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SUMMARY-INDEX OF THE WEEK'S NEWS—October 5, 1957

I—NETWORK STUDY REPORT, WHAT IT SAYS: Staff report on "Network Broadcasting," submitted this week to FCC Network Study Committee by Dean Roscoe Barrow's study group, is so significant a document that we recommend close reading of at least its "summary and recommendations" by everyone whose livelihood or important decisions are geared to TV.

For this reason we have reprinted that portion of the 1400-page mimeographed report in handy supplement form for permanent reference, and enclose it herewith as a Special Report to all subscribers.

Probable long-range meaning of Barrow report is discussed on page 3. Here are highlights of the far-reaching changes in TV station and network regulation recommended as result of 2-year Congress-mandated study:

Station ownership & licensing policies—FCC should seek eventually to approach as close as possible a limitation of "one station to a customer"—but in order to reduce concentration with minimum dislocation it should specify that no owner be permitted more than 3 vhf stations in top 25 markets, while retaining present numerical ownership ceiling of 7 stations of which not more than 5 may be vhf. It's suggested that 3 years be allowed for affected owners to get rid of excess stations.

Under proposal, these owners would be required to sell stations: ABC, 2 stations; NBC, 2; CBS, 1; Westinghouse, 2; Storer & Crosley, possibly 1 each, depending on whether Storer's WVUE is considered Philadelphia or Wilmington outlet, and on market rank assigned to Columbus, O. (Crosley's WLWC).

Multiple owner divested of a station would be permitted to seek one in smaller market, but Commission rules would be stacked against his getting it. It would be even more difficult for network—which would have to prove acquisition is essential to prevent financial distress.

Diversification policy should be made far stronger—FCC adopting rule to establish "presumptions" in favor of local applicants owning no other stations, placing on multiple and non-local applicants the "burden of rebutting the presumption."

Any station transfer application could be thrown into competitive hearing under proposal to repeal McFarland amendment to Communications Act and restore old "Avco procedure" which required that proposed station sales be advertised and anyone willing to meet offered price be entitled to compete in hearing. In transfer hearings, same "presumptions" against non-local and multiple owners would be applied.

To discourage "trafficking," station purchasers would be limited to ownership of only one station for first full 3-year license term, then permitted to apply for one additional station each year (subject to multiple ownership limits).

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Option time—It should be prohibited. There is no indication that it's necessary to network operations, and there's strong evidence it may violate anti-trust laws.

"Must-buy"—Practice should be banned, but "minimum-buy" requirements—stated in terms of dollar purchase (ABC's practice), number of stations, circulation coverage, etc.—should be permitted without specific FCC regulation, at least at outset.

Rates—Networks should be required to publish rate-making procedures, including circulation credited to each affiliate and all changes in network rates of affiliates, but FCC shouldn't attempt rate regulation "at this time."

Affiliation & compensation—Operations should be conducted in goldfish bowl, Commission making public all affiliation contracts filed with it. Criteria for affiliation and disaffiliation should be filed with FCC by networks, along with reports on all affiliation changes, requests for affiliation and disposition of these requests. Two-year maximum affiliation term should not be extended.

Network sponsors should have access to unaffiliated stations where affiliates can't provide satisfactory clearance. FCC should seek comments on proposal to permit unordered affiliates to carry network shows with commercials deleted by paying reasonable price.

Spot sales reps—Networks should be barred from acting as sales reps of stations other than their owned-&-operated outlets.

Network regulation—To simplify regulatory procedure, FCC should ask Congress to authorize it to apply rules & regulations directly to networks, rather than regulating networks indirectly through affiliates and owned stations.

Enforcement—Commission should seek power to levy monetary fines on stations & networks for infractions of rules not serious enough to warrant license revocation.

Programming—Because of delay caused by legal battle with group of programmers over study group's right to obtain business and financial information, there wasn't time for complete study of programming ownership, etc. Study should be completed by newly constituted FCC Office of Network Study (headed by economist Warren Baum, a member of network study group).

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Alternatives—Barrow states his report is attempt to "achieve effective competition" within framework of existing broadcasting system. However, he warns, if this stated goal isn't accomplished "within the next few years" through the recommended measures, "it may be necessary to consider basic structural changes in the system"—such as:

(1) National TV service available to any subscribing station, as AP serves newspapers.

(2) Rationing of station time among programmers and advertisers.

(3) Commission regulation of rates.

(4) "Recapture of monopoly profits or economic rent in the use of valuable frequency channels allocated to the large commercially desirable markets."

(5) "Recapture of the value of the frequency itself upon [sale of] scarce, viable station facilities."

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Special Report
October 5, 1957

Summary and Recommendations of

FCC Staff Report on Network Broadcasting

From 1400-page Document Submitted Oct. 3, 1957 to FCC Network Study Committee by Network Study Group Headed by Roscoe L. Barrow, Dean of Law College, U of Cincinnati

Concluding 2-Year Study Ordered by Congress in June 1955

I. SUMMARY

A. Introduction

The Network Study was initiated by the Federal Communications Commission to determine whether the present operation of television and radio networks and their relationships with stations and other components of the broadcasting industry tend to foster or impede the development of a nation-wide, competitive television system.

The last comprehensive study of broadcasting by the Commission was conducted from 1938 to 1941. The results were incorporated in the Report on Chain Broadcasting of 1941. On the basis of that study, the Commission issued, in 1943, the Chain Broadcasting Rules governing relations between networks and stations. The rules were initially adopted for radio and, upon the advent of television as a commercial system, they were applied to it as well. No substantial changes have been made in the Rules, with respect either to radio or television, since their adoption. Since 1943, television has developed rapidly, and radio, due in part to the growth of television, has undergone fundamental change. The Network Study has undertaken a systematic reappraisal of the Chain Broadcasting Rules in the light of these developments. It has made recommendations for new regulations or legislation as required to effectuate Commission policies under the conditions existing in broadcasting today.

It was initially intended that the Network Study be addressed to both radio and television. During the course of the Study it became apparent, however, that the problems most urgently requiring Commission attention were in the television medium. Faced by limitations of budget and staff, the Network Study Staff concentrated its resources on the problems in television broadcasting. A brief survey of the current situation in radio is set forth in the Report. It is recommended that the Commission conduct a further study of radio for the purpose of determining whether modification of the rules is necessary in the light of current conditions in the industry.

A substantial portion of the Staff's time has been expended on a study of programming. Due to objections by some independent program producers to supplying the competitive business information required, and the attendant extended negotiations and litigation, some of the issues relating to programming are not considered in this Report. It has been recommended that these issues be studied as promptly as the information is available and that the results be made the subject of a supplemental report.

A few other problems initially were included in the study but were not covered because of limitations of time and staff. It is recommended that these be the subject of further study by the Commission.

At the outset, it was determined that the interest of the public and the Commission in a comprehensive and objective appraisal of television broadcasting could best be served through the adoption of a "study" technique rather than a formal investigative hearing or proceeding. This technique has included a series of conferences with all of the components of the industry, during which background information was obtained on the operations and problems of each component; more intensive staff interviews with selected groups of stations, advertising agencies, station representative agencies, independent program producers, and with each of the network organizations; and a spot check of the networks' files. In addition, a series of questionnaires were sent to the television networks and a questionnaire was sent to all commercial television stations, approximately 60 advertising agencies and 34 national station representatives, and to all known non-network program producers. Through this technique, a large volume of information and statistics bearing on the problems under study has been acquired by the Network Study Staff. These materials have been analyzed in the body of this Report. The findings and recommendations of the Network Study Staff in its Report on Network Broadcasting will now be summarized.

B. History and Description

The report begins with a brief history of the development of television and a description of the principal components of the industry. The rapid development of television as a commercial service reaching a high proportion of American homes is traced, together with the principal policies of the Commission directed towards the establishment of the television service. Among the components of the complex broadcasting service are: the advertiser who provides the financial support for the industry; the advertising agency which assists the advertiser in his advertising campaign; the network, which provides substantial programming and an interconnected chain of affiliated stations over which the advertiser can broadcast his program to a national audience; the independent program producer and distributor, which develops programs for sale to advertisers, networks and stations; the American Telephone and Telegraph Co., which owns and leases to networks the coaxial cable and microwave relay facilities by which affiliated stations are linked; the stations, which are licensed to operate on frequencies assigned by the Commission and most of which, in television, are affiliated with one or more networks; the station representative agencies, which act as agents for individual stations in the "spot" sale to national and regional advertisers of portions of station time not used to carry network broadcasts; and the public, who owns the airways and is served by the industry.

C. Statement of the Public Interest

The touchstone of the Communications Act is broadcasting in the public interest. The Federal Communications Commission is empowered to establish rules and policies to further the "public interest, convenience, and necessity" with respect to broadcasting and also to "generally encourage the larger and more effective use of radio (television) in the public interest." The Report examines the various doctrines, policies and procedures through which the Commission has given substance to the "public interest" and which have guided the evaluation and recommendations of the Network Study Staff.

