000 square feet of space when completed in 1964. The reinforced concrete vertical tower of 38 stories, rising from a sunken plaza and clad with Canadian black granite, will have a minimum of the glass and metal so characteristic of postwar office architecture. Foundations are now in place, bridging the subway which runs under the site on the east side of the Avenue of the Americas between 52nd and 53rd Streets. Seven floors will be leased to tenants, ground floor space having already been rented to The Bank of New York.

Also scheduled for 1964 completion is the CBS Production Center in New York, which will provide a modern centralized headquarters for news, radio and television operations. This major project entails comprehensive alterations and additions to the existing structure which are taking place without interruption of the normal activities. Extensive design of electronic broadcasting facilities, incorporating new technical approaches to this rapidly changing field, will provide CBS with the world's most efficient broadcasting and production center. The CBS Television and Radio Networks' master control center, six television studios and six radio studios, as well as associated facilities and office space, will make this the

most modern and efficient broadcast complex in the world.

In December Columbia Records continued its expansion program by breaking ground for its new manufacturing, warehousing and Record Club distribution facility in Santa Maria, California. This 175,000 square-foot plant will provide capacity for an expanded volume of production, storage and distribution for this Division in the 15 Western states. When finished late in 1963, it will be the world's most modern and efficient record manufacturing plant.

Another indication of Columbia Records' vigorous growth is its construction of an electronic data processing center for the Record Club at Terre Haute, Indiana, and the modernizing and expansion of the recently acquired Bradley Recording Studios in Nashville, Tennessee. These projects are also scheduled for completion in the current year.

Contributions and Grants. CBS and the CBS Foundation continued to support welfare, educational and other philanthropic activities in communities in which we operate broadcasting stations, manufacturing plants and other facilities, and also to support national cultural and educational institutions. Contributions and grants in these categories are made principally by the Foundation.

One of the CBS Foundation's continuing programs is the support of eight fellowships at Columbia University. Each year applications for these CBS Foundation News Fellowships, which are highly competitive, are invited from among the news and public affairs staff employees of affiliates of the CBS Radio and CBS Television Networks, educational stations, CBS News, CBS Owned radio and television stations, and instructors in news and public affairs techniques in colleges and universities. The fellowship grants, which average about $8000 each, enable recipients to study for a year at Columbia University, taking courses which will contribute to the effectiveness of their professional work. Courses may be chosen from such varied subjects as diplomatic history, economics, modern languages, Far Eastern affairs, political science, labor relations, public administration and American history. With the approval of the University, a Fellow may become a candidate for a graduate degree; most Fellows have taken advantage of this opportunity.

Among other especially noteworthy contributions during the year were those in cash and equipment to the Educational Broadcasting Corporation which operates WNDT, the noncommercial educational television station in New York. CBS has always regarded educational television as a valuable supplement to commercial television service and has supported its growth.

Early in 1963 CBS contributed an additional $100,000 to help WNDT meet its pressing operational obligations during its current fiscal year.

Elections. In October Michael Burke was elected Vice President, Development. Mr. Burke was formerly Managing Director of CBS Limited (England) and CBS (Europe) SA.

In February 1963 Ralph O. Briscoe was elected Controller. Mr. Briscoe was formerly Assistant Controller.

Outlook. Although there was a marked moderation in the economy's rate of advance in the last half of the year, total national advertising showed a substantial increase for the year as a whole.

The increases in revenues during the year were larger for broadcasting than for other national advertising media. Television, in particular, enjoyed large advances. The television expenditures of national advertisers for the first nine months of 1962 were more than 10 per cent greater than those for the first nine months of 1961.

If expectations for the total economy for 1963 prove correct, national advertising will also rise during the year. We expect broadcasting revenues will continue to grow more rapidly than other advertising media and that CBS will enjoy its full share of this growth. We also expect a continued rise in the sale of phonograph records, with CBS participating importantly in this increase.

CBS looks ahead to an increased level of sales and profits in 1963.

WILLIAM S. PALEY, *Chairman*
FRANK STANTON, *President*

February 13, 1963

CBS News

The momentous events of 1962—events as expected as the elections and as unexpected as the Cuban crisis—were brought into tens of millions of American homes through CBS News, which accounted for 17 per cent of the CBS Television Network schedule (representing an increase of 187 hours of news programming over 1961) and 51 per cent of the CBS Radio Network schedule. Better to meet its responsibility, the Division expanded its staff during the year, concentrated on increasing the mobility and flexibility of broadcast news-gathering techniques, and continued its experimentation in the field of public affairs broadcasting. The success of this effort is partially reflected in the 23 major awards won by CBS News during 1962.

Of overriding significance was the announcement, as the year ended, that the CBS Television Network would present a 30-minute evening news broadcast Monday-through-Friday, starting in the Fall of 1963, in place of the current quarter-hour evening news.

CBS News completed the organization of its five new regional bureaus in the U. S., and two new foreign news bureaus have been created. Bernard Kalb was assigned to Hong Kong as Southeast Asia-India correspondent, and Charles Kuralt was named Latin American correspondent with headquarters in Rio de Janeiro.

News Highlights. The past year, one of the most newsworthy 12 months since the end of World War II, witnessed complete, up-to-the-minute CBS News coverage of the sudden East-West crisis which followed proof of Soviet offensive missile sites in Cuba, a harrowing crisis that brought the world to the precipice of nuclear conflict. The past year also found CBS News covering the integration crisis at the University of Mississippi; the continuing disunity in the Congo; warfare in South Vietnam; the hostilities between India and Red China in the Himalayas; the orbital space flights of astronauts John H. Glenn, Jr., M. Scott Carpenter and Walter M. Schirra, Jr., from Cape Canaveral; and the continuing story of the Berlin Wall. In addition, at year's end, CBS News expanded its service to WCBS-TV New York by over 75 per cent in broadcast time to help fill the gap caused by the New York City newspaper strike.

The role of informational broadcasts—and their variety—were vividly illustrated during an unprecedented seven-day period in February when CBS News brought six unusual events to the CBS Television Network audience in addition to the regularly scheduled hard news broadcasts. During those seven days were presented the historic "A Tour of the White House with Mrs. John F. Kennedy," originated and produced by CBS News; the uninterrupted ten-hour reporting of John Glenn's successful vault through space; "Eisenhower on the Presidency: Part III," the concluding chapter of the "CBS Reports" interview with the former President; coverage of the good-will tour of Attorney General and Mrs. Robert F. Kennedy to Japan and Indonesia on "Eyewitness"; the "Washington Conversation" interview with Arizona's Senator Carl Hayden, marking the 50th anniversary of his election to Congress; and the biography of Frank Lloyd Wright on "The Twentieth Century."

Satellite Television. Broadcasting history was made in midsummer, when, in July, intercontinental live television via satellite began. Through the use of the orbiting Telstar communications satellite as an active relay, Americans and Europeans for the first time shared the sight of a live television picture as it spanned the Atlantic. CBS Television Network viewers alone witnessed the first live transatlantic broadcast via Telstar, which originated in the control room of the British transmitting station at Goonhilly Down, Cornwall, England. Later, the three U. S. television networks and the 17-nation European Broadcasting Union participated in the first formal exchange of television broadcasting.

Political Campaigns. A permanent CBS News Election Unit, the first in network broadcasting, was created at the start of the year to provide the American electorate with continuing, comprehensive coverage of the 1962 primaries, campaigns, issues and elections. With CBS News Correspondent Bill Leonard as its executive producer, it produced a number of special "Campaign '62" reports during the year. On Election Night—employing 500 people in New York, 2500 special reporters in the 50 states and its exclusive Vote Profile Analysis—CBS News led all other news media in its coverage of key state and local elections and in the speed and number of accurate declarations of winners in major races.

Presidential Coverage. CBS News continued to provide comprehensive coverage of the Presidency, starting with

1. CBS News' Election Night coverage brought a new dimension to political rep
2. Correspondent David Schoenbrun interviewed the Secretary of State on "CBS R
3. Mt. Rushmore, as beamed via Telstar: broadcasts via satellite were a 1962 hig
4. Millions shared the drama of manned space flights, including that of Walter M. Schi
5. Red China's startling invasion of India was covered on-the-scene by CBS News
6. Comprehensive coverage of Kennedy-Macmillan talks exemplified CBS News' rep

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the President's State of the Union message in January, continuing through to the joint network presentation in December of "A Conversation with the President," a unique full-hour conversation by the chief executive on his first two years in office. In between, CBS News produced a large number of special broadcasts on the President and his activities for the CBS Television Network and the CBS Radio Network, including reports on his trips to Mexico and military installations around the nation and his year-end meeting with British Prime Minister Macmillan in the Caribbean. His reports to the people on such topics as the crises in Cuba and Mississippi, the resumption of nuclear testing, the Medicare program and the state of the nation's economy were also the subjects of special CBS News broadcasts.

Public Affairs. A broadcasting tradition grew by 30 minutes when the 14th annual "Years of Crisis" assessment of vital world events and issues by CBS News correspondents brought home from their posts around the globe was extended from its usual hour to 90 minutes at the close of the year. In the realm of CBS News specials seen during the year were "Where We Stand" and the memorable dramatization of Stephen Vincent Benet's "John Brown's Body." During the Summer the Public Affairs Department of CBS News launched one of television's most ambitious schedules of experimental broadcasts. One of the presentations, "Americans: A Portrait in Verses," drew 34,000 letters from viewers requesting a bibliography of the works heard on the broadcast. Another major experiment was "Money Talks," a unique series of five 30-minute broadcast essays examining and explaining the nature of the American economy, shown in half-hour prime time periods on five successive nights on the CBS Television Network.

In the Fall "The Reading Room" series began on Saturdays on the CBS Television Network, a serious effort to program in the informational field, especially for the younger audience. The series is aimed at encouraging reading among children in the eight to twelve age group. Also new on the CBS Television Network during the year was "CBS Washington Report," with Chief Washington Correspondent David Schoenbrun and other CBS News correspondents in the nation's capital reporting on national and international developments. Walter Cronkite became correspondent and managing editor on "The Evening News," Eric Sevareid took over "The Sunday News," and Douglas Edwards served as anchor man on "CBS News Extras," on-the-spot coverage of breaking news events. Charles Collingwood was assigned as correspondent on "Eyewitness" as that series continued to report on a major news story each week. The full-hour "CBS Reports" series, which was moved to an earlier evening time period in the Fall, in order to be available to the younger audience, devoted its attention during 1962 to such diverse subjects as "Mr. Europe and the Common Market," "The Teen-Age Smoker," "The Other Face of Dixie," "An Hour with the Secretary of State" and "109 Days to Venus."

"The Twentieth Century," in its sixth season, offered such broadcasts as "The Creative Thirties," "The Satellite That Talks," "I Remember: Dag Hammarskjold" and "Norstad of NATO" (full hour).

"Calendar" brightened the morning television schedule and "Lamp Unto My Feet" and "Look Up and Live" remained weekly traditions. "Church of the Air" and "Capitol Cloakroom" continued on the CBS Radio Network. CBS News also produced a number of special radio broadcasts, in addition to its continuing production of portions of the "Dimension" series.

CBS Newsfilm. The largest single newsfilm syndication service in the world, CBS Newsfilm serves domestic markets and exports films to 47 cities in 29 countries. It is now seen in over 85 million homes, or four out of every five television homes in the world.

Executive Appointment. John W. Kiermaier was appointed Vice President, Public Affairs.

Outlook for 1963. This will be a year of intense activity and challenge for CBS News. The Division believes that important progress has been made in achieving a balanced diversification of informational programming on the CBS Television Network and the CBS Radio Network, and that the leadership of CBS News is clear. Pledged to continue a priceless tradition, we look ahead to further leadership in the field of broadcast journalism.

RICHARD S. SALANT, *President CBS News Division*

e continuing story of the Berlin Wall was reported by CBS News throughout the year.
nes Meredith's admission to the University of Mississippi was covered in depth.
Tour of the White House with Mrs. John F. Kennedy" was produced by CBS News.
ne Cuban Crisis: only electronic journalism could keep apace of the fast-breaking events.
ne free world's warfare against communism in South Vietnam was fully reported.
'he Twentieth Century's" visit with General Norstad was a 1962 highlight.
'he Reading Room" series brought a new means of encouraging children to read.

CBS Television Network

In 1962 the CBS Television Network surpassed each of its competitors by substantial margins in the competition for nationwide audiences and advertising support.

For the eighth consecutive year the Network attracted the largest audiences in broadcasting. For the ninth consecutive year the nation's advertisers committed more of their investment to the CBS Television Network than to any other single advertising medium, resulting in the largest annual sales volume in our history.

Essentially this record of leadership can be attributed to a single factor—a basic programming philosophy that gives top priority to presenting the work of television's most talented performers, writers, producers and directors. Ranging across the entire spectrum of entertainment, this policy is visible in the broadcasts of such gifted comedians as Lucille Ball, Jack Benny, Jackie Gleason, Andy Griffith, Red Skelton, Danny Thomas and Dick Van Dyke; in the creative showmanship of an Ed Sullivan and a Garry Moore; and in the dramatic powers of writers like Reginald Rose and Paul Henning; producers like Herbert Brodkin and Bob Banner; and performers like James Arness, Raymond Burr and E. G. Marshall. These were only a few of the outstanding talents that week after week provided television's top entertainment. The engagement of performers Carol Burnett, Judy Garland, Danny Kaye and Phil Silvers, the producer Fred Coe, and the writer Jerome Weidman for the 1963-64 season offers still further evidence of the Network's continuing pursuit of excellence.

Throughout the year the Network broadcast more of the most popular nighttime programs than the other two networks combined—averaging six of the top ten and 22 of the top 40. As the Fall season opened the Network broadcast seven of the top ten programs, with two new entries—"The Beverly Hillbillies" and "The Lucy Show" —winning first and second place. Collectively the nine new programs introduced on the Network in the Fall averaged a 21 per cent larger audience than the new shows introduced by its closest competitor.

Nowhere is the Network's programming philosophy more vividly illustrated than in the rich and varied schedule of 52 *special* programs presented during the year. Among the great entertainments was a delightful hour of song with Judy Garland, Frank Sinatra and Dean Martin, and the musical burlesque, "Julie and Carol at Carnegie Hall," pairing the two gifted stage and television performers, Julie Andrews and Carol Burnett.

On the more serious side, viewers across the nation were fascinated by an hour-long program devoted to the New York Philharmonic's six-city visit to Japan. (In 1961 CBS contributions to the arts included a grant of $100,000 to the New York Philharmonic to tour Canada, Japan and the United States.)

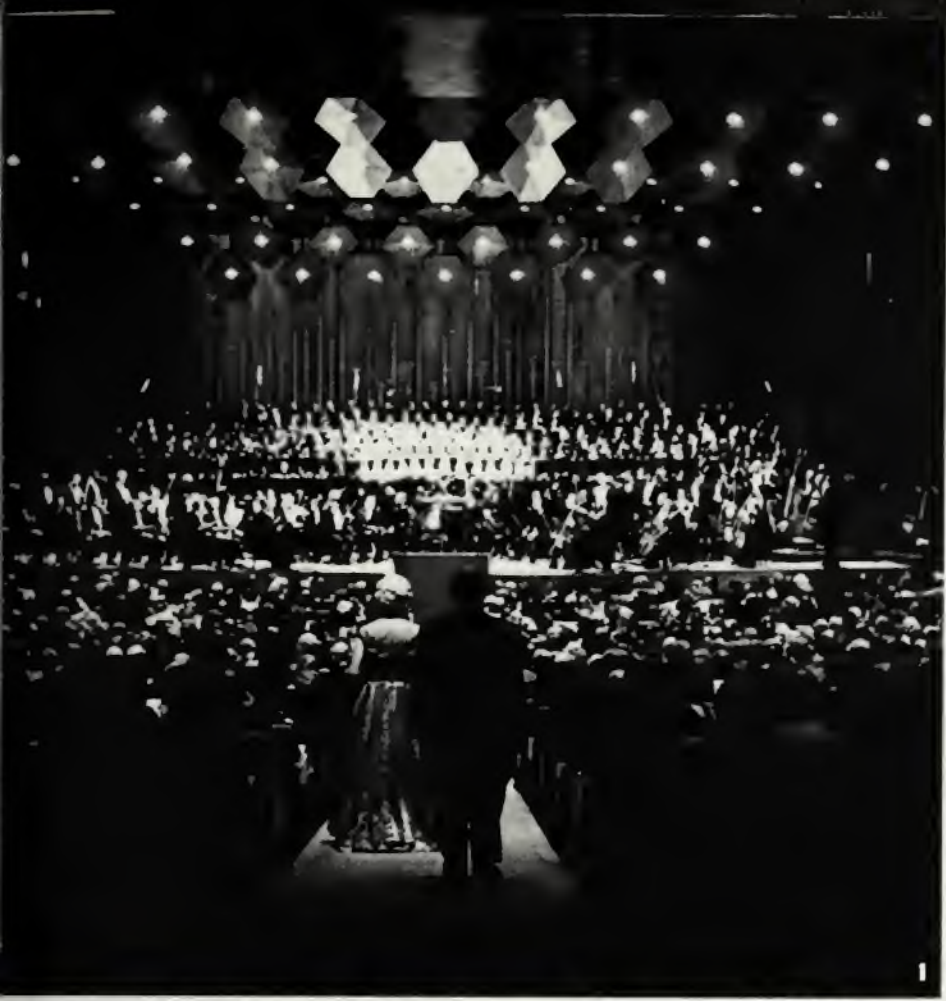
On April 8, as a pre-Easter special, the Network presented "Laudes Evangelii," a 90-minute choral and dance production depicting the life and crucifixion of Christ, created by the famous choreographer Leonide Massine. And among the notable broadcasts of the year was Igor Stravinsky's original dance drama, "Noah and the Flood," commissioned by the CBS Television Network, and choreographed by George Balanchine.

And on September 23, as the new television season got under way, the Network presented the memorable two-hour broadcast of the opening ceremonies of Lincoln Center for the Performing Arts, enabling millions of viewers throughout the nation to witness one of the great cultural occasions of our time.

Daytime. In the daytime the Network's leadership was equally striking, averaging four of the top five, eight of the top ten, and ten of the top 15 programs throughout the year, while continuing to attract the largest average audiences of any network. In the Fall the morning schedule was sharply strengthened by the addition of two popular situation comedies—"The McCoys" and "Pete and Gladys." Evidence of this strength was reflected by the fact that, as the season opened, the Network was broadcasting ten out of the top ten programs for the first time in seven years. In 1962 daytime sales reached their highest point in Network history, exceeding sales of the previous year by 24 per cent.

Youth Programs. In September the Network introduced a new weekly half-hour children's series, "The Reading

1. Nationwide audience saw gala opening in New York of Lincoln Center for the Performing
2. Regular NFL and NCAA football games were seen exclusively on the CBS Television Ne
3. Jackie Gleason's return to the Network last Fall was welcomed by his fans across the
4. "The Beverly Hillbillies," introduced in the Fall, became the most popular program on tele
5. A critic described "Laudes Evangelii" as "a work of shimmering beauty and deep reve
6. Helen Wagner, Rosemary Prinz, Don MacLaughlin in "As the World Turns," top daytime



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Room," designed to stimulate an interest in books during the critical reading years from eight to twelve.

In 1962 the "New York Philharmonic Young People's Concerts with Leonard Bernstein" completed its first year on the air during prime evening time (7:30 to 8:30 pm). It attracted the largest audiences of its five-year exposure on television—averaging 8 million viewers.

In the Fall, starting its second season, "College of the Air," the five-day-a-week education series providing college credits, offered a comprehensive course on "The American Economy," presenting some of the nation's leading economic authorities as guest teachers.

Heading the Network's traditionally strong line-up of children's programs was the notable hour-long morning program, "Captain Kangaroo," presented six days a week. Now in its eighth year, it is one of the most highly regarded programs for children in television. Other programs of particular interest for young people include "The Adventures of Rin Tin Tin," "Alvin and the Chipmunks," "Dennis the Menace," "Lassie," "G-E College Bowl," "Mighty Mouse Playhouse," "Mister Ed," "The Roy Rogers Show" and "Sky King."

Adventure Drama Series. At the end of the year the Network announced its intention to launch an ambitious experiment in programming starting in the Fall of 1963. It will consist of a new series of hour-long dramas based on American history and designed to provide a deeper awareness of our nation's past through dramatizing the spirit of adventure, enterprise and courage that has characterized different periods in the nation's development. Scheduled on a regular weekly basis in prime evening time, the new series will offer exciting entertainment to young and old alike and hopefully engage the interest and attention of the family as a unit. Each program will bring to the screen a prominent educator speaking on behalf of the National Education Association. The series will be produced by John Houseman, one of the nation's outstanding stage, motion picture and television producer-directors.

Sports. In January 1962 the CBS Television Network achieved an unprecedented coup in the annals of sports coverage by obtaining network broadcast rights to both the NFL professional and NCAA college football games —the first time a single network has ever broadcast both series. Throughout the Fall on Saturday and Sunday afternoons, millions of television viewers watched the nation's greatest football teams. Other major sports events presented throughout the year included the Masters and PGA golf tournaments, the Triple Crown races, four Bowl games, the Winter "Sports Spectacular" series and the "Baseball Game of the Week."

News. As should be clear from the preceding report of the CBS News Division, an important part of the CBS Television Network schedule was devoted to news and public affairs programming.

Network Facilities. By the close of 1962 the CBS Television Network was affiliated with 207 stations; 202 in the United States, and one each in Bermuda, Guam, Mexico, Puerto Rico and the Virgin Islands. The Network also has an agreement with the Canadian Broadcasting Corporation for the broadcast of Network programs in Canada.

Executive Appointments. The following appointments were announced by the CBS Television Network during the year: Frank J. Shakespeare, Jr., Vice President and Assistant to the President; Hubbell Robinson, Senior Vice President, Programs; William H. Hylan, Senior Vice President, Sales; John T. Reynolds, Senior Vice President, Hollywood; Robert F. Lewine, Vice President, Programs, Hollywood; Salvatore J. Iannucci, Jr., Vice President, Business Affairs; Carl W. Tillmanns, Vice President, Eastern Sales; Alan D. Courtney, Vice President, Programs; Joseph N. Curl, Vice President, Daytime Sales, and Roy C. Porteous, Vice President, Central Sales.

Outlook for 1963. The CBS Television Network moves into the new year confident in its ability to continue to deliver the largest audiences in broadcasting, and thus earn the support of the nation's leading advertisers.

JAMES T. AUBREY, JR., *President*
CBS Television Network Division

lie Andrews and Carol Burnett starred in a musical hour, "Julie and Carol at Carnegie Hall."
dy Garland, to be seen weekly this Fall, teamed in a "special" with Dean Martin and Frank Sinatra.
ith her return to the Network in the Fall, Lucille Ball recaptured her enormous following.
ack Benny and Danny Thomas joined Lucille Ball, Andy Griffith and Garry Moore in a "special."
he ingenious stunts of "Candid Camera" with Durward Kirby and Allen Funt delighted millions.
Red Skelton reached new heights with his character sketches in his new hour-long program.
he Masters Tournament was one of the Network's many major sports broadcasts.

CBS Television Stations

This Division registered substantial improvement in both its domestic and its foreign operations in 1962. Domestic net sales increased beyond anticipated levels. Foreign sales by CBS Films Inc. enhanced the Company's position in the world market. Of particular significance was the outstanding performance of the CBS Owned television stations in the area of community service.

CBS Owned Television Stations. The five CBS Owned television stations—WCBS-TV New York, KNXT Los Angeles, WBBM-TV Chicago, WCAU-TV Philadelphia and KMOX-TV St. Louis—have always operated on the principle that the stature of a station is best measured by its concern for the well-being of its community, and that its success is in direct ratio to its leadership in anticipating and fulfilling community needs. In preceding years, the sensitive application of this philosophy has produced gratifying results, but in 1962 the rewards, including financial gains, surpassed all previous marks. Net sales for the station group were 12 per cent higher than the previous record sales achieved in 1961. And at year's end, each station had the largest audience in its market.

Already recognized in their areas as leaders in community service, the stations not only intensified and broadened the scope of their local broadcast activities along many diverse lines, but in so doing dedicated themselves to bold, direct exposition and treatment of community problems and cultural affairs.

Together, the stations conducted the second International Program Exchange, swapping hour-long programs with broadcasters in Argentina, Australia, Canada, Ireland, Italy, Japan, Mexico and Yugoslavia. They produced the fourth annual domestic cultural program exchange, through which viewers in the five areas were enabled to enjoy cultural programming normally seen only in each station's own market. And as the year ended they were completing plans for a unique exchange series, "Repertoire Workshop," to provide television exposure for lesser-known creative and performing talent.

Individually, the stations' cultural programming efforts were impressive. WCBS-TV's unprecedented broadcast of "The Merchant of Venice" from Central Park was the first television production of the play, and the first full-length Shakespearean play ever broadcast direct from its theatre. A 2½-hour production, it attracted a larger average audience than any of the competing programs on other New York stations throughout the evening. *The New York Times* called the broadcast "an extraordinary television experience."

To bring an excellent high school operetta to the attention of the entire Chicago community, WBBM-TV adapted the Evanston Township High School's production of "The Mikado" for television and presented it as a 90-minute nighttime program, with its original high school cast and orchestra. The school's production, in the words of a nationally-read critic, was "remarkable," and WBBM-TV's broadcast, "sheer inspiration."

WCAU-TV produced a television concert, "Eugene Ormandy's Sound of America," with Maestro Ormandy and The Philadelphia Orchestra. This hour-long concert, which the *New York Herald Tribune* called "a magnificent show," became the CBS Owned stations' contribution to "The International Hour."

In education, the stations again surpassed previous efforts. KNXT sponsored a week-long trip of 12 sixth-grade children to Washington, D.C., where they met Vice President Lyndon B. Johnson and other government leaders, and assimilated a wealth of insight into the history of the nation. On the way home, they met with former President Eisenhower at Palm Springs. The filmed trip resulted in a two-hour, two-part documentary, "For Which We Stand." Film prints were given to the Los Angeles Board of Education for classroom use.

KMOX-TV was cited in the United States Senate by Missouri Senator Edward V. Long for "doing an outstanding job in the public affairs field." Senator Long's major point of reference was "PS 4," the series which during 1962 expanded its drive to help educate adult illiterates. Supplementing the on-air program, KMOX-TV mailed self-help material to viewers on request.

An outstanding example of the five stations' religious programming, above and beyond regularly scheduled series, was KMOX-TV's two-part "Road to Unity," which included scenes specially filmed by KMOX-TV's news director at the Ecumenical Council in Rome.

Community problems were given hard-hitting editorial and documentary treatment. WBBM-TV established

1. James B. Donovan and Senator Jacob Javits faced each other on WCBS-TV's "Campaign Deb
2. KMOX-TV's "Road to Unity" included scenes filmed at the Ecumenical Council in Ro
3. WCAU-TV's "Eugene Ormandy's Sound of America" was seen on the five CBS Owned television stati
4. WCAU-TV focused on the busy port of Philadelphia for the hour-long "Bound for Philadelp
5. Singer Alba Solis appeared on "The International Hour's" PROARTEL-produced Argentine progr
6. WBBM-TV examined prison life and rehabilitation in "The Wasted Years," at Statesville Pri

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the first daily television editorials in Chicago, stimulating widespread thought and action on community issues with a different editorial every weekday. The WCBS-TV hour-long documentary, "Superfluous People," attracted widespread critical acclaim and the largest audience in its evening time period. The same was true of KNXT's documentary on child molestation, "Burden of Shame."

Community progress, too, was well covered by station documentaries, one example being WCAU-TV's "Bound for Philadelphia," which was awarded a City Council commendation for its hour-long survey of the facilities and commerce of the port of Philadelphia.

Placing special emphasis on political coverage in an election year, the five stations together devoted more than 125 hours of local time, excluding regular news broadcasts, to informing voters of the issues and presenting the candidates to the electorate.

News coverage in depth continued to assume increasing importance. WBBM-TV sent news teams to Africa for a report on emerging nations, and to Southeast Asia to bring Chicago viewers a true picture of Communist advances; it also produced a number of news specials on subjects closer to home, such as "Decision at 83rd Street," a study of the integration of neighborhoods.

WCBS-TV presented the first television coverage of the New York and New Jersey state legislatures in action, and the first live television coverage from the New York City Council chambers. During the New York newspaper strike, WCBS-TV increased the time devoted to news broadcasts by more than 75 per cent.

Excluding regular news broadcasts, the five stations carried more than 10,000 non-network public affairs programs and nearly 33,000 local unsponsored community service announcements, representing a contribution by the stations of more than $16½ million worth of air time and production elements. For their efforts they received 63 awards and citations.

The stations' stepped-up operations on-air were paralleled by supporting non-broadcast activities. The television reading service, started in 1961 by KMOX-TV, was in operation at year's end at all five stations. Designed to make television viewing a helpful adjunct to the curriculum of high school and grade school students, this service is now in use in almost 2000 schools and libraries.

Supplementing their political broadcast coverage, the five stations produced and distributed thousands of illustrated Election Guides containing maps of election districts and comprehensive information for voters. Requests for thousands of copies were received from colleges and schools, and the American Heritage Foundation hailed the project as an "outstanding contribution" to its "Register, Inform Yourself and Vote" campaign.

CBS Television Stations National Sales. This department represents the CBS Owned stations in the sale of local broadcast time to national advertisers. Billings of each of the six regional offices exceeded 1961 figures, resulting in an over-all increase of 16 per cent.

CBS Films Inc. This organization distributes television film product world-wide, through offices and representatives in 20 countries. At year's end more than 2000 half hours of program product distributed by CBS Films Inc. were being exhibited weekly in countries outside the United States. Sales were made in 63 foreign countries.

International Operations. TTT, the exclusive television service for Trinidad and Tobago, West Indies in which the Company has an interest, completed construction of modern facilities and began regular service to the islands on November 1. In October, Time, Incorporated made a substantial investment in PROARTEL, Buenos Aires, the Argentine program production company which CBS established in 1960 in conjunction with South American associates. In Peru, stations in five cities now broadcast programs produced by PANTEL, Lima, a similar production organization in which the Company is interested.

Additional opportunities for foreign investment are currently being studied.

Executive Appointment. In January 1962 Norman E. Walt, Jr. was appointed Vice President, CBS Television Stations, and General Manager, WCBS-TV New York.

Outlook for 1963. Having completed the best year in its history, the Division has every expectation of equaling or surpassing this record in the coming year.

MERLE S. JONES, *President*
CBS Television Stations Division

hildren met with former President Eisenhower on the KNXT program, "For Which We Stand."
MOX-TV offered "Glass Sculpture," featuring a Czech glass-blowing expert on "Montage."
CBS-TV broadcast the 2½-hour production of "The Merchant of Venice" from Central Park.
Superfluous People" on WCBS-TV probed the problems of people bypassed by society.
Therapy at Atascadero Prison on KNXT's "Burden of Shame," blunt report on child molesters.
VBBM-TV scored Chicago "first" by adapting a high school production of "The Mikado."
Victorian Symphony Orchestra (Melbourne) in American debut on "The International Hour."

CBS Radio

For CBS Radio 1962 was a year of far-reaching developments. The CBS Radio Network revised and broadened its method of station compensation under a new operating plan reflecting increased confidence in the viability of network radio. A major advance in the measurement of audiences gave advertisers a more favorable, and a more meaningful, picture of the size of radio audiences than heretofore. New affiliation agreements enabled the Network to offer advertisers improved coverage of some key areas. A year-long study of successful stations and listener attitudes resulted in new insights into effective station management. Although sales were adversely affected by widespread business uncertainties in 1962, at year's end the prospects for advertising revenues in 1963 and the sponsorship commitments already in hand for the new year were more encouraging than at any time in the recent past.

The New Network Operating Plan. A new contractual relationship, under which the affiliated stations would receive increased compensation, was presented to the annual convention of the CBS Radio Affiliates Association in September. It was a notably successful convention, as evidenced by the resolution of "wholehearted commendation" adopted by the membership. This said, in part: "The Association would like first to convey its enthusiasm for the Network's decision to resume station payments as a tangible expression of belief in the future of radio. We recognize, moreover, that this confidence in our medium has been consistently manifested throughout the year in all of the Network's activities . . ."

Upon announcement of the new plan, which became effective December 30, 1962, there was a resurgence of interest in network affiliation by stations across the country. Important among them was one of the leading Midwest stations, WJR Detroit, which returned to the Network. Other affiliations were strengthened.

The Network program schedule under the plan gives emphasis to news and to other informational programming. Listeners continue to hear ten minutes of news hourly on weekdays; a wide range of informational broadcasts under the over-all title, "Dimension"; such weekly programs as "The Leading Question," "Capitol Cloakroom," "Invitation to Learning," "Church of the Air" and "The New York Philharmonic"; and frequent special programs on urgent issues. The Network continues its popular weekday entertainment starring Arthur Godfrey, Art Linkletter and Garry Moore. Other favorites include Lowell Thomas, Phil Rizzuto and two programs new in 1962, "Worldwide Sports" with Chris Schenkel and "Dimension of a Woman's World" with Betty Furness. Also continuing are the weekend news, information and sports schedules. Eleven new "Dimension" broadcasts have been added, bringing the number of programs in this group to 63, a new weekly high.

Advances in Research. In 1962 the first A. C. Nielsen Company national study of battery-portable radio listening appeared. Previously, Nielsen measured only two national audience components: listening to plug-in sets in the home and automobile listening. First reports on battery-portable listening revealed a substantial audience, adding an average of almost 50 per cent to plug-in set usage throughout the year. Until these data were published, advertisers had no specifics on the considerable dimensions of this segment of the total radio audience.