Specific definition has been given to the public interest standard in various decisional contexts by court opinions and by the Commission in both rule making and adjudicatory proceedings. In attempting to secure the maximum benefits of broadcasting to all the people of the United States, priority has been given by the Commission in its allocation plans to providing service to all areas. Additional objectives have been to provide for a local TV outlet in as many communities as technically feasible and for multiple services to the maximum number of communities so as to provide program choice and to encourage competition among all components of the TV industry.

Service to the public is the ultimate goal of the broadcast regulatory function. This policy is ordinarily phrased in terms of making available a broadcast service filling the needs and desires of the community served by each broadcast facility. In the implementation of this overall policy, the Commission has concentrated on three basic supporting policy themes: competition, diversification, and licensee responsibility.

Commission Encouraged New Stations

Various Commission actions have been taken for the purpose of encouraging the development of a nationwide, competitive broadcasting system. The Commission has undertaken to promote competition by encouraging new entry at the local station level, particularly in the "economic-injury" cases where it has refused to protect an existing licensee against possible economic loss through the establishment of a new station in the market. The rule prohibiting duplicate ownership and the policy of favoring applicants unassociated with other communications media within the community in comparative hearings have also contributed to increased competition at the local level. The competitive element has also been implemented by actions taken to equalize competitive opportunity at the station level through the VHF-UHF deintermixture proceeding and at the network level by the rule prohibiting dual network ownership in the same medium and by the ABC-UPT merger decision.

The Commission has also attempted to encourage competition among networks for affiliates and competition among stations for network affiliations. Several Commission policies are framed in terms of preventing concentrations of economic control which may be inconsistent with the public interest. This has been attempted by limiting the number of broadcast facilities which can be owned or controlled by the same person, by selecting licensees in comparative hearings so as to prevent monopolistic situations in mass media control of specific markets, by favoring autonomous operation of each broadcast facility where the licensee controls multiple facilities and by favoring autonomous operation of the broadcast facility where the licensee controls other communications media. The licensee is expected to give primary attention to the operation of the broadcast facility. Such facilities are not to be used as a mere promotion appendage to the operation of other commercial interests of the licensee. The Commission has also voiced strong disapproval of the employment of restrictive practices by network organizations with respect to affiliated stations. Such anti-competitive practices as forced combination advertising rates for two or more broadcast facilities or for a broadcast facility and other news and advertising media and the wielding of influence by network organizations on the non-network rates of affiliates have also been disapproved by Commission decisions and rules. Increased competition has usually been associated with improved program service to the public.

It has been a basic policy objective of the Commission to encourage a large group of qualified persons to participate in television in order to obtain a high level of diversified service and program viewpoints. Competition in service and program viewpoints has been encouraged by prohibiting duplicate ownership at the individual community level and by limiting the overall number of broadcast facilities which can be owned or controlled by the same person. Further, in comparative hearings those applicants un-associated with or having the lowest degree of ownership and control over other broadcast facilities and non-broadcast communications media have been favored, particularly where such media are located in the same community as the television facility.

The Commission has defined the responsibility of the broadcast licensee as that of rendering the best practicable service to the community reached by his broadcasts. A preference has been recognized, therefore, for local ownership and control. Where two or more applicants are competing for the same channel, favorable consideration has also been given to the diversification factor. But since service to the public is the overriding criterion for selection, a good performance record of past programming which shows an ability to effectuate program proposals is also considered a strong basis for preference in comparative proceedings. The programming responsibility of the licensee is to be discharged within the broad framework of presenting a well-rounded program service suited to the needs and desires of the community served.

Within the broad limits of the well-rounded program doctrine, the licensee has the primary responsibility for selection of the programs presented over his station. Presentation of local live programming frequently has been emphasized by the Commission. Delegation of programming authority to non-licensees has been strongly disapproved. The Commission has recognized, however, that the network system of program distribution is an essential element in the American system of broadcasting. In discharging his public interest responsibility, therefore, the licensee of an affiliated station must have the privilege of final decision in the acceptance of network programs in order to maintain his ability to select programming consistent with a well-rounded program schedule for the particular community served. In pursuance, thereof, the Commission has established by rules and case doctrine limits to network control over affiliated stations so as to preserve for the affiliate a degree of freedom of selection which is consistent with utilization of broadcast facilities in the public interest.

D. Network Concentration and Control

The first issue considered in the report is whether the degree of concentration of control by networks within the telecasting industry is consistent with the public interest.

The essential business function of a television network is to provide a national advertising medium. Among national advertising media, television is the only one which makes it possible to convey the advertising message by a combination of sight, sound and motion. Television is sufficiently distinct from, and non-comparable to, radio, magazines, and other national media that most national advertisers look upon television as a complement to, rather than as a substitute for, their other forms of national advertising. The most appropriate "market" in which to measure network concentration is therefore the national television advertising market.

In additional to national television advertising on the networks, advertisers may obtain national television exposure on a "national spot" basis from a composite of individual stations. The concentration of control in this market which the network organizations have by virtue of their ownership of stations is not high. The networks have contractual relationships with affiliated stations that permit them, in effect, to act as the sales agent for the affiliates in connection with network time sales. Networks also act as sales representatives for a small number of affiliated stations in connection with national spot sales. The concentration of control by networks in their capacities both as owners of stations and agencies is comparatively high; collectively, the three networks account for close to 70 percent of national television time sales, with CBS and NBC accounting for over 60 percent.

Network concentration is also measured in other relevant market dimensions. In terms of their share (by ownership) of total industry assets, total industry revenues, or the production of programs shown on the network, network concentration is not particularly high. In terms of one significant measure—the proportion of network programs during prime evening hours on television stations throughout the country—network concentration is very high. During the three prime evening hours subject to network option, the three networks account for close to 80 per cent of the total programs carried by commercial TV stations. The proportion is over 90 percent in the case of the "basic" stations of the CBS and NBC networks.

There is little prospect that a new national network can gain entry and approach the size of the existing networks until there are substantially more comparable station facilities than now exist in the top 50 or 100 markets of the United States. In markets with few firms and high profit levels, the entry of new firms is essential as a means of assuring a more effectively competitive situation. While "networking" profits, notably those of CBS and NBC, have risen to high levels in recent years, these are major obstacles to the entry of new firms. These barriers arise in part from the nature of the network-station affiliation arrangements and the mutual benefits derived therefrom, from the existing structure of A. T. & T. rates for interconnecting stations, and from certain economies of large-scale operations in "networking." The principal factor, however, accounting both for the high concentration in "networking" and for the effective barriers to the entry of new networks is the shortage of competitive TV station facilities in the VHF spectrum. These factors suggest that, absent a major technological change in the nature of the television industry or in the form of telecasting, "networking" will continue to be characterized by a small number of firms enjoying substantial profits without the possibility that new networks will be able to enter and compete for these profits. It is generally agreed that, the lower the degree of concentration and the more numerous the firms, the greater is the possibility of effective competition.

Specialized "Networks" May Add Competition

While there is little prospect in the near future that more effective competition can be obtained through additional nationwide networks, an additional competitive element exists in that the networks are in competition for national advertising business with the national spot system of advertising made up of national station representatives and independent program suppliers. Also, there is a prospect for the development of more limited or specialized "network" organizations such as National Telefilm Associates (NTA), Program Service, and the Sports Network. Although the existing degree of network concentration in the national television advertising market is high, whether or not the present structure of networking is compatible with the public interest in an effectively competitive television system cannot be conclusively determined until the possibilities of greater competition from national spot and specialized networking systems are examined. The concentration analysis, however, highlights the fact that the public interest in a workable system of competition can be achieved in part by encouraging competition between network and national spot television. In this connection, the network practices in affiliation, rates, option time, compensation, and other relationships with affiliated stations play a vital part, since they bear directly on the ability of non-network organizations to compete effectively with the networks.

E. Affiliation

Affiliating with a network has very significant effects upon the operation of a station. It determines in substantial measure the program service which the station offers to the public. It also determines in large measure the economic well-being of the station. Most stations consider network affiliation to be their most important single asset, next to the Commission license. The importance of network affiliation to station operation is such that a searching appraisal of network affiliation practices has been undertaken by the Network Study Staff. The broad policy issue involved is whether these practices properly serve the public interest.