CBS Radio played a leading role in the development of these new Nielsen studies, now to be published semi-annually. This is the latest instance of the leadership evidenced in such other advances as NetALERT, an unprecedented signaling system for use in major news events; the inauguration of ten-minute hourly news; and the Audimax automatic sound level control device.

Still another new research endeavor by CBS Radio was reported at the September Affiliates Convention. This 60-page study was in two parts: an examination of the essential characteristics of top-rated stations across the country and an investigation of listener attitudes, using as a basis the seven cities where there are CBS Owned radio stations. Both are areas of knowledge in which little research of any significance has been done in the current radio era. The reaction of station representatives made it clear that this project is considered one of the most valuable contributions to the knowledge of radio management to appear in many years.

Audiences and Advertising. The Network continued to average the largest audiences for its sponsored programs in the period for which a four nationwide network comparison is available. On the average, the CBS Radio Network broadcast 21 of the 25 network advertising

1. The Alvernia High School choir was one of many vocal groups heard on WBBM's "Festival of Song" se
2. A new broadcast in the "Dimension" series featured CBS News Rome Bureau Chief, Winston Bur
3. "Dear Abby," the first radio version of Abigail van Buren's successful column, began at year's
4. Sir John Barbirolli, conducting New York Philharmonic, in its 33rd season on the CBS Radio Netw
5. On WCBS New York, Red Barber was a popular and colorful reporter of the Yankee baseball ga
6. Thousands came to the all-day picnic highlighting WCAU's second annual dairy promo


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campaigns with largest per-broadcast audiences, and also enjoyed a consistent lead in attracting more of the advertisers who use one radio network exclusively.

The CBS Radio Network embarked on new ventures to encourage public interest in radio, and to attract advertisers. The Network, alone of the four nationwide networks, launched a year-round advertising campaign in national consumer magazines. Advertisements on Network personalities and CBS News correspondents appeared regularly in magazines with a total paid circulation of 13 million. The Network also conducted a magazine campaign directed to advertisers during 1962. A major presentation, "The Third Dimension," explored the values for advertisers of the new Nielsen data on battery-portable listening. The presentation was shown to 1400 key advertiser and agency representatives at special meetings in 12 cities.

Station Operations. In 1962 the seven CBS Owned radio stations – WCBS New York, KNX Los Angeles, WBBM Chicago, WCAU Philadelphia, WEEI Boston, KMOX St. Louis and KCBS San Francisco–intensified the news, information and community service "personality" which already distinguishes each of the stations. The previously noted study of listener attitudes confirmed the belief that there is a large audience for radio of this character.

The seven stations broadcast 333 editorials in 1962 as compared with a 1961 total of 252, and 62 rebuttals were aired during the year. KNX and KCBS offered to mail recommendations on California election issues.

WCBS New York expanded its sports coverage to include the New York Knickerbocker basketball and New York Ranger hockey games, as well as New York Yankee baseball. Documentary programs were given a regular, once-a-month place in the schedule, and in December WCBS expanded its news broadcast schedule by 30 per cent as a result of the New York newspaper strike.

WBBM Chicago broadcast the city's cultural event of the year, opening night at the Lyric Opera. Its new mobile unit provides direct broadcasts from the scene of any news event within a 40-mile radius. A station editorial led to the reopening of an inquiry by the Chicago Crime Commission and the Chicago Bar Association.

KNX Los Angeles expanded its encouragement of public interest in civic issues with a program in which listeners ask questions of City Council members. This is in addition to a previously inaugurated program presenting the Mayor of Los Angeles. "Communist Challenge," a weekly discussion series on the Communist system, began early in 1962.

WCAU Philadelphia inaugurated a traffic-expediting helicopter service. For the second year, the station carried a highly successful campaign to promote increased use of dairy products in support of the local dairy industry. WCAU received the Principal Award for Radio Programs from the Freedoms Foundation for its series, "Anatomy of Freedom."

WEEI Boston was honored by awards from the National Conference of Christians and Jews "for its programming in depth in the area of human relations and for its interpretation of the different religious faiths"; and from the Ohio State Institute for Education by Radio-Television for its editorial, "The Finger of Shame."

KMOX St. Louis expanded its "talk" programming to include the hours from 7 to 9 am, Monday through Saturday. The station's presentation of a debate on birth control elicited so great a response that the two-hour program was re-broadcast twice. In September KMOX introduced a series originating in the offices of city, state and national officials to answer listeners' questions.

KCBS San Francisco won nine California Associated Press awards, the most given to any radio or television station in the state. "Spectrum 74," a four-hour information program inaugurated early in 1962, presented such guests as Governor Edmund G. Brown, Richard M. Nixon, Secretary of Agriculture Orville L. Freeman, Pablo Casals, Maurice Chevalier and Andre Kostelanetz.

Executive Appointment. In the early Summer, John O. Downey was appointed Vice President, CBS Radio, and General Manager, WCAU Philadelphia.

Outlook for 1963. On the basis of the favorable trends evident in the past year for radio as a whole, and the gains in leadership for both the Network and the CBS Owned stations, this Division anticipates a year of growth as well as increased sales in 1963.

ARTHUR HULL HAYES, *President CBS Radio Division*

ny newcomer in transistor market, pictured with other models, measures 1⅝" x 1⅞" x ¾".
ssistant Secretary of State Phillips Talbot (seated) was interviewed on "Capitol Cloakroom."
rt Linkletter and Arthur Godfrey, seen here together, were hosts of favorite weekday programs.
etty Furness made her Network debut in new daytime series, "Dimension of a Woman's World."
eport on new planetarium was one of 6000 interviews on KMOX's award-winning "At Your Service."
urward Kirby and Garry Moore took their listeners "traveling" when they vacationed in Maine.
he Network sports schedule included Phil Rizzuto and Chris Schenkel's "Worldwide Sports."

Columbia Records

The year 1962 marked the fourth consecutive year in which the Division increased its sales and maintained its leadership of the phonograph record industry. Achieving an increase of more than 15 per cent in total sales volume, the Division also broadened its manufacturing, distribution and recording facilities, added major recording artists to a world-renowned roster and introduced the CBS Records label overseas in a large-scale program to increase development of international markets.

Hits. ℓp is Columbia Records' trademark for 33⅓ rpm long-playing records, and during 1962 the mark was affixed to a gratifying number of hits.

Combined sales for the motion picture sound track ℓp and the Original Broadway Cast ℓp of "West Side Story" have reached more than 2,500,000 copies. Both albums won gold records (the industry's accolade for long-playing record sales of over $1 million) for composers Leonard Bernstein and Stephen Sondheim—the first time that a score had achieved gold records for *both* the sound track and Broadway cast versions of the same label.

Irving Berlin's new musical, "Mr. President," which opened with one of the largest box office advances in the history of the Broadway theatre, was recorded by Columbia and became an immediate best seller.

The Division also awarded gold records to the composers of two other Broadway original-cast ℓp discs: Alan Jay Lerner and Frederick Loewe for "Camelot"; and Richard Rodgers and the late Oscar Hammerstein II for "Flower Drum Song." Of the seven original Broadway cast recordings which have had sales in excess of $1 million, six bear the Columbia Records label.

Other major album hits during the year included the motion picture sound track of "Billy Rose's Jumbo," starring Doris Day; and the original television sound track, "Julie and Carol at Carnegie Hall," starring Julie Andrews and Carol Burnett.

Mitch Miller has won ten gold records for his "Sing Along" series—the greatest number of gold records ever presented to an individual for long-playing record sales.

New artists who developed into major record best sellers in 1962 were: The New Christy Minstrels, a group of young folk singers under the direction of Randy Sparks, who won national success with their debut ℓp, "Presenting The New Christy Minstrels"; country singer Claude King, with a number of single hits including "Wolverton Mountain" and "The Burning of Atlanta," and his first ℓp, "Meet Claude King"; and Broadway star Robert Goulet, who was featured in Columbia's Original Broadway Cast ℓp, "Camelot," and became an immediate success with several single records as well as the hit ℓp's, "Always You," "The Two of Us" and "Sincerely Yours."

Other Columbia recording artists who continued to enjoy wide acclaim were vocalists Tony Bennett, whose single, "I Left My Heart in San Francisco," became one of the year's greatest hits; Jimmy Dean, who in January had five single hits on the national best-seller charts at the same time; gospel singers Aretha Franklin and Mahalia Jackson; balladeer Johnny Mathis, who scored with a major single hit, "Gina," and an ℓp, "Rapture"; country star Marty Robbins, who became an international favorite with such recordings as "Devil Woman" and "Ruby Ann"; Andy Williams, who won a gold record for his ℓp, "Moon River"; and folk singers The Brothers Four, who became one of the most popular groups to tour the college circuit.

Great success was also attained by jazz pianist Dave Brubeck, who at one time enjoyed two ℓp's among the top ten national best sellers; jazz trumpeter Miles Davis, who released two major ℓp's, "Someday My Prince Will Come" and "Miles Davis at Carnegie Hall"; and pianist Andre Previn, who created several popular, jazz and classical albums which displayed the unique range of the artist's talent. Arranger-conductors Ray Conniff, Percy Faith, Skitch Henderson and Andre Kostelanetz each enjoyed ℓp hits.

During 1962 a number of significant additions were made to the Division's popular artist roster, including comedians Elaine May and Mike Nichols; singers Patti Page, Dion, Eddie Hodges, and the celebrated husband-and-wife team of Steve Lawrence and Eydie Gorme; jazz pianist Thelonious Monk; arranger-conductor Don Costa and percussionist Terry Snyder.

Classical Music. Extending the Division's sales leadership, Columbia Masterworks' releases attained preeminence in 1962 for the first time in the classical field. The Philadelphia Orchestra under the direction of Eu-

1. The Philadelphia Orchestra and The Mormon Tabernacle Choir recorded major classical
2. Broadway musical favorite Robert Goulet became one of the nation's top recording s
3. The first Columbia ℓp by Vladimir Horowitz was hailed as the year's greatest piano recor
4. Igor Stravinsky continued the historic recording series in which he conducts his own m
5. Accepting gold records: Richard Rodgers, Mrs. Oscar Hammerstein II, Goddard Lieb (for Frederick Loewe), Alan Jay Lerner, Stephen Sondheim and Leonard Bern
6. Doris Day's 1962 hits included the motion picture sound track ℓp of "Billy Rose's Ju

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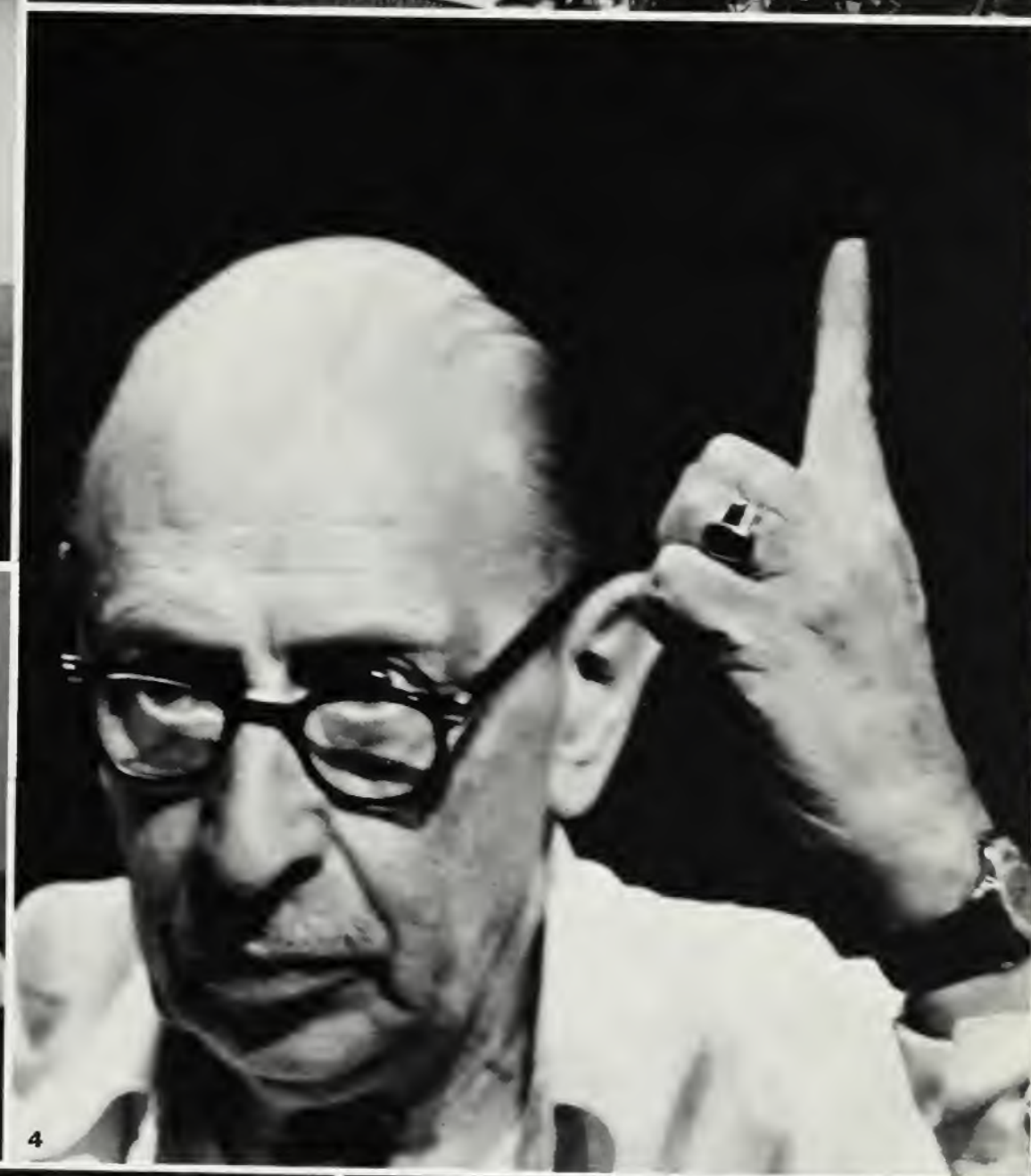

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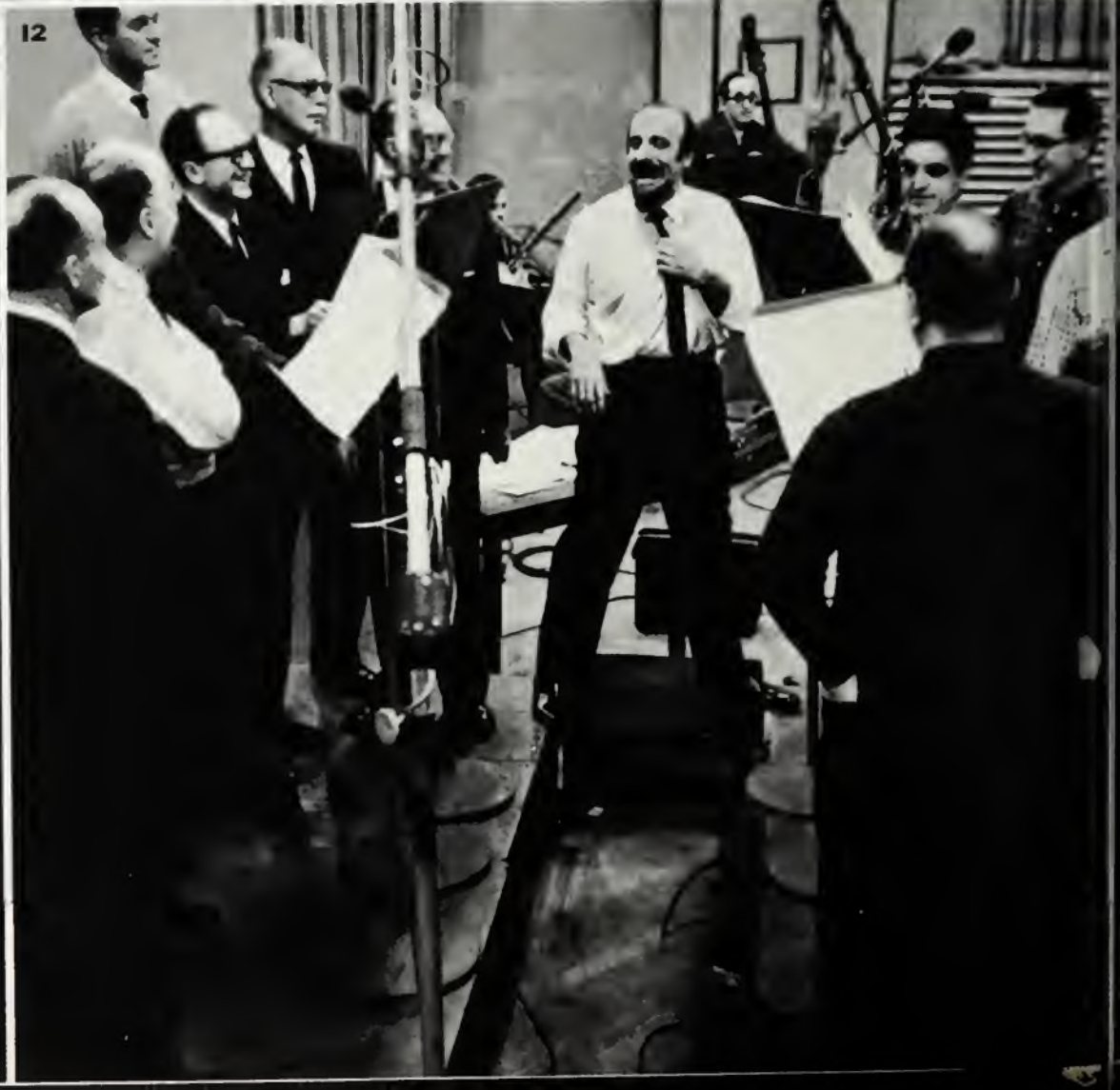

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gene Ormandy was the first symphonic group to sell over a million long-playing records in a period of one year. One album, "The Glorious Sound of Christmas," was the fastest-selling classical album in industry history.

Leonard Bernstein and the New York Philharmonic, also major Masterworks favorites, released a number of distinguished new recordings including the first record to be made at Lincoln Center's new Philharmonic Hall, a performance of Brahms' *Second Symphony*. A special two-record album, "The Opening of Lincoln Center," was a notable addition to Columbia's acclaimed Legacy Series. The album re-creates the entire premiere concert at Philharmonic Hall with Leonard Bernstein, the New York Philharmonic and a number of famed soloists including Eileen Farrell and Richard Tucker.

Hailed as one of the greatest piano discs of all time was the first Columbia LP by master pianist Vladimir Horowitz, who joined the Masterworks roster in 1962. The recording, an immediate success, enjoyed the rare achievement of being listed as a popular best seller.

Other noteworthy successes were attained by The Mormon Tabernacle Choir; the late Bruno Walter, whose recordings with the Columbia Symphony Orchestra have become a living testament to the famed conductor; and Igor Stravinsky, the great composer, who celebrated his 80th birthday with a continuation of the historic performances in which he conducts his own music for Columbia Masterworks.

Epic Records. Columbia's subsidiary label, Epic Records, attained the greatest sales in its history during 1962. "Roses Are Red," Epic's first gold record, established Bobby Vinton as one of the nation's favorite vocalists. Additional hits were created by singers Buddy Greco, George Maharis and Adam Wade; bandleader Lester Lanin; and the original-cast recording of the off-Broadway revival of Cole Porter's "Anything Goes."

Conductor George Szell and The Cleveland Orchestra won great acclaim with a series of important symphonic releases; and the Juilliard String Quartet, a major addition to Epic's classical roster, won exceptional reviews with their first release, Mozart's "Haydn Quartets."

New Facilities. The Bradley Recording Studios in Nashville, Tennessee were purchased in January 1962. The Bradley operation is credited by the industry as a significant factor in the development of country music's international popularity. In addition to the Nashville center, major recording facilities are also operating in New York and Hollywood.

The Division's record manufacturing plants at Bridgeport, Connecticut; Hollywood, California; Pitman, New Jersey; and Terre Haute, Indiana collectively achieved unprecedented production figures. Operating at near capacity for most of the year, the plants produced more than 112 million records. Ground-breaking for a new manufacturing center at Santa Maria, California took place in December. The Santa Maria plant will be the largest in the West, affording the Division the world's most modern manufacturing facilities in the industry's most rapidly growing record market.

International Activities. The CBS Records label was introduced overseas as the beginning of a major program to increase the international distribution of domestic repertoire. The CBS Records label will also offer greater opportunities for local recording within other countries.

Excellent sales volumes were reported by wholly-owned records subsidiaries in Argentina, Australia, Brazil, Canada and Mexico.

A new recording studio was constructed in Buenos Aires, a major addition to the facilities available for the important Latin American record market. The Division also operates studios in Mexico City and Rio de Janeiro.

Executive Appointments. Seymour L. Gartenberg was appointed Vice President, Planning and Financial Administration, Columbia Record Club; John J. Lorenz, Vice President, Finance; Harvey L. Schein, Vice President and General Manager, International Operations; Irving J. Townsend, Vice President, West Coast.

Outlook for 1963. The Division's continued leadership in the rapidly expanding domestic recording industry and the broadening of its international activities are the basis for a Columbia Records forecast of increased sales and growth during the coming year.

GODDARD LIEBERSON, *President*
Columbia Records Division

ing Berlin, Nanette Fabray, Anita Gillette and Robert Ryan listen to "Mr. President."
ger Andy Williams won a gold record for his LP, "Moon River," a smash hit.
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itch Miller's popular "Sing Along" series has now won ten gold records.

CBS Laboratories

In 1962 the facilities of CBS Laboratories were employed in a variety of research and development tasks for government and industry, ranging from the refinement of dry films to lubricate equipment inside satellites to the production of the world's largest light-sensitive tube.

The Laboratories also brought its technology to bear upon problems facing CBS operating Divisions, designing and building equipment to improve radio and television broadcasting and sound reproduction on phonograph records and tape. The Division's four areas of research and development are: military and industrial electronic systems; acoustics and magnetics; solid-state physics; and special electron tubes.

Government Research and Development. The Cuban crisis again focused attention on aerial reconnaissance systems such as those used in the U-2, and the even more sophisticated equipment required by satellites. Research by CBS Laboratories resulted in several significant developments in the art of photo reconnaissance. The Photoscan scanning device (announced in 1960) scans and instantaneously transmits to Earth a visual image of aerial photographs. An advanced military version of this device is being developed under Navy contract. Several Reconotron tubes were delivered to the National Aeronautics and Space Administration (NASA). These rugged tubes orient themselves by the light from stars and will be used to guide future deep space probes. CBS Laboratories' Line Scan Tube is being used to correct distortion due to the angle of view of photographs taken by meteorological satellites. In the vacuum of space ordinary lubricants evaporate, causing vital satellite experiments to fail. The Division has refined its dry-film lubricants which coat surfaces with tiny flakes of metal. Approved by NASA, this space "oil" is now being used to lubricate satellite components. In an allied field the Division received a Navy contract to develop an electron beam microcircuit processor to etch microminiature circuits on tiny silicon wafers. These circuits, consuming as little as 20 billionths of a watt of power, are considered one of the electronic industry's major achievements in 1962.

Another development in the field of microminiature circuitry is an analog-to-digital converter to change electronic signals into numerical readings. Designed for NASA, it will be employed in an advanced meteorological satellite. Another milestone was the production of the world's largest photomultiplier, a light-gathering tube 24 inches in diameter, for nuclear physics research.

The Division is also performing a technical study for the United States Information Agency (USIA) to determine ways of improving the Voice of America signal.

Industry. A refined version of the Audimax sound level control device was introduced and successfully marketed in 1962. Audimax has now been installed in several hundred U. S. radio and television stations and is being sold abroad by CBS International. Also introduced during the year was an ultra-fast solid-state device for detecting laser beams.

An agreement with the Mergenthaler Linotype Company provides for the design and development by CBS Laboratories of very-high-speed composing and print-out equipment capable of operating directly from magnetic tape stored in computers.

A unique scratch-proof phonograph tone arm and pickup developed by CBS Laboratories is being marketed by the Zenith Radio Corporation; and a compact tape recorder which plays up to 45 minutes of music on specially designed tape cartridges was introduced last year by the Revere Division of Minnesota Mining and Manufacturing Company.

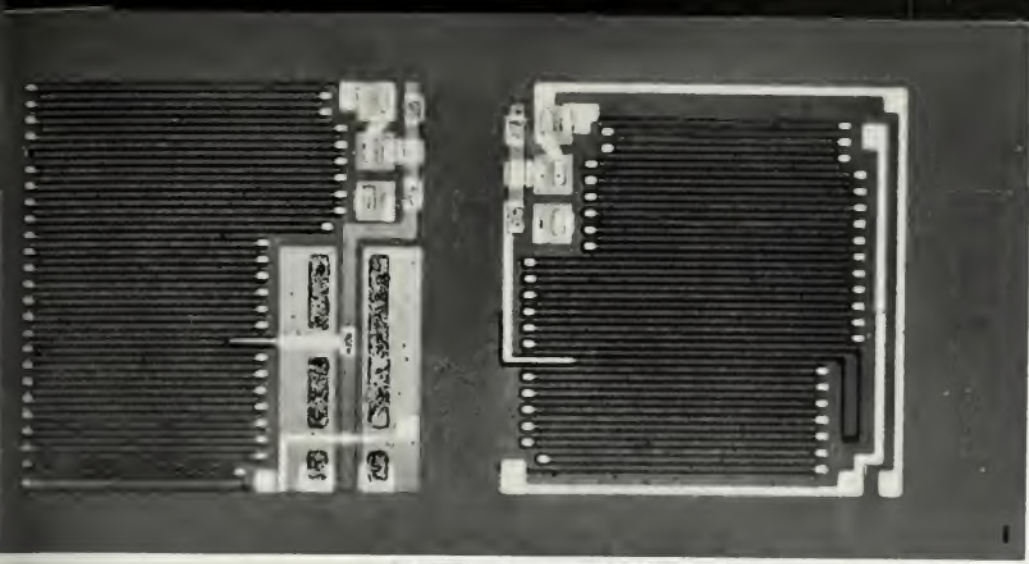
Research for CBS Operating Divisions. A high-performance compact transistorized video amplifier was produced, and several hundred of these television amplifiers will be installed in the new CBS Production Center.

A visual Digital Display System (DDS) was developed for CBS News, with the collaboration of CBS Television Network engineers, to facilitate the posting of totals in election broadcast coverage. Through the DDS, election returns are posted electromechanically on a 95-foot long Election Board. Television cameras are trained on the board for instantaneous broadcast on the Network.

Executive Appointment. Bernard R. Linden was appointed Vice President, Electron Tube Department.

PETER C. GOLDMARK, *President*
CBS Laboratories Division

1. The microminiaturized circuit shown here will be used in a U.S. meteorological sat
2. Checking film in Photoscan system which transmits information from air to ground rece
3. Digital Display Units enabled CBS News to broadcast up-to-the-minute election re
4. A technician installing a high performance, noise-canceling microphone in jet air
5. This electrostatic Reconotron tube will be employed by NASA as star tracker in space pr
6. Completely equipped glass working facilities used for construction of prototype



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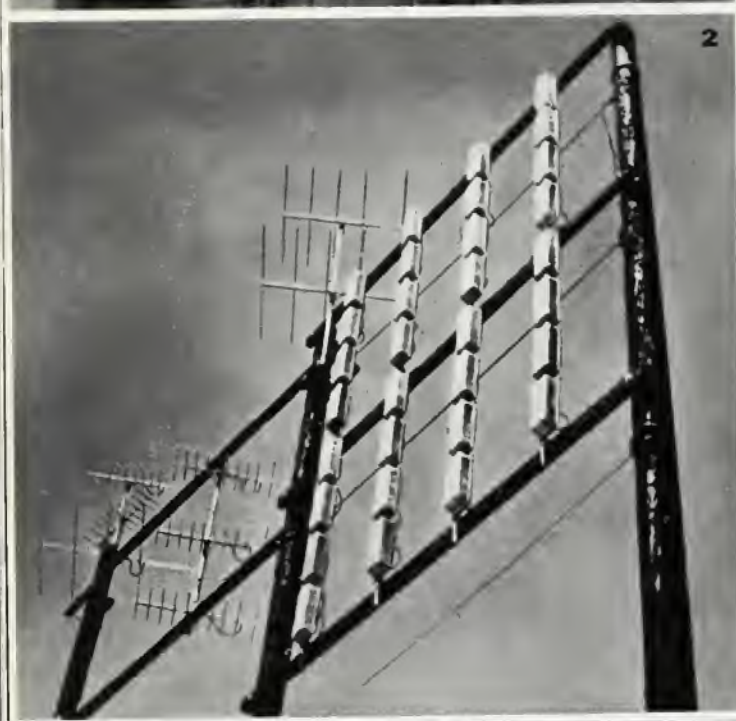

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CBS INTERNATIONAL
CBS INTERNATIONAL
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RIDERS

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CBS International

The political and economic collapse in Argentina, one country that has always been among our strongest markets, adversely affected the sales of this Division in 1962. Beginning in March, with the fall of President Arturo Frondizi, Argentine business and political conditions deteriorated steadily, leading to a currency devaluation of up to 90 per cent. As a result of this development, an intensive drive was launched by CBS International to increase business in other areas of the world, and, as the year ended, promising results were being achieved.

Broadcast Equipment Sales. The sale of broadcast equipment abroad is steadily increasing, due to the continuing establishment of new television broadcasting facilities in all parts of the free world.

During the year, CBS International made substantial gains over 1961 in the sale of such equipment to television and radio stations overseas. The Audimax automatic sound level control devices developed by CBS Laboratories were sold in 12 countries. Export sales of other electronic and electrical products also increased. Among these were projectors, studio monitors, film editing equipment, television cameras, microwave and UHF relay systems, video tape, oscilloscopes, signal generators, studio lighting fixtures and VHF-to-VHF translators.

Other Sales. In line with the U. S. government's efforts to increase exports, this Division was particularly active in creating new overseas markets for American manufacturers who previously had done little or no exporting. Among those firms whose products were sold abroad by CBS International for the first time during the year were Adler Electronics Inc. (television microwave relay systems); Automatic Tape Control Inc. of Bloomington, Illinois (makers of tape cartridge equipment); and the Pinkerton Electro-Security Corporation (radar eye).

In August the Division began monthly shipments of television receivers to Port-of-Spain, Trinidad, to help meet the needs of the opening of the Trinidad & Tobago Television Company's station, inaugurated on the day of Trinidad's independence.

Among the products that showed gains in sales for the year were CBS magnetic recording tape, Iona appliances and Magic Maid gas ranges. Sales of radio and picture tubes, records and phonographs declined from their 1961 highs, owing largely to severe price competition.

Awards. In May CBS International became one of the first export organizations to be presented with the President's "E" Award in recognition of the Division's increased exports to such countries as Peru, Uruguay, Venezuela and Argentina (in 1961).

During the year CBS International was appointed to the New York Regional Export Expansion Council and its President was elected the chairman of its Overseas Promotional Activities Committee. In November CBS International participated in the U. S. Trade Center in Frankfurt-am-Main, Germany. And during the Fall the Division was successful in establishing machinery and procedures for trade in Denmark, France, Germany, Italy, the Netherlands, Norway and Sweden, as part of its efforts to increase business in different overseas markets.

Outlook for 1963. It is doubtful that much recovery will be achieved in Argentina for another year, although there were some signs late in 1962 that improvement was in sight for at least the second half of 1963. This recession in an important South American country affects conditions throughout Latin America. Therefore, the Division will intensify its efforts to expand its business in Europe, the Near East and the Far East. We are confident of increased sales in 1963.

LEWIS GORDON, *President*
CBS International Division

cretary of Commerce presents the "E" Award to CBS International President Lewis Gordon.
les of broadcasting equipment abroad (including antennas) showed increase over 1961.
3S International Exhibit at the U.S. Trade Center in Frankfurt-am-Main attracted many visitors.
ineloads of television receivers were shipped to Trinidad for opening of its new station.
3S magnetic recording tape, sold throughout the world, was among popular export products.

Columbia Broadcasting System, Inc.