In selecting affiliates, the general objective of the networks is to provide an advertiser with potential access to practically all television homes in the United States at a reasonable cost. To implement this objective, networks have developed criteria with respect both to the selection of markets and of the individual stations within a market, and regular procedures for processing affiliation decisions. The choice of markets has been based essentially on economic considerations with respect to market size, buying power, and growth potential. Selection of the affiliates within a market, in cases where alternative stations are available, has turned on a variety of complex factors, among them station ownership (by newspapers, multiple station owners, radio affiliates of the network), the physical facilities of the stations, and past broadcasting experience. A major criterion in affiliation decisions is the size of a station's unduplicated circulation. Duplicate coverage is considered wasteful and disadvantageous to the advertiser, and networks seek to maximize the extent of unduplicate coverage. Many affiliation decisions have turned on the circulation factor. However, the criterion of unduplicated circulation is not applied uniformly; in a number of affiliation decisions offsetting considerations may be involved. Moreover, a station's circulation is far from being a simple or readily determined measure, and the networks exercise considerable latitude and business judgment in applying this criterion.

One of the criticisms directed against networks is that they have "discriminated" against UHF stations, thus impeding the development of the UHF service and the possibility of achieving a nationwide, competitive television system. In the face of widespread ownership of sets equipped to receive VHF signals only, UHF stations have needed substantial network programming as an incentive to the public to invest in UHF equipment. However, until UHF stations could deliver circulation, they were unable to compete effectively with VHF stations for advertiser acceptance or network service. Within the context of a competitive market system, the networks preferred VHF stations, with larger circulation, to UHF stations as the most economical way of reaching a large audience at a low unit cost. May UHF stations were unable to obtain network affiliation or, if affiliated, to obtain sufficient network commercial orders from advertisers. This has been an important factor in the limited development of the UHF service. The VHF band was the first to be utilized and television sets were equipped to receive signals broadcast only in this portion of the spectrum. A high stage of technological and economic development was reached in this frequency band before allocations to television were made in the UHF band. The more advanced development of VHF has made it difficult to achieve comparable development of UHF. The UHF problem was aggravated by the assignment of VHF and UHF stations in the same markets and by the continued manufacture of sets equipped to receive VHF only. Given this situation, the business interests of national advertisers, and hence of the networks, dictated primary reliance on VHF facilities.

Another criticism of networks has been their alleged unwillingness to affiliate with stations in small markets. As in the case of UHF, a conflict exists between the public interest in maximizing the number of communities with local TV outlets and the economic interests of network advertisers. Network advertisers are most concerned with access to the top 75 markets; their interest in markets below this level decreases proportionately to market rank. As a result, it may be unprofitable for networks to affiliate with stations in some of the smaller markets. Even if the small-market stations do obtain affiliation, they are ordered for, and therefore receive, only a minor proportion of the network's commercial programs. CBS and NBC have established plans designed to extend affiliation to small market stations and to increase the opportunities for these and other affiliates to carry network programs. In some respects, however, they illustrate the underlying economic difficulties of aiding small market stations and of increasing the access of affiliates to the network's commercial program service.

Network Affiliation Criteria Reviewed

Another issue is the soundness of the network criteria governing affiliation with stations in communities within service range of affiliates located in nearby communities. Unavailability of affiliation may deprive "overshadowed" communities of local television outlets, despite the fact that these cities may be of substantial size. There is some doubt whether the networks have followed well-defined and consistent affiliation criteria in these cases. There is a question whether the influence in these affiliation decisions of discussion with existing affiliates in the "overshadowing" communities is consistent with the Commission rule requiring that network affiliation in such cases be a unilateral decision. In addition, there is a question whether appropriate measures of overshadowing are used; whether, for example, consistent consideration is given to the quality of service available to the public, or undue attention is given to protecting the service areas of basic stations.

In choosing among stations competing for affiliation, the networks, particularly CBS and NBC, have, as a matter of policy, strongly preferred those television licensees who were also their radio affiliates in the same market. This policy has served the radio and television interests of the networks and of their radio affiliates. However, the joining of radio and television interests in the affiliation process has not served to promote competition among stations for network affiliation, nor among networks for affiliates. Thus, the late DuMont Television Network, which was not in radio "networking," was at a competitive disadvantage in seeking access to television stations which were also long-time NBC or CBS radio affiliates.

At least one of the networks has demonstrated, in its affiliation criteria and decisions, a preference for multiple-station owners over single-station owners. The basis for this preference is the advantages that may accrue to the network from affiliation with other of the stations held by the multiple owner. This preference is contrary to the Commission's policies of promoting local ownership and the widest diversification of ownership in the television medium. Also, the preference granted to multiple owners effectively hinders competition among stations for affiliation; a licensee having a scarce facility in one community thereby obtains an unwarranted advantage in the competition for affiliation in another community.

A network expects its affiliates to cooperate in clearing time for network commercial programs. This cooperation is well understood by the stations entering into an affiliation agreement. On some occasions, however, at least one of the networks has sought to exact a promise from a prospective affiliate in a market with scarce facilities that he would serve as a "primary" affiliate of that network and grant the bulk of his clearances to it rather than to other networks. This practice appears to contravene the intent of Chain Broadcasting Rule Sec. 3.658(a) which prohibits any agreement or understanding, express or implied, preventing or hindering a station from accepting programs from more than one network.

Another issue closely tied in with the general affiliation process is what the length of the term of affiliation should be. The Commission currently prescribes that each term shall not exceed two years, although no limit is placed on the number of times the contract may be renewed. Each of the networks has different policies with respect to the effective term of its contracts, both in the "standard" contracts and in the many exceptions that are made. Some persons in the industry have expressed the view that the Commission should permit a longer affiliation term. At issue are two different policy approaches. On the one hand, a longer affiliation term is advocated, by some stations, on two grounds: it would provide the affiliate with greater security, so that he could make the long-term capital investments necessary for programming in the public interest; and it would strengthen the bargaining position of affiliates in relation to the networks. On the other hand, a longer contract term tends to lessen the competitive opportunities for changes in affiliation. A two-way competition among networks for affiliates and among stations for network affiliation should stimulate networks and stations to improve their service to the public.

Network affiliation contracts grant the affiliate a "right of first call" with respect to network programs offered in its community. The intent of this policy is to have the affiliate serve, insofar as possible, as the exclusive distributor of network programs in the station's coverage area. An affiliate is, in effect, the network's "chosen instrument" in a community. While this relationship serves the interest of both network and affiliate, it severely limits the access of unaffiliated stations to network programs. In the view of the Network Study Staff, the "right of first call" is an essential feature of network operations, and elimination of it might undermine the network system and jeopardize the supply of popular and public service network programming. On the other hand, once a program has been rejected by the primary affiliate, it should be made available to another station in the market if the network advertiser so desires. In these circumstances, the networks have sometimes sought to discourage the advertiser from placing his program on another station in the market. Occasionally, the networks have had discussions with their primary affiliates with respect to such program placement that appear to be incompatible with the Chain Broadcasting Rules. Similarly, the networks attempt to protect the territorial exclusivity of their affiliates by discouraging advertiser placement of the same program on more than one station in the same general area.

F. Option Time

The standard affiliation contracts provide that the affiliate will accept and broadcast all network programs offered to it during certain hours of the broadcast day, known as network "option time." Under Section 3.658(d) of the Commission's Chain Broadcasting Regulations, network option time is restricted with respect to the number of hours that may be made subject to the network option, the amount of advance notice required before the option may be exercised, and the rights of the affiliate to reject network programs for specified reasons or to substitute therefor a program of outstanding importance. Also, a network cannot exercise the option right to preempt time in which the station is broadcasting the programs of another network.

The option-time arrangement has been the subject of considerable controversy. Film syndicators, national station representatives, and an independent station manager have appeared before Congressional Committees or the Network Study Staff to attack the practice as a *per se* violation of the antitrust laws or as a competitive restraint. The three networks, and representative groups of their affiliated stations, have defended option time as essential to the functioning of the existing system of network broadcasting and as consistent with the station's responsibilities to program in the public interest.

The option time right of the networks is a limited one. Only three hours in each of the four segments of the broadcast day may be optioned by a station to any or all networks. Legally, the station retains the power to reject network programs if deemed unsatisfactory, unsuitable or contrary to the public interest. In practice, network programs are frequently rejected without any specification of the reasons involved. Programs straddling option and station time fall into a special category. Technically, problems of time zone differences and daylight saving time make it difficult to utilize the option-time hours to maximum advantage in some markets.

The networks very seldom invoke their option-time rights, and there has never been a legal contest of these rights. Option time does not generally play an important part in the network's efforts to obtain station clearances for its programming, for a variety of reasons. From a mechanical standpoint, option time has no appreciable effect on the time required to complete the clearance process. Emphasis on option time might complicate the network's efforts to arrange clearances for its programs originating outside of option-time hours. Also, the network is aware that stations have many affirmative reasons for desiring a large schedule of network programs, and in this situation it has other and, in the aggregate, more influential bargaining powers in its efforts to effectuate clearance. Finally, the network-affiliate relationship is, to some extent, looked upon by both parties as a "partnership" arrangement. Mutual cooperation is required, and this necessitates that the option time clause be administered, flexibly.

Option Time and Clearances

Despite these qualifications, most affiliated stations feel a stronger obligation to clear for programs originating in option time than for those originating in station time. Option time is more frequently alluded to in station responses to network requests for clearance, and is used by the stations as a means of safeguarding the hours specified as station time from further "encroachment" by network programming. Option time, therefore, has some effect on the network's ability to arrange program clearances, as is confirmed by a comparison of average program clearances during option and non-option hours. However, it does not appear to be the most important factor in the clearance process. Program quality and the programming of competing networks bring about substantial variations in the clearance record of individual programs, both within and outside of the option-time hours.

Since the contractual provision of option time has created some obligation on the part of affiliated stations to clear for network programs, the station licensee is not entirely free to exercise his judgment with respect to program selection. Most stations do not simply "plug into" the network but act with considerable discretion in accepting or rejecting network and other programs. Nevertheless, as a result of the option time provision, affiliated stations accept some network programs that they would not otherwise carry, or else that they would otherwise carry on a delayed basis. To this extent, the station licensees have relinquished some of their programming responsibility to the networks. If this were not the case, option time would be of no effect in the clearance process and the networks would have no reason for including option time clauses in the affiliation contract.

Other business groups competing with the networks or with advertisers using network television have been placed at a competitive disadvantage through network option time. Producers and distributors of syndicated film programs (designed specifically for television) have had only very limited access to the broadcast schedules of affiliated stations during the most desirable viewing hours. For this and other reasons, these producers and distributors have tended to favor direct sale to the networks or to network advertisers, and the quality and quantity of syndicated film programming have been reduced below what they would otherwise be. Similarly, national station representatives have been handicapped in their efforts to sell program time periods in competition with the networks, since the most desirable periods are under option to the networks. National, regional, or local advertisers seeking access to television in competition with network advertisers have also been placed at a competitive disadvantage. Although other (and in some cases more important) factors are also involved, option time has acted to some extent to restrain competition in a manner contrary to the public interest in each of these areas.

It is not apparent that option time is necessary or essential to network operations. Since stations clear more readily during the option-time hours, the arrangement is clearly a business convenience of some usefulness to the networks. That it is not essential is evidenced, among other things, by the fact that both CBS and NBC are now programming to a considerable extent in station-time hours. Some "erosion" of clearances might occur without option time, as stations made their programming decisions with greater freedom. On the other hand, there are many reasons for believing that program clearances would remain at high levels, particularly if the quality of network programming is maintained. Relatively few programs require the simultaneous live clearances for which option time is most useful. It is also possible that network clearance outside of option time would be improved if the distinction between "network option" and "station time" were no longer recognized.

Acceptance of the argument that option time is "essential" to networking would necessitate various forms of direct network regulation—however undesirable some of them might appear—to make certain that the quasi-monoply power conferred on the networks was exercised in the public interest.

An antitrust analysis of option time on the basis of court decisions reached subsequent to the promulgation of the Chain Broadcasting Rules indicates at least a strong possibility that it would be found to be a *per se* violation of Section 1 of the Sherman Act on analogy to the motion picture "block-booking" practice condemned in the *Paramount* case. Substantial support for each of the elements of the "block-booking" formula can be demonstrated. While there is clearly a large area of mutuality of interest in network-affiliate program transactions, there is also an area of conflict. At least a limited number of network programs are apparently forced upon some stations. This situation might prove sufficient to satisfy the elements of the "block-booking" doctrine.

For the reasons given above, the Network Study Staff has concluded that the option time arrangements have operated in television in a manner contrary to the public interest.

G. Rates

One of the most significant functions attributed to networks under the affiliation contract is that of establishing the time rate of each affiliate for sales to network advertisers. The network setting of rates raises a number of important policy issues, the first of which is whether it is appropriate or necessary for the networks to exercise this function. The Network Study Staff concludes that network determination of the level of network rates appears to necessary for several reasons: to handle overlapping circulation between affiliated stations so that the advertiser does not pay twice for the same circulation; to provide a uniform method for estimating circulation in order to avoid arbitrary rates on the part of individual stations which might prejudice the interests of other affiliates; and to translate circulation data into a rate structure that is competitive with other networks and other advertising media. At the same time, the financial stake of the network in obtaining the highest possible level of network rates provides some assurance that it will set rates in a manner compatible with the general interests of the affiliates as a whole.

Another issue considered is whether the networks act arbitrarily with respect to individual stations or otherwise against the public interest in their determination of the network time rates of affiliated stations. The available evidence indicates that networks have attempted to establish objective bases for measuring circulation and translating circulation data into rates through the use of a rate formula. In addition, the networks have taken into account various other qualitative factors in setting rates, and these factors have influenced both the timing and magnitude of particular rate changes. Some of these factors, such as the competitive situation with respect to other networks and advertising demand, appear to be reasonable. However, the practice, extensively followed by each of the networks, of using rate decisions as a lever for obtaining clearances from affiliates is, in the view of the Network Study Staff, contrary to the public interest. Moreover, it appears that the networks, on occasions, have used their rate-making powers to influence affiliates in respect to their clearance of programs of competing networks. Such a practice appears to be contrary to Section 3.658(a) of the Commission's rules. In addition, networks do not appear to have kept their affiliates adequately informed of their rate criteria and rate procedures. Some stations have engaged in the practice of making the acceptance of a network program or programs conditional on the granting of a network rate increase; this practice is also inconsistent with the public interest.

Rate-Fixing Restrictions

As a result of the Chain Broadcasting Investigation of 1938-41, the Commission adopted a rule prohibiting a station from entering into any contract or agreement with a network that hindered it from fixing or altering its national spot or local rates. The broad purpose of the rule was to prevent the networks from taking actions that would influence or restrict the freedom of the station to fix independently its rates for competitive non-network business. All of the networks have engaged in practices which are contrary to the broad purpose of this rule and to the public interest in the maintenance of free competition. These practices have acted to restrict the freedom of the station to fix its national spot rate at will and to enter into competition with the network should it choose to do so. In the case of CBS and ABC, evidence exists that the networks have used their power to fix network rates in order to influence the level of the stations' national spot rates in a manner which raises a question with respect to violations of the Chain Broadcasting Rules, and possibly also of the antitrust laws. In addition, NBC and CBS have adjusted the level of national spot rates of their owned and operated stations in order to influence the national spot rates of their affiliates.

In attempting to influence, directly or indirectly, the level of national spot rates fixed by their affiliated stations, the networks have had two objectives in view: 1) to reduce competition between national spot and the networks for the business of national advertisers; and 2) where a direct loss of business to national spot was not involved, to maintain a rate relationship that would not provide network advertisers with a basis for seeking a reduction in the level of rates set by the network.

There is no specific Commission rule with respect to rate competition among the networks, but the relevant portions of the antitrust laws are applicable to network activities in this area. The CBS and NBC networks compete freely with each other with respect to the establishment of network rates. The Network Study Staff has found no evidence of any understanding or agreement between the networks that would interefere with or restrain this competition. The ABC network competes with CBS and NBC by setting lower rates for its affiliated stations. ABC has sometimes engaged in the practice of consulting with the other networks with respect to their rate plans prior to taking action on the network rates of its own affiliates. The other networks have cooperated in providing the desired information. This practice among the three networks is not compatible with the Commission objective of preserving free competition and may have antitrust implications.

H. Compensation

The revenue obtained from network time sales is shared between the network and its affiliates on the basis of a compensation formula which is specified in each affiliation contract. Typically, the station agrees to waive compensation for a designated number of commercial broadcasting hours, called "free hours." After the free-hour waiver, the station receives a specified share of the gross network time billings or of its card rate for commercial-network broadcasts. Each network has one or more "standard" compensation formulas, to which a number of exceptions are made in particular cases.

It has sometimes been alleged that the networks, by virtue of their bargaining position, retain an unreasonably large share of the receipts from network time sales. On the average, the station receives less than 30% of the proceeds from the sale of its time by the network. However, from the network's share must be deducted discounts to the advertisers, commissions to the advertising agency, and the substantial costs incurred by the network in leasing the interconnection facilities of the A. T. & T. In addition, the network incurs financial losses in its program service, most of which is provided to the station without direct charge. Network affiliated stations in the large markets of the country have earned substantially higher profits than the networks, or than the networks and network-owned stations combined. The available evidence, therefore, does not indicate that the network's share of network time sales is unreasonably large.

The differences in compensation arrangements within each network have resulted in some cases in substantial differences in revenues received by individual stations. To some extent, these differences are based on the relative cost, or on the relative profitability, of the station to the network. The networks tend to provide more favorable compensation to the larger stations, from which they, in turn, earn a larger profit. However, there is no systematic relationship between cost and/or profitability to the network and the observed variations in compensation provided to particular affiliates. Other considerations are also involved, which relate to the bargaining strength of particular affiliates and to the competitive situation with respect to program clearances. Affiliates in important single-station markets, as well as large multiple owners, have succeeded in obtaining more advantageous terms than the standard formula. The networks have agreed to these terms, or in some cases initiated them, in order to protect and improve their station clearances at the expense of competing networks or other program sources.