Board of Directors WILLIAM S. PALEY, *Chairman*
LEON LEVY
J. A. W. IGLEHART
RALPH F. COLIN
FRANK STANTON
ROBERT A. LOVETT
ARTHUR HULL HAYES
MILLICENT C. McINTOSH
GODDARD LIEBERSON
MERLE S. JONES
JAMES T. AUBREY, JR.
RICHARD S. SALANT

Officers WILLIAM S. PALEY, *Chairman*
FRANK STANTON, *President*
JAMES T. AUBREY, JR., *Vice President*
MICHAEL BURKE, *Vice President*
THOMAS K. FISHER, *Vice President*
WILLIAM C. FITTS, JR., *Vice President*
PETER C. GOLDMARK, *Vice President*
LEWIS GORDON, *Vice President*
ARTHUR HULL HAYES, *Vice President*
CLARENCE H. HOPPER, *Vice President*
MERLE S. JONES, *Vice President*
THEODORE F. KOOP, *Vice President*
GODDARD LIEBERSON, *Vice President*
LAWRENCE W. LOWMAN, *Vice President*
E. K. MEADE, JR., *Vice President*
EDMUND W. PUGH, JR., *Vice President*
RICHARD S. SALANT, *Vice President*
JULIUS F. BRAUNER, *Secretary*
SAMUEL R. DEAN, *Treasurer*
KENNETH W. HOEHN, *Director of Taxes*
RALPH O. BRISCOE, *Controller*
PETER MEAD ABEL, *Assistant Secretary*
CLIVE J. DAVIS, *Assistant Secretary*
RICHARD A. FORSLING, *Assistant Secretary*
JACK B. PURCELL, *Assistant Secretary*
GERALDINE B. ZORBAUGH, *Assistant Secretary*
WALTER P. ROZETT, *Assistant Treasurer*
JOHN C. REDDY, JR., *Assistant Controller*

FINANCE COMMITTEE
J. A. W. Iglehart, Chairman
Leon Levy
Robert A. Lovett
William S. Paley
Frank Stanton

TRANSFER AGENT
Chemical Bank New York Trust Company

REGISTRAR
Bankers Trust Company

PUBLIC AUDITORS
Lybrand, Ross Bros. & Montgomery

CBS News

RICHARD S. SALANT, *President*
BLAIR CLARK, *General Manager and Vice President*
JOHN W. KIERMAIER, *Vice President*
DAVID KLINGER, *Vice President*
GEORGE R. ABRAMSON, *Controller*

CBS Television Network

JAMES T. AUBREY, JR., *President*
WILLIAM H. HYLAN, *Senior Vice President*
JOHN T. REYNOLDS, *Senior Vice President*
HUBBELL ROBINSON, *Senior Vice President*
MERRITT H. COLEMAN, *Vice President*
ALAN D. COURTNEY, *Vice President*
JOHN P. COWDEN, *Vice President*
JOSEPH N. CURL, *Vice President*
MICHAEL DANN, *Vice President*
THOMAS H. DAWSON, *Vice President*
SALVATORE J. IANNUCCI, JR., *Vice President*
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OSCAR KATZ, *Vice President*
ROBERT F. LEWINE, *Vice President*
WILLIAM B. LODGE, *Vice President*
WILLIAM C. MacPHAIL, *Vice President*
ROY C. PORTEOUS, *Vice President*
JOSEPH H. REAM, *Vice President*
EDWARD L. SAXE, *Vice President*
FRANK J. SHAKESPEARE, JR., *Vice President*
CHARLES S. STEINBERG, *Vice President*
HUNT STROMBERG, JR., *Vice President*
CARL W. TILLMANNS, *Vice President*
CARL S. WARD, *Vice President*
JAMES H. GEER, *Controller*

CBS Television Stations

MERLE S. JONES, *President*
BRUCE R. BRYANT, *Vice President*
CLARK B. GEORGE, *Vice President*
E. HAL HOUGH, *Vice President*
CRAIG R. LAWRENCE, *Vice President*
JOHN A. SCHNEIDER, *Vice President*
HARVEY J. STRUTHERS, *Vice President*
NORMAN E. WALT, JR., *Vice President*
EUGENE B. WILKEY, *Vice President*
ROBERT D. WOOD, *Vice President*
WILLIAM J. FLYNN, *Controller*

CBS Radio

ARTHUR HULL HAYES, *President*
JAMES M. SEWARD, *Executive Vice President*
GEORGE J. ARKEDIS, *Vice President*
W. THOMAS DAWSON, *Vice President*
JOHN O. DOWNEY, *Vice President*
JULES DUNDES, *Vice President*
THOMAS Y. GORMAN, *Vice President*
ROBERT F. HYLAND, *Vice President*
GEORGE M. PERKINS, *Vice President*
FRED RUEGG, *Vice President*
WILLIAM A. SCHUDT, JR., *Vice President*
E. H. SHOMO, *Vice President*
SAM J. SLATE, *Vice President*
ROBERT P. SUTTON, *Vice President*
DAVIDSON VORHES, *Vice President*
MAURIE E. WEBSTER, *Vice President*
WILLIAM J. FENNESSY, *Controller*

Columbia Records

GODDARD LIEBERSON, *President*
NORMAN A. ADLER, *Executive Vice President*
WILLIAM S. BACHMAN, *Vice President*
WALTER L. DEAN, *Vice President*
PETER de ROUGEMONT, *Vice President*
ALBERT B. EARL, *Vice President*
WILLIAM P. GALLAGHER, *Vice President*
WILLIAM F. GRADY, *Vice President*
JOHN J. LORENZ, *Vice President*
HARVEY L. SCHEIN, *Vice President*
IRVING J. TOWNSEND, *Vice President*

CBS Laboratories

PETER C. GOLDMARK, *President*
JOHN W. CHRISTENSEN, *Vice President*
BENJAMIN B. BAUER, *Vice President*
WOLFGANG W. GAERTNER, *Vice President*
BERNARD R. LINDEN, *Vice President*
JOHN MANNIELLO, *Vice President*
THOMAS PETERSEN, *Controller*

CBS International

LEWIS GORDON, *President*
WILLIAM P. MUNRO, *Vice President*

Domestic Subsidiaries

SAM COOK DIGGES, *Vice President, CBS Films Inc.*
RALPH M. BARUCH, *Vice President, CBS Films Inc.*
JAMES T. VICTORY, *Vice President, CBS Films Inc.*
WILLIAM M. WEISS, *Vice President, Terrytoons, a division of CBS Films Inc.*
CORNELIUS F. KEATING, *Vice President, Columbia Record Club*
ALBERT C. SIMONSON, *Vice President, Columbia Record Club*
SEYMOUR L. GARTENBERG, *Vice President, Columbia Record Club*
KENNETH D. GLANCY, *Vice President, Columbia Record Distributors*

Foreign Subsidiaries

JUAN TRUDEN, *Manager*
Orfeo SA (Argentina)

DOUGLAS TAYLOR, *Commercial Manager*
Orfeo SA (Argentina)

A. WILLIAM T. SMITH, *Managing Director*
Australian Record Company Limited

WILLIAM G. WELLS, *Managing Director*
CBS Films Pty. Limited (Australia)

EVANDRO RIBEIRO, *General Manager*
Columbia do Brasil SA

ROBERT R. PAMPE, *Vice President and Managing Director*
Columbia Records of Canada Limited

ROBERT C. MAYO, *Managing Director*
CBS Limited (England) and CBS (Europe) SA

J. MANUEL VILLARREAL, *General Manager*
Discos CBS SA (Mexico)

Columbia Broadcasting System, Inc. and domestic subsidiaries

Income Statements

	52 WEEKS ENDED Dec. 29, 1962	52 WEEKS ENDED Dec. 30, 1961
Net sales	**$509,269,813**	**$473,843,935**
Cost of sales	*346,668,889*	*332,302,708*
Selling, general and administrative expenses	*101,256,178*	*96,626,746*
Operating income	**61,344,746**	**44,914,481**
Other income	6,006,930	4,996,742
Other deductions	*3,997,942*	*2,873,395*
Income before federal income taxes	**63,353,734**	**47,037,828**
Federal income taxes	*34,300,000*	*25,000,000*
Net income	**$ 29,053,734**	**$ 22,037,828**

See notes to financial statements

Columbia Broadcasting System, Inc. and domestic subsidiaries

Balance Sheets

ASSETS

	Dec. 29, 1962	Dec. 30, 1961
Current assets:		
Cash	$ 19,402,353	$ 32,659,360
United States Government and other marketable securities, at cost and accrued interest	48,168,776	12,690,881
Notes and accounts receivable, less allowance for doubtful accounts: December 29, 1962, $9,286,953; December 30, 1961, $7,451,773	95,627,683	83,699,744
Inventories, at lower of cost or market	8,398,386	10,882,607
Films, film rights and other prepaid expenses	61,314,806	53,125,659
Total current assets	**232,912,004**	**193,058,251**
Investments:		
Wholly-owned foreign subsidiaries, at cost	2,862,408	2,953,289
Other, at cost or less *(note 2)*	7,686,122	9,566,581
	10,548,530	**12,519,870**
Property, plant and equipment, at cost:		
Land	15,482,781	14,428,465
Buildings	39,005,381	35,471,166
Machinery and equipment	51,674,160	48,520,148
Leasehold improvements	8,743,550	8,533,742
	114,905,872	106,953,521
Less accumulated depreciation	*44,845,420*	*40,729,193*
	70,060,452	**66,224,328**
Contract rights and other assets at cost, less amortization	**7,240,562**	**4,056,413**
	$320,761,548	**$275,858,862**

LIABILITIES AND STOCKHOLDERS' EQUITY

	Dec. 29, 1962	Dec. 30, 1961
Current liabilities:		
Accounts payable and accrued liabilities	$ 73,464,518	$ 55,616,061
Federal income taxes	26,701,915	21,325,965
Current instalments on notes and mortgages	3,934,906	4,557,089
Total current liabilities	**104,101,339**	**81,499,115**
Amounts due after one year:		
Notes payable, 3½%-4¼%, due 1964 to 1973	31,662,000	35,021,000
Mortgages	2,854,751	3,125,879
Other	18,910,449	11,318,638
Total amounts due after one year	**53,427,200**	**49,465,517**
Deferred federal income taxes	**4,140,000**	**2,470,000**
Stockholders' equity:		
Common stock, par value $2.50 per share: authorized 12,000,000 shares; issued: December 29, 1962, 9,178,013 shares; December 30, 1961, 8,908,678 shares *(note 3)*	22,945,033	22,271,695
Capital surplus	59,765,603	49,752,058
Retained earnings *(note 4)*	76,382,373	70,400,477
Total stockholders' equity	**159,093,009**	**142,424,230**
	$320,761,548	**$275,858,862**

See notes to financial statements

Columbia Broadcasting System, Inc. and domestic subsidiaries

Statements of Retained Earnings and Capital Surplus

RETAINED EARNINGS	52 WEEKS ENDED Dec. 29, 1962	52 WEEKS ENDED Dec. 30, 1961
Balance at beginning of period	**$70,400,477**	**$74,581,970**
Net income	29,053,734	22,037,828
	99,454,211	**96,619,798**
Deduct:		
Cash dividends: 1962, $1.40 per share; 1961, $1.40 per share	*12,451,805*	*12,092,074*
Stock dividends, three per cent: 1962, 266,835 shares; 1961, 259,133 shares	*10,620,033*	*9,328,788*
Loss on disposition of assets of CBS Electronics Division (after applicable tax credits)		*4,798,459*
Balance at end of period *(note 4)*	**$76,382,373**	**$70,400,477**

CAPITAL SURPLUS		
Balance at beginning of period	**$49,752,058**	**$40,863,455**
Excess of proceeds from sales of common stock, under option agreements, over par value of shares sold	60,600	207,647
Excess of market value over par value of shares issued in payment of stock dividends	9,952,945	8,680,956
Balance at end of period	**$59,765,603**	**$49,752,058**

See notes to financial statements

Notes to Financial Statements

1. Depreciation of property, plant and equipment and amortization of contract rights for the years 1962 and 1961 amounted to $8,975,577 and $8,942,571, respectively.

2. Included in other investments on December 29, 1962 are 26,706 shares of Company stock at a cost of $1,089,011 which are being held for distribution under the Employees' Stock Purchase Plan and the Deferred Additional Compensation Plan.

3. Under Stock Option Plans approved by the stockholders in 1951 and 1961, the Company has granted options to certain employees, including officers, to purchase shares of Company stock at a price not less than 95% of market value on the dates the options were granted. Unissued shares of Company stock under option at the beginning and end of 1962 (exercisable at various dates through 1969) and changes during 1962 are summarized as follows:

Shares under option at December 30, 1961	269,248
Options granted during 1962 (at $35.50 to $42.25 per share), net of terminations	294,387
Adjustments resulting from 3% stock dividend	16,702
	580,337
Less options exercised during 1962 (at $26.74 per share)	*2,500*
Shares under option at December 29, 1962 (at prices ranging from $24.80 to $42.25 per share), of which options on 136,208 shares were exercisable at December 29, 1962	577,837

At the end of 1962, 89,141 shares of unissued stock were reserved for future options. Options for these shares may be granted prior to January 1, 1971 at the discretion of the Board of Directors.

4. During 1962, agreements covering outstanding notes payable were amended and an agreement was made for the exchange, on January 15, 1963, of $21,627,000 of notes outstanding at December 29, 1962 and due after one year from that date for a like amount of 4.95% Notes, and for the sale in 1964 and 1965 of a total of $25,373,000 additional 4.95% Notes. The 4.95% Notes are payable in annual instalments from 1966 through 1984. Under these agreements there are certain restrictions with respect to working capital; the payment of dividends (other than stock dividends) on Company stock; and the purchase, redemption or retirement of its stock. At December 29, 1962, $63,000,000 of working capital and $32,800,000 of retained earnings were free of such restrictions.

Report of Auditors

To the Stockholders of Columbia Broadcasting System, Inc.:

We have examined the consolidated balance sheets of Columbia Broadcasting System, Inc. and domestic subsidiaries as of December 29, 1962, and December 30, 1961, and the related statements of income, retained earnings and capital surplus for the fiscal years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheets and statements of income, retained earnings and capital surplus present fairly the consolidated financial position of Columbia Broadcasting System, Inc. and domestic subsidiaries at December 29, 1962, and December 30, 1961, and the results of their operations for the fiscal years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

LYBRAND, ROSS BROS. & MONTGOMERY

New York, February 11, 1963

Columbia Broadcasting System, Inc. and domestic subsidiaries

10-Year Financial Summary

	1962	1961	196
Income and dividends			
Net sales	**$509,270**	**$473,844**	**$464,59**
Income before federal income taxes	63,354	47,038	51,33
Less: Federal income taxes	*34,300*	*25,000*	*28,10*
Net income	**$ 29,054**	**$ 22,038**	**$ 23,23**
Per cent of net income to net sales	5.7%	4.7%	5.
Net income per share *(see note)*	**$ 3.27**	**$ 2.47**	**$ 2.6**
Cash dividends paid per share *(see note)*	$ 1.40	$ 1.36	$ 1.3
Balance sheet items			
Current assets	$232,912	$193,059	$174,07
Less: Current liabilities	*104,101*	*81,499*	*79,55*
Net working capital	128,811	111,560	94,52
Investments and other assets	17,789	16,576	15,49
Property, plant and equipment—net	70,060	66,224	75,69
Less: Long-term liabilities	*57,567*	*51,936*	*48,65*
Total net assets	**$159,093**	**$142,424**	**$137,04**
Common stock	$ 22,945	$ 22,272	$ 21,60
Capital surplus	59,766	49,752	40,80
Retained earnings	76,382	70,400	74,58
Total stockholders' equity	**$159,093**	**$142,424**	**$137,04**
Ratio of current assets to current liabilities	2.24	2.37	2.

Note: Based on the average number of shares outstanding in each year, adjusted for stock dividends prior to 1962 and fo

(Dollars in thousands)

1959	1958	1957	1956	1955	1954	1953
4,311	**$411,800**	**$385,409**	**$354,780**	**$316,573**	**$280,291**	**$236,972**
2,967	53,529	48,593	35,083	29,897	23,215	21,395
7,700	*29,100*	*26,400*	*18,800*	*16,500*	*11,800*	*12,500*
5,267	**$ 24,429**	**$ 22,193**	**$ 16,283**	**$ 13,397**	**$ 11,415**	**$ 8,895**
5.7%	5.9%	5.8%	4.6%	4.2%	4.1%	3.8%
2.84	**$ 2.75**	**$ 2.50**	**$ 1.83**	**$ 1.52**	**$ 1.31**	**$ 1.03**
1.14	$ .89	$ .86	$ .76	$ .64	$ .51	$ .50
7,209	$151,904	$160,875	$131,496	$117,369	$105,936	$ 78,593
0,237	*68,149*	*67,878*	*57,040*	*51,529*	*48,785*	*42,278*
6,972	83,755	92,997	74,456	65,840	57,151	36,315
9,289	20,996	12,900	11,494	10,603	9,953	10,477
1,405	58,522	49,095	53,107	52,117	53,410	46,971
2,301	*53,421*	*56,643*	*55,259*	*54,527*	*54,599*	*41,785*
5,365	**$109,852**	**$ 98,349**	**$ 83,798**	**$ 74,033**	**$ 65,915**	**$ 51,978**
0,955	$ 20,297	$ 19,703	$ 19,129	$ 18,715	$ 6,097	$ 5,852
1,768	21,879	12,876	7,645	3,407	8,733	3,825
2,642	67,676	65,770	57,024	51,911	51,085	42,301
5,365	**$109,852**	**$ 98,349**	**$ 83,798**	**$ 74,033**	**$ 65,915**	**$ 51,978**
2.38	2.23	2.37	2.31	2.28	2.17	1.86

it in 1955. Stock dividends of 3% were declared in 1962, 1961, 1960, 1959, 1958 and 1957, 2% in 1956, 1955 and 1954.

Columbia Broadcasting System, Inc.
485 Madison Avenue, New York 22, New York *(Executive Offices)*
1735 De Sales Street, N. W., Washington 6, D. C.

CBS News 485 Madison Avenue, New York 22, New York

CBS Television Network 485 Madison Avenue, New York 22, New York

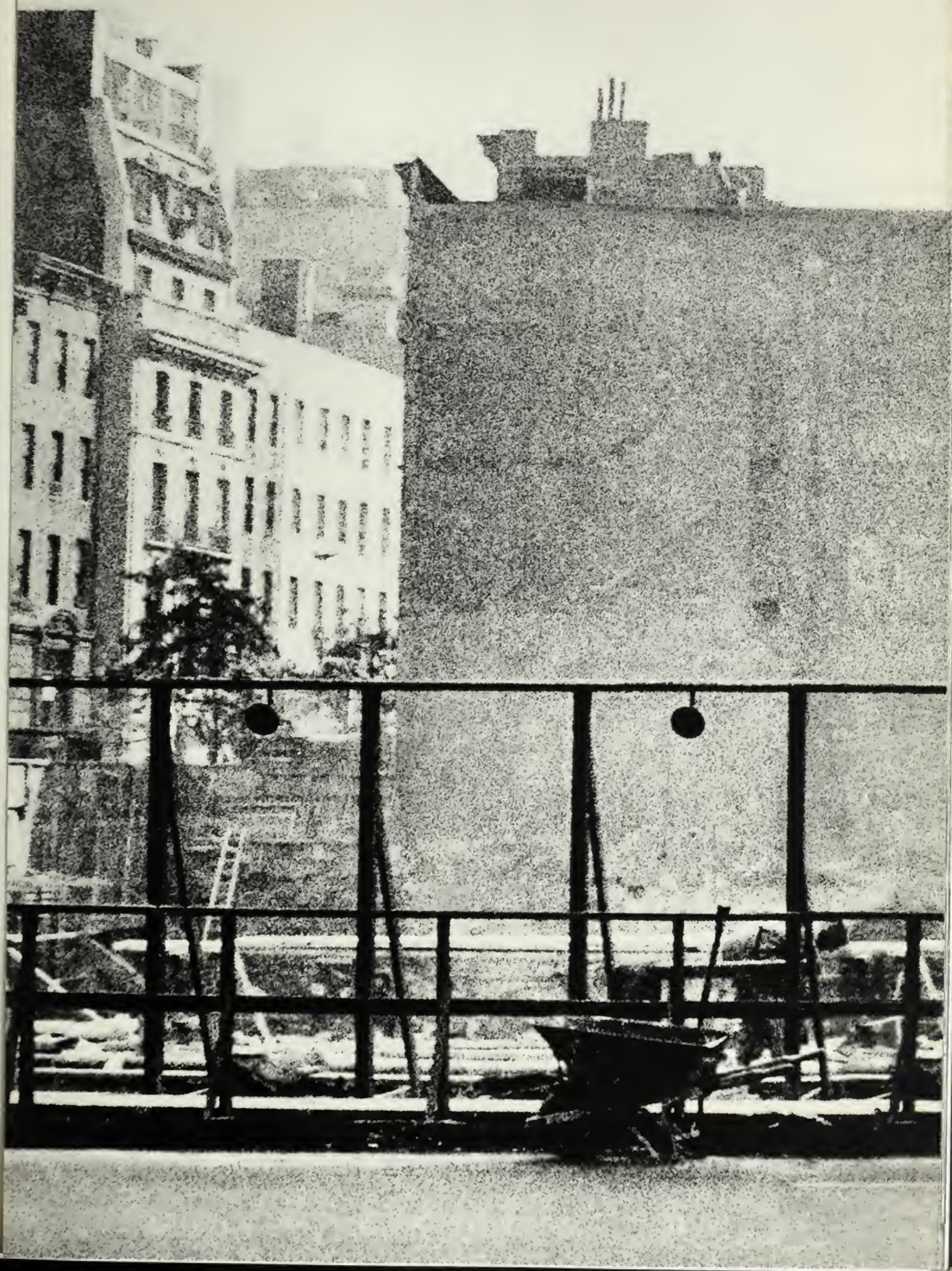
CBS Television Stations 485 Madison Avenue, New York 22, New York

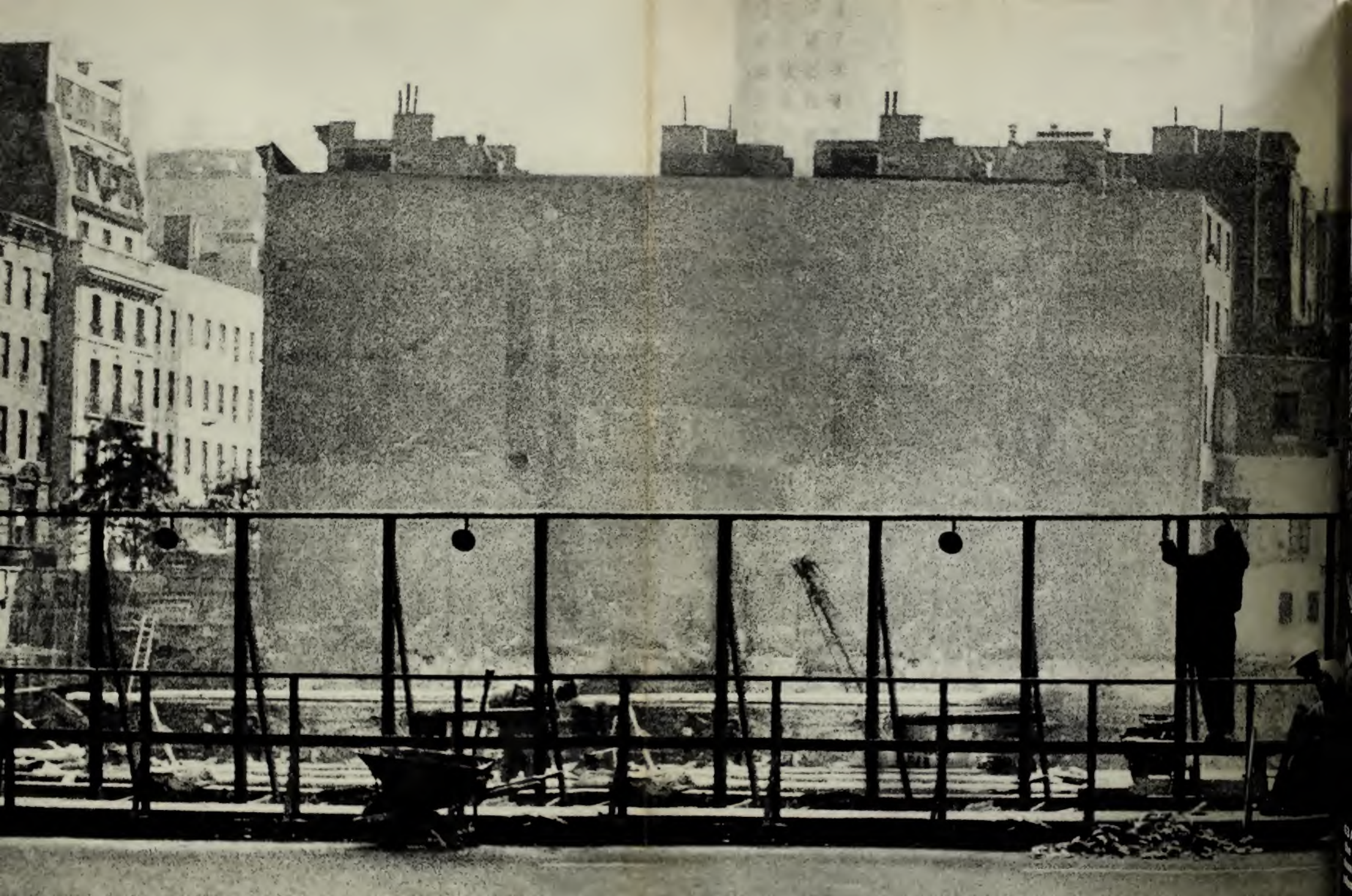
CBS Radio 485 Madison Avenue, New York 22, New York

Columbia Records 799 Seventh Avenue, New York 19, New York

CBS Laboratories 227 High Ridge Road, Stamford, Connecticut

CBS International 46 East 52nd Street, New York 22, New York





1963 Annual Report to the Stockholders of Columbia Broadcasting System, Inc.

1963 Annual Report to the Stockholders of Columbia Broadcasting System, Inc. for the Fiscal Year ended December 28, 1963

CONTENTS

The 1964 Annual Meeting of Stockholders of Columbia Broadcasting System, Inc. will be held on Wednesday, April 15, at 10 AM, in Studio 1, CBS Chicago, 630 North McClurg Court, Chicago, Illinois.

*) The CBS Headquarters building
skyward. The photograph was
February from the west side of
nue of the Americas and shows
ding at the 18th floor level.*

To Our Stockholders:

We are happy to report that your Company continued to make impressive gains in 1963 with revenues and profits the highest in our 36-year history. Competitively our lead increased in all operational areas: television, radio and records. All profit-making activities were expanded, facilities and equipment improvement schedules were accelerated, and additional emphasis was placed on plans for future growth.

It was an intensely rewarding year in many other respects. Our purpose in this report is to give you a concise picture of our financial results and the activities to which we devote our resources.

Financial Results. In 1963 both net sales and net income reached new highs. Net sales increased by 8 per cent over 1962, representing the continuation of a trend of annual sales increases for 15 consecutive years. Net income increased by 41 per cent over 1962.

During the past ten years net income per share, adjusted for stock splits and stock dividends, has increased at an average rate, compounded annually, of 16 per cent.

On December 20 the CBS Stockholders voted to split the common stock of the Company two-for-one. The new shares were mailed on February 14.

Detailed financial reports begin on page 37, and a ten-year financial summary appears on pages 42 and 43. The table below shows key financial data for 1963 as compared with 1962.

	1963	1962
Net sales	$564,818,039	$521,911,311
Net income	41,811,476	29,664,364
Net income per share*	2.27	1.62

*Adjusted for Stock Split and 1962 Stock Dividend

Cash dividends of $.75 per share (adjusted for stock split) and a 3 per cent stock dividend were paid in 1963.

The Year in Review. For CBS 1963 was a challenging and rewarding year in which people turned to both radio and television in increasing numbers. Among the year's noteworthy achievements were these:

Meeting the greatest challenge in its history, CBS News earned the nation's respect and gratitude with its four-day coverage of President Kennedy's assassination. The Division established another landmark in journalism with the broadcast in July, via the Telstar II satellite, of "Town Meeting of the World"—the first televised intercontinental discussion of world issues by statesmen in four different nations. CBS News was also first to produce a regularly scheduled half-hour evening news broadcast on network television. CBS News now supplies nearly 20 per cent of the CBS Television Network schedule and 61 per cent of the CBS Radio Network's.

The CBS Television Network completed its first decade as the largest advertising medium in the world and increased the already decisive audience lead it held over its nearest competitor. In the evening the Network presented a greater number of the most popular programs than the other two networks combined, and in the daytime its audience was 51 per cent greater than NBC's and 132 per cent greater than ABC's.

(See page 44 for bases of statements in this report concerning radio and television audiences.)

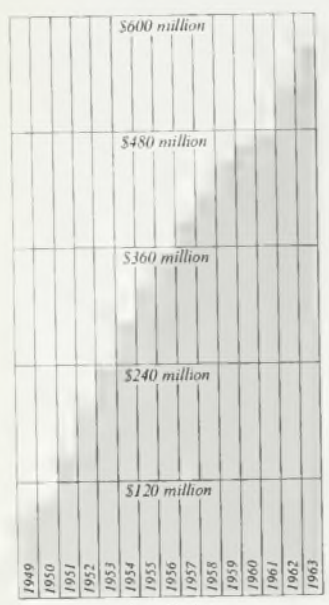
All five CBS Owned television stations — Channel 2 New York, Los Angeles, Chicago; Channel 10 Philadelphia; and Channel 4 St. Louis—increased their sales and again led their communities in circulation. The decisive Number One position of this group is especially impressive in view of the fact that more than 14 million television homes lie within the signal areas of the five stations.

The CBS Radio Network experienced a sharp upswing in advertiser interest and its sales increased 50 per cent over the previous year's. The Network continued to attract more sponsors than any other radio network and to draw more listeners to sponsored programs than the other two audience-measured, nationwide networks. The CBS Owned radio station group—WCBS New York, KNX Los Angeles, WBBM Chicago, WCAU Philadelphia, WEEI Boston, KMOX St. Louis, KCBS San Francisco—enjoyed its highest sales since 1960. Three of the seven stations set all-time sales records.

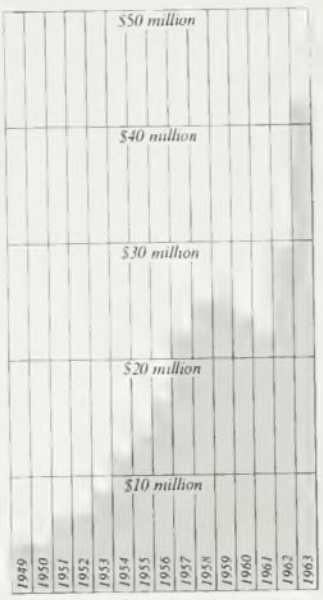
Columbia Records, the largest and most successful record manufacturer in the United States, significantly

am S. Paley (right), Chairman, and
k Stanton, President, greet Stockholders
the December 20 Special Meeting
ich CBS shares were split two-for-one.

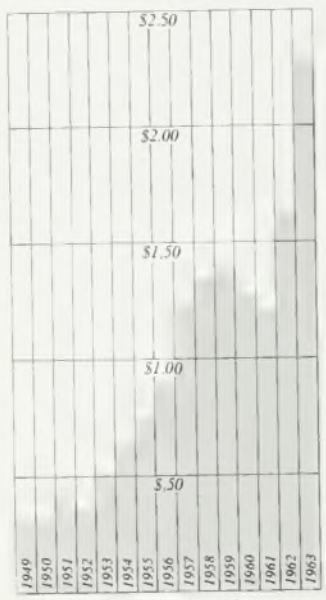
15-Year Financial Summary



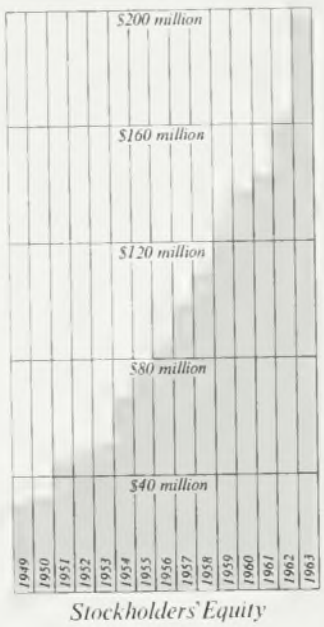
Net Sales



Net Income



Net Income Per Share



Stockholders' Equity

Foreign subsidiaries included in 1962 and 1963. In 1949 and 1950 net income per share based on number of shares outstanding at end of year; 1951 and subsequent years based on average number of shares outstanding during year. Adjusted for all stock dividends through 1962 and all stock splits through 1963.

expanded its international operations. The CBS record label has now been introduced successfully into virtually every overseas market.

The CBS Laboratories staff and facilities continued to grow. The Division became more heavily engaged in national defense and space programs and developed several promising new products and industrial systems.

CBS International developed additional offshore markets for the sale of CBS products and services and for those of other manufacturers. Sales of broadcasting equipment were well above last year's.

The individual reports of the Presidents of the seven CBS operating Divisions begin on page 6.

International Operations. The expanding international activities of your Company are now conducted in 84 countries. They include the production and sale of television programming, the recording and marketing of phonograph records, the distribution of newsfilm, the sale of other goods and services, and the licensing of patents. Of special significance are the following:

CBS Films Inc., a CBS subsidiary, is the world's largest exporter of films produced especially for television.

The CBS Television Network has agreements with the Canadian Broadcasting Corporation and stations in Bermuda, Guam, Mexico, Puerto Rico and the Virgin Islands for the broadcast of Network programs.

CBS Newsfilm is exported to 30 countries and can be seen in nine out of ten television homes in the free world.

CBS wholly or partially owns phonograph record companies in most major overseas markets. Record clubs operated by CBS subsidiaries in Canada and Australia are the largest in those countries.

In Argentina and Peru, CBS owns minority interests in companies which manufacture television picture tubes, television sets, phonographs and radios.

Facilities. 1963 marked a period of impressive progress in the expansion of physical facilities necessary to keep pace with the rapid growth of the Company.

The new CBS Headquarters building in New York City is scheduled to be substantially complete by the end

of 1964. Installation of the black granite that will sheathe the 38-story free-standing tower has begun. This stone comes from a quarry in Quebec.