To some extent, preferential compensation arrangements are inherent in the business framework of the industry, and all differentials in compensation provided to individual stations could not be eliminated without imposing a serious competitive handicap on the smaller networks and network-type organizations. On the other hand, preferential compensation arrangements can have practical competitive disadvantages, as when they are given to multiple-station owners. In addition, there is an objection in principle to having program clearances based on financial rewards rather than program suitability in the public interest. Sliding-scale or "incentive" types of compensation formulas—which, except for the "free hours" arrangement, are thus far used by the networks only to a limited degree—are potentially open to serious abuse through their effect on the programming freedom of the station licensee.

I. "Must Buy"

The CBS and NBC networks have a sales policy that requires network advertisers to order a specified minimum group of stations. These are referred to as "basic" or "basic required" stations, and the sales practice is commonly known as the "must buy" policy. The ABC network has a somewhat different arrangement, called the "minimum buy" requirement. The latter requirement is fixed in terms of gross dollar cost, that is, the network advertiser must purchase stations the aggregate rates of which are at least equal to the prescribed dollar minimum, but is not required to purchase any designated station.

The "must-buy" practice dates from the early days of radio. With the rapid economic changes in the radio medium since the war, the radio networks have virtually abandoned the practice. Recently the "must-buy" requirement of network television has been criticized as a violation of the antitrust laws and a restraint upon the advertiser and the independent station. The question has also been posed whether the network's power to select the affiliates to be included in the "basic" group has been used in a manner consistent with the public interest. Whether or not the "must-buy" requirement may be considered to be "essential" to the network operation is also a pertinent question.

NBC and CBS have established objective criteria for the selection of the particular affiliates that comprise the "basic" groups. These criteria, which relate primarily to the importance of the station as part of a national advertising medium, are followed closely in most cases. A few stations have been included in the list although not qualified under the principal standards. Exceptions to the requirement have been granted to individual advertisers, in infrequent instances.

NBC and CBS Basic Groups

The large majority of network advertisers order substantially more than the required minimum number of basic stations. A few network advertisers have probably been required to order a somewhat larger line-up of stations as a result of the "must-buy" policy. However, these advertisers are clearly in the small minority. A greater problem for advertisers has been created by the requirement of NBC and CBS that a designated group of basic stations be purchased. In some cases, the basic stations have been selected by the network on grounds that do not reflect the relative value of the station to national advertisers. Also, not all national advertisers have sufficient distribution in all of the basic markets to warrant their inclusion in the network order. However, the large majority of network advertisers are willing to order the large majority of the basic stations.

Small national advertisers may be placed at a slight additional handicap relative to larger national advertisers as a result of the "must buy" and "minimum buy" requirements. Fundamentally, however, there are other and more important economic reasons why relatively few small advertisers use network television.

The final decision regarding the inclusion of stations in the basic list rests with the network. There may be considerable discussion with individual stations concerning their inclusion in the list. Except in the largest markets of the United States, stations receive more orders as a result of their inclusion in the basic group than they would otherwise. Stations are therefore anxious to be included and retained on the list. This situation gives the network an additional bargaining advantage in its relationship with affiliated stations, an advantage which the network may use in order to obtain better clearances for network programs. As a consequence, some affiliates are led to accept network programs that they might not otherwise be disposed to carry, or would otherwise carry only at a delayed time.

There is no evidence that independent stations are placed at a competitive disadvantage to a significant degree as a result of the "must buy" policy. The principal reason that most independent stations have very little opportunity to carry network programs is that the network's primary affiliate in the area has a right of first call with respect to all network programs.

The networks have taken the position that the "must buy" practice is necessary in order to define the contours of a national network and to prevent the fragmented sale of the network on an uneconomical basis. Little support can be found for this position. While fragmented sales that would not permit recovery of the network's fixed costs would clearly be uneconomical, it is not the "must-buy" policy that prevent such sales from taking place. The size of advertiser orders is determined primarily by the economics of the television market, and has little to do with the basic-required policy. At present, most network advertisers voluntarily order considerably more than the required line-up. If most advertisers were prepared to order only much smaller line-ups, the networks could not, through the "must-buy" practice, compel them to do otherwise. Without the "must-buy" requirement, networks would still be free to require that all orders must be acceptable to the network. Presumably only orders which represented a reasonable national coverage would be acceptable.

There is no direct relationship between the revenue from the basic-required list and the fixed costs of the network operation. The list is selected on the basis of criteria unrelated to these costs, and the revenues obtained are in fact far in excess of the overhead or fixed costs of networking. In general, there is no apparent need for the network to select the particular affiliates to be included in the required group. The principal reason for originally doing so—the need to recover the expense of costly segments of the transcontinental cable—ceased to be an important factor several years ago. It is possible that there is a somewhat greater need for the network to be able to designate required stations in connection with multi-weekly programs sold in small time segments and sponsored by a considerable number of different advertisers.

An anti-trust analysis of the "must buy" practice creates serious doubt as to its legality. At least three doctrinal variations of a *per se* violation under Section 1 of the Sherman Act appear applicable to the "must-buy" practice: "tie-in" arrangements as described in *Times-Picayune Publishing Co. v. U. S.;* "tie-in" arrangements as described in *United States v. Northern Pacific Railway Co.;* and the "block-booking" formula of *United States v. Paramount Pictures, Inc.*, based on the finding that the grant of a broadcast license involves the conferral of a limited monopoly. The "must-buy" practice, therefore, presents a substantial antitrust question.

It cannot be said that the "must-buy" practice constitutes a major problem, from the point of view of networks, stations, advertisers, or the public. Nevertheless, the practice has been found to be a restraint on the freedom of some advertisers. Of particular significance, it has given the network a bargaining power in its relationship with affiliated stations that has not always been exercised in a manner consistent with the public interest.

J. Network Representation of Stations in National Spot Sales

NBC and CBS operate spot sales services in radio and television. These spot sales organizations represent the networks' owned and operated stations and a small group of affiliated stations in national spot business. ABC does not have a spot sales organization. In the national spot field its owned and operated stations are handled by independent national representatives.

The propriety of network representation of stations (other than network owned and operated) in national spot business was not discussed during the Chain Broadcasting Investigation of 1938-41 and is not the specific subject of any Commission rule. In 1948-1949 the Commission held a hearing pursuant to a complaint from the National Association of Radio Station Representatives to the effect that network representation in national spot sales was contrary to the purposes of the Chain Broadcasting Rules and otherwise against the public interest. The Commission decided that no violation of the rules was involved, but made no finding as to whether the practice was otherwise contrary to the public interest or whether new rules should be adopted.

The broad policy issue involved is whether the public interest is served by having the networks engage in the representation of stations in the national spot field, which is in direct competition with network television for the business of national advertisers. In this connection, two issues are examined: a) whether the networks, by virtue of their strong bargaining position in relations with affiliated stations, restrain competition with independent national representatives for the business of representing affiliated stations, in a manner contrary to the public interest; and b) whether the networks restrain competition for national advertising business by their national spot activities with respect to rates and/or programming, in a manner contrary to the public interest.

The networks do not occupy a dominant position in the national spot representation business. Only a small number of stations are represented by the networks, about half of which are network owned and operated stations. Because of their strong position in affiliation and other relations with many stations, the networks are clearly in a position potentially to restrain competition by soliciting or accepting the representation of substantially more stations than at present. As a matter of deliberate policy, first enunciated by CBS in 1948-1949, the networks have not exercised this latent power and have never represented more than 15 TV stations.

No affirmative reasons have been found for permitting networks to engage in national spot representation other than for their owned and operated stations. The networks state that their national spot and network organizations are administered separately and compete actively with each other. There is a strong *prima facie* case that a corporation cannot compete effectively against itself. In practice, the spot sales and network units have worked together cooperatively on some rate matters. In the case of CBS, this cooperation embraced a "campaign" to equalize national spot and network rates for the purpose, and with the effect of restraining competition between network and national spot sales. In these instances the network's spot sales organization was acting in the interest of the network and contrary to the interest of the represented stations. There is no evidence that a similar situation has prevailed with respect to the limited part played by the networks' spot sales organizations in station programming decisions.

K. Interconnection

A central element in networking is the interconnection of stations, which permits simultaneous broadcasting of network programs in communities throughout the nation. The networks, themselves, do not provide the interconnection facilities but are customers of the AT&T System, which interconnects most network affiliates by coaxial cables or by microwave radio relays. The three television networks in total paid approximately $35 million for use of these facilities in 1956.