Offices of the Corporate staff and the seven CBS operating Divisions will occupy 33 floors of the new building. In addition to the area previously rented to The Bank of New York, ground floor space will be occupied by a restaurant.

The CBS Broadcast Center on West 57th Street in New York City is rapidly nearing completion and a number of operations have already been transferred to this location. The project has involved extensive alterations and additions to what was formerly the CBS Production Center. The new Center, considered the most efficient production facility in the world, gathers under one roof numerous broadcasting operations scattered throughout the city including CBS News, CBS Television and Radio Network master controls, six television studios and five radio studios, scenery storage areas and rehearsal halls, offices and associated activities.

The new Columbia Records manufacturing and distribution plant at Santa Maria, California, also considered the most modern facility of its kind in the world, was completed in the Fall. The Division's Pitman, New Jersey facility, the largest "Lp" plant in the world, will be expanded by one third. The world's largest plant for manufacturing all types of records is the Columbia Records complex in Terre Haute, Indiana.

New Washington headquarters for CBS News are being readied for occupancy this Summer. The facility, which will include modern newsrooms, radio and television studios and space for supporting operations, will greatly increase the effectiveness of CBS News coverage in the nation's capital.

During the current year the space occupied by CBS Laboratories in Stamford, Connecticut will be doubled by an addition to the existing facility.

Contributions and Grants. The Company reaffirmed its long-standing policy of supporting educational television. Gifts aggregating $450,000 were contributed during the year to Educational Broadcasting Corporation (WNDT, New York), WHYY, Inc., Philadelphia, and Community Television of Southern California. CBS has contributed more than $1½ million in funds and equipment to educational television in the last six years.

The CBS Foundation distributed more than $450,000 in 1963 in support of educational and other philanthropic activities. For the tenth straight year the Foundation made grants to privately supported colleges and universities from which key executives have graduated. A total of $359,000 has now been contributed to 53 colleges and universities under this plan.

Elections. Ralph O. Briscoe was elected Controller. Eugene F. Connolly and C. Edwin Drumheller were elected Assistant Controllers and Bennett L. Newman, Assistant Treasurer.

Outlook. The economy advanced briskly in 1963 and radio and television advertising along with it. On the basis of the latest available figures we estimate that revenues from both television and network radio advertising rose more than 10 per cent over those for 1962, a record year in itself.

The rate of growth of television advertising during 1962 and 1963 was substantially higher than in the previous two years and even greater than that for the 1957-1959 period of rapidly increasing advertising revenues. This suggests that television is at an earlier stage in its growth cycle than appeared true several years ago.

All indicators now point towards a vigorously expanding economy and increasing national advertising expenditures during 1964. Advertising revenues for the broadcasting industry, and CBS in particular, should continue to more than match this growth.

The outlook for our records business is also promising and we expect a good year in this area of operations.

We therefore look forward to another excellent year, with the continued success of your Company in both sales and earnings.

WILLIAM S. PALEY, *Chairman*
FRANK STANTON, *President*

February 12, 1964

CBS News

At 1:40 pm EST on Friday, November 22, Walter Cronkite broke into the CBS Television Network broadcast of "As the World Turns" to announce that President John F. Kennedy had been shot. It was the earliest television network bulletin, and for the next three and a half days Cronkite and his CBS News associates devoted themselves to reporting the longest uninterrupted story in the history of broadcasting with a resourcefulness and dignity that earned the nation's respect and gratitude.

Nearly 700 people worked steadily, often around the clock, during the "four dark days." CBS News reports were relayed to Europe by satellite and jet aircraft carried film to 38 countries throughout the world. Shortly after the mournful strains of "Taps" echoed across the fields of Arlington Cemetery on Monday, the CBS Television Network had carried 55 hours of news and special broadcasts, the CBS Radio Network 58 hours.

The four-day coverage was called a fantastic technical exercise, and it was. But the significance of the coverage goes beyond the matter of electronic craftsmanship. In a time of crisis and of immeasurable tragedy, radio and television not only reported events fully and quickly but, once they happened, put them quickly into clear focus. The shocked people of the nation, and indeed of the world, were brought together in a common awareness and in a common rededication to the principles for which President Kennedy stood.

News Highlights. 1963 will always be remembered as the year of the assassination, but it was an extraordinary year in many respects. A President died, a new President was inaugurated. A Pope died, a Pope was crowned, and the Ecumenical Council probed the very foundations of Christianity. The "March on Washington" became a symbol of the continuing struggle over civil rights. Astronaut Gordon Cooper circled the earth 22 times before his *Faith 7* capsule was fished from the sea, while another capsule, the submarine *Thresher,* made a final and tragic dive. There was a very hot war and a coup d'etat in South Vietnam, while the nuclear test ban treaty and the U.S. sale of wheat to the Russians seemed to reflect a more relaxed approach to cold war tactics.

These stories made imposing demands on human and material resources. In the Fall, in order to report such events in more depth and with greater perspective, CBS News inaugurated the first Monday-through-Friday half-hour nighttime news broadcast on network television, "CBS Evening News with Walter Cronkite."

At the same time "CBS Morning News with Mike Wallace," a second weekday series, was introduced to provide the predominantly female daytime audience with a full half hour of news and informational programming.

The CBS News Division now accounts for nearly 20 per cent of the entire CBS Television Network schedule as compared with 17 per cent in 1962.

Satellite Communications. The use of space satellites has dramatically shortened the time required to transmit television broadcasts between continents. During President Kennedy's trip to Europe, for example, several special CBS News reports were sent to the United States by the Telstar II and Relay satellites. The passing of Pope John XXIII, the coronation of Pope Paul VI, the re-opening of the Ecumenical Council and many other news events of the year were similarly transmitted.

Two special "Town Meeting of the World" broadcasts were also relayed intercontinentally by satellite during the year. In July four respected statesmen of the Eastern and Western Hemispheres—former President Eisenhower, former British Prime Minister Anthony Eden, Common Market architect Jean Monnet and former West German Foreign Minister Heinrich von Brentano—participated in a spontaneous transoceanic dialogue on international problems. (Unfortunately, this unique journalistic achievement was seen live only in the United States because the French government refused permission for the use of its ground facilities.) In October church leaders assembled for the second "Town Meeting

1. Walter Cronkite interviewed President Kennedy in Hyannisport in premiere of "CBS Evening
2. The "March on Washington" was the subject of extensive on-the-spot coverage by CBS
3. Governor Wallace's stand at the University of Alabama was a dramatic moment in civil rights
4. "CBS Reports" examined the pesticide controversy in "The Silent Spring of Rachel C
5. CBS News correspondents and cameramen covered the war and coup d'etat in South Vie
6. The initial "Town Meeting of the World," transmitted via Telstar II satellite, was broadcast i

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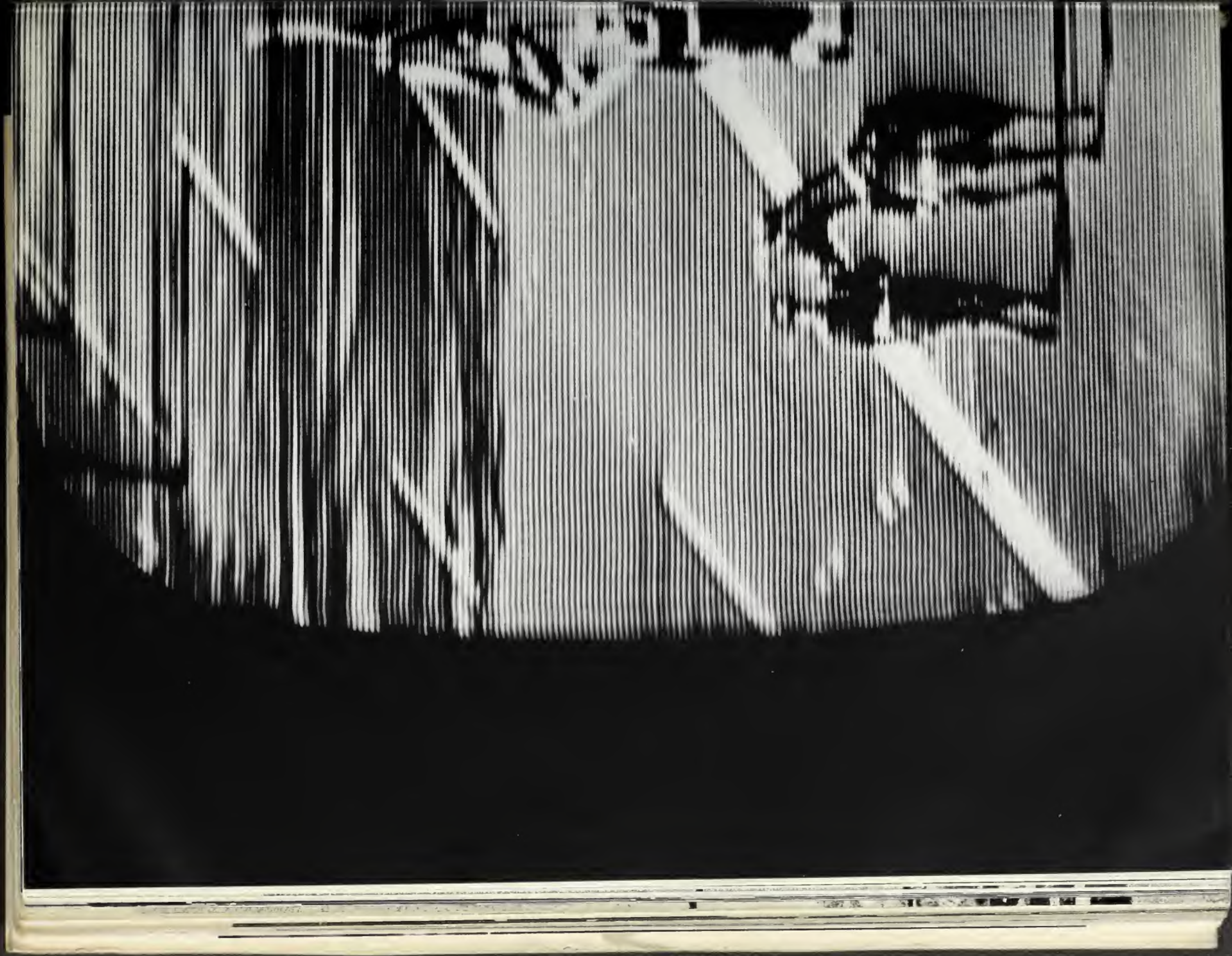

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of the World" in Rome, London and Princeton to discuss Christian unity. A joint production of CBS News and the British Broadcasting Corporation, this was the first television discussion to be seen live in both the United States and Europe simultaneously.

The implications of these historic face-to-face broadcasts are evident. CBS News considers them important first steps towards fulfilling television's potential for bringing together the peoples and nations of the world and it plans to present them on a regular basis, four times a year, providing satellite service is available.

Public Affairs. The Division has continued to experiment with new and more effective formats for public affairs broadcasting and several new series were introduced during the year. "Chronicle" examined the ideas, cultures and personalities of both past and present in such broadcasts as "Four Views of Caesar" and "A Season of War," a study of the Civil War as seen through its literature. Another new series, "The Roots of Freedom," explored the major sources of Western culture and its democratic institutions. The first two broadcasts were "Athens, Where the Theatre Began," with Alfred Lunt and Lynn Fontanne, and "The Golden Age of Greece," in which King Paul and Queen Frederika appeared. "Do You Know?," a new series for children employing a question-and-answer format, was introduced in the Fall.

Other special public affairs broadcasts included "A Dickens Chronicle," "Russians: Self-Impressions," "The Dialogues of Allan Nevins and Henry Steele Commager," "Where We Stand: Ten Years After Stalin," "Years of Crisis" and "The Law and Lee Oswald."

"CBS Reports" began its fifth season in the Fall. This distinguished series presented a number of thoughtful and provocative studies of American institutions including the three-part "Storm Over the Supreme Court," "The Silent Spring of Rachel Carson" and "The Great American Funeral." The concluding broadcast of the year was "John F. Kennedy: The View from the Cabinet," a thoughtful reflection upon the man and his legacy to the nation by members of his Cabinet.

In its seventh season "The Twentieth Century" continued to focus on a wide range of contemporary events and history with broadcasts on subjects as diverse as Chicago's youth gangs and Franco's Spain. "Face the Nation" returned during the year and broadcast interviews here and abroad with such distinguished guests as former President Eisenhower and Chancellor Ludwig Erhard of West Germany. Another veteran public affairs series, "Lamp Unto My Feet," was honored by representatives of the major faiths on its 15th anniversary in November. Its companion series, "Look Up and Live," celebrated its tenth year on the Network.

On the CBS Radio Network "Capitol Cloakroom," "The Leading Question," "Invitation to Learning" and "Church of the Air" continued to be heard while CBS News editions of the Network's popular "Dimension" series and regular news broadcasts were expanded. CBS News now provides 61 per cent of the CBS Radio Network schedule, compared with 51 per cent in 1962.

CBS Newsfilm. The largest single newsfilm syndication service in the world, CBS Newsfilm increased its volume in 1963 and can now be seen in nearly 102 million homes, or nine out of every ten television homes in the free world.

Outlook for 1964. The major scheduled news stories for the year are the political conventions and the national elections in November. The Division's Vote Profile Analysis, which enabled it to predict the results of the eight-state 1962 Congressional elections far in advance of competing media, will be employed on a nationwide basis in 1964. In addition, the CBS News Division expects to meet the unexpected and the unscheduled with the same resourcefulness and competence that marked its achievements in 1963.

RICHARD S. SALANT, *President CBS News Division*

acceding to the Presidency, President Johnson asked for his countrymen's support.
S News covered Gordon Cooper's 22-orbit space flight from lift-off to recovery.
e Paul VI gave his blessing after being elected to succeed the late Pope John XXIII.
he Twentieth Century" series presented a two-part report on Franco's Spain.
e face of an accused assassin became tragically familiar to millions through television.
e king and queen of Greece recalled Hellenic splendor on "The Roots of Freedom."

CBS Television Network

1963 was the CBS Television Network's most successful year to date. The Network delivered the largest audiences and earned the greatest advertising support in its history. It not only continued to broadcast the most popular program schedule in all television but significantly increased its audience leadership over its competitors. And for the 11th consecutive year it produced the largest time sales volume of any television network.

This ability to produce a program schedule which year after year commands the largest audiences in broadcasting is founded on a steadfast commitment to two fundamental programming principles. The first is to obtain the talents of those writers, producers, directors and performers whose outstanding abilities and dedication permit no compromise with anything less than their best efforts at all times. The second is the continuing participation of the Network's programming officials at every stage of the creative process from the initial script to the final broadcast. This applies not only to the occasional special program, but to the day-to-day production of continuing program series.

By adhering to these principles the CBS Television Network commanded the largest nighttime audiences in network television throughout the year, averaging eight of the top ten programs and 23 of the top 40.

New Programs. As the Fall season opened the Network introduced eight new programs. They included two new comedy hits, "Petticoat Junction" and "My Favorite Martian"; a brilliant hour of variety, "The Danny Kaye Show," starring one of the world's most talented performers; and a new dramatic series, "East Side/West Side," with George C. Scott. A further innovation was a series of hour-long dramas, "The Great Adventure," presented in cooperation with the National Education Association. The new programs introduced this Fall by the Network as a group drew larger average audiences than those offered by either of the other two television networks, thus providing specific endorsement of the CBS Television Network's programming principles.

Equally apparent was the continuing popularity of the mainstays of the Network's entertainment schedule. The audience's appetite and enthusiasm continued for such established favorites as "The Beverly Hillbillies," "Candid Camera," "The Defenders," "The Jackie Gleason Show," "The Andy Griffith Show," "Gunsmoke," "Lassie," "Perry Mason," "The Red Skelton Hour," "The Ed Sullivan Show" and "The Dick Van Dyke Show."

Specials. During the 12-month period the Network presented an outstanding schedule of *special* programs. Among the most notable was the 90-minute presentation of Henrik Ibsen's "Hedda Gabler," starring Ingrid Bergman, Sir Michael Redgrave, Sir Ralph Richardson and Trevor Howard. In addition, one of the country's most gifted comediennes, Carol Burnett, starred in two hilarious musical comedy extravaganzas, "Carol & Company" and the 90-minute "Calamity Jane."

Early in the year Princess Grace escorted the nation's viewers on a tour of her Mediterranean principality in "A Look at Monaco," broadcast in color. In the Fall, in another hour-long color broadcast, Elizabeth Taylor pointed out some favorite sights in her native London.

On September 22 the CBS Television Network presented "Lincoln Center Day," the second of five annual broadcasts commemorating the founding of Lincoln Center for the Performing Arts. Leading members of the New York City Ballet under the direction of George Balanchine shared the program with a group of Metropolitan Opera and musical comedy stars including Ethel Merman, Sally Ann Howes, Robert Merrill, Veronica Tyler and David Wayne, with Richard Rodgers as narrator. Early in November Bing Crosby appeared in the first of a series of full-hour musical entertainments for the 1963-64 season. The broadcast was marked by memorable performances by the well-known pianist, Andre

1. The Network carried exclusive live coverage of regular NFL and NCAA football g
2. "Search for Tomorrow," starring Mary Stuart, is television's longest-running daytime d
3. Bing Crosby sang and danced in an hour-long musical special broadcast in Nove
4. "The Defenders," with E.G. Marshall and Robert Reed, remained a top-rated dramatic
5. "The Beverly Hillbillies" again attracted more viewers than any other television pro
6. Leonard Bernstein and the New York Philharmonic made a number of Network appear

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Previn; the international singing star, Caterina Valente; and the soft-shoe wizardry of Buddy Ebsen.

For the sixth consecutive season the "New York Philharmonic Young People's Concerts with Leonard Bernstein" continued to open up new worlds of pleasure and inspiration for young and old alike by exposing them to the masterpieces of classical and contemporary music. The January 15 broadcast, presenting a performance by some of the country's most talented young musicians, attracted 11,500,000 viewers, the largest number in the history of this distinguished series.

Daytime. During 1963 the Network's daytime program schedule achieved new records of popularity. Daytime audiences were 51 per cent larger than those of the Network's closest competitor, and 132 per cent larger than on the third television network. During the greater part of the year the Network broadcast *all* of the top five programs and nine of the top ten. "Captain Kangaroo" began its ninth year, and in November two of the most popular daytime programs, "As the World Turns" and "The Edge of Night," each presented its 2000th broadcast, covering an uninterrupted broadcast period of eight years. In 1963 CBS Television Network daytime sales reached their highest point in history, surpassing 1962 sales by nearly 11 per cent.

Sports. During 1963 the nation's sports fans again found their most rewarding viewing on the CBS Television Network. It not only broadcast more hours of sports than any other network, but for the second consecutive season presented the nation's favorite sports spectacle, the NFL series of professional football games. The most coveted prize in sports broadcasting, the Sunday afternoon series averaged more than 14 million viewers. With the expiration of the NFL contract at the close of the season, the start of the new year again found the three networks engaged in vigorous competition to obtain the franchise to broadcast the series for the next two years. The contract was once again awarded to the CBS Television Network.

The Network also presented NCAA college football; the Sunday afternoon "CBS Sports Spectacular" series, with outstanding athletes throughout the world competing in a variety of sports events; "The Baseball Game of the Week"; the Triple Crown races; and the Masters and PGA golf tournaments. At the close of the year the Network introduced a new series of golf broadcasts, "CBS Golf Classic," presenting 15 consecutive weeks of championship golf played by outstanding teams of professionals.

Network Facilities. By the close of 1963 the CBS Television Network was affiliated with 205 stations: 200 in the United States, and one each in Bermuda, Guam, Mexico, Puerto Rico and the Virgin Islands. The Network also has an agreement with the Canadian Broadcasting Corporation for the broadcast of Network programs in Canada.

Executive Appointments. The following appointments were announced by the CBS Television Network during the year: Michael Dann, Vice President, Programs; Thomas H. Dawson, Vice President, Sales; Harold Graham, Jr., Vice President, Programs, New York; Oscar Katz, Vice President, Program Administration; William M. Materne, Vice President, Eastern Sales; Franklin B. Rohner, Vice President, Business Affairs, Hollywood; and Carl W. Tillmanns, Vice President and General Sales Manager.

Outlook for 1964. The CBS Television Network is confident of maintaining its decisive leadership throughout the current year. We forecast that it will continue to present the most popular program schedule, to increase sales, to rank again as the world's largest advertising medium, and to enlarge its share of the nation's total advertising budget.

JAMES T. AUBREY, JR., *President*
CBS Television Network Division

"The Miss Teenage America Pageant" was one of the special events presented during the year.
Danny Kaye, one of the world's most popular entertainers, became a weekly regular in the Fall.
"My Favorite Martian," with Bill Bixby and Ray Walston, was an immediate comedy favorite.
Carol Burnett rollicked across the television screen as "Calamity Jane" in a musical special.
Ed Sullivan celebrated his 15th anniversary on the CBS Television Network in a special broadcast.
Two outstanding golf tournaments were included in the Network's expanded sports schedule.
"Petticoat Junction," introduced in the Fall, became one of television's most popular programs.

CBS Television Stations

Closing its chapter of the 1962 Annual Report, the CBS Television Stations Division made this forecast: *"Having completed the best year in its history, the Division has every expectation of equaling or surpassing this record in the coming year."* Expectations were more than fulfilled: in 1963 both domestic and international sales reached the highest levels in Division history.

CBS Owned Television Stations. Individually and as a group, the CBS Owned stations – Channel 2 in New York, Los Angeles and Chicago; Channel 10 in Philadelphia; Channel 4 in St. Louis—excelled in billings, in popularity and in community service. They registered combined net sales 12 per cent higher than in 1962. Each station attracted the largest average audience in its market. And together they demonstrated dramatically that a family of five stations can develop and consummate community-interest projects and program concepts far beyond the scope and resources of an individual station.

In the highly-important area of news, for example, a Washington bureau was established to provide each station with filmed reports of news having particular local reference. This joint effort was part of a broad news service expansion which resulted also in the creation of bureaus in the capitals of the two most populous states, New York and California; the establishment by WCBS-TV New York of its own local news department of more than 60 specialists; and an aggregate increase in the five stations' news broadcasting of more than nine hours a week.

Three other group undertakings by the five stations illustrate how audiences in the five communities benefit from the pooling of programming talents and resources. Early in January the five stations initiated a unique experimental series entitled "Repertoire Workshop," designed to provide five-market television exposure for lesser-known creative and performing talent. In its first season, during which more than 3500 auditions were conducted and more than 600 scripts considered, "Repertoire Workshop" was successful in advancing the careers of a number of budding writers and performers. The series is now launched into its second season. In May the stations began their third annual international program exchange, with broadcasters in Argentina, Australia, Canada, Ireland, Italy, Japan, Mexico, the Netherlands, Switzerland, West Germany and Yugoslavia—the largest number of foreign broadcasters yet to participate. Similarly, for 20 weeks the stations conducted their fifth annual domestic program exchange, by which viewers in all five cities were able to enjoy a selected cultural or educational program series locally produced by each of the five stations.

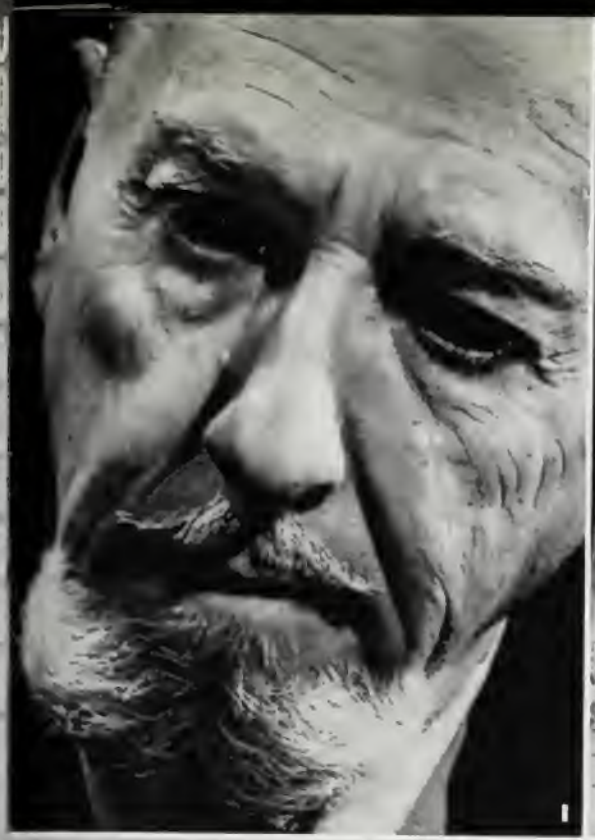
Individually, each station produced a wealth of local cultural, educational and public affairs programs throughout the year; space limitations preclude mention of more than the following representative few.

WBBM-TV Chicago developed continuing two-way communication with its audience through a series entitled "Feedback"; ballots distributed en masse enabled viewers to vote on future documentary program topics. Illustrative of the communications flow established, the first ensuing documentary brought more than 30,000 letters. WBBM-TV also joined forces with the *Chicago Daily News* in a two-pronged attack on slum landlords which brought about a state legislative investigation.

WCBS-TV New York sent research and production units to Australia, England and New Zealand to study legalized gambling in preparation for an hour-long documentary, "Gambling and Government," which was broadcast before the New York City referendum on off-track betting. To provide information on another Election Day choice, WCBS-TV held a public forum in Newark, New Jersey for discussion of the controversial New Jersey bond issue proposal.

KNXT Los Angeles focused attention on the Los Angeles smog problem, sending a news unit to London and to Donora, Pennsylvania where air pollution has been a crucial problem. The U. S. Public Health Service requested a film of the resulting program, "Poison in the Air." KNXT also produced "Hollywood Come Home,"

1. Among those who enlivened KNXT's "Sum and Substance" was artist Stanton Macdonald-Wr
2. Economic conditions in Mexico were assessed in WBBM-TV's "Special Report: Me
3. The St. Louis river front provided the setting for "Community Music Festival" on KMOX
4. "The Golden Gift" was KMOX-TV's tribute to St. Louis-born opera star Grace Bum
5. The two-part WBBM-TV report, "Streets of Despair," exposed slum landlord practices in Chic
6. The effects of smog and the damage it causes were examined in KNXT's "Poison in the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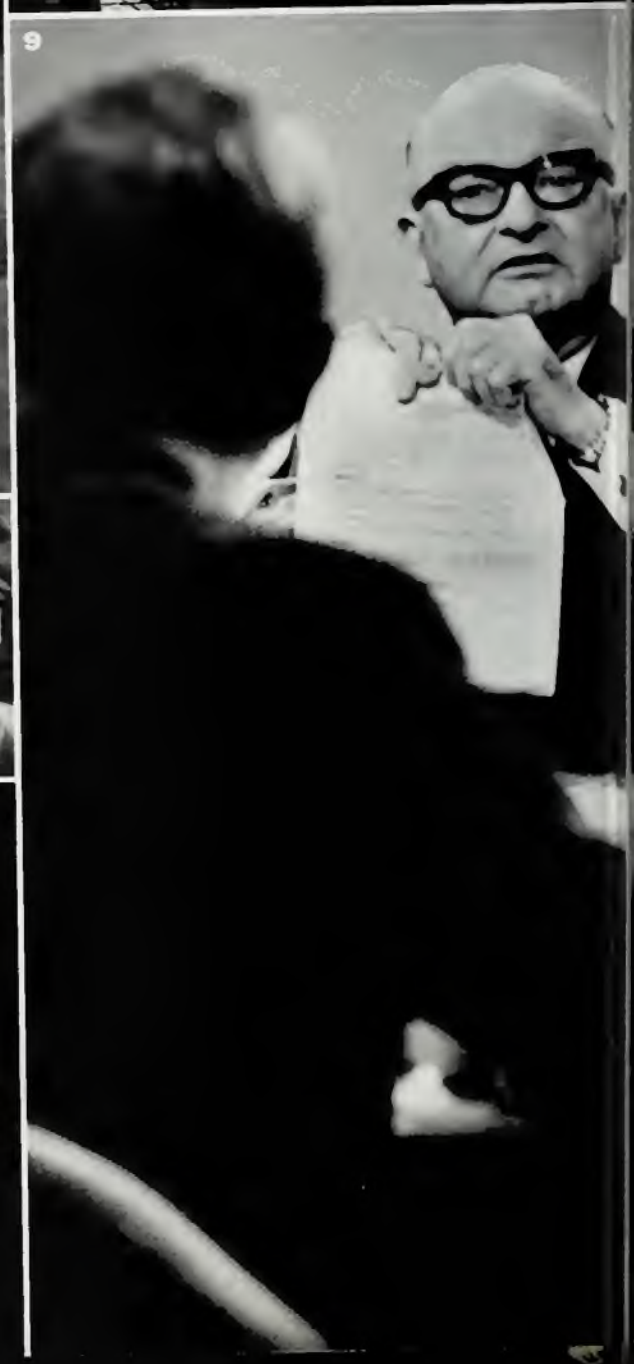

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an examination of the economics of the motion picture industry and of Hollywood's chances of a comeback.

In addition to two broadcasts featuring The Philadelphia Orchestra, WCAU-TV Philadelphia presented two documentaries starring nationally-known television personalities. Raymond Burr of "Perry Mason" narrated "Man's Day in Court," which traced the history of law from ancient times. Shirl Conway of "The Nurses" sought reasons for the apparent unhappiness of many American women, in a program titled "Women Want Out."

KMOX-TV St. Louis filmed a tour of the historic governor's mansion at Jefferson City, Missouri. Viewers and critics agreed that a factor which added special charm to the program was the grace and camera-presence of the governor's wife, Mrs. John M. Dalton, who conducted the tour. KMOX-TV also scored with an hour-long special, "The Golden Gift," re-uniting Arthur Godfrey and St. Louis-born opera star Grace Bumbry, who achieved national fame on Godfrey's "Talent Scouts."

Indicative of the over-all quality of their local non-network programming is the fact that in 1963 the stations received 90 awards and citations, more than in any previous year. The Ohio State University Institute for Education by Radio-Television made only ten program awards to commercial television stations across the nation: six of the ten were awarded to CBS Owned stations.

Following the death of President Kennedy, each of the stations cancelled all commercials and scheduled programs, and carried virtually the full CBS Television Network coverage, supplemented by significant local originations. During this period the stations' Washington News Bureau filmed 21 stories for individual station use.

Excluding these three and a half days, and excluding also all regularly-scheduled news broadcasts throughout the year, the five stations carried more than 9500 non-network community affairs programs and more than 37,000 local unsponsored community service announcements—a contribution by the stations of nearly $19 million worth of broadcasting time and production services.

CBS Television Stations National Sales. Sales for this organization, the national sales representative of the five CBS Owned television stations, increased 14 per cent over 1962, exceeding the level attained in 1960 when 12 stations were represented. Representation of seven non-CBS Owned stations was terminated in 1961 as a result of an industry-wide FCC ruling.

CBS Films Inc. Now the world's largest exporter of films produced for television, CBS Films Inc. distributes more than 80 program series in 70 countries, at a rate of more than 2900 half hours weekly. In 1963, for the first time, international sales exceeded domestic sales, as a result of a 32 per cent increase over 1962 international billings.

In the three and a half days following President Kennedy's assassination CBS Films and CBS Newsfilm provided CBS News coverage to broadcasters in 38 countries outside of North America.

International Operations. During the year the Company acquired an option to purchase an interest in Vancouver Cablevision, a community antenna system which is supplying television reception service to a large number of homes in the greater Vancouver area.

An extensive expansion of facilities was initiated in PROARTEL, Argentina and PANTEL, Peru, program production companies in which CBS has an interest in association with Goar Mestre and Associates, Time Inc. and nationals of Argentina and Peru.

Trinidad and Tobago Television (TTT), in which CBS shares an interest with British and West Indian associates, completed its first year of television service to the islands of Trinidad and Tobago in November.

Outlook for 1964. As a result of the clearcut leadership of the CBS Owned stations in their communities, plus the accelerating pace of the Division's international activities, we are confident of posting still another excellent record in 1964.

MERLE S. JONES, *President*
CBS Television Stations Division

p. George Miller (D., Calif.) was interviewed by John Edwards of the Washington Bureau.
e Buenos Aires Airport served as the setting for a folk ballet produced by PROARTEL.
ion leader Michael Quill tore up Transit Authority proposals on WCBS-TV's "Newsmakers."
The Littlest Circus" was one of five hour-long children's specials aired on WCBS-TV.
'CAU-TV's "Love to Read" sought to awaken interest in learning among pre-school children.
BS Films Inc. arranged Japanese tour for Donna Douglas of "The Beverly Hillbillies."
'CAU-TV's "Space: The New Ocean," with Herb Clarke, was directed at younger viewers.

CBS Radio

The single most striking economic development of the past year, an encouraging one for all radio, was the sharp upswing of advertiser interest in network radio, particularly the CBS Radio Network.

Revenues moved substantially higher for all four nationwide radio networks in 1963, with industry estimates placing the increase at about 25 per cent over 1962.

CBS Radio Network sales increased 50 per cent over the previous year, establishing a five-year high in sales. Additionally, the CBS Radio Network once again in 1963 attracted more different sponsors than any other network and averaged larger audiences for its sponsored programs than either of the other two national radio networks reported by the Nielsen Radio Index.

The rise in revenue can be traced in large part to companies either entirely new to network radio or returning after an absence. National advertisers turned to network radio in large numbers in 1963 to launch new products and announce product improvements. And, in a departure from the former concentration of detergents, drugs, foods and similar items, whole new categories of goods and services were introduced on the medium. Thus, tools for the home workshop, reference books, traveler's checks and even thermometers were being sold on the CBS Radio Network during the past year.

The Growing Transistor Audience. Another major development has been the rapid growth of the transistor-battery portable radio audience. The most recent A. C. Nielsen Company study of this audience, covering Summer 1963, reported that, for the first time in Nielsen measurements, listening on such sets surpassed traditional line-cord sets in total hours spent with radio. Transistor-battery listening in the Summer 1963 study climbed 40 per cent over Summer 1962, and 79 per cent over Winter 1962-63. Significantly, over two-thirds of all transistor-battery listening occurs at home, which indicates strong use by housewives. The present dimensions and growth potential of this audience clearly figure in the new assessment of network and local radio by advertisers.

Network Operations. As a result of the increase in CBS Radio Network sales, payments to affiliates for the year were more than double the amount estimated when the new plan of affiliate compensation was first announced in 1962. This news, reported at the annual CBS Radio Affiliates Association convention in October, was the highlight of a meeting also notable for the record number of stations represented. During the year, Network coverage of the country was strengthened by new or improved affiliations in major markets, including Cleveland, Milwaukee, Atlanta and Indianapolis.

Programs and Audiences. The highly successful "Dimension" series of informational broadcasts, now heard 63 times each week, remained an important part of the Network schedule in 1963. New "Dimension" programs featuring Walter Cronkite, Edith Head, Stanley Levey and Mike Wallace made their debuts during the year. "Invitation to Learning," now in its 24th year, departed from discussions of the classics to focus on contemporary literature and ideas. The Network continued its popular weekday entertainment programs starring Arthur Godfrey, Art Linkletter and Garry Moore. Other favorites include Lowell Thomas, Phil Rizzuto, "Worldwide Sports" and the weekend news, information and sports schedule. The Network also continued to present "The Leading Question," "Capitol Cloakroom," "Church of the Air," "University Explorer" and "Science Editor." During the year, 146 special news, public affairs and other broadcasts were aired. The assassination of President Kennedy and subsequent related events were reported in an unprecedented 58-hour period on the Network, with all commercial and entertainment programming pre-empted during that period.

The CBS Radio Network program schedule met with high public favor during the entire year. On the average, the Network broadcast 23 of the 25 network advertising campaigns with the largest per-broadcast audiences among the three networks for which a comparison is available and, for the sixth consecutive year, attracted

1. A forum on segregation was first of a series of public "town meetings" on KNX's "Megalo
2. Designer Edith Head, winner of seven Academy Awards, began "Fashion Notes" on "Dimension" s
3. Actress Nancy Kelly and critic Elliot Norton joined George Crothers on "Invitation to Lear
4. Arthur Godfrey and WCAU General Manager Jack Downey participated in station's "County Fair
5. In November Jack Sterling celebrated his 15th anniversary on the WCBS early morning s
6. Jack Drees interviewed New York Giants' Jack Stroud, now a CBS Radio Network sports broadc

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the largest average audiences for sponsored programs.

The Network continued its year-round advertising program to attract new listeners and new sponsor interest. Advertisements appeared regularly in magazines with a combined total paid circulation of 15 million. This endeavor, the only one of its kind in network radio, is being expanded in 1964.

Station Operations. In 1963 total revenues for the seven CBS Owned radio stations—WCBS New York, KNX Los Angeles, WBBM Chicago, WCAU Philadelphia, WEEI Boston, KMOX St. Louis and KCBS San Francisco—exceeded those for the two preceding years, and three of the seven set all-time sales records during the year. News, information, sports and community service broadcasts were expanded to an all-time high, as a result of public response to programming of this character.

The stations broadcast 361 editorials in 1963 as compared with a total of 333 in 1962, and 63 rebuttals were also carried during the year.

WCBS New York expanded its popular weekday program "Up to the Minute," with Kenneth Banghart, to 1 hour and 35 minutes a day. The weekly discussion program, "Let's Find Out," was presented in the Summer for the first time, and a two-year contract was signed for continued sponsorship of New York Yankee baseball.

KNX Los Angeles inaugurated "Megalopolis at Night," a four-hour nightly exploration of the city, in January. The program has attracted new listeners and advertisers in impressive numbers. The station held its second annual Fourth of July Rally, with former U. S. Senator William F. Knowland as keynote speaker.

WBBM Chicago continued its effort to provide a showcase for musically talented youngsters, this year inaugurating "Festival of Bands" featuring various local high school groups. WBBM again carried opening night at the Lyric Opera in an exclusive broadcast.

WCAU Philadelphia received five major Pennsylvania Associated Press Awards for news, the only Philadelphia station to be so honored. In July WCAU invited listeners to join Arthur Godfrey and station personalities at its "County Fair Day," an all-day party attended by 25,000 visitors, with profits going to The Bryn Mawr Hospital.

WEEI Boston was honored by United Press International for its editorials, the only Massachusetts station to have won this award for three years in succession. Notable guests including Richard Cardinal Cushing, Jessica Mitford, Norman Thomas and Peter Ustinov were heard on "Conversation Piece," a two-hour weekday program series. Northeastern University gave WEEI its Award of Merit in recognition of its effective educational project, "Career Center for Teenagers."

KMOX St. Louis spearheaded a successful effort to win broadcasting access to the Missouri State Legislature, an event widely hailed as a breakthrough in the continuing campaign for equal news access by broadcasters. The station received the University of Missouri's Honor Award for Distinguished Service in Journalism, the first time a radio station has been so recognized.

KCBS San Francisco received four awards for its audience promotion endeavors from the Broadcasters' Promotion Association, a larger number than any other radio or television station in the country. Its "Outlook" program, featuring discussions by representatives of the major faiths, was selected for regular overseas transmission by the Voice of America.

Executive Appointments. Ralph W. Goshen was appointed Vice President, CBS Radio, and General Manager, WCBS New York; Donald J. Trageser was named Vice President, CBS Radio, and General Manager, WEEI Boston.

Outlook for 1964. At the conclusion of its best year since 1958, and confident that present radio audience and advertiser trends will continue, the CBS Radio Division anticipates that it will surpass its 1963 showing in 1964.

ARTHUR HULL HAYES, *President*
CBS Radio Division

BS News coverage of rescue of two Hazleton miners was hailed as "radio at its most suspenseful."
CBS broadcast a live interview with South Vietnam's Madam Ngo Dinh Nhu during her U.S. visit.
alter Cronkite and other CBS News correspondents answered listeners' questions on "Ask Dimension."
eading educators joined Charles Collingwood in a CBS Radio Network seminar on education.
MOX reporter Steve Rowan interviewed Missouri Governor John M. Dalton in the State Legislature.
tan Musial's announcement of his retirement was one of many "Worldwide Sports" exclusives.

Columbia Records

In 1963 Columbia Records led the U. S. phonograph record industry in sales for the fifth consecutive year and significantly expanded its operations overseas. Columbia Records now supplies every major phonograph record market in the world with its extensive repertoire, considered the most important in the industry.

New Facilities. In 1963, to meet the needs of the rapidly growing West Coast market, the Division built the world's most advanced record manufacturing and distribution plant in Santa Maria, California. The completion of the Santa Maria plant brings Columbia Records' total production capacity to more than 125 million records a year. Columbia Records also has major domestic manufacturing facilities in Pitman, New Jersey and Terre Haute, Indiana. The Pitman plant is the world's largest 33⅓ rpm record manufacturing facility and the Terre Haute plant produces more records of all types than any other single facility in the world.

New Developments and Improvements. Since Columbia Records introduced the 33⅓ rpm long-playing phonograph record in 1948, it has consistently pioneered new techniques to further improve the recording process. In 1963 Columbia Records sponsored the development, by CBS Laboratories, of a new stereophonic recording stylus which ensures the greatest possible precision in the delicate process of cutting discs.

The Columbia Record Club, the world's largest, improved its operating efficiency with the installation of an IBM 7074 and four satellite computers at its Operations Center in Terre Haute. This new system, designed to simplify the difficult task of fulfilling the needs of more than 1,500,000 Columbia Record Club subscribers, will contribute to substantial operational savings.

Improvements in manufacturing and distribution operations during the year resulted in marked cost reductions. Several wholly-owned branch distributors were established and a year-round, nondiscount price policy was announced. This new policy was hailed by leading trade publications, as well as by record dealers throughout the country, as an important step towards ensuring future growth and establishing stability in the industry.

Expansion Overseas. Columbia's overseas activities were greatly expanded during the year and international sales reflected this significant development.

CBS now owns, in whole or part, phonograph record companies in Argentina, Australia, Brazil, Canada, France, Germany and Mexico. Disques CBS, SA, a wholly-owned subsidiary in France, began operations early in the year as did CBS Schallplatten GmbH, a partly-owned subsidiary in Germany. With these key acquisitions the Division's program to introduce the CBS label in every important overseas record market was virtually completed, and in several countries CBS records are already outselling all competition. CBS also holds options to purchase controlling interests in record companies in several additional markets.

The Columbia Records U. S. repertoire is not only now packaged, distributed and promoted throughout the world by foreign subsidiaries and affiliates, but, in turn, these companies record native artists which are marketed on a world-wide basis by Columbia. Many local favorites have become international hits. For example, albums by the Trio Los Panchos recorded in Mexico are now best sellers in the United States, Australia, Europe, Japan and South Africa, as well as throughout Latin America.

Best Sellers. The best-selling male and female recording stars of 1963 were Columbia Records artists Andy Williams and Barbra Streisand. Williams won a gold record (indicating sales of over $1 million) for his Ⓛⓟ, "Days of Wine and Roses"; and Miss Streisand, who made her recording debut in 1962 in Columbia's Original Broadway Cast recording of "I Can Get It for You Wholesale," became the only female vocalist in recent history to place two albums among the nation's top ten best sellers.

Gold records were also won during the year by singer Tony Bennett, jazz pianist Dave Brubeck, the original motion picture sound track of "Porgy and Bess," and by five albums featuring arranger-conductor Ray Conniff.

1. Steve Lawrence and Eydie Gorme recorded a number of Ⓛⓟ hits, together and individu
2. Barbra Streisand became the only female singer in recent years to place two albums among the to
3. The country's newest teenage idol, Dion di Muci, made his Columbia debut during the
4. Pianist Thelonious Monk, a major American jazz figure, recorded his first Columbia album in
5. Andy Williams, the top male recording artist, won a gold record for "Days of Wine and R
6. Eugene Ormandy and The Philadelphia Orchestra recorded with The Mormon Tabernacle C

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Mitch Miller received his 11th gold record (the most ever presented to an individual for album sales) for the album, "Folk Song Sing Along with Mitch."

Other successful album and singles artists included The Brothers Four, Johnny Cash, Miles Davis, Doris Day, Jimmy Dean, Dion di Muci, Bob Dylan, Percy Faith, Eydie Gorme, Robert Goulet, Mahalia Jackson, Andre Kostelanetz, Frankie Laine, Steve Lawrence, Johnny Mathis, Thelonious Monk, The New Christy Minstrels, Patti Page, Andre Previn, The Rip Chords, Marty Robbins, Pete Seeger and Jerry Vale.

Broadway. Meredith Willson's Broadway musical, "Here's Love," was recorded by Columbia and became an immediate best seller. Columbia also recorded Noel Coward's musical, "The Girl Who Came to Supper," and Edward Albee's prize-winning drama, "Who's Afraid of Virginia Woolf?" A recording cycle of the complete works of Eugene O'Neill, featuring America's greatest actors, began with the recent Broadway revival of "Strange Interlude." The Actors Studio Theatre production, directed by Jose Quintero, starred Geraldine Page, Ben Gazzara, Pat Hingle and Franchot Tone.

In December the Division announced that it had obtained the recording rights to the motion picture version of "My Fair Lady," starring Audrey Hepburn and Rex Harrison. The film, produced by Warner Brothers, will be released this Fall. Sales of Columbia's Original Broadway Cast (lp) of "My Fair Lady" passed the 5 million mark during the year, firmly establishing its place as the most popular record of all time.

Masterworks. Conductor Eugene Ormandy and The Philadelphia Orchestra won gold records for two recordings—"Handel: Messiah" and "The Lord's Prayer" with The Mormon Tabernacle Choir. Leonard Bernstein and the New York Philharmonic were acclaimed for a number of outstanding performances including compositions by Bach, Beethoven and Mahler.

"The Sound of Horowitz," master pianist Vladimir Horowitz' second Columbia (lp), repeated the unique attainment of his first disc in becoming a popular best seller. Notable successes were also enjoyed by pianists Glenn Gould, Rudolf Serkin and Andre Watts; violinists Isaac Stern and Zino Francescatti; organist E. Power Biggs; opera stars Eileen Farrell and Richard Tucker; the Budapest String Quartet; a legacy of recordings by the late conductor Bruno Walter; and Igor Stravinsky, whose historic series of performances have won virtually every major award honoring classical recordings. "The Badmen," an elaborate album re-creating the Old West in story and song, was added to Columbia's Legacy Series, and won immediate recognition as one of the most distinguished recorded productions of our time.

Epic Records. In 1963 sales of Columbia's subsidiary label, Epic Records, were the highest in its ten-year history. Bobby Vinton had a number of major hits and an instrumental group, The Village Stompers, scored with "Washington Square." Singers Rolf Harris, George Maharis and Cliff Richard also recorded hits and Major Lance contributed several successes on Okeh Records, Epic's rhythm and blues outlet.

In the classical field, George Szell and The Cleveland Orchestra won international acclaim for a number of important new performances, as did the Juilliard String Quartet and pianists Leon Fleisher and Charles Rosen.

Executive Appointments. The following appointments were made during the year: Kenneth D. Glancy, Vice President, Artists and Repertoire; Peter de Rougemont, Vice President, European Operations; Leslee S. Klemes, Vice President, Advertising, Columbia Record Club.

Outlook for 1964. In light of its extensive repertoire, its modern manufacturing facilities, its increasingly effective distribution operations and the expanding domestic and foreign markets for its product, Columbia Records looks forward in 1964 to an even better year than it enjoyed in 1963.

GODDARD LIEBERSON, *President*
Columbia Records Division

dimir Horowitz' "The Sound of Horowitz" (lp) album became a best seller.
Santa Maria plant is the world's most advanced record manufacturing facility.
y Bennett won a gold record for his hit, "I Left My Heart in San Francisco."
nist Andre Watts recorded his first Columbia album with Leonard Bernstein.
bert Goulet's rise to fame continued with a number of new Columbia hits.
ne Badmen," a Legacy Series release, re-created the Old West in story and song.

CBS Laboratories

In 1963 CBS Laboratories further expanded its research and development for the government, and two-thirds of the Division's R&D effort is now devoted to national defense and space programs. The Division also made extremely significant contributions during the year to industry and to CBS operating Divisions involved in the reproduction and transmission of sight and sound. Major government contracts included military reconnaissance systems, the introduction of a new type of microcircuitry for space, the development of a star-tracking tube to orient satellites in space and a number of other projects in the Division's special areas of competence—acoustics and magnetics, electron tubes, solid-state physics and military and industrial systems development.

Space and Satellite Programs. The Division's Photoscan air and space surveillance system, initially developed under contract for the Navy, is now being sponsored by all three major Armed Forces. The airborne device scans and transmits to Earth almost instantaneously a visual image of aerial photographs. Photographic intelligence collected by manned or unmanned aircraft, or by satellites, can now be viewed at ground command posts in less than ten seconds. A Navy report on Photoscan, issued during the year, describes it as "highly recommended for its reliability" and commends the "new concept" embodied in the Photoscan system.

An even more sophisticated version of the Division's Digital Display System (DDS), which posted CBS News election returns electromechanically for millions of television viewers in 1962, will soon be available to the National Aeronautics and Space Administration (NASA). NASA's Jet Propulsion Laboratory in Pasadena, California has retained CBS Laboratories and the CBS Television Network as joint consultants in the design, installation and operation of a display and closed circuit television system for its Space Flight Operations Facility. The new DDS system, capable of handling several missions simultaneously, will electronically post telemetered data from satellites on a large display board and the closed circuit television system will relay the information to officials and technicians throughout the facility. When completed early in 1965, the $12 million Space Flight Operations Facility will direct and control the nation's unmanned lunar and planetary probes.

The Division's dry-film lubricant has been approved by NASA's George C. Marshall Space Flight Center for use in satellites. Under conditions simulating the vacuum of outer space, the new solid lubricant was found to be more effective and reliable than the best of conventional liquid coatings. Terrestrial uses are also being explored, and the new space "oil" may find important extreme environment and long-term storage applications.

New Recording Techniques. Improved systems for reducing the ambient noise which clutters all aerospace communications are now being developed by CBS Laboratories for the Air Force. Under development for the Navy as well as the Air Force is a unique system for recording and reproducing very high frequency signals such as those from wide-band radar. The system employs a radically new technique of video signal recording. Also, a superior eight-channel magnetic tape recording-reproducing head has been developed for NASA's satellite program. The new head can simultaneously record signals from eight separate sources on a single tape.

Since the Division's development in 1948 of the 33⅓ rpm long-playing record, CBS Laboratories has made a number of significant contributions towards superior sound reproduction in the home. These include, in recent years, a scratch-proof, high fidelity phonograph tone arm, now being marketed by the Zenith Radio Corporation, and a compact tape recorder using tape cartridges, developed for the Revere Division of Minnesota Mining and Manufacturing Company. In 1963 the Division developed a new "microLp" stylus for cutting the masters of stereophonic discs. The new stylus uses a highly polished ruby rod to provide the highest precision. Originally developed for Columbia Records, the styli are currently being sold to all major record companies.

1. Glass blower employs lathe to construct glass envelope for special electron
2. Special magnetic recording head simultaneously records eight channels of inform
3. Reconotron III airborne camera tube is designed and built by CBS Laborat
4. Laboratory technician examines high resolution films emerging from airborne proc
5. Microcircuits are tested electrically to assure their reliability in space applica


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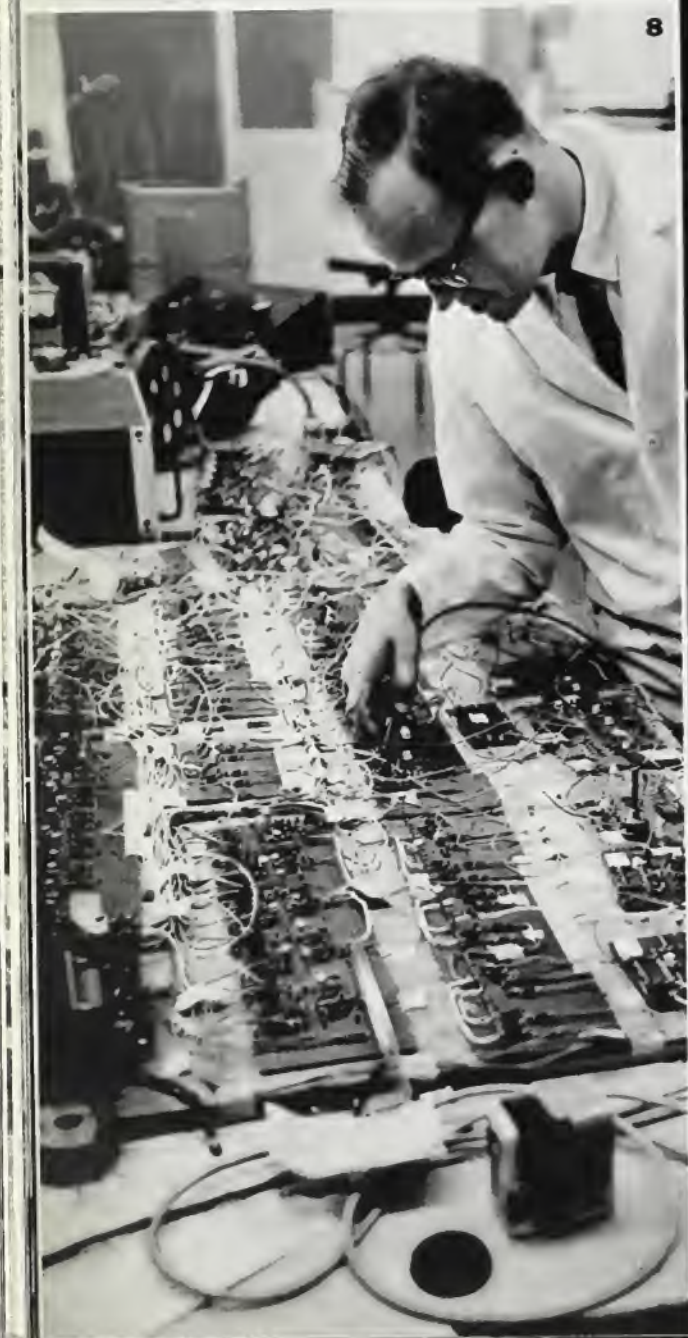

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Broadcast Equipment. CBS Laboratories further expanded into the highly specialized broadcast equipment field. Development and production of complex video devices for the new CBS Broadcast Center now under construction in New York City met what are believed to be the most exacting requirements in the television broadcasting industry. The improved equipment will contribute importantly to a clearer home television picture.

Recently, delivery was made to the CBS Television Network of an experimental system which records on punched tape information relating to Network programs carried by affiliated stations. These tapes, containing all information necessary for network billing, are processed at the CBS Data Center in New York City. Additional systems will soon be produced for CBS Television Network affiliates throughout the country.

During the year the Audimax system, developed by CBS Laboratories in 1961, climbed to first place in total sales of all automatic sound level controls used by radio and television broadcast stations. Audimax sales increased 60 per cent over the previous year.

Microminiaturization. In the solid-state physics field, CBS Laboratories achieved what is thought to be the world's highest packing density of electronic components in producing new types of integrated microcircuits. The basic circuit block contains 8 transistors and 12 resistors on a silicon chip eight one-hundredths of an inch square. These systems, which consume 100 times less power than previous circuits, are a prime example of the new micropower, microelectronic technology developed by CBS Laboratories. At the present time, most of the Division's microcircuitry is designed for space applications.

A new ion beam generator for use in semiconductor research, announced by CBS Laboratories early in 1963, was recently selected as one of the "100 most significant new products of 1963" by *Industrial Research* magazine. Also, construction is nearly completed on the first fully automated electron beam processing system under a contract from the Navy. This system uses a fine beam of electrons to fabricate electronic circuits too small to be seen with the human eye. In the new and dramatic laser field, the Division created a new series of ultra-fast detectors for receiving laser beams.

Special Purpose Electron Tubes. One of the special electron tubes in the Photoscan reconnaissance system is the Reconotron. A variant has been developed for use in star guidance systems, and several have already been delivered to NASA for the *Mariner C* survey of Mars.

CBS Laboratories is meeting an urgent need for radar information display with an entirely new electron beam tube called the "Recorditron." This unique tube, developed for an Army aircraft surveillance system, "writes" information on a specially-coated metal belt moving inside a vacuum bulb. The radar information is thus visibly stored, presenting to the observer a slowly moving picture of terrain passing beneath the aircraft.

A special photomultiplier tube has been developed for the Atomic Energy Commission (AEC) to detect and measure radioactive emissions. This highly sensitive tube has special applications in nuclear biophysics.

The practicability of electronic typesetting equipment operating directly from computer tapes was proven in 1963 when CBS Laboratories began a joint program in this area with the Mergenthaler Linotype Company. The heart of this graphic arts system is an entirely new type of electron tube developed by CBS Laboratories.

New Facilities. At year's end, CBS Laboratories planned to double its research and development facilities in Stamford, Connecticut. The new construction is scheduled for completion in the latter part of 1964.

Executive Appointments. During the year Frank B. Sobieralski was named Vice President, Administration and Business Development; and Renville H. McMann, Jr. was appointed Vice President, Military and Industrial Systems.

PETER C. GOLDMARK, *President*
CBS Laboratories Division

erial photo obtained through Photoscan system is received on ground within ten seconds.
ine Scan Tube provides an electron beam reproduction of Photoscan aerial reconnaissance film.
ircuit systems for airborne devices are fully evaluated before final designs are approved.
pace helmet being developed for Air Force will provide greater communication effectiveness.
Microelectronic circuit with 8 transistors and 12 resistors is eight one-hundredths of an inch square.
Electron beam gun is used as a tool to produce electronic circuits invisible to the naked eye.

CBS International

1963 marked the tenth anniversary of the establishment of CBS International. The Division was organized in 1954 as an export arm of CBS in anticipation of the growing opportunities for the marketing of a wide range of consumer and industrial products in foreign countries. Since then it has introduced the CBS name into more than 60 nations of the free world, in many of them for the first time. During this decade the need and appetite for American goods and services, particularly in the field of broadcast equipment, has grown steadily. New radio and television broadcasting facilities continue to be established abroad on a major scale, and CBS International has become a specialist in meeting the technical needs of these new foreign broadcasters.

New Markets. Because of the uncertain economic and political stability of many countries in South America, traditionally one of this Division's major markets, CBS International made strenuous efforts to create new markets throughout the free world during 1963. As a result, CBS International is now engaged in trade in more overseas markets than at any time in its history.

Broadcast Equipment Sales. The Division set a new record during the year in its sale of broadcast equipment to broadcasters overseas, surpassing last year's sales by a considerable margin. CBS International also served as an adviser and technical consultant to both new and established radio and television stations on five continents.

Other Sales. In November CBS International was appointed exclusive export representative for Reeves Soundcraft Corporation, a large producer of magnetic audio tapes, film and discs. This product line should contribute substantially to over-all sales in 1964. Among other new products being marketed by this Division overseas are Audiophonics, a highly competitive line of stereophonic cartridges and microphones, and Band-o-Lite, a unique safety device incorporating flashing panelescent lights for military, police and private guard use. The sales of Columbia Records and Masterwork phonographs were well ahead for the year, both to Post Exchange outlets around the world and to growing nonmilitary accounts.

Some of the world's leading government, industrial and university laboratories and research facilities in such countries as Australia, England, France, Japan, Sweden and West Germany are among the important purchasers of specialized products marketed by CBS International. The increasing list of electronic devices which were sold to these customers during the past year includes special photomultiplier tubes and solid-state laser beam detectors developed by the CBS Laboratories Division.

Argentina. Exports of television picture tubes to Argentina have recently been radically curtailed. As a result, the CBS investment in Productos Electronicos Argentinos, SA, a picture tube plant in Buenos Aires, now appears to be even more promising. During the year this facility introduced the first "Kimcode" home receiver picture tube to be made in Argentina. (The "Kimcode" development eliminates the need for extra face plates on tubes.) With the introduction of this new tube, Productos Electronicos Argentinos, SA is expected to operate at full plant capacity throughout 1964.

Outlook for 1964. During its ten-year history CBS International has established a reputation for reliability and for prompt, accurate attention to the needs of its many customers around the globe. The Division will continue its intensive efforts to create new overseas markets for the products it represents and anticipates increased sales in 1964.

LEWIS GORDON, *President*
CBS International Division

1. Special sale of Columbia Records drew this throng at Thule Air Force Base, Greenl
2. Tape cartridges were among the popular products exported to foreign broadcas
3. Reeves magnetic audio tape joined list of products exported by CBS International in 1
4. CBS International shipped 12 tons of potassium silicate to Argentine picture tube p

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ANDREW SUBBIONDO, *Controller*

Columbia Records

GODDARD LIEBERSON, *President*
NORMAN A. ADLER, *Executive Vice President*
WILLIAM S. BACHMAN, *Vice President*
WALTER L. DEAN, *Vice President*
PETER deROUGEMONT, *Vice President*
ALBERT B. EARL, *Vice President*
WILLIAM P. GALLAGHER, *Vice President*
KENNETH D. GLANCY, *Vice President*
WILLIAM F. GRADY, *Vice President*
JOHN J. LORENZ, *Vice President*
KENNETH E. RAINE, *Vice President*
HARVEY L. SCHEIN, *Vice President*
IRVING J. TOWNSEND, *Vice President*
JOHN C. REDDY, JR., *Controller*

CBS Laboratories

PETER C. GOLDMARK, *President*
JOHN W. CHRISTENSEN, *Vice President*
BENJAMIN B. BAUER, *Vice President*
WOLFGANG W. GAERTNER, *Vice President*
JOHN MANNIELLO, *Vice President*
RENVILLE H. McMANN, JR., *Vice President*
FRANK B. SOBIERALSKI, *Vice President*

CBS International

LEWIS GORDON, *President*
WILLIAM P. MUNRO, *Vice President*

Domestic Subsidiaries

SAM COOK DIGGES, *Vice President, CBS Films Inc.*
RALPH M. BARUCH, *Vice President, CBS Films Inc.*
JAMES T. VICTORY, *Vice President, CBS Films Inc.*
WILLIAM M. WEISS, *Vice President, Terrytoons, a division of CBS Films Inc.*
CORNELIUS F. KEATING, *Vice President, Columbia Record Club*
SEYMOUR L. GARTENBERG, *Vice President, Columbia Record Club*
LESLEE S. KLEMES, *Vice President, Columbia Record Club*
ALBERT C. SIMONSON, *Vice President, Columbia Record Club*

Foreign Subsidiaries

JUAN TRUDEN, *Manager*
Discos CBS SA (Argentina)

DOUGLAS TAYLOR, *Commercial Manager*
Discos CBS SA (Argentina)

EVANDRO RIBEIRO, *General Manager*
Discos CBS SA (Brazil)

J. MANUEL VILLARREAL, *General Manager*
Discos CBS SA (Mexico)

A. WILLIAM T. SMITH, *Managing Director*
Australian Record Company Limited

WILLIAM G. WELLS, *Managing Director*
CBS Films Pty. Limited (Australia)

ROBERT C. MAYO, *Managing Director*
CBS Limited (England) and CBS (Europe) AG

BERNARD L. TAYLOR, *President and General Manager*
Art, Technique et Commerce, SA (France)

ROBERT R. PAMPE, *Vice President and Managing Director*
Columbia Records of Canada Limited

WILLIAM F. COOKE, *General Manager*
CBS Television Network Sales of Canada Limited

Columbia Broadcasting System, Inc. and subsidiaries

Income Statements

	52 WEEKS ENDED Dec. 28, 1963	52 WEEKS ENDED Dec. 29, 1962
Net sales	**$564,818,039**	**$521,911,311**
Cost of sales	*363,036,195*	*352,792,978*
Selling, general and administrative expenses	*118,078,464*	*105,527,008*
Operating income	**83,703,380**	**63,591,325**
Other income	8,459,767	5,732,412
Other deductions	*4,651,671*	*4,359,373*
Income before federal and foreign income taxes	**87,511,476**	**64,964,364**
Federal and foreign income taxes	*45,700,000*	*35,300,000*
Net income	**$ 41,811,476**	**$ 29,664,364**

See notes to financial statements

Columbia Broadcasting System, Inc. and subsidiaries

Balance Sheets

ASSETS

	Dec. 28, 1963	Dec. 29, 1962
Current assets:		
Cash	$ 21,465,805	$ 20,599,991
United States Government and other marketable securities, at cost and accrued interest (approximates market)	44,861,714	25,168,776
Notes and accounts receivable, less allowance for doubtful accounts: December 28, 1963, $7,104,399; December 29, 1962, $6,961,628 *(note 1)*	94,781,200	98,232,818
Inventories, at lower of cost or market	11,075,773	9,754,167
Films, shows, film and show rights, and other prepaid expenses	55,813,646	62,163,871
Total current assets	**227,998,138**	**215,919,623**
Investments, at cost or less *(note 4)*	**11,920,792**	**8,114,313**
Property, plant and equipment:		
At cost:		
Land	15,254,165	15,692,187
Buildings	51,984,299	39,958,263
Machinery and equipment	61,927,773	54,067,699
Leasehold improvements	8,059,019	8,790,346
	137,225,256	118,508,495
Less accumulated depreciation	*49,538,969*	*46,208,740*
	87,686,287	**72,299,755**
Contract rights and other assets, at cost less amortization	**8,804,355**	**7,240,562**
	$336,409,572	**$303,574,253**

LIABILITIES AND STOCKHOLDERS' EQUITY

	Dec. 28, 1963	Dec. 29, 1962
Current liabilities:		
Accounts payable and accrued liabilities	$ 71,319,643	$ 75,583,714
Federal and foreign income taxes	33,836,883	27,255,946
Less United States Government securities, at cost	33,000,000	23,000,000
	836,883	4,255,946
Current instalments on notes and mortgages	1,587,053	3,972,133
Total current liabilities	**73,743,579**	**83,811,793**
Amounts due after one year:		
Notes payable, 3.5% - 4.95%, due 1965 to 1984	30,784,000	31,662,000
Mortgages	2,494,275	2,902,911
Other, principally for shows and show rights	24,432,139	18,919,573
Total amounts due after one year	**57,710,414**	**53,484,484**
Deferred federal and foreign income taxes	**6,400,000**	**4,200,000**
Stockholders' equity:		
Common stock, par value $2.50 per share: authorized 30,000,000 shares; issued: December 28, 1963, 19,290,290 shares; December 29, 1962, 9,178,013 shares *(notes 2 and 5)*	48,225,725	22,945,033
Capital surplus *(note 2)*	63,850,303	59,765,603
Retained earnings *(note 6)*	86,479,551	79,367,340
Total stockholders' equity	**198,555,579**	**162,077,976**
	$336,409,572	**$303,574,253**

See notes to financial statements

Columbia Broadcasting System, Inc. and subsidiaries

Statements of Retained Earnings and Capital Surplus

RETAINED EARNINGS	52 WEEKS ENDED Dec. 28, 1963	52 WEEKS ENDED Dec. 29, 1962
Balance at beginning of period	**$79,367,340**	**$72,774,814**
Add:		
Net income	41,811,476	29,664,364
Net gain on disposition of certain real estate, after applicable taxes	1,499,014	
	122,677,830	**102,439,178**
Less:		
Cash dividends: 1963, $.75 per share; 1962, $.70 per share (note 2)	*13,868,218*	*12,451,805*
Stock dividends, three per cent: 1963, 560,142 shares; 1962, 533,670 shares (note 2)	*22,330,061*	*10,620,033*
Balance at end of period *(note 6)*	**$86,479,551**	**$79,367,340**

CAPITAL SURPLUS		
Balance at beginning of period	**$59,765,603**	**$49,752,058**
Add:		
Excess of proceeds from sales of common stock under option agreements, over par value of shares sold	6,567,680	60,600
Excess of market value over par value of shares issued in payment of stock dividends	21,629,883	9,952,945
	87,963,166	**59,765,603**
Less:		
Par value of additional shares issued in stock split (note 2)	*24,112,863*	
Balance at end of period	**$63,850,303**	**$59,765,603**

See notes to financial statements

Notes to Financial Statements

1. Beginning with 1963, certain accounts receivable turned over to collection agencies have been written off, with a corresponding reduction in the allowance for doubtful accounts; and foreign subsidiaries have been consolidated. Comparative data for 1962 in this report have been adjusted to reflect these changes in accounting practice. The consolidation of foreign subsidiaries increased 1962 net income by $610,630.