The ready availability of program transmission facilities at reasonable rates is essential to the growth of "networking" and to the development of a competitive television industry. Stations in smaller communities and less populous areas must somehow economize on interconnection costs if they are to obtain network affiliation and network programming on a remunerative basis. A number of stations have objected both to the rate level and to the rate structure of the AT&T. In connection with the latter, it is alleged that the rate for occasional use is unduly high, thus hampering stations in obtaining network business and developing local, live, remote programming. Moreover, smaller networks and other organizations with limited program offerings appear to require a rate structure more closely tailored to the realities of their initial programming schedules, as well as equitable access to the interexchange facilities.

The reasonableness of the rate level and the rate structure of the AT&T for interconnection facilities are before the Commision in Docket No. 8963. As another solution, at least in part, for the need of smaller stations to economize on line costs, it is proposed in Docket No. 11164 that stations be permitted to construct and operate private relay facilities, despite the availability of AT&T facilities.

Since these matters are now before the Commission, the Network Study Staff has not attempted an appraisal of the conflicting views of the broadcasters and the Telephone Company with respect to the issues either of rates or of private relay facilities. The Study Staff is of the view, however, that the issues involved have substantial implications for network entry and access of stations in small markets for network programming. Hence, they merit Commision resolution at an early date.

L. Multiple Ownership

One of the principal problems confronting the Commission is that of determining the number of television stations which any one interest should be permitted to own.

A number of Commission doctrines point to a policy of limiting the extent of station ownership by any party. One such doctrine is that broadcasting stations should be locally owned. The Commission has sought to achieve for stations the character of local institutions having a "grass roots" interest in the service and program needs of the community. A second Commission doctrine limiting multiple ownership is that ownership of stations should be diversified in order that the variety of opinion, program, and service viewpoints may be maximized. Closely related to the diversification doctrine is a third Commission doctrine designed to prevent monopoly or concentration of economic power contrary to the public interest.

Carried to their logical conclusion, these doctrines would result in a "one to a customer" limit on station ownership. However, the Commission has balanced these doctrines with that of favoring an applicant having a sound record of past performance, and with other competing doctrines. This equipose of doctrines has resulted in the current Multiple Ownership Rule, under which a maximum of seven TV stations may be owned by one licensee, no more than five of which may be in the VHF band. Within this seven-station limit, the rule envisages consideration of applicants of station owners for the acquisition of additional stations on a case-by-case basis. In practice, however, no applicant having less than the prescribed maximum has been denied an additional station on multiple-ownership grounds. In part, this is due to the fact that in cases where a licensee seeks to purchase an additional station, the Commission is precluded, under the MacFarland Amendment, from considering the qualifications of other potential purchasers in a comparative hearing.

Notwithstanding the limitation imposed by the Commission multiple ownership of television stations has grown greatly and the trend is toward a multiple-unit system of station broadcasting. Of the 468 commercial stations on the air in November 1956, over 40 percent were held by multiple station owners. Multiple owners tend to concentrate their holdings in the top markets of the country, where station ownership is the most profitable. In the top 25 markets, serving half the population of the United States, 70 percent of the stations were held by multiple owners. Indications are that, to the extent permitted by Commission Rules, the proportion of multiple ownership in desirable markets will continue to rise. The image of an individual station owner, devoting his efforts in television to serving a single community which he has been licensed to serve, is a myth for most large cities, and, hence, for a majority of the listening public of the United States.

Multiple-station owners, by bargaining with networks, national spot representatives, and independent program suppliers for their group of stations as a whole, have been able to obtain more favorable terms, which give them a competitive advantage over single-station owners in the same communities. This is the principal manner in which multiple ownership has had an impact on competition in the market place. The competitive advantage of multiple owners may be one of the factors encouraging the trend toward multiple ownership and further concentration of control in the broadcasting industry.

While the capabilities of particular multiple owners to perform broadcasting service are difficult to appraise empirically, or to compare with those of single-station owners, there is not strong evidence that multiple owners, *per se*, serve the public interest more effectively than single-station owners. The character, ability, resources, and interest in the community served may be of greater significance than the broadcaster's status as a multiple- or single-station owner. Any realistic comparison can be made only in a factual setting involving a comparative contest between a multiple- and a single-station owner for a station license in a specific market. All broadcasters were at some time inexperienced persons seeking entry to this field of service. While it is appropriate to give some weight to past favorable performance, this should not be given such weight that multiple ownership is increased and other entrepreneurs desiring to make a contribution to broadcasting are denied entry. Permitting licensees to own two UHF stations in addition to the five VHF stations has not resulted in an encouragement of the UHF system to a significant degree.

Networks are now subject to the same Multiple Ownership Rule which applies to non-network multiple owners. The networks state that network ownership of stations is essential because of the need to obtain a stable source of financing to support high-risk networking operations. Network-owned stations are also said to be laboratories for program ideas and talent, and are said to serve the local community interest well.

On the other hand, there may be an area of conflict of interest between the networking operation and the network's ownership of stations which it would be in the public interest to avoid. Also, network ownership of stations may impede the entry and growth of new networks and program services. In addition, since the network-owned station automatically becomes the network's outlet in the market, acquisition of a station by a network may result in the displacement of an existing affiliate even though it has been properly serving the network and the viewing public.

The need for income from station ownership in order to support the networking operation is much less apparent today, in the case of CBS and NBC, than it was during the developmental years of television. The substantial income earned by the networks on network time sales has more than offset the risks and losses in programming and made it possible to earn high profits on networking as such. Also, to the extent that additional capital resources may be required, conventional means of financing and the resources of the parent companies of the networks are available. On the other hand, the need for station ownership as a source of income to support networking may be greater, at least temporarily, in the case of ABC or new networks or network-type organizations seeking entry. Also, it is important that caution be exercised lest the ability of the networks to provide quality programming and to experiment with new program concepts be reduced below a level consistent with the public interest.

M. Radio

The Network Study Report has been concerned primarily with television because of its relative newness, the urgency of the problems associated with it, and the absence of any Commission regulations designed especially for television.

A cursory review of changes that have occurred in the field of AM radio broadcasting since 1938 reveals a very marked increase in competition. In the case of radio stations, increased competition has resulted both from a large increase in the number of stations and from the development of television. In the case of radio networks, increased competition has come from the growth of television and the greater independence of radio stations as a result of low-cost program alternatives to the networks.

The kind of competition that has developed appears to be healthy. While it has reduced the power of networks, there appears to be nothing in the current situation to suggest the demise of radio networks. It is reasonable to believe that the ingenuity of networks will provide new methods for servicing station affiliates and the radio listening public—and at a profit to themselves.

The Congress and the Commission have historically placed major dependence upon competition as a regulator of radio broadcasting in the public interest. In the case of radio, it has been possible to provide a plentiful supply of frequencies for local use. These have been available to qualified entrepreneurs willing to compete with others for audience and advertiser favor. Results of the past several years would indicate that rules established by the Commission have helped to provide an environment which has been conducive to effective competition. It should be recognized, however, that the Network Study Staff has not undertaken an exhaustive study of the current status of radio and all of its components. There are important problems in the radio field that require detailed study by the Commission.

N. Application of Commission Rules and Regulations to Network Organizations

The Chain Broadcasting Rules apply directly to stations and indirectly to networks. However, they are intended, for the most part, to achieve for stations freedom from undue network influence in designated respects, so that the stations may exercise their duty to broadcast in the public interest. An issue has arisen as to whether the Commission's public interest objectives can be achieved by applying its rules to stations or whether they can only be achieved by applying them directly to networks.

Various Commission policies are infringed in some degree by the network structure and practices. For example, the responsibility of stations to broadcast in the public interest is affected by network practices which contribute to the very high percentage of station time occupied by network programming, particularly during prime viewing hours when the audience is greatest. The Congressional and Commission policies of achieving regulation through competition among components of the industry are affected by the strong position of the networks in bargaining with many affiliates, by the technical barriers to new network entry due to the scarcity of viable VHF outlets, and by the limited opportunities for competition between network and non-network program sources due in part to the option time and other network practices tending to restrict competition. While some network activities have helped to develop a nationwide television system, others have operated in a contrary direction.

The touchstone of Commission policy is encouragement of broadcasting in the public interest. Just as the stations serve a public interest of their communities, the networks serve a national public interest in broadcasting.

The Chain Broadcasting Rules are addressed specifically to stations in some instances. They provide for the revocation of a station's license if, in effect, the station permits itself to be influenced by a network in designated respects. The proscribed conduct is, with few exceptions more likely to be initiated by a network than by a station. The recommendations in this Report for amendment to the Rules or adoption of additional rules, are likewise directed, for the most part, to conduct or potential conduct of networks. There are administrative and practical difficulties in effectuating Commission policy through application of some of these recommended rules to stations. With respect to the recommended rules relative to "must buy," there are legal difficulties, as well, in the absence of authority by the Commission to apply the rule to networks. There are similar difficulties in connection with any rule which might be proposed, as the result of a subsequent study of programming, in connection with the national public interest served by networks. Moreover, effective enforcement of rules is made more difficult when the party to which the sanction applies, the station, is not the party responsible for the conduct, and when the stations may be obliged, in the interest of the affiliation relationship, to submit to the inducement of the networks.