2. All financial data in this report have been adjusted to reflect the increase in authorized shares to 30,000,000 and the 2-for-1 stock split approved by the stockholders on December 20, 1963.

3. Depreciation of property, plant and equipment and the amortization of contract rights for the years 1963 and 1962 amounted to $8,705,701 and $9,136,174, respectively.

4. Included in investments on December 28, 1963 were 57,166 shares of Company stock at a cost of $1,382,401, which are being held for distribution under the Employees' Stock Purchase Plan and the Deferred Additional Compensation Plan.

5. Under Stock Option Plans approved by the stockholders in 1951 and 1961, the Company has granted options to certain employees, including officers, to purchase shares of Company stock at a price not less than 95% (100% as to options granted in December 1963) of market value on the dates the options were granted. Unissued shares of Company stock under options at the beginning and end of 1963 (exercisable at various dates through 1970) and changes during 1963 are summarized as follows:

Shares under option at December 29, 1962	1,155,674
Options granted during 1963 (at prices ranging from $21.75 to $38.50 per share), net of terminations	25,120
Adjustments resulting from 3% stock dividend	22,798
	1,203,592
Less options exercised in 1963 (at prices ranging from $12.98 to $20.10 per share)	*374,122*
Shares under option at December 28, 1963 (at prices ranging from $12.04 to $38.50 per share), of which options on 126,254 shares were exercisable at December 28, 1963	829,470

At the end of 1963, 152,803 shares of unissued stock were reserved for future options. Options for these shares may be granted prior to January 1, 1971 at the discretion of the Board of Directors.

6. Under agreements covering outstanding notes payable and the sale in 1964 and 1965 of a total of $25,373,000 additional 4.95% Notes, there are certain restrictions with respect to working capital; the payment of dividends (other than stock dividends) on Company stock; and the purchase, redemption, or retirement of Company stock. At December 28, 1963, $85,400,000 of working capital and $46,500,000 of retained earnings were free of such restrictions.

Report of Auditors

To the Stockholders of Columbia Broadcasting System, Inc.:

We have examined the consolidated balance sheet of Columbia Broadcasting System, Inc. and subsidiaries as of December 28, 1963, and the related statements of income, retained earnings and capital surplus for the fiscal year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We previously examined the financial statements as of December 29, 1962, and for the fiscal year then ended, which have been restated, with our concurrence, to reflect the inclusion of foreign subsidiaries as described in Note 1 to the financial statements.

In our opinion, the accompanying balance sheets and statements of income, retained earnings and capital surplus present fairly the consolidated financial position of Columbia Broadcasting System, Inc. and subsidiaries at December 28, 1963, and December 29, 1962, and the results of their operations for the fiscal years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

LYBRAND, ROSS BROS. & MONTGOMERY

New York, February 11, 1964

Columbia Broadcasting System, Inc. and subsidiaries

10-Year Financial Summary

	1963	1962	1961
Income and dividends			
Net sales	**$564,818**	**$521,911**	**$473,84**
Income before federal and foreign income taxes	87,511	64,964	47,03
Less federal and foreign income taxes	*45,700*	*35,300*	*25,00*
Net income	**$ 41,811**	**$ 29,664**	**$ 22,03**
Per cent of net income to net sales	7.4%	5.7%	4.
Net income per share *(see note)*	**$ 2.27**	**$ 1.62**	**$ 1.2**
Cash dividends paid per share *(see note)*	$ .75	$ .68	$ .6
Balance sheet items			
Current assets	$227,999	$215,919	$193,05
Less current liabilities	*73,744*	*83,812*	*81,49*
Net working capital	154,255	132,107	111,56
Investments and other assets	20,725	15,355	16,57
Property, plant and equipment—net	87,686	72,300	66,22
Less long-term liabilities	*64,110*	*57,684*	*51,93*
Total net assets	**$198,556**	**$162,078**	**$142,42**
Common stock	$ 48,226	$ 22,945	$ 22,27
Capital surplus	63,850	59,766	49,75
Retained earnings	86,480	79,367	70,40
Total stockholders' equity	**$198,556**	**$162,078**	**$142,42**
Ratio of current assets to current liabilities	3.09	2.58	2.3

Note: Based on the average number of shares outstanding in each year, adjusted for stock dividends prior to 1963, and for the 3-for-1 stoc

(Dollars in thousands)

1960	1959	1958	1957	1956	1955	1954
4,598	**$444,311**	**$411,800**	**$385,409**	**$354,780**	**$316,573**	**$280,291**
1,335	52,967	53,529	48,593	35,083	29,897	23,215
8,100	*27,700*	*29,100*	*26,400*	*18,800*	*16,500*	*11,800*
3,235	**$ 25,267**	**$ 24,429**	**$ 22,193**	**$ 16,283**	**$ 13,397**	**$ 11,415**
5.0%	5.7%	5.9%	5.8%	4.6%	4.2%	4.1%
1.27	**$ 1.38**	**$ 1.34**	**$ 1.21**	**$ .89**	**$ .74**	**$ .64**
.64	$ .56	$ .43	$ .42	$ .37	$ .31	$ .25
4,079	$167,209	$151,904	$160,875	$131,496	$117,369	$105,936
9,558	*70,237*	*68,149*	*67,878*	*57,040*	*51,529*	*48,785*
4,521	96,972	83,755	92,997	74,456	65,840	57,151
5,490	19,289	20,996	12,900	11,494	10,603	9,953
5,692	61,405	58,522	49,095	53,107	52,117	53,410
8,655	*52,301*	*53,421*	*56,643*	*55,259*	*54,527*	*54,599*
7,048	**$125,365**	**$109,852**	**$ 98,349**	**$ 83,798**	**$ 74,033**	**$ 65,915**
1,603	$ 20,955	$ 20,297	$ 19,703	$ 19,129	$ 18,715	$ 6,097
0,863	31,768	21,879	12,876	7,645	3,407	8,733
4,582	72,642	67,676	65,770	57,024	51,911	51,085
7,048	**$125,365**	**$109,852**	**$ 98,349**	**$ 83,798**	**$ 74,033**	**$ 65,915**
2.19	2.38	2.23	2.37	2.31	2.28	2.17

the 2-for-1 stock split in 1963. Stock dividends were declared as follows: 2% in 1954, 1955 and 1956; 3% in each year 1957 through 1963.

Columbia Broadcasting System, Inc.

485 Madison Avenue, New York, New York 10022 *(Executive Offices)*
1735 De Sales Street, N.W., Washington, D.C. 20006

CBS News 485 Madison Avenue, New York, New York 10022

CBS Television Network 485 Madison Avenue, New York, New York 10022

CBS Television Stations 485 Madison Avenue, New York, New York 10022

CBS Radio 485 Madison Avenue, New York, New York 10022

Columbia Records 799 Seventh Avenue, New York, New York 10019

CBS Laboratories 227 High Ridge Road, Stamford, Connecticut 06903

CBS International 46 East 52nd Street, New York, New York 10022

Statements concerning television and radio audiences are based on estimates of audience size by A. C. Nielsen Company and of audience composition by American Research Bureau, subject to qualifications which CBS will supply on request. In the case of radio, statements of audience leadership refer to plug-in radio homes.

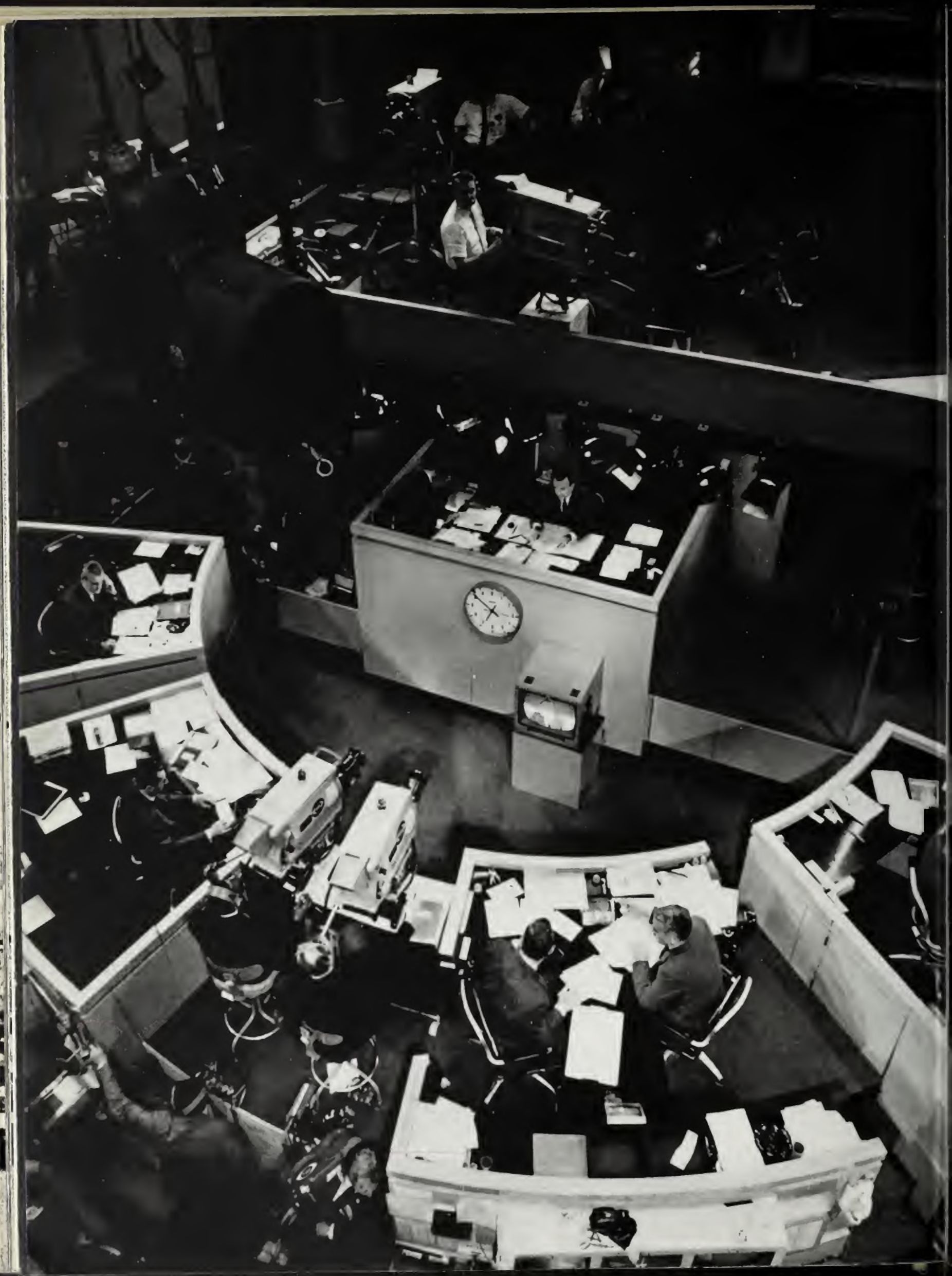
CBS

1964
Annual Report
to the
Shareholders
of Columbia
Broadcasting
System,
Inc.

1964 Annual Report to the Shareholders of Columbia Broadcasting System, Inc. for the Fiscal Year ended January 2, 1965

CONTENTS

The 1965 Annual Meeting of Shareholders of Columbia Broadcasting System, Inc. will be held on Wednesday, April 21, at 10 AM, in CBS Television Studio 41, CBS Broadcast Center, 530 West 57 Street, New York City.



To Our Shareholders:

1964 was the best year in your Company's history. Revenues and profits both reached record levels. Net sales increased 13 percent. Net income rose 19 percent.

	1964	1963
Net sales	$638,076,567	$564,818,039
Net income	$ 49,655,739	$ 41,811,476
Net income per share	$2.57	$2.20*

*Adjusted for Stock Split and 1963 Stock Dividend

Over the past ten years net income per share, adjusted for stock splits and dividends, has increased at an average rate, compounded annually, of more than 15 percent.

Cash dividends of $1.05 per share, plus a 2 percent stock dividend, were paid in 1964.

Detailed financial reports begin on page 37, and a ten-year summary of financial progress appears on pages 42 and 43.

The Year in Review. In 1964 your Company broadened the base of its interests at home and abroad, took advantage of attractive opportunities to increase earnings, and competed with conspicuous success in all of its areas of operations. These achievements are reviewed in some detail in the division reports which begin on page 6. The following highlights deserve special attention:

CBS News coverage of the national elections—the major news story of the year — was authoritatively reported to be "a superb journalistic beat" and a "performance of landslide proportions." The Division produced one-fifth of the CBS Television Network schedule and three-fifths of that of the CBS Radio Network.

The CBS Television Network achieved the highest time sales in its history, attracted the largest audiences in television for the tenth consecutive year, and ranked as the world's largest single advertising medium for the eleventh consecutive year.

(See page 44 for bases of statements in this report concerning radio and television audiences.)

CBS Owned television stations—WCBS-TV New York, KNXT Los Angeles, WBBM-TV Chicago, WCAU-TV Philadelphia, and KMOX-TV St. Louis—maintained their top-ranking positions in the communities they serve. Each station again attracted a larger average share of the audience than any other station in its area. And sales of each increased substantially over the previous year.

CBS Radio Network sales slightly exceeded those for 1963, and were the highest in six years. Sales of the CBS Owned radio station group—WCBS New York, KNX Los Angeles, WBBM Chicago, WCAU Philadelphia, WEEI Boston, KMOX St. Louis, KCBS San Francisco — nearly equaled the group's achievement in 1963, which was its highest in recent years.

Columbia Records enjoyed an outstanding year, the most successful in its history. Domestic and international sales exceeded those for 1963 by large margins.

CBS Laboratories enlarged its facilities and created four new departments to meet the growing demands on its technological capabilities.

CBS International had a good year, expanding to 81 the number of nations to which it exports U. S. products and know-how.

New York Yankees Inc. purchased the New York Yankees baseball club on November 2. CBS owns 80 percent of the new company, and has an option to purchase the remaining 20 percent.

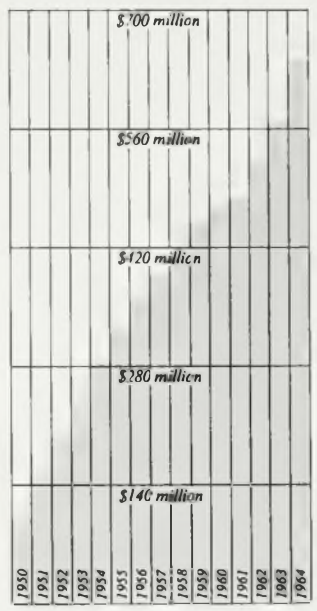
International Operational Highlights. CBS divisions now conduct international operations in 107 countries. Their activities, many of which were significantly expanded in 1964, include the production and sale of television programming, the recording and marketing of phonograph records, the distribution of newsfilm, the licensing of patents, and the sale of various products and services. The following are particularly noteworthy:

The CBS Television Network maintained its working agreements with the Canadian Broadcasting Corporation and television stations in Bermuda, Guam, Mexico, Puerto Rico, and the Virgin Islands for the broadcast of Network programs.

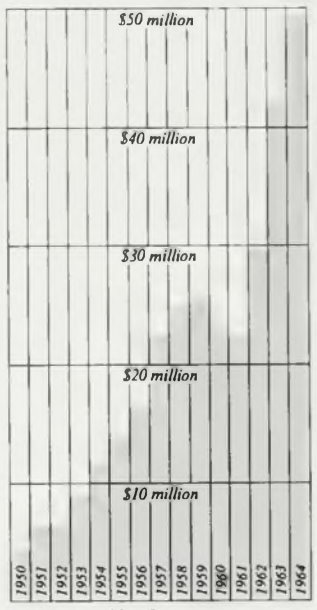
CBS Films Inc., the world's largest exporter of films produced especially for television, increased its interna-

BY A LANDSLIDE." Under this headline The New Times television critic called CBS News' election coverage "a stunning achievement of organizational ing that provided much the clearest report of the lential contest." View here is CBS News Election quarters at the CBS Broadcast Center in New York City.

15-Year Financial Summary



Net Sales



Net Income

Net Income Per Share

Shareholders' Equity

tional sales substantially over the previous year.

CBS Newsfilm added 12 overseas subscribers and can be seen in nearly 122 million homes in 41 countries, or 9 out of 10 television homes in the free world.

CBS acquired an interest in the first television station to be constructed in Antigua, British West Indies.

CBS Japan Inc., a wholly owned subsidiary, began distributing American television programming in Japan and Okinawa in September.

Canadian Wirevision Limited, a Canadian company in which CBS holds a substantial interest, acquired the assets of Vancouver Cablevision Limited, a community antenna television system operating in the greater Vancouver, British Columbia, area.

The Columbia Records repertoire—the world's largest—was marketed in 65 foreign countries. During the year CBS purchased Oriole Records Limited, one of England's most respected record companies, together with the assets of Levy Sound Studios. This acquisition provided Columbia Records with the most modern record manufacturing plant in England as well as effective marketing and distribution facilities in the United Kingdom. The CBS Records label was also introduced in Israel with the opening of a new record manufacturing plant in Tel Aviv, the largest and most modern records facility in the Middle East.

CBS International developed new markets in Europe and the Far East for CBS products and those of other United States companies.

Facilities. The new home of CBS in New York is rapidly nearing completion: the plaza and the exterior of the 38-story building have been finished, and interior work is in the final stages. In late November the first CBS operating units took up quarters in the building, which will be fully occupied by the middle of the year.

1964 witnessed the completion and successful implementation of the remodeled CBS Broadcast Center in New York City, the most advanced and efficient broad-

cast and production facility in the world.

In Washington, D.C., the new CBS News headquarters became operational during the summer, greatly adding to the effectiveness of this vital bureau's coverage.

The Columbia Records plant in Santa Maria, California, the most modern record manufacturing and distribution complex in the world, became fully operational and contributed to substantial savings during its first year of production.

Work is now underway to expand the modern Columbia Records plant in Pitman, New Jersey.

A new studio and office space are being added to the Columbia Records facility in Nashville, Tennessee, the center of country and western music.

A new facility doubling the space of the CBS Laboratories headquarters building in Stamford, Connecticut, was completed during 1964, providing additional space for its growing research and development programs.

Contributions and Grants. Over the past decade CBS has taken keen interest in educational television and has actively supported its growth as an important supplement to commercial television. In 1964 CBS made cash contributions totaling $125,000 to Educational Broadcasting Corporation (WNDT New York) and the Chicago Educational Television Association (WTTW Chicago).

Early in 1965 television studio equipment valued at $295,000 was donated to the Long Island Educational Television Council and the Eastern Educational Network. With the donation of this equipment, made possible through the consolidation of New York broadcasting operations at the CBS Broadcast Center, the Company has contributed nearly $2 million in funds and equipment to educational television operations in the last seven years.

The CBS Foundation continued its support of educational and cultural institutions. Significant grants totaling nearly $400,000 were made in 1964 in support of eight CBS Foundation News Fellowships, nine privately supported colleges from which key CBS executives have graduated, leading private universities and colleges and state and regional college fund-raising associations, and a number of cultural organizations.

Management Announcements. William A. M. Burden was elected to the CBS Board of Directors. Fred W. Friendly was elected Vice President and appointed President of the CBS News Division. Leon R. Brooks was elected Vice President and General Counsel. Norman E. Walt, Jr. was elected Vice President. Kenneth W. Hoehn was elected Treasurer. Lawrence Lowman, Vice President, and Samuel R. Dean, Treasurer, retired after 36 and 33 years, respectively, of distinguished service.

Outlook. The national economy expanded vigorously in 1964. National advertising revenues rose to record levels and their rate of growth was greater than during any year since 1960.

The latest available figures indicate that total television revenues rose at least 10 percent over their 1963 level. This growth rate again exceeded that for magazines, newspapers, and other media. Even more significantly, television's rate of growth surpassed that for 1963, and over the last three years was greater than for any comparable period since the middle 1950's, when the medium was in an early stage of its growth.

National radio revenues experienced a modest increase. After some decline in manufacturers' sales of records in 1963, due primarily to an inventory readjustment, record sales in 1964 resumed their upward trend of the last decade.

The outlook for 1965 is for a further advance in the nation's economy. Revenues from our divisions should reflect this growth. We fully expect that CBS, as in the past, will more than match the average growth rate of areas in which it operates.

WILLIAM S. PALEY, *Chairman*
FRANK STANTON, *President*

February 10, 1965

CBS News

An extraordinarily wide range of events dominated the news during 1964. At home Lyndon B. Johnson rallied the nation following the tragic assassination of President Kennedy and began his campaign for reelection. The struggle for civil rights was highlighted by murder in Mississippi and the long anticipated passing of major civil rights legislation by the Congress. Overseas, the war in Vietnam and the contest for political power increased in intensity. A supposedly invincible Soviet premier toppled from power and the USSR continued to be challenged by Communist China, which exploded its first nuclear device.

The Election. CBS News devoted its imposing resources to reporting and exploring the significance of each of these stories—and thousands more. But the major focus of the Division's comprehensive coverage was the election—the longest, most important story of the year.

The election story began in March with the New Hampshire primary, continued through the other primaries, the national political conventions, and the long and arduous campaign, and reached its climax on election night. The competent and resourceful manner in which CBS News covered the last hours of the campaign earned the tribute of newspapers across the country. *The New York Times* remarked that "in a medium where time is of the essence the performance of CBS News was of landslide proportions."

The outcome of the election was disclosed at 9:03 pm EST on November 3 when Walter Cronkite reported that Lyndon B. Johnson was assured of 270 electoral votes, the number required for election. This early declaration was brought about through the use of Vote Profile Analysis (VPA), the highly complex and sophisticated system which, by tabulating and interpreting returns from carefully selected precincts in each state, produces accurate projections of election results. VPA combines the judgment and perception of experienced newsmen, proved statistical methods, and advanced data processing systems. Working with IBM and Louis Harris and Associates, CBS News brought VPA to a state of high refinement and was able to announce the winner and his margin of victory with remarkable accuracy in more than 100 election contests. The importance of VPA to election coverage was recognized by many of the nation's leading news institutions, several of which early in the year purchased rights to the VPA data. Among the Division's VPA clients were *The New York Times* and the New York Times News Service, *The Washington Post* and the Los Angeles Times-Washington Post News Service, and *Newsweek*.

A second major development in the 1964 election coverage was the establishment of the Network Election Service (NES) to provide a single, uniform source of returns in the November elections. In the spring the three network news organizations agreed to pool their individual vote tabulation services. The Associated Press and United Press International subsequently joined in this cooperative venture, and on election day the five news organizations fielded the largest reportorial force in history—130,000 strong.

Thus, newspapers and other news media, as well as the public, found themselves turning to broadcast journalism for their key election news—to the NES tabulations for the reporting of actual vote results, and to VPA for the most comprehensive source of analytical data on voting behavior. No function of journalism in an open society is more important than the prompt and accurate reporting of an election. The success with which VPA and NES enabled CBS News to provide the public with more information, faster, and with less confusion than ever before, ensures their use in future elections.

Special Reports. Maintaining a balanced, objective approach to reporting a long and bitter struggle for election is one responsibility of CBS News. Broadcasting the election results quickly and accurately is another. Still a third function is the thoughtful, in-depth examination of vital contemporary issues. In 1964 CBS News explored the narcotics problem, cigarette smoking, the right to bear arms, and many other issues of national importance. The enormous potential of broadcast journalism in this area was vividly dramatized with the television broadcast, on December 21, of "Christmas in Appalachia," a Special Report on the poverty-stricken people

1. Famed cellist Pablo Casals was honored in an hour-long CBS News television portrait, "Casals
2. "CBS Reports" broadcast "D-Day Plus 20 Years: Eisenhower Returns to Normandy" on Ju
3. President Johnson's conversation with Walter Cronkite from Austin, Texas was an election night highl
4. Mrs. Johnson was interviewed by Walter Cronkite at the LBJ Ranch on "The First Lady at H
5. The "World War I" series premiered to unanimous critical acclaim at the start of the new se
6. Senator J. William Fulbright and England's Harold Wilson appeared on "Town Meeting of the W

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of eastern Kentucky. The national response to this broadcast, totally unsolicited, was remarkable. Viewers contributed more than $60,000 and 150 tons of toys, food, and clothing to the people of Appalachia in the weeks following the broadcast. At the request of CBS, the Salvation Army coordinated the collection and distribution of these funds and gifts. Direct action by the public included the chartering of planes and trucks to transport supplies to the Kentucky hills. This generous public response reflected the Division's ability to engage the national community and move it to action.

Affiliate Support. Significant to the coverage of both these stories, "Christmas in Appalachia" as well as election night, was the role played by the CBS Television Network affiliates and their news departments, which helped to organize and coordinate the distribution of aid to the people of Appalachia. In the use of VPA, a nationwide Teletype was set up to provide VPA data to radio and television network affiliates for use on their election broadcasts twice each hour, and many affiliates sent news executives to New York prior to the election for briefings on the use of VPA. The news departments of affiliated stations played key roles in those states for which CBS News was responsible for collecting, reporting, and tabulating NES returns. CBS News regards the further implementation of this relationship with the affiliates as one of its most desirable goals.

Other Highlights. Among the developments in 1964 which required intensive CBS News coverage were the war in Vietnam, the struggle for Negro equality, the realignment of power in the Soviet Union, the rebellion in the Congo and the strife in Cyprus, and the third session of the Ecumenical Council. In its half-hour news broadcasts, "CBS Evening News with Walter Cronkite" and "CBS Morning News with Mike Wallace," in CBS News Special Reports and additional broadcasts, CBS News covered these and other stories with speed and clarity.

As a regularly-scheduled complement to "The Twentieth Century" and "CBS Reports," the new "World War I" series premiered to unanimous praise. "CBS Reports" moved to a new Monday evening time period shortly after commencing its sixth season, and individual specials included broadcasts on "Casals at 88," "The Burden and the Glory of John F. Kennedy," and "Five Faces of Tokyo." "Town Meeting of the World" in the spring featured a four-way conversation via satellite on international "Myths and Menaces." Participants were Richard M. Nixon, Senator J. William Fulbright, British Labor Party leader Harold Wilson, and French foreign policy spokesman Maurice Schumann.

In June, a special "CBS Reports" broadcast, "D-Day Plus 20 Years: Eisenhower Returns to Normandy," commemorated the 20th anniversary of the Normandy invasion. The original transcript of the conversations between General Dwight D. Eisenhower and Walter Cronkite was published by more than 60 newspapers through the New York Herald Tribune Syndicate.

"Face the Nation" continued as an important forum for leading international figures and for key candidates during the primaries and the campaign. "Lamp Unto My Feet," in its 16th year, and "Look Up and Live," in its 11th, continued to offer provocative studies of a wide range of contemporary religious and moral subjects. In all, CBS News produced 20 percent of the total CBS Television Network schedule during the year.

On the CBS Radio Network, "Dimension" continued as an important feature of the Network schedule and was revised to make its content more timely and topical. More documentaries were broadcast, notable among them "A Farewell to Studio Nine" and "The Apathetic American," and documentary features were added to the daily "World News Roundup" and "The World Tonight." CBS News now provides more than 61 percent of the total CBS Radio Network schedule.

Executive Appointments. Gordon Manning was named Vice President and Director of Television News, and Bill Leonard was named Vice President and Director of News Programming. William J. Fennessy was named Controller.

FRED W. FRIENDLY, *President*
CBS News Division

hristmas in Appalachia" reminded Americans that poverty is not alien to our shores.
ger Mudd maintained a 67-day vigil reporting the Civil Rights Bill debate at the Capitol.
e war in Vietnam was the subject of continuing CBS News coverage during the year.
he late President Kennedy was remembered in a number of CBS News broadcasts.
nne Frank's father appeared on "The Twentieth Century" in "Who Killed Anne Frank?"
former dope smuggler was interviewed on "CBS Reports: The Business of Heroin."

CBS Television Network

In 1964 the CBS Television Network completed a decade of leadership as America's most popular medium of communications. The Network produced the largest time sales in its history and for the 11th consecutive year won a greater commitment from the nation's advertisers than any other single advertising medium in the world. As the year ended, audience measurements established that the American people continued to spend more time viewing programs on the CBS Television Network than on any other network.

Programs. As the fall season opened, the Network introduced 11 new programs, including a group of comedies presenting some of the most refreshing personalities in the world of entertainment. Three programs—"Gomer Pyle-USMC," "The Munsters," and "Gilligan's Island"—joined the Network's roster of outstanding comedy hits and became three of the five most popular new nighttime programs in network television.

At the opening of the new season "The Entertainers," starring Carol Burnett, added another hour of variety entertainment to the CBS Television Network's weekly schedule, which also included "The Danny Kaye Show," "The Red Skelton Hour," and "The Ed Sullivan Show." Still another comedy-variety hour, "The Jackie Gleason Show," began its third season on the Network by moving from New York to Miami Beach—the first major television entertainment series to originate in Florida on a regular weekly basis.

The Network's program leadership was also upheld by such nationwide favorites as "The Beverly Hillbillies," "Candid Camera," "The Andy Griffith Show," "Lassie," "The Lucy Show," "My Favorite Martian," "Petticoat Junction," and "The Dick Van Dyke Show."

Among the noteworthy special programs presented during the year were the second anniversary "Lincoln Center Day" broadcast, featuring the Lincoln Center Repertory Company; "Once Upon A Mattress," a 90-minute musical extravaganza starring Carol Burnett; "An Hour with Robert Goulet," with special guest star Leslie Caron; and "The Miss America Pageant," which attracted the largest single-broadcast audience of any network program in the course of the year.

Late in December the Network broadcast a performance of The Royal Ballet, filmed in London's Covent Garden, with Dame Margot Fonteyn and Rudolf Nureyev in principal roles. *The New York Times* called it "an hour of exquisite grace and beauty." The new season also saw the return, for the seventh consecutive year, of the "New York Philharmonic Young People's Concerts with Leonard Bernstein."

At night the CBS Television Network broadcast more of the most popular programs than either of its competitors, averaging 8 of the top 10 and 21 of the top 40 during the year.

Daytime. The importance of daytime television not only as a medium of entertainment and information but as a sales vehicle is often obscured by the emphasis on nighttime television. The fact is that daytime television accounts for two-thirds of all network programming, virtually half of all television viewing, and over 25 percent of total network sales.

In daytime television the CBS Television Network was the undisputed leader in 1964. Over the 12-month period it averaged all 10 of the top 10 programs. Its daytime audiences were 55 percent larger than those of its closest competitor and more than twice as large as those of the third ranking network. Throughout the year an average of nearly five million homes was tuned to the Network's broad schedule of comedy, news, audience participation programs, and serial dramas.

In the fall the Network introduced a new Saturday morning children's program, "Mister Mayor," built around the engaging personality of Bob Keeshan, who for nearly ten years has been the favorite of millions of youngsters in his role as "Captain Kangaroo." Another addition to the daytime schedule, "Andy of Mayberry," became the highest-rated new daytime program in television shortly after it was introduced.

1. A Saturday morning children's series, "Mister Mayor" with Bob Keeshan, premiered in the
2. "The Munsters" quickly became one of the new season's most popular comedy progr
3. The highest rated new program on television was "Gomer Pyle-USMC," introduced in the
4. The popular "Rawhide" series continued to present action-packed stories of the Old W
5. The Network's "Miss America Pageant" was the most popular single broadcast of the entire y
6. "The Dick Van Dyke Show" remained a Wednesday evening viewing habit across the na
7. Four of the country's major golf tournaments were broadcast on the Network during the y


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Sports. In 1964 the Network continued to focus its cameras on exciting sports events, broadcasting more hours of sports than any other network. In the fall the National Football League (NFL) professional football games dominated the nation's Sunday afternoon viewing for the third consecutive year. This season, in addition to the regular NFL series with its pre-game and post-game features, football fans received an extra dividend in the form of five Sunday "double-headers" which provided approximately five consecutive hours of football.