Power and responsibility go hand in hand; not weakness and responsibility. Decisions are more responsible when those who make them are answerable to those affected by the decision and to the public. The networks, which are the strongest decision making component in the television industry, should be answerable to the viewing public through Commission policies expressing the public interest.

Application of Commission rules directly to networks does not affect the jurisdiction of the Department of Justice in anti-trust matters. However, it may have the practical effect of making antitrust actions more difficult to prosecute. This is because approval of industry practices through promulgation of rules by the agency charged with regulatory responsibility is a factor to which a court or jury is likely to give conscious or sub-conscious weight in determining whether such practice constitutes a violation of the antitrust laws. However, the Commission not only recognizes that it is under the obligation of maintaining a broadcasting system compatible with the antitrust laws, but also to promote the broader degree of competition among various components which assures the development of the broadcasting industry in the public interest. The gain from maintaining this public interest level of competition outweighs the possible loss in effectiveness of antitrust prosecution which application of Commission regulations to networks may entail.

Application of Commission rules to networks should be made only in those areas in which Commission objectives are infringed by network structure and practices. Whether effectuation of Commission policy requires a rule in a particular public interest area depends upon the circumstances in the industry, which undergo continual change. Hence, it is not possible to predict the complete range of potential future regulation. However, it would not appear that application of Commission rules to networks would involve the establishment of station rates, the division of compensation between networks and stations, or rules relevant to programming which go beyond balanced programming within the national public interest context.

It is very doubtful that the Commission has authority to apply rules and regulations directly to networks. In view of this and the fact that the Commission has for the past 15 years disclaimed this authority and has regulated networks indirectly through rules addressed to stations, the Commission rules should not be applied directly to networks unless and until the Congress expressly authorizes the Commission to do so.

The Network Study Staff concludes that the Commission's rules and regulations relating to network-station relations should be applied both to stations and networks; those applying only to network conduct should be applied exclusively to networks. Because of the problem of overlapping jurisdiction of the Department of Justice and the Commission relative to Communications matters having antitrust aspects, it is suggested that the official views of the Department of Justice be requested. Unless the adverse effect on prosecution of antitrust matters is greater than anticipated in this study, the applicable parts of the Commission's rules should, after appropriate authority has been obtained from Congress, be applied directly to networks.

II. RECOMMENDATIONS

In formulating the general philosophy underlying its evaluation and recommendations in the various areas under study, the Network Study Staff has been guided by the several doctrines through which the Commission, in the course of its administration of the Federal Communications Act, has given substance to the "public interest, convenience, and necessity." The fundamental objective of Commission policy is the best possible service to the public. The implementation of this primary objective has been sought through the policies of: 1) promoting competition and preventing undue concentrations of economic control; 2) diversifying ownership and control of broadcast facilities, and 3) fortifying the independence of station licensees in order that they may exercise a high degree of discretion in providing a service consistent with the needs and desires of the community reached by their broadcasting. In implementing these objectives, the framework of certain physical and operational conditions existing in the industry must be recognized. These are: 1) that television channels are limited, and that, in all probability, the present VHF structure constitutes the major portion of available broadcast facilities, 2) that the television industry will continue to be supported by advertising revenue, and 3) that the interconnected network organization will continue to be an essential component of the TV broadcast system. The task becomes one, therefore, of adjusting the primary regulatory policy objectives to the limits imposed by these basic conditions in order to attain optimum performance in the public interest.

The Commission's doctrines emphasize competition as the means through which the public interest in broadcasting can best be assured. The dominant theme of this Report is the importance of achieving or maintaining the conditions necessary for effective competition in the television industry. To this end a number of recommendations are made for the removal of practices, principally on the part of networks, which restrain or otherwise interfere with the free play of competitive forces. The option time and "must buy" practices, and the use of network rates, including those of network-owned stations, to influence national spot rates are examples of practices of this kind. Some of the proposals of the Network Study Staff with respect to the prohibition of competitive restraints are designed to promote competition among the existing networks and to increase the possibility of competition through the entry of new networks. Other proposals are designed to increase the effectiveness of competition between "networking" and the national spot "system" of telecasting. Since there are only three major national networks, with little prospect for a fourth in the near future, the principal thrust of policies aimed at providing more effective competition must be in this direction.

FCC Rate Regulation Rejected

Consistent with this basic reliance on the competitive process as the best means of safeguarding the public interest, the Network Study Staff has recommended that the Commission not become directly involved in reviewing, with the purpose of approving or disapproving, the detailed business decisions of the networks. The Staff believes that such day-to-day judgments must be left to the forces of the market place, and that the role of the Commission should be confined, to the extent possible, to the prohibition of practices which restrain competition or are otherwise contrary to the public interest. Thus, the Network Study Staff has rejected such alternative recommendations as a rationing of the time of stations among the existing networks and other program suppliers, and Commission review of individual network decisions with respect to network rates, compensation arrangements, and affiliation or disaffiliation actions.

It must be recognized, however, that even if all of the existing competitive restraints were removed, the bargaining positions of the various parties would remain disparate. Although networks and their affiliated stations have a large area of mutual interest or "partnership," they also have conflicting interests. In this area of conflict, where use of the stations' facilities for competing with non-network groups may be involved, the major networks are likely to be in a strong bargaining position in many market situations. When disparate positions exist, it is imperative to insure that bargaining power is not used in ways that are incompatible with the public interest and impinge upon Commission policy. The prohibition of restrictive practices, as summarized below, will serve this end. In addition, the Network Study Staff has recommended that the salutary effect of publicity of network policies be used, in lieu of specific regulations prohibiting restraining practices, whenever it appears that publicity will achieve the objectives of the public interest. The possibility of arbitrary, discriminatory or restrictive action in such areas as affiliation, disaffiliation, rates, and compensation can be substantially reduced if adequate publicity is given to network actions. In this way, these industry practices will tend to be self-regulating, and bargaining power may be kept within reasonable bounds without further Commission action.

Another fundamental Commission doctrine, to which the Network Study has sought to give added strength through its recommendations, is that the station licensee must ultimately bear the responsibility for programming in the public interest the facilities licensed to him by the Commission as a public trust. This responsibility cannot be delegated to another party, nor should it be restrained by contractual or other relationships which interfere with its free exercise by the station licensee. Specific recommendations with respect to the option time and "must buy" practices and to network-station relations in the rate area reflect this underlying philosophy. Also, it has been recommended that, through its policy on the renewal of station licenses, the Commission insure that this responsibility is exercised in a manner consistent with the public interest.

A third Commission objective on which particular recommendations of the Network Study Staff are based is the establishment of a nationwide television system, providing the largest possible proportion of the population with at least one facility and as many additional communities as possible with two or more facilities. To a major extent, the establishment of a nationwide television system along these lines depends upon allocation policies with which this Study has not been concerned. Within the scope of the Study, attention has been focused on preserving the essential features of the "networking system," which has provided the best basis for extending a quality program service to stations reaching a very high proportion of the nation's television homes. This consideration underlies, for example, recommendations made with respect to the "right of first call" of network affiliates, to the "must buy" policy, and to the network ownership of stations within prescribed limits. In addition, various proposals are made concerning the access of independent stations and of stations in smaller markets to network programs and Commission action on the structure of AT&T rates with the intention of strengthening the financial and programming base of some of the station outlets required for a nationwide television system.

Another set of Commission doctrines with respect to the public interest have guided recommendations addressed to the growing problem of multiple ownership of stations. This includes the doctrine that the station, in order to fulfill its role as a local community institution, should be owned by local interests with roots in the community to be served; the doctrine that the public interest is best served by a diversity of opinions and program sources; and the doctrine that a concentration of economic control in the hands of a small number of ownership units is inconsistent with the public interest.

Against this background of the "public interest," the following recommendations are made with respect to Commission policies and procedures in the various areas embraced in this Study:

A. Affiliation

1. Networks should be required by rule to file with the Commission a full and detailed statement of the criteria governing their affiliation policies.

2. Networks should be required by rule to file reports with the Commission setting forth changes in affiliation as they occur and the basis of each change. The networks should also be required to report to the Commission all requests for affiliation and the disposition of such requests, including the specific factors used by the networks in granting or denying the requests.

3. A rule should be drawn specifying that networks may not use as a basis for affiliation the fact that a licensee is a multiple owner of television stations.

4. In connection with the proposed study of radio networking, particular consideration should be given to the effects on competition of the practices of the networks of holding open regular television affiliation until their radio affiliates have obtained competitive television facilities.