An exciting innovation in the Network's coverage of the NFL games was the use of the "isolated camera" which brought a new dimension to television sports broadcasts. With its coverage recorded on videotape for instant playback, the "isolated camera" gave the television audience a closeup of the action of a key play immediately after its conclusion.

At the end of the season, as a fitting climax to the most impressive season of football broadcasts in television, the Network presented the "NFL Championship Game," marking the first time a single network carried both the regular NFL season games and the League championship game. CBS Sports also presented two other post-season football attractions, the "NFL Playoff Bowl" and the collegiate Cotton Bowl game.

"Baseball Game of the Week," from April until October, presented 25 Saturday afternoon and 21 Sunday afternoon major league baseball games. Dizzy Dean and Pee Wee Reese were again teamed as the reporters.

Championship golf also played a major part in the Network's sports schedule. Four of the biggest tournaments were broadcast during the year: "The Masters," "The P.G.A.," "The Carling World Golf Championship," and "CBS Golf Classic," a team match play elimination tournament with a prize purse of $166,000. "CBS Sports Spectacular" continued as television's oldest and most successful sports-special series. And in the spring the Network again presented the "Triple Crown" races: the Kentucky Derby, the Preakness, and the Belmont.

Network Facilities. At the close of 1964 the CBS Television Network was affiliated with 205 stations: 200 in the United States, and one each in Bermuda, Guam, Mexico, Puerto Rico, and the Virgin Islands. The Network also has an agreement with the Canadian Broadcasting Corporation for the broadcast of Network programs in Canada.

The completion in the fall of the CBS Broadcast Center in Manhattan made available to the CBS Television Network the most modern and advanced technical facilities in the world for the production, recording, and distribution of television programs.

These facilities include six major television studios ranging in area from 3200 to 8450 square feet, with their allied control rooms and storage areas for cameras and other technical equipment. The studios, which "float" on concrete slabs supported by coil springs and neoprene, represent the latest advance in isolated soundproofed areas virtually impervious to outside noise and vibration. Each control room contains video consoles and lighting systems incorporating new concepts for controlling the technical quality of the picture. Significant improvements in picture quality and operating efficiency have resulted.

Executive Appointments. Frank J. Shakespeare was named Senior Vice President, New York; Bruce Lansbury, Vice President, Programs, New York; and Hunt Stromberg, Jr., Vice President, Programs, Hollywood.

Outlook for 1965. The increasingly sharp rivalry among the three television networks indicates that 1965 will be one of the most competitive years in television history. The CBS Television Network is confident of its ability to meet this challenge and to maintain its high level of sales as well as its outstanding record of leadership as the first choice of the nation's television audiences and advertisers.

JAMES T. AUBREY, JR., *President*
CBS Television Network Division

he CBS Television Network broadcast more hours of sports than any of its competitors.
omedienne Carol Burnett starred in the musical special, "Once Upon a Mattress."
"The Red Skelton Hour" continued as a mainstay of the Network's comedy schedule.
"As the World Turns" completed its fourth consecutive year as the top daytime program.
Danny Kaye delighted millions in his second season of weekly comedy broadcasts.
A performance of The Royal Ballet, filmed in Covent Garden, was broadcast in December.

CBS Television Stations

All of the areas of this, the most diversified of all CBS divisions, increased their sales in 1964. The five CBS Owned television stations and their national sales organization again surpassed all previous sales records. CBS Films' domestic syndication, licensing, and international distribution operations all showed sales gains over 1963. And there was continued extension of the Company's investment activities outside the United States. It was, in sum, another record year for the CBS Television Stations Division, with overall sales substantially higher than the previous year's and the highest since the Division was established in 1958.

CBS Owned Television Stations. Community involvement has always been the operating philosophy of the CBS Owned television stations and never more so than in 1964. The five stations—Channel 2 in New York, Los Angeles, and Chicago; Channel 10 in Philadelphia; Channel 4 in St. Louis—continued to extend their local news and community service activities along many lines, and at the same time succeeded in achieving a record level of sales—substantially greater than in 1963.

The stations' news operations and facilities continued to expand during 1964. Each of the five stations maintains its own extensive, independent news department for the preparation and broadcast of non-network news broadcasts. The 73-man WCBS-TV New York news bureau sharply intensified coverage of the vital New York-New Jersey-Connecticut area. "The Big News" on KNXT, Los Angeles' only 90-minute weekday television news broadcast, continued to be the most popular news presentation in its area, and won a number of awards for its excellence. In Chicago, WBBM-TV's expanded late-evening news made communications history by establishing a unique permanent panel of more than 50,000 viewers through which the station keeps its finger on the pulse of public opinion on current issues in the news.

In its first full year of operation, the Division's Washington News Bureau filmed and delivered more than 800 news stories to the five stations.

Editorials. The role of station editorials on the CBS Owned stations assumed new significance during the year. More than 425 editorials, 34 percent more than in 1963, were broadcast in 1964 by the five stations, and there was mounting evidence of their impact. For example, when the city of Los Angeles contracted to spend $1 million to maintain a public park on land which would revert to private ownership within 20 years, KNXT's was the only voice raised urging a different, permanent location. Shortly afterwards, the Los Angeles City Council adopted the KNXT proposal.

Campaign Debates. In a national election year, every effort is made to bring the candidates and issues before the electorate in broadcasts ranging in format from interviews to various special presentations. These included WCBS-TV's series of congressional "Campaign Debates" and the Salinger-Murphy debate proposed and originated by KNXT and made available to television and radio stations throughout California. In all, 45 senatorial, congressional, and gubernatorial candidates were invited by the CBS Owned television stations to meet their opponents in face-to-face broadcast debates. Twenty candidates accepted these invitations.

All five stations had news teams at both national political conventions and, on election night, at election headquarters in the CBS Broadcast Center in New York City. Each of the stations made use of Vote Profile Analysis (VPA) data from CBS News to supplement regional raw vote returns on election night.

Public Affairs. Concurrent with the stepped-up emphasis on news during the year, there was also an increase in the number and quality of local cultural and community service programs in prime evening time. This sampling illustrates the wide range and variety of such programming: "The Benedictines" on KMOX-TV St. Louis—a study of a St. Louis community where monks live by sixth century rules; "Invitation to Morven" on WCAU-TV Philadelphia (rebroadcast by WCBS-TV)—a visit to the historically-significant New Jersey Governor's mansion;

1. The CBS Owned television stations' Washington News Bureau filmed an exclusive interview with James H
2. U.S. District Judge James Parsons appeared on WBBM-TV's special broadcast "I See Chicago: With Pride and L
3. Modern architecture contrasted with ancient customs in KMOX-TV's documentary on a Benedictine monas
4. Eugene Ormandy narrated and conducted "The Magic of Melody," with The Philadelphia Orchestra, on WCAU-
5. A Mexican dance troupe performed "The Night of the Gods" on "International Hour," seen on all five stati
6. A medieval serenade highlighted KMOX-TV's special broadcast from the St. Louis City Art Museum in Septem

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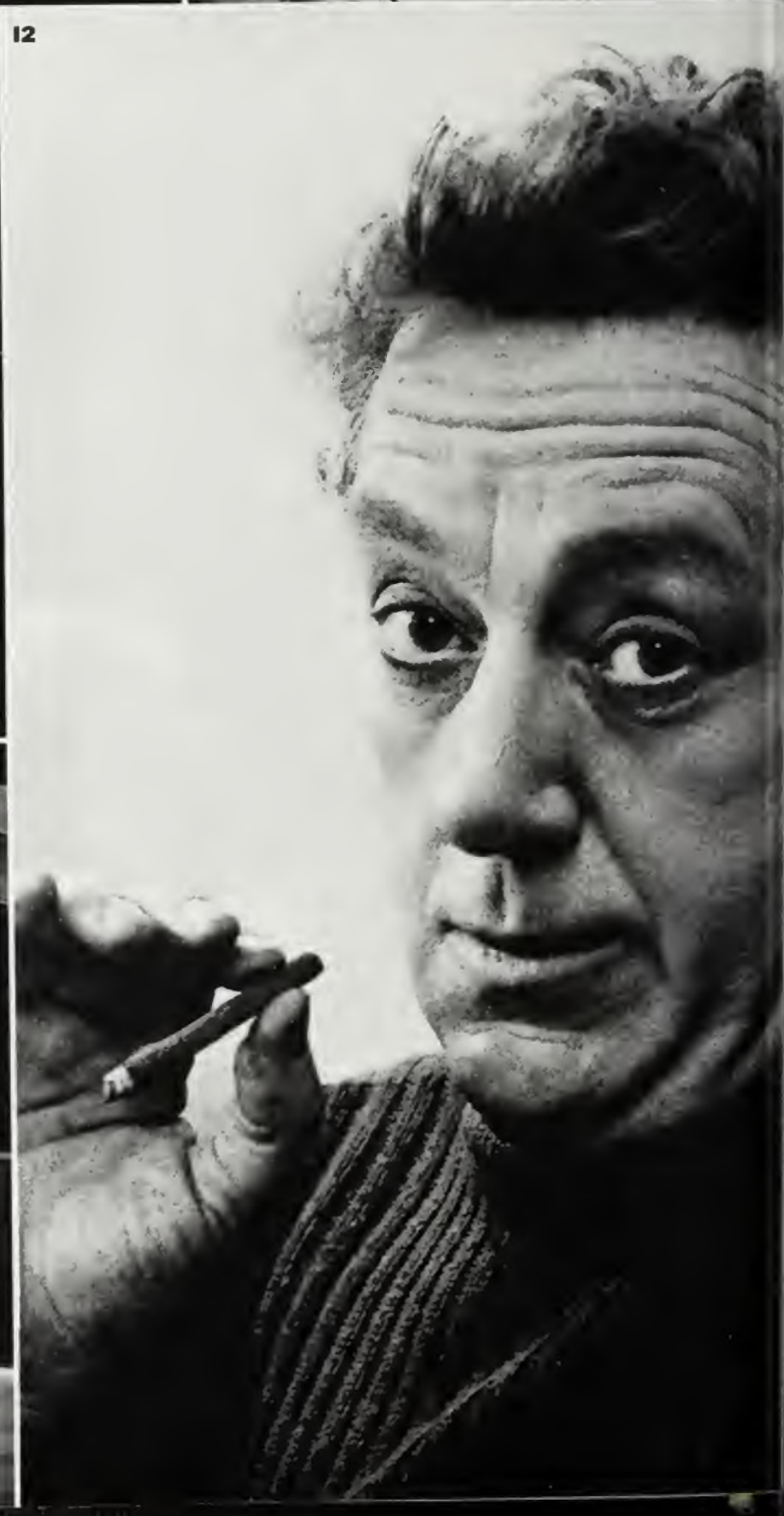

"Spectrum" on WBBM-TV Chicago—a weekly magazine of the air; "Whatever House I Enter" on KNXT Los Angeles—a documentary dealing with medical malpractice in southern California; "Stage 2" on WCBS-TV—a monthly cultural series showcasing the performing arts.

As in previous years, the five stations together conducted a number of joint program exchange projects, including "Repertoire Workshop," a special series designed to encourage new or lesser-known talent, and an international television program exchange with foreign broadcasters. Both series met with renewed critical approval during 1964.

In 1964 the five CBS Owned television stations carried more than 11,000 non-network cultural and informational programs, excluding regularly-scheduled news broadcasts, and more than 40,000 local unsponsored community service announcements, representing a contribution by these stations of more than $23 million worth of broadcasting time and production elements.

CBS Television Stations National Sales. This organization, which represents the five CBS Owned television stations in the sale of non-network broadcast time to national advertisers, attained a new high level of sales, exceeding 1963 sales by a large margin.

CBS Films Inc. This subsidiary continued to maintain its position as the world's largest exporter of films produced for television, with international sales exceeding the previous year's high record mark by a very substantial margin. Programs distributed by CBS Films Inc. are being shown outside the United States at a rate of nearly 200,000 program half hours per year. News and public affairs broadcasts, which account for 20 percent of this volume, were typified by the "CBS Reports" broadcast "D-Day Plus 20 Years: Eisenhower Returns to Normandy," which was sold to 22 networks representing more than 230 stations in 19 foreign countries.

International sales activities are conducted through more than 20 foreign offices, sales representatives, and subsidiary corporations including CBS Japan Inc., which began film marketing operations in Tokyo in September.

Domestic sales showed a sizeable gain over 1963. Additionally, revenue from product licensing activities also showed an increase. To date, hundreds of games, toys, books, records, items of clothing and jewelry, and other products have been licensed for manufacture.

Terrytoons, a unit of CBS Films Inc., released 12 new theatrical cartoons during the year, and had seven cartoon series running on television—three on the CBS Television Network, one on the NBC Television Network, and three in syndication. Terrytoons' sales were substantially greater than in the previous year.

International Operations. In August, the television network and production company in Venezuela in which CBS has an interest became operational. In the same month, a financial interest was obtained in a television station to be constructed in Antigua, British West Indies; and, in September, an interest was secured in a community antenna television system in Vancouver, British Columbia. With the acquisition of these new interests through this Division, CBS now has direct television investment relationships or other interests in 18 communities outside the United States, with the number expected to increase before the end of 1965.

Executive Appointments. Craig R. Lawrence was appointed Executive Vice President; John A. Schneider and Bruce R. Bryant, vice presidents, were named General Manager of WCBS-TV New York and WCAU-TV Philadelphia, respectively; and Theodore W. O'Connell was named Vice President of the Division and General Manager of CBS Television Stations National Sales.

Outlook for 1965. 1964 was the most successful year, both domestically and internationally, in the history of the CBS Television Stations Division. There is every reason to believe that this outstanding performance will be equaled in 1965.

MERLE S. JONES, *President*
CBS Television Stations Division

uthor James Baldwin discussed the civil rights issue with a panel of newsmen on KNXT's "Newsmakers."
'CBS-TV's "Repertoire Workshop" production featured avant-garde works by "The Dance Theatre of Alwin Nikolais."
ee Phillip focused civic attention on the problem of illegitimacy on "WBBM-TV Reports: The Unwed Mother."
The KNXT television debate between California senatorial candidates Salinger and Murphy made national headlines.
WCAU-TV employed "Black Nativity" cast members in its gospel music-drama for "Repertoire Workshop."
Sir Alec Guinness was featured on WCBS-TV's "Eye on New York" examination of Broadway show financing.

CBS Radio

1964 sales of the CBS Radio Network were slightly in excess of those for 1963 which represented a substantial advance over prior years. There were a larger number of sponsors on the Network than in 1963, more than the total of those on any other radio network. Total 1964 revenues of the CBS Owned radio stations nearly equaled 1963 sales and four of the seven stations set all-time sales records in 1964.

These results reflect advertiser recognition of the growth of radio listening in recent years and of the leading position that the CBS Radio Network continues to hold among radio listeners.

By 1964, there were 24 million more radios than people in the United States—nearly four sets per family. According to estimates by A. C. Nielsen Company, time spent in radio listening rose by more than 22 percent to an average of three and one-half hours per home per day during winter 1964 over winter 1963. Estimated total listening climbed to well over one billion home hours a week, virtually equal to the level of January 1948, a pre-television high point.

Programs. In 1964 Lucille Ball and Mary Fickett joined the Network's weekday lineup of outstanding personalities, among them Arthur Godfrey, Art Linkletter, Abigail van Buren, Ralph Story, Betty Furness, and Edith Head. Walter Cronkite and Harry Reasoner began new weekday "Dimension" programs and Garry Moore, on a world tour, moved to the weekend schedule in another new "Dimension" feature.

Arthur Godfrey celebrated his 30th anniversary on CBS Radio in January with a week of special broadcasts climaxed by a six-hour Saturday-night-through-Sunday-morning show. Over 70 famous guests participated. All year, Arthur Godfrey attracted both audiences and advertisers in large numbers.

In the winter, the Network presented 16 broadcasts direct from the 1964 Olympic Games at Innsbruck. In August, there was acclaim for two special broadcasts: "The Apathetic American," an inquiry into the behavior of those who witnessed a murder in New York and did nothing about it; and "Farewell to Studio Nine," marking the close of three decades of news from this studio with reporting and reminiscence by Robert Trout, Edward R. Murrow, Eric Sevareid, H. V. Kaltenborn, and Charles Collingwood, among others.

Highlights in the Network's election-year schedule were intensive reporting of key primaries, the national conventions, the Presidential campaign, and election night itself. A unique eight-part series, "The Press and the Candidates," appraised treatment of the nominees by major newspapers and news magazines. "The Morning After" provided a perceptive symposium on the election results and their meaning.

In all, 203 news, public affairs, and other special events broadcasts were aired in 1964, including "Pope Paul in the Holy Land," "Smoking and Health: Report on the Surgeon General's Report," "A Conversation with the President," "Tribute to General MacArthur," "The Court and the Schools: Ten Years Later," "Town Meeting of the World," "Britain Casts Its Ballot," "Crisis in the Kremlin," "The Khrushchev Era," "Questions About the Chinese Bomb," "Arrests in Mississippi," and "I Remember," a tribute to John F. Kennedy.

Among the regular Network features in 1964 were: 63 "Dimension" broadcasts a week; sports coverage by Jack Drees, Frank Gifford, and Phil Rizzuto; nightly news by Lowell Thomas, in his 11th consecutive year of sponsorship by various divisions of General Motors; and weekly broadcasts of "The Leading Question," "Capitol Cloakroom," "Face the Nation," "The World This Week," "University Explorer," "Science Editor," "Church of the Air," "Invitation to Learning," and the Salt Lake Tabernacle Choir.

The Network expanded its year-round advertising program to attract new listeners and sponsors. Advertisements appeared regularly in magazines with a combined total paid circulation of 21 million, up from 15 million in 1963. This effort is continuing in 1965.

1. Frank Gifford became anchorman of "Worldwide Sports," heard on the Network Monday through Friday eveni
2. "The House Divided," WBBM's special series on racial issues, presented a number of open panel discussi
3. CBS News Correspondent Harry Reasoner initiated a new weekday "Dimension" feature, "The Reasoner Rep
4. Comedienne Lucille Ball, starring in a new daytime Network series, interviewed such celebrities as Red Skel
5. The CBS Radio Network brought listeners full CBS News coverage of the Republican and Democratic conventi
6. Many notable figures joined Arthur Godfrey as he celebrated his 30th anniversary on the Network in Janu
7. A St. Louis Bicentennial Year highlight was the Water and Sky Show on the Mississippi, co-sponsored by KM

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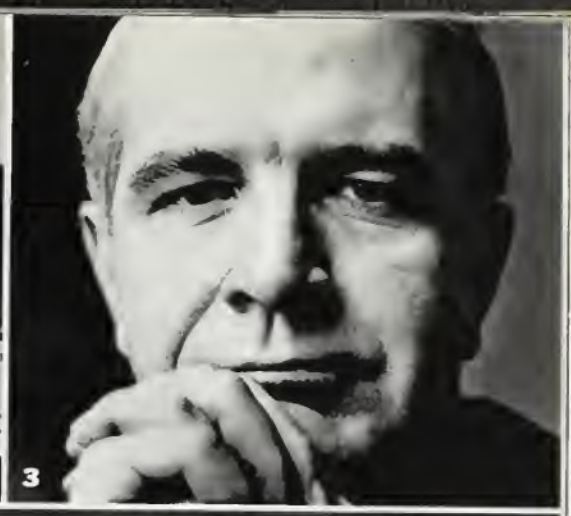

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Station Operations. 1964 was also a satisfactory year for the seven CBS Owned radio stations—WCBS New York, KNX Los Angeles, WBBM Chicago, WCAU Philadelphia, WEEI Boston, KMOX St. Louis, and KCBS San Francisco. Revenues nearly equaled the high 1963 figure, with four of the stations setting all-time sales records.

Five CBS Owned radio stations (and two Network affiliates) were among the nine stations renewed by American Airlines for five years of "Music 'Til Dawn," the six-night-a-week broadcast segment consisting of music and news heard throughout the late evening and early morning hours. This renewal, considered the largest single block of radio time ever contracted for, extends through 1969.

The CBS Owned radio stations continued to advance in community leadership and advertising recognition. In a seven-market survey, local advertising agency time-buyers named the CBS Owned station among their top three station choices, city by city. One factor often cited as a reason for the choice was editorial effectiveness. And, in 1964, the stations again increased their effort, presenting a total of 504 editorials and replies during the year, an increase of 19 percent over the 424 broadcast by the stations in 1963.

WCBS New York introduced "Horizons," a discussion series on timely issues, ranging from New York City architecture to the future of television. After two editorials urging revision of state narcotics laws, WCBS presented a three-part symposium on drug addiction.

KNX Los Angeles won six of the nine "Golden Mike" awards given radio stations by the Radio Television News Directors Association of Southern California. The station's third annual Fourth of July Rally was attended by some 15,000 people.

WBBM Chicago presented "The House Divided," an extraordinary series of 13 one-hour programs on the American Negro today. The first half of each program consisted of interviews with authorities; the second half featured a guest answering listeners' questions.

WCAU Philadelphia signed a new five-year contract to continue broadcasting the Philadelphia Eagles professional football games. The station held its annual County Fair Day, a two-day affair attended by 45,000 people. All profits went to Camden, New Jersey, charities.

WEEI Boston initiated a two and one-half hour afternoon news broadcast and an evening discussion series, "Nightline," during the year. A three-part study of various aspects of suicide was among the first such efforts ever undertaken by a radio station. In addition, WEEI won the "best radio editorials" award of the Radio Television News Directors Association.

KMOX St. Louis attracted one of the largest crowds in city history, some 300,000 people, to a Water and Sky Show, co-sponsored by the Famous-Barr Company as part of St. Louis' Bicentennial Year. Throughout the year, KMOX, a pioneer in talk and information broadcasting, continued to dominate in its large listening area.

KCBS San Francisco expanded its enterprising "Spectrum 74" discussion series to seven days a week. KCBS won more awards than any other California radio or television station at the California Associated Press Television and Radio Association's 17th annual meeting.

CBS Radio Spot Sales. Six of the 11 stations represented by this sales organization set national spot sales records in 1964. During the year, WKAT Miami Beach, Florida, was added to the representation list, which includes WTOP Washington, WCCO Minneapolis-St. Paul, KTRH Houston, and the seven CBS Owned radio stations.

Executive Appointment. Andrew Subbiondo was appointed Controller for the CBS Radio Division.

Outlook for 1965. The upward trends in advertiser interest in and public enthusiasm for radio were solidified and strengthened in 1964. These indicators point to another successful year for the CBS Radio Division in 1965.

ARTHUR HULL HAYES, *President*
CBS Radio Division

WEEI provided live on-the-scene coverage of the Massachusetts Democratic State Convention.
The Salt Lake Tabernacle Choir celebrated its 35th anniversary of radio broadcasts during the year.
WCBS Sports Director Pat Summerall interviewed New York Giants quarterback Y.A.Tittle.
Garry Moore brought Network listeners his observations from such places as the Nile on a world tour.
The WCAU-sponsored County Fair Day at Garden State Park attracted 45,000 people in August.
President Roosevelt's "Fireside Chat" microphone was presented to the Smithsonian Institution.
KNX reporters Ruth Ashton and Jim Zaillian (and Walter Winchell) covered the California primary.

Columbia Records

1964 was the most successful year in the history of Columbia Records. International operations were greatly expanded and sales of wholly owned subsidiaries overseas exceeded the previous year's by a very large margin. Domestic sales rose even more substantially and for the sixth consecutive year the Division maintained its decisive sales leadership in the U.S. phonograph record industry. Significantly, these sales records were established during the first full operating year of a no-discount price policy which the Division considers an important step in ensuring the future stability and growth of the record industry.

Lp Anniversary. 1965 marks the 20th anniversary of the development of the 33⅓ rpm long-playing record by CBS Laboratories and Columbia Records. The disc was introduced to the public after three years of production engineering and since then nearly one billion Lp's have been sold. Almost a third of these have carried the Columbia label including the world's best-selling record of all time, the Original Broadway Cast ℗ of "My Fair Lady," which has sold well over five million copies. The 33⅓ rpm record gave birth to a huge branch of the electronics industry, led to the development of stereo sound reproduction, and has made it possible for millions of people the world over to listen to high-quality, low-cost recordings in their homes. Over the years the Division's association with CBS Laboratories has resulted in a number of important contributions to the home entertainment industry. In 1964, the two divisions collaborated on the development and introduction of the "Columbia Stereo 360." This compact, self-contained phonograph, created to appeal to a quality market, has performance characteristics challenging those of many custom component installations.

International Operations. Since its launching in May 1962, the CBS label has been successfully introduced in 65 countries abroad. Among the major developments of 1964 were the purchase of Oriole Records Limited, one of England's oldest record companies, and of the modern Levy Sound Studios in London. Oriole is now building a plant at Aylesbury, Buckinghamshire. When completed in 1965 it will be the most modern record manufacturing facility in the United Kingdom.

In October CBS Records (Israel) Limited opened a new manufacturing and distribution plant near Tel Aviv, the largest and most modern such facility in the Middle East, which will also serve the rapidly growing African market. The first CBS Records release in Israel, the Hebrew language ℗ of "My Fair Lady" with the original Israeli cast, became an immediate hit. Both the Israeli album and the Italian version of "My Fair Lady," which had been recorded in Milan, were released by Columbia Records in the United States during the year.

With Disques CBS SA, which began operation in France in 1963, and Oriole Records in England, CBS now has wholly owned subsidiaries in two of the four major record markets of Europe. CBS Schallplatten GmbH, which also began operations in 1963, is a partially owned subsidiary in Germany, the third market. And in Italy, the fourth market, CBS holds an option to purchase a controlling interest in Dischi Ricorde spa, the company that has introduced the CBS label.

Columbia Record Club. The Columbia Record Club, the largest in the world, continued to be recognized as a significant factor in the extraordinary growth of the entire record industry in the United States. During 1964 it offered almost 2000 different Lp's to its more than 1.5 million members. The Division also operates record clubs in Canada and Australia, both of which are the largest record clubs in each of these countries.

Best Sellers. The motion picture soundtrack ℗ of "My Fair Lady" gives every indication of matching the extraordinary success of the Original Broadway Cast recording. Released one month before the film's premiere, it quickly sold 500,000 copies, and the fact that movie reviewers acclaimed the picture as one of the finest of all time led record publications to predict that the album will break all existing sales records.

In addition to the Broadway, Hollywood, and foreign language versions of "My Fair Lady," an album of songs from the musical sung by Andy Williams met with great success, quickly selling over 300,000 copies. Other al-

1. Barbra Streisand won two gold records in 1964 and was the industry's best-selling female sing
2. Conductor Leonard Bernstein and the New York Philharmonic made a number of distinguished albu
3. Andy Williams continued to be the nation's best-selling male vocalist and earned three gold recor
4. The third Columbia Masterworks ℗ album by master pianist Vladimir Horowitz was released in 19
5. The New Christy Minstrels became the nation's favorite folksingers in 1964 with two new albu
6. Columbia Masterworks recorded John Gielgud's production of "Hamlet," starring Richard Burt


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bums of music from "My Fair Lady" are a jazz treatment by Andre Previn and instrumental versions by Percy Faith and Sammy Kaye. Williams, for two consecutive years the best-selling male singer on records, won his third and fourth gold records (awarded for sales of more than $1 million) for his albums, "The Wonderful World of Andy Williams" and "Call Me Irresponsible." The industry's best-selling female singer, also for the second consecutive year, was Barbra Streisand. In 1964 she won gold records for "The Barbra Streisand Album" and "The Second Barbra Streisand Album." Her fourth and newest Columbia ℗, "People," quickly became the nation's best-selling record album.

Popular best sellers during 1964 were vocalists Tony Bennett, Johnny Cash, Doris Day, Eydie Gorme, Robert Goulet, Steve Lawrence, Marty Robbins, and Jerry Vale; The New Christy Minstrels; folksingers Bob Dylan, Pete Seeger, and The Brothers Four; arranger-conductors Ray Conniff and Andre Kostelanetz; and jazz artists Dave Brubeck, Miles Davis, and Thelonious Monk.

Masterworks. Leonard Bernstein received great acclaim Philharmonic received great acclaim for several new recordings released during the year. Most notable among these was the first recording of Bernstein's new Symphony No. 3, "Kaddish," which the composer dedicated "to the beloved memory of John F. Kennedy."

Conductor George Szell and The Cleveland Orchestra, who had been recording for Columbia Records' Epic label, returned to Columbia Masterworks during the year. The Mormon Tabernacle Choir celebrated its 50th year as exclusive Columbia Masterworks recording artists, and The Philadelphia Orchestra, under conductor Eugene Ormandy, furthered its international renown with a number of new recordings. Other Masterwork releases included the last recordings of the late Bruno Walter, the continuation of Igor Stravinsky's series of recordings in which he conducts his own music, and a third ℗ by master pianist Vladimir Horowitz.

Outstanding drama recordings of the year were the John Gielgud production of "Hamlet," starring Richard Burton, a four-record set which quickly became a popular best seller, and "Dylan," which starred Alec Guinness.

Epic Records. Increasing its sales for the third consecutive year, Epic Records clearly established itself as one of the nation's fastest-growing labels. Contributing to its success during the year were the popularity of vocalist Bobby Vinton, voted by disc jockeys and trade publications the nation's number one male artist on single records, and the vogue of The Dave Clark Five, an English group whose sales reached nearly one million albums and more than three million singles. Other best sellers for Epic were The Village Stompers, an instrumental group; comedian Godfrey Cambridge; and vocalists Buddy Greco, Cliff Richard, and Major Lance.

Acquisition. The acquisition of the Fender guitar companies for $13 million was announced by Columbia Records Distribution Corp. on January 5, 1965. One of the world's leading manufacturers of electric guitars and amplifiers, Fender has pioneered in the introduction of significant new developments for nearly 20 years and its guitars and amplifiers are considered outstanding.

Executive Appointments. The following appointments were made in 1964: Leonard Burkat, Vice President, Creative and Information Services; Stanley J. Kavan, Vice President and General Manager, Columbia Records Sales Corp.; Leonard S. Levy, Vice President and General Manager, Epic Records; E. Jack Loetz, Vice President and General Manager, Columbia Records Distribution Corp.; Kenneth E. Raine, Vice President, Recording Operations; Calvin Roberts, Vice President and General Manager, Columbia Record Productions; Albert Shulman, Vice President, Columbia Special Products.

Outlook for 1965. Columbia, the oldest and most successful record label in the United States, maintains the world's largest record catalog and artists roster, and CBS Records is the fastest growing force in the international record market. With its unmatched artistic and physical resources, this Division anticipates another excellent year in 1965.

GODDARD LIEBERSON, *President*
Columbia Records Division

The motion picture soundtrack ℗ of "My Fair Lady" won a gold record for sales over $1 million.
Among Tony Bennett's best-selling Columbia hits during 1964 was "Who Can I Turn To."
Columbia Masterworks released albums by conductor George Szell and The Cleveland Orchestra.
Epic Records enjoyed great success during the year with England's "The Dave Clark Five."
The Columbia recording of "Miles Davis in Europe" was one of 1964's best-selling jazz albums.
Godfrey Cambridge's Epic ℗ "Ready or Not! Here's Godfrey Cambridge" was a best seller.

CBS Laboratories

In 1964 CBS Laboratories doubled its research and development facilities, increased its technical staff, acquired the MicroDupe Corporation, and created four new departments to meet the growing demands on its technological capabilities by government, industry, and the CBS operating divisions.

New Departments. During the year a Professional Products Department was formed to expand the market for the Division's commercial equipment for reproducing sight, sound, and words. It will do so through a variety of means including joint ventures, licensing arrangements, and direct marketing.

Three separate departments replaced the Division's Military and Industrial Systems Department: Intelligence Systems, Graphic Systems, and Television Engineering. The Intelligence Systems Department will enlarge the Division's already substantial activities in the design and development of intelligence and reconnaissance data extraction systems. The Graphic Systems Department, responsible for the development and manufacture of systems for information display and the graphic arts, will also explore the technology behind man-computer communications. Towards this end it will use the full range of advanced technologies in which CBS has a proven competence, including electronic character generation, cathode ray tube display, digital display systems design, and television scanners. The Television Engineering Department will continue the development of specialized video equipment not normally available from other manufacturing sources.

The other CBS Laboratories departments—Electron Tubes, Acoustics and Magnetics, and Solid State Physics and Electronics—are all expanding. The Division's capabilities in Solid State Physics and Electronics were especially advanced by research and commercial manufacture of microminiature circuits in the extremely low power range, a field the Division pioneered several years ago. These circuits are ideally suited for use in satellites where extreme reliability and conservation of power are paramount requirements, and for many other promising applications which are currently under development.

Space and Defense. The Mariner IV space vehicle, which is expected to photograph Mars this July, carries a tiny CBS Laboratories tube called an electrostatic Reconotron. Reconotron weighs under a pound and consumes less power than the smallest flashlight. Its function was to find and lock on Canopus, a bright star in the southern skies, in order properly to orient Mariner before its mid-course rockets were fired and then to position the vehicle so that as it passes Mars its cameras will peer directly at the planet's surface. Both of these critical missions were successfully executed.

The Division's Line Scan Tube is the heart of CBS Laboratories' aerial reconnaissance system called Photoscan. It will also be used on future lunar missions to transmit high resolution photographs of the moon.

The Acoustics and Magnetics Department is developing voice communications equipment for use in space, in the air, on land, and undersea. CBS Laboratories will provide a highly specialized voice recorder for the Gemini capsule in which two U.S. astronauts will practice space rendezvous techniques later this year. The compact, cartridge-loaded, magnetic tape recorder will record all voice reports, conversations, and scientific observations made during the missions. Commercial applications are being explored.

For astronauts who may inadvertently drift off into space while working outside their spacecraft, CBS Laboratories is designing an emergency communications system. It also has developed a wide-band magnetic tape recording system which employs wholly new techniques for recording radar and similar electronic signals. It is currently being tested by the Navy and the Air Force.

Other special studies for the Armed Forces are aimed at improving communications underwater and in armored vehicles and aircraft. For planes and helicopters CBS Laboratories engineers are developing a cordless system to improve communications between air and

1. CBS Laboratories' Reconotron is being used to orient the Mariner IV space vehicle en route to Ma
2. The unique Minicam Mark II wireless camera has opened up a new era in live remote broadcasti
3. The addition to the Division's headquarters facility in Stamford, Connecticut was completed in 19
4. CBS Laboratories developed the specialized voice recorder for the Gemini man-in-space progra
5. A wooden head is used to evaluate effectiveness of new communications systems for jets and spacecr
6. Microminiature circuits are diffused onto small silicon wafers in a high temperature quartz furna


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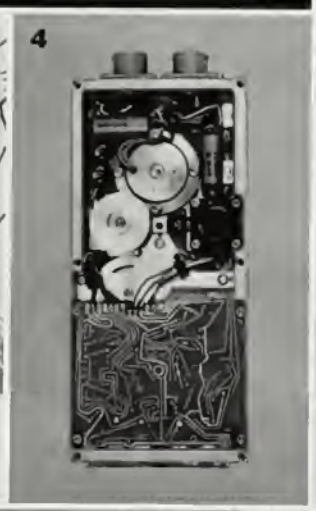
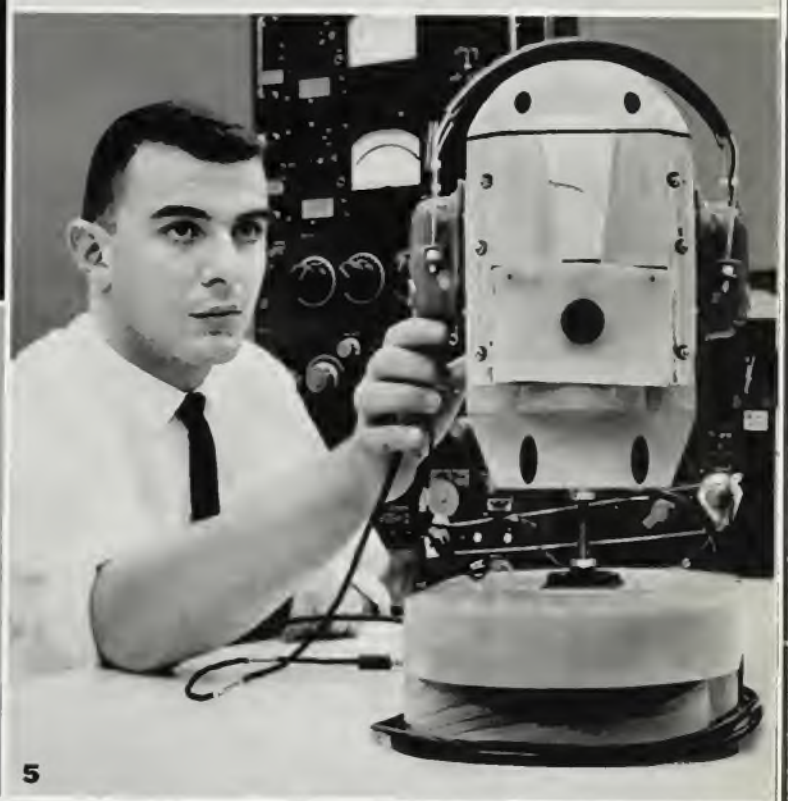
CBS





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ground crews under the especially high ambient takeoff and landing noise conditions. A high-performance, noise-cancelling microphone developed by the Division will be used in this program and also in one for communications between armored vehicles. In a related Air Force program, the problem of ensuring comfort tolerance for men wearing space helmet gear has been solved.

The Jet Propulsion Laboratory in California is using an alphanumeric display system developed by CBS Laboratories to show information on lunar and planetary flight missions. The completely automatic flight information status board, one of the largest electromechanical digital display systems ever constructed, is composed of over 4000 individual Digital Display Units. Their integration into JPL's system is a development of the automatic election boards engineered for CBS News.

New Products. The Graphic Systems Department will carry forward the program, already underway in cooperation with the Mergenthaler Linotype Company, to manufacture the Linotron composing machines developed by CBS Laboratories. These very high-speed systems will be able to compose directly from computer output and to generate high quality photocomposition at speeds of 1000 characters per second. During the year two of these systems were ordered by the Air Force. Another system, being built for the Government Printing Office, is scheduled to begin operating next year.

As noted on page 22, CBS Laboratories developed the very promising "Columbia Stereo 360" phonograph. Completely solid state, this high quality instrument incorporates in a single unit six separate speakers, two transistorized amplifiers, and a Garrard automatic changer equipped with the Division's "Floating Sound" tone arm and pick-up cartridge.

The newly formed Professional Products Department will market the majority of the Division's commercial products. Its sales at the annual convention of the National Association of Broadcasters in Chicago were the highest in the Division's history. Particularly successful were the Audimax and Volumax, sound control instruments which automatically adjust the levels and peaks of radio and television audio signals.

Several other special purpose devices developed by the Television Engineering Department were well received. These include a color television recorder for medical and industrial use; a series of specialized video processing amplifiers originally developed for the new CBS Broadcast Center; and the Minicam Mark II portable television camera engineered to provide quality pictures from a cordless unit (this camera employs the revolutionary new Plumbicon tube and has opened up a new era in the live broadcasting of fast-breaking news events). "Seven Steps to Better Listening," a test record of use to all phonograph owners, explains how to combine the phonograph, room acoustics, and the characteristics of the owner's hearing for the best possible sound.

MicroDupe. CBS Laboratories acquisition of the MicroDupe Corporation technology is the first step in the planned expansion of the Professional Products Department. MicroDupe has made distinctive contributions in the field of diazo technology and systems—the "dry" printing of high resolution microfilms. Diazo printing makes it possible to reproduce a roll of microfilm without wet chemicals and in full daylight at the rate of 50 feet per minute. This new technique is becoming one of the important methods of high resolution reproduction.

Executive Appointments. Renville H. McMann, Jr. was named Vice President and Director, Engineering; and James M. Leahy was appointed Controller.

Outlook for 1965. CBS Laboratories expansion has made it possible for the Division to make an increasingly important contribution in a broad variety of fields essential to national defense, the exploration of space, and industry. This momentum should be even more evident in the year ahead.

PETER C. GOLDMARK, *President*
CBS Laboratories Division

Extensive tests were made on a new system of underwater audio communication for the Navy.
The Laboratories' ion vacuum pump approximates conditions to be found in outer space.
The revolutionary, solid state "Columbia Stereo 360" phonograph was introduced in 1964.
The Navy Air Development Center completed successful tests of the Photoscan system.
A Linotron tube is carefully pre-tested for use in the ultra-high-speed photocomposing system.
The Recorditron, a traveling image display device developed for military reconnaissance.
Semi-conductor integrated microminiature circuits are subjected to intensive inspection.

CBS International

CBS International, the product export arm of CBS, expanded its product line and moved into new markets during 1964. The Division now markets Columbia Records and CBS Laboratories products, as well as those of a number of other United States manufacturers, in 81 nations and 4 territories of the free world. 1964 sales substantially exceeded those for 1963.

New Products. In late 1963 CBS International undertook the overseas distribution of consumer magnetic tapes for the Reeves Soundcraft Corporation. Last year it also distributed Reeves computer and video tapes. New markets for these products were opened during the year in Europe, the Middle East, the Far East, and South America, and sales volume increased at a very substantial rate over the previous year.

Among the Division's other new products, sold principally to military forces overseas, are Magic Maid gas ranges and Air-Dri dehumidifiers. Air-Dri is an inexpensive but effective dehumidifier which thousands of servicemen have placed in their lockers in humid areas of the world. The Pinkerton "Radar Eye," an electronic burglar alarm system, found increasing acceptance abroad in 1964, particularly in South America, Germany, and the Far East. In Japan, for example, it stands watch over a number of ancient historic shrines. Last summer it also kept an electronic eye on the Venus de Milo while the priceless statue was on loan from the Louvre for cultural exhibitions in major Japanese cities.

New Markets. The Division continued its drive to find new customers and open up new markets in Europe and the Far East. Columbia Records and Masterwork phonographs are now sold to servicemen wherever they are stationed overseas. Audimax and Volumax (the electronic sound control devices developed by CBS Laboratories) and other technical products were sold in Formosa, Hong Kong, Hungary, Ireland, Korea, Lebanon, Portugal, South Africa, and Yugoslavia for the first time.

The Division has met with increasing success in selling specialized technical products, even in the highly developed nations such as Germany and Japan, normally considered difficult markets since they are themselves major exporters of electronics equipment.

Broadcast Equipment. The Division supplies broadcast equipment, ranging from 300-foot television transmitter towers to white gloves used in film editing, to the broadcasters of 34 nations in the free world. Radio program automation systems, developed by Automatic Tape Control, Inc. of Bloomington, Illinois, were sold in Australia and Japan, and television kits and tubes were sold in volume in Formosa for the first time.

New radio and television broadcast facilities continue to be established in all parts of the world, and CBS International expects to supply these expanding markets with an increasing volume of integrated equipment from its diversified product line.

Argentine Investments. CBS has a substantial investment in Productos Electronicos Argentinos SA, a picture tube factory in Buenos Aires. This facility has been especially productive since late 1963, when the Argentine government radically curtailed the import of picture tubes. The Company's investment in Productos Electronicos Argentinos brought in excellent returns in 1964, and the rewards are expected to be even greater in 1965.

Outlook for 1965. For the past two years the Division's activities in its traditional South American markets have been adversely affected by continuing political and economic instability. During this period the Division has been extremely successful in broadening the scope of its product lines and in finding customers for them in new markets in Europe and the Far East. At year's end some of the Division's South American markets were showing signs of recovery, and we expect to improve our position in the new markets we have developed elsewhere. Thus, 1965 should be a very good year for CBS International.

LEWIS GORDON, *President*
CBS International Division

1. Televa SA, in which CBS owns an interest, increased its production of television sets in Argenti
2. CBS International exhibited the "Radar Eye" detection system at a West German expositi
3. The production of television picture tubes by Productos Electronicos Argentinos increased sharp
4. An historic Japanese shrine was protected by a "Radar Eye" system exported by CBS Internatio

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New York Yankees Inc.

On November 2 CBS acquired an 80 percent interest in the New York Yankees baseball club for $11.2 million, and an option to purchase the remaining 20 percent within the next five years for an additional $2.8 million. New York Yankees Inc., a CBS subsidiary, is now operating the Club.

The Yankees represent perhaps the most remarkable success story in the history of sports. Since 1921, when they became American League champions for the first time, they have won the pennant 29 times and the World Series 20 times. The pennant they won in 1964 was their fifth in a row, their ninth in the last ten seasons, and their fourteenth in the last 16 years. This success on the field has been matched at the box office. Since World War II the Yankees have attracted almost 33 million paid admissions for their American League games, and millions more for their World Series games.

1964 Highlights. The Yankees encountered stiff competition from an improved American League in 1964. The Baltimore Orioles and the Chicago White Sox led the League for most of the season but the Yankees finally won the pennant by the margin of a single game after a dramatic stretch drive in which they won 30 of their last 40 games. In an exciting and closely contested World Series the Yankees lost to the St. Louis Cardinals in the final game of a seven-game series.

Many individuals contributed outstanding performances to the Yankees' drive for the pennant. Mickey Mantle came back from injuries to play in 143 games, more than twice as many as he played in the previous year, and he led the Club offensively in home runs (35), runs scored (91), and runs batted in (111). His .303 batting average was second only to catcher Elston Howard's .313. For the fourth year in a row, Bobby Richardson topped the Club in total base hits with 181.

Jim Bouton led the Yankee pitchers in total victories with 18, and veteran Whitey Ford (with a 17-6 won-lost record) compiled the best earned-run average with 2.13. Ford brought his remarkable career mark to 216 wins in 300 decisions for a .720 winning percentage—the highest ever attained by a pitcher in the major leagues. Al Downing led the League in strikeouts (217) and rookie Mel Stottlemyre, brought up from Richmond in the latter part of the season, made an outstanding contribution to the Yankees' pennant drive with 9 victories in 12 starts.

In December it was announced that Red Barber, Jerry Coleman, Joe Garagiola, and Phil Rizzuto would broadcast the 1965 Yankee games. Also, plans were made for improving concession services and parking areas at Yankee Stadium, and for increasing the number of ticket outlets in order to make Yankee baseball more accessible and enjoyable for its many fans.

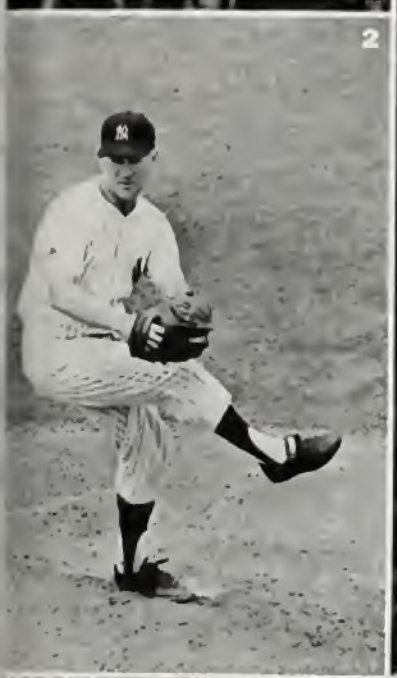
Farm Teams. In maintaining the Yankees' field strength, the most important single ingredient is the minor league development program. This program also produces most of the team's stars. The Yankees operate a compact system of seven farm clubs where approximately 150 prospects are now being developed.

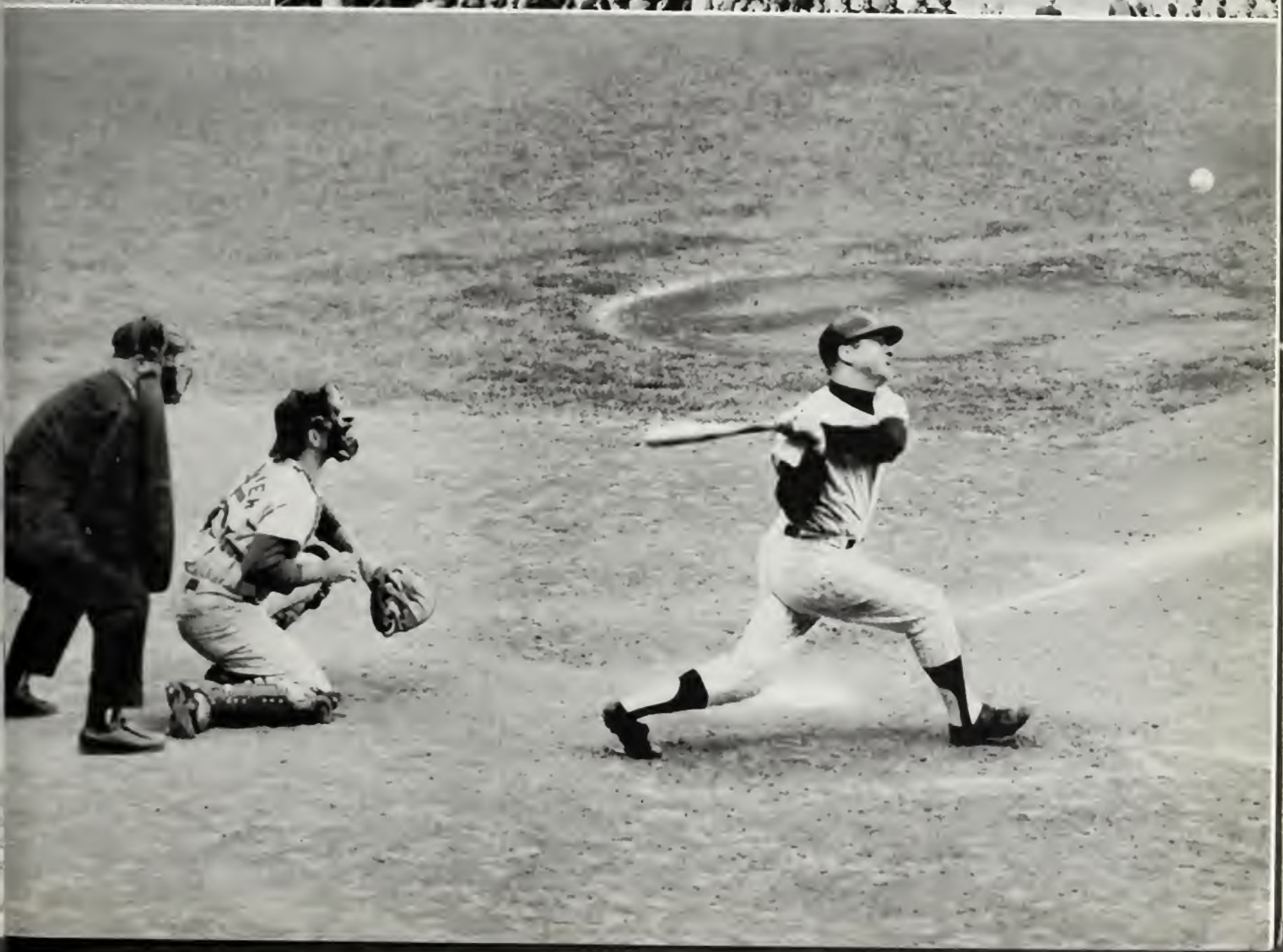
Executive Appointments. Following the organization of New York Yankees Inc., the following officers were elected: Daniel R. Topping, President; Ralph G. Houk, Vice President and General Manager; Del E. Webb, Vice President; Daniel R. Topping, Jr., Vice President; Robert O. Fishel, Vice President, Public Relations; Perry Smith, Vice President, Broadcast Affairs; John Johnson, Vice President, Minor League Operations; and Joseph Causin, Secretary-Treasurer. In addition, Johnny Keane, formerly manager of the world champion St. Louis Cardinals, was appointed manager of the New York Yankees after the World Series.

Outlook for 1965. In recent years the American public has shown an increasing interest in sports of all kinds. In 1965 we expect that baseball will continue to grow in popularity and that the New York Yankees will make a vital contribution—as they have for the last 50 years—to the further growth, development, and enjoyment of the national sport.

DANIEL R. TOPPING, *President*
New York Yankees Inc.

1. Johnny Keane, with General Manager Ralph Houk, was named Yankee Manager after the World Ser
2. Whitey Ford's career average of .720 has made him the most successful pitcher in major league histo
3. Yankee Stadium, home of the New York Yankees since 1923, has become known as the "Home of Champio
4. Mickey Mantle's 16th homer in World Series competition won the third game and broke Babe Ruth's reco





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PERRY SMITH, *Vice President, New York Yankees Inc.*
JOHN JOHNSON, *Vice President, New York Yankees Inc.*
JOSEPH CAUSIN, *Secretary-Treasurer, New York Yankees Inc.*
JOHN KAPPS, *Vice President, Columbia Records Distribution Corp.*
CORNELIUS F. KEATING, *Vice President, Columbia Records Distribution Corp.*
LESLEE S. KLEMES, *Vice President, Columbia Records Distribution Corp.*
E. JACK LOETZ, *Vice President, Columbia Records Distribution Corp.*
JOHN J. LORENZ, *Vice President, Columbia Records Distribution Corp.*
DONALD D. RANDALL, *Vice President, Columbia Records Distribution Corp.*
ALBERT C. SIMONSON, *Vice President, Columbia Records Distribution Corp.*
STANLEY J. KAVAN, *Vice President, Columbia Records Sales Corp.*
SAM COOK DIGGES, *Vice President, CBS Films Inc.*
RALPH M. BARUCH, *Vice President, CBS Films Inc.*
JAMES T. VICTORY, *Vice President, CBS Films Inc.*
WILLIAM M. WEISS, *Vice President, CBS Films Inc.*
KOREAKI TAKAHASHI, *Vice President, CBS Japan Inc.*

Foreign Subsidiaries

JUAN TRUDEN, *Manager*
Discos CBS SA (Argentina)

DOUGLAS TAYLOR, *Commercial Manager*
Discos CBS SA (Argentina)

A. WILLIAM T. SMITH, *Managing Director*
Australian Record Company Limited

EVANDRO RIBEIRO, *General Manager*
Discos CBS SA (Brazil)

ROBERT R. PAMPE, *Vice President and Managing Director*
Columbia Records of Canada Limited

D. M. LEVY, *Managing Director*
Oriole Records Limited (England)

BERNARD L. TAYLOR, *President and General Manager*
Art, Technique et Commerce, SA (France)

SIMON SCHMIDT, *Managing Director*
CBS Records Limited (Israel)

ARMANDO de LLANO, *Vice President and General Manager*
Discos CBS SA (Mexico)

REGINALD B. BAKER, *General Manager*
CBS Television Network Sales of Canada Limited

WILLIAM G. WELLS, *Managing Director*
CBS Films Pty, Limited (Australia)

ROBERT C. MAYO, *Managing Director*
CBS Limited (England) and CBS (Europe) SA

Columbia Broadcasting System, Inc. and subsidiaries

Income Statements

	53 WEEKS ENDED Jan. 2, 1965	52 WEEKS ENDED Dec. 28, 1963
Net sales	**$638,076,567**	**$564,818,039**
Cost of sales	*422,943,914*	*363,036,195*
Selling, general and administrative expenses	*120,578,809*	*118,078,464*
Operating income	**94,553,844**	**83,703,380**
Other income	10,792,271	8,459,767
Other deductions	*5,490,376*	*4,651,671*
Income before federal and foreign income taxes	**99,855,739**	**87,511,476**
Federal and foreign income taxes	*50,200,000*	*45,700,000*
Net income *(note 1)*	**$ 49,655,739**	**$ 41,811,476**

See notes to financial statements

Columbia Broadcasting System, Inc. and subsidiaries

Balance Sheets

ASSETS

	Jan. 2, 1965	Dec. 28, 1963
Current assets:		
Cash	$ 9,096,210	$ 21,465,805
Short-term marketable securities, at cost and accrued interest (approximates market)	45,790,204	44,861,714
Notes and accounts receivable, less allowance for doubtful accounts: January 2, 1965, $6,712,278; December 28, 1963, $7,104,399	107,682,686	94,781,200
Inventories, at lower of cost or market	11,300,776	11,075,773
Films, shows, film and show rights, and other prepaid expenses	71,878,635	55,813,646
Total current assets	**245,748,511**	**227,998,138**
Investments, at cost or less	**17,092,248**	**11,920,792**
Property, plant and equipment:		
At cost:		
Land	16,817,715	15,254,165
Buildings	73,114,038	51,984,299
Machinery and equipment	69,697,751	61,927,773
Leasehold improvements	5,076,437	8,059,019
	164,705,941	137,225,256
Less accumulated depreciation	*47,338,547*	*49,538,969*
	117,367,394	**87,686,287**
Contract rights and other assets, at cost less amortization	**28,601,129**	**8,804,355**
	$408,809,282	**$336,409,572**

LIABILITIES AND STOCKHOLDERS' EQUITY

	Jan. 2, 1965	Dec. 28, 1963
Current liabilities:		
Accounts payable and accrued liabilities	$101,358,388	$ 71,319,643
Federal and foreign income taxes	29,945,857	33,836,883
Less United States Government securities, at cost	29,000,000	33,000,000
	945,857	836,883
Current instalments on notes payable and mortgages	1,596,431	1,587,053
Total current liabilities	**103,900,676**	**73,743,579**
Amounts due after one year:		
Notes payable: January 2, 1965, 3.5%-4.75%, due 1966 to 1973; December 28, 1963, 3.5%-4.95%, due 1965 to 1984 *(note 5)*	25,000,000	30,784,000
Mortgages	2,663,125	2,494,275
Other, principally for shows and show rights	33,807,862	24,432,139
Total amounts due after one year	**61,470,987**	**57,710,414**
Deferred federal and foreign income taxes	**10,551,582**	**6,400,000**
Stockholders' equity:		
Common stock, par value $2.50 per share: authorized 30,000,000 shares; issued: January 2, 1965, 19,888,989 shares; December 28, 1963, 19,290,290 shares *(note 4)*	49,722,473	48,225,725
Capital surplus	82,670,350	63,850,303
Retained earnings *(note 5)*	100,493,214	86,479,551
Total stockholders' equity	**232,886,037**	**198,555,579**
	$408,809,282	**$336,409,572**

See notes to financial statements

Columbia Broadcasting System, Inc. and subsidiaries

Statements of Retained Earnings and Capital Surplus

RETAINED EARNINGS	53 WEEKS ENDED Jan. 2, 1965	52 WEEKS ENDED Dec. 28, 1963
Balance at beginning of period	**$ 86,479,551**	**$ 79,367,340**
Add:		
Net income	49,655,739	41,811,476
Net gain on disposition of certain real estate, after applicable taxes *(note 1)*	1,248,326	1,499,014
	137,383,616	**122,677,830**
Less:		
Cash dividends: 1964, $1.05 per share; 1963, $.75 per share	*20,319,939*	*13,868,218*
Stock dividends: 1964, 2%, 388,519 shares; 1963, 3%, 560,142 shares	*16,570,463*	*22,330,061*
Balance at end of period *(note 5)*	**$100,493,214**	**$ 86,479,551**

CAPITAL SURPLUS		
Balance at beginning of period	**$ 63,850,303**	**$ 59,765,603**
Add:		
Excess of proceeds from sales of common stock under option agreements, over par value of shares sold	3,220,881	6,567,680
Excess of market value over par value of shares issued in payment of stock dividends	15,599,166	21,629,883
	82,670,350	**87,963,166**
Less:		
Par value of additional shares issued in stock split		*24,112,863*
Balance at end of period	**$ 82,670,350**	**$ 63,850,303**

See notes to financial statements

Notes to Financial Statements

1. Net gains on the disposition of certain real estate, after applicable taxes, of $1,248,326 in 1964 and $1,499,014 in 1963, were excluded from net income and credited directly to retained earnings.

2. Included in Investments on January 2, 1965 were 71,468 shares of Company stock at a cost of $2,002,591, which are being held for distribution under the Employees' Stock Purchase Plan and the Deferred Additional Compensation Plan.

3. Depreciation of property, plant and equipment and amortization of contract rights for the years 1964 and 1963 amounted to $8,703,693 and $8,705,701, respectively.

4. Under Stock Option Plans approved by the stockholders in 1951 and 1961, the Company has granted options to certain employees, including officers, to purchase shares of Company stock at a price not less than 95% (100% as to options granted after November 1963) of market value on the dates the options were granted. Unissued shares of Company stock under option at the beginning and end of 1964 (exercisable at various dates through 1970) and changes during 1964 are summarized as follows:

Shares under option on December 28, 1963	829,470
Add: Options granted during 1964 (at prices ranging from $41.75 to $46.25 per share)	17,000
Adjustments resulting from 2% stock dividend	11,939
	858,409
Less: Options exercised during 1964 (at prices ranging from $12.04 to $24.15 per share)	*210,180*
Terminations during 1964	*44,437*
Shares under option on January 2, 1965 (at prices ranging from $14.80 to $45.34 per share), of which options on 139,779 shares were exercisable on January 2, 1965	603,792

At the end of 1964, 177,193 shares of unissued stock were reserved for future options. Options for these shares may be granted prior to January 1, 1971 at the discretion of the Board of Directors.

5. On January 15, 1965 the Company prepaid $18,706,000 of outstanding notes without premium or penalty. This prepayment has been reflected retroactively in the balance sheet as of January 2, 1965. The planned sale of an additional note of $11,373,000 has been cancelled.

Under the agreements covering outstanding notes payable there are certain restrictions with respect to working capital; the payment of dividends (other than stock dividends) on Company stock; and the purchase, redemption, or retirement of Company stock. On January 2, 1965, $59,600,000 of retained earnings and, after giving effect to the prepayment described above, $71,100,000 of working capital were free of such restrictions.

6. On January 4, 1965 a wholly-owned consolidated subsidiary of the Company acquired all of the capital stock of the Fender companies for $13,000,000.

Report of Auditors

To the Stockholders of Columbia Broadcasting System, Inc.:

We have examined the consolidated balance sheet of Columbia Broadcasting System, Inc. and subsidiaries as of January 2, 1965, and the related statements of income, retained earnings and capital surplus for the fiscal year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We previously examined the financial statements as of December 28, 1963, and for the fiscal year then ended.

In our opinion, the accompanying balance sheets and statements of income, retained earnings and capital surplus present fairly the consolidated financial position of Columbia Broadcasting System, Inc. and subsidiaries at January 2, 1965, and December 28, 1963, and the results of their operations for the fiscal years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

LYBRAND, ROSS BROS. & MONTGOMERY

New York, February 9, 1965

Columbia Broadcasting System, Inc. and subsidiaries

10-Year Financial Summary

	1964	1963	1962
Income and dividends			
Net sales	**$638,077**	**$564,818**	**$521,911**
Income before federal and foreign income taxes	99,856	87,511	64,964
Less federal and foreign income taxes	*50,200*	*45,700*	*35,300*
Net income	**$ 49,656**	**$ 41,811**	**$ 29,664**
Per cent of net income to net sales	7.8%	7.4%	5.7%
Net income per share *(see note)*	**$ 2.57**	**$ 2.20**	**$ 1.57**
Cash dividends paid per share *(see note)*	$ 1.05	$ .73	$ .66
Balance sheet items			
Current assets	$245,749	$227,999	$215,919
Less current liabilities	*103,900*	*73,744*	*83,812*
Net working capital	141,849	154,255	132,107
Investments and other assets	45,693	20,725	15,355
Property, plant and equipment—net	117,367	87,686	72,300
Less long-term liabilities	*72,023*	*64,110*	*57,684*
Total net assets	**$232,886**	**$198,556**	**$162,078**
Common stock	$ 49,722	$ 48,226	$ 22,945
Capital surplus	82,670	63,850	59,766
Retained earnings	100,494	86,480	79,367
Total stockholders' equity	**$232,886**	**$198,556**	**$162,078**
Ratio of current assets to current liabilities	2.37	3.09	2.58

Note: Based on the average number of shares outstanding in each year, adjusted for stock dividends prior to 1964, and for the 3-for-1 stock split in

(Dollars in thousands)

1961	1960	1959	1958	1957	1956	1955
$473,844	**$464,598**	**$444,311**	**$411,800**	**$385,409**	**$354,780**	**$316,573**
47,038	51,335	52,967	53,529	48,593	35,083	29,897
25,000	*28,100*	*27,700*	*29,100*	*26,400*	*18,800*	*16,500*
$ 22,038	**$ 23,235**	**$ 25,267**	**$ 24,429**	**$ 22,193**	**$ 16,283**	**$ 13,397**
4.7%	5.0%	5.7%	5.9%	5.8%	4.6%	4.2%
$ 1.17	**$ 1.23**	**$ 1.34**	**$ 1.30**	**$ 1.18**	**$ .87**	**$ .72**
$ .64	$ .62	$ .54	$ .42	$ .41	$ .36	$ .30
$193,059	$174,079	$167,209	$151,904	$160,875	$131,496	$117,369
81,499	*79,558*	*70,237*	*68,149*	*67,878*	*57,040*	*51,529*
111,560	94,521	96,972	83,755	92,997	74,456	65,840
16,576	15,490	19,289	20,996	12,900	11,494	10,603
66,224	75,692	61,405	58,522	49,095	53,107	52,117
51,936	*48,655*	*52,301*	*53,421*	*56,643*	*55,259*	*54,527*
$142,424	**$137,048**	**$125,365**	**$109,852**	**$ 98,349**	**$ 83,798**	**$ 74,033**
22,272	$ 21,603	$ 20,955	$ 20,297	$ 19,703	$ 19,129	$ 18,715
49,752	40,863	31,768	21,879	12,876	7,645	3,407
70,400	74,582	72,642	67,676	65,770	57,024	51,911
142,424	**$137,048**	**$125,365**	**$109,852**	**$ 98,349**	**$ 83,798**	**$ 74,033**
2.37	2.19	2.38	2.23	2.37	2.31	2.28

he 2-for-1 stock split in 1963. Stock dividends were declared as follows: 2% in 1954, 1955 and 1956; 3% in each year 1957 through 1963; 2% in 1964.

Columbia Broadcasting System, Inc.

51 West 52 Street, New York, New York 10019 *(Executive Offices)*
2020 M Street, N.W., Washington, D.C. 20036

CBS News 524 West 57 Street, New York, New York 10019

CBS Television Network 51 West 52 Street, New York, New York 10019

CBS Television Stations 51 West 52 Street, New York, New York 10019

CBS Radio 51 West 52 Street, New York, New York 10019

Columbia Records 51 West 52 Street, New York, New York 10019

CBS Laboratories 227 High Ridge Road, Stamford, Connecticut 06903

CBS International 51 West 52 Street, New York, New York 10019

New York Yankees Inc. 745 Fifth Avenue, New York, New York 10022

Statements concerning television audiences are based on estimates of audience size by A. C. Nielsen Company and of audience composition by American Research Bureau; statements concerning radio audiences are based on estimates of audience size by A. C. Nielsen Company, all subject to qualifications which CBS will supply on request.