5. The practice of one of the networks of requiring certain applicants for affiliation to promise to serve as its primary outlets, to the exclusion of other networks, should be referred to the Commission for appropriate inquiry in the light of Section 3.658(a) of the Commission's rules. Similarly, further inquiry should be made by the Commission as to the policies and practices of the networks with respect to holding discussions with existing affiliates concerning the granting of affiliation to other stations.

6. The Commission should seek comments from all interested parties with respect to a proposal that networks be required to provide affiliated stations in markets not ordered by the advertiser the opportunity to carry the program with commercials deleted, upon reasonable payment by the stations to the network and the advertiser.

7. The Commission should not extend the present two-year maximum affiliation term.

8. The networks should be required by rule to report to the Commission their specific criteria for disaffiliation and should report each disaffiliation action and the bases thereof.

9. Pursuant to Recommendation numbered 3 above, the Commission should require by rule that networks may not use the criterion of multiple ownership as a factor in disaffiliating with a station, in order to affiliate with another station held by a multiple-station owner.

10. The networks should be permitted to continue to grant first call and territorial exclusivity rights in a community to an affiliated station.

11. The Commission should require by rule that if an affiliate is ordered for a network commercial program, but does not provide clearance satisfactory to the sponsor, the network in good faith should undertake to place the program in another station in the community, if the sponsor so chooses. If a clearance suitable to the advertiser can be obtained, the network should not, for a reasonable period of time, be permitted to recapture the program in order to place the program on its regular affiliate.

12. The Commission should require by rule that if an affiliate is carrying a network commercial program, but the advertiser wishes to have the program carried also on a station in another community, the network should undertake to place the program on the other station.

13. The practice of the networks of discussing with affiliated stations the proposed placement of network programs on non-affiliated stations should be examined by the Commission to determine whether such practice is consonant with Section 3.658(b) of the Commission's rules.

B. Option Time

14. The option-time arrangement between networks and affiliated stations should be prohibited by Commission rule. The proscription of option time should not be accompanied with any proposal to ration or otherwise limit the amount of programming that a station licensee may accept from any source. The language of the Commission rule should be phrased so as to preclude similar or more restrictive arrangements which might appear if option time is abolished.

C. Rates

15. A rule should be adopted requiring the networks to publish currently their rate-making procedures, including the circulation credited to each affiliate, the formula used for rate purposes, and all changes made in the network rates of individual affiliates.

16. The Commission should watch the development of the rate situation closely and continuously, but assume no responsibility for reviewing individual or general network rate decisions at this time.

17. New rules should be adopted, or current rules expanded, to prohibit any attempt by a network organization to influence the non-network rates of affiliated stations, and any attempt by a network to use the setting of network rates to influence station decisions with respect to program clearances.

18. The evidence with respect to possible infractions of Chain Broadcasting Rules 3.658(a) (through the use of

network rates to influence the station's acceptance of programs from another network) and 3.658(h) (through the use of network rates to influence the national spot rates of affiliated stations) should be referred to the Commission for appropriate action.

19. The evidence concerning possible violations of the antitrust laws with respect to network-national spot rate competition and inter-network rate competition should be referred to the Department of Justice.

D. Compensation

20. The Commission should make public the affiliation contracts which licensees are required to file with it, including the compensation provisions of these contracts.

21. The Commission should make a regular and continuous study of compensation arrangements between networks and their affiliated stations. While a potential for abuse exists, the present compensation practices of the networks do not require the adoption of a more specific rule at this time.

E. "Must-Buy"

22. The "must-buy" requirement of the CBS and NBC networks should be prohibited through a Commission regulation. No objection should be raised to the adoption of some form of "minimum-buy" analogous to the present ABC practice. In the course of rule making, the Commission should consider whether or not an exception would be desirable permitting the "must buy" practice in the case of multi-weekly programs sold in small time segments to a considerable number of different advertisers. The opinion of the Department of Justice should be requested on this subject.

23. The Commission should not undertake at this time to regulate the particular minimum requirements adopted by the networks. However, the situation should be followed closely and continuously, so that the Commission will be in a position to take action promptly at a later date, should the "minimum-buy" practice require regulation.

F. Network Representation of Stations in National Spot Sales

24. The Commission should adopt a rule prohibiting the networks from representing stations other than their owned and operated in national spot sales. A reasonable period of time, such as two years, should be allowed for the stations to transfer their representation to a non-network organization.

G. Interconnection

25. The Commission should resolve at the earliest practicable date the issues involved in Docket No. 8963 and Docket No. 11164.

26. The Commission should examine closely the procedures for allocating scarce AT&T program transmission facilities to determine whether they are fair and equitable and otherwise in the public interest.

H. Multiple Ownership

27. In the long run, the Commission should seek through its regulation a pattern of ownership which approaches as closely as circumstances permit the objective of limiting station ownership to one station for each licensee.

28. With respect to the grant of original applications for station licenses, the Commission should promulgate a rule relative to local ownership and diversity of ownership which establishes presumptions that a local applicant will serve the community interest better than an absentee licensee and that an applicant who owns no other station will be in a better position to serve the local community than an applicant who is already licensed to serve one or more other communities.

29. In connection with the renewal of station licenses, a similar presumption should not be established. However, in instances where a multiple owner is providing only marginal service and other entrepreneurs are contesting for the channel at renewal time, the Commission should give appropriate weight to the local ownership and diversity of ownership factors.

30. With respect to the transfer of station licenses, the Commission should recommend to the Congress the repeal of the MacFarland Amendment so that applicants other than the proposed transferee may also be considered in a comparative hearing context. If the Amendment is repealed, it is further recommended: a) that the Commission apply in such cases the presumption in favor of local ownership and diversity of ownership, mentioned in recommendation numbered 28 above; and b) that the Commission require that all proposed sales of stations to existing station owners be on a cash basis, so that other applicants may have the opportunity to make a comparable offer.

31. The Commission should require that each person acquiring a television station be limited in ownership to one television station until such station had been operated for a full license term. Thereafter, the owner might apply for an additional station each year, subject to the other limits of the Multiple Ownership Rule, including the presumptions recommended herein.

32. The present numerical limitation that no licensee may own more than 5 VHF stations and 2 UHF stations should be retained. In addition, it is recommended that the Multiple Ownership Rules be amended to provide that no licensee be permitted to own more than 3 VHF stations in the top 25 markets of the United States. To the limited extent that divestiture is required by this proposed rule, a reasonable period of time, such as three years, should be permitted for the sale of the stations.

33. Networks should be treated on the same basis as other multiple-station owners with respect to all of the above-recommended rules. However, in the event that networks, having disposed of station holdings in excess of three in the top 25 markets, should seek to acquire additional stations in lower-ranking markets up to the permissible limits of 5 VHF and 2 UHF stations, the presumptions against a network multiple owner on local ownership and diversity grounds should, in a comparative hearing context, be overriding unless it can be demonstrated that acquisition of the station or stations is essential to the financial welfare of the network and that financing from conventional capital sources is not available.

I. Radio

34. The Commission should undertake a detailed study of network radio and of other components of the radio industry.

J. Application of Commission Rules Directly to Networks

35. The Commission should recommend to Congress that it be expressly authorized to apply the pertinent parts of its rules and regulations directly to networks. The official views of the Department of Justice should be requested before such a recommendation is made.

36. Pending any such recommendation or express grant of authority to apply its rules directly to networks, it is recommended that the existing Chain Broadcast Rules continue to be applied to stations, and that all changes in the rules or new rules recommended in this Report be made applicable to all stations, or to stations owned by the networks, as the circumstances warrant.

37. Should express authority be granted to the Commission by the Congress to apply its rules directly to networks, the Commission should then review its Chain Broadcasting Rules, as they may have been amended or expanded, with a view to making them applicable to networks only, to both networks and stations, or to stations only, as the conduct reached by each rule indicates.

III. ENFORCEMENT

It is axiomatic that no rule can be effective unless it is properly enforced. In the past, several factors have complicated the Commission's task of effectively enforcing the existing Chain Broadcasting Rules. One of these factors is that the sanctions applicable under the rules have not generally been suited to the types of infractions against which the rules are addressed. This problem has two aspects: some of the rules are directed against the injured parties rather than against the parties most likely to have been responsible for the infraction of the rule; and the penalties imposed under the rules are excessive for most of the infractions involved. Another factor is that the Commission has been able, because of other and more pressing tasks, to devote only limited staff and funds to the continual observation of industry practices necessary for effective rule enforcement.

As has already been pointed out, the Chain Broadcasting Rules are framed in terms of station licensees, and provide that no license shall be issued to a station which engages in any of the proscribed practices. The types of practices against which the rules are directed generally involve a contract, understanding, or agreement between a station and a network, and the rule could thus be directed against either party. In practice, however, there is little reason why a station should wish to engage in most of the proscribed practices, while there is a greater incentive for a network to do so in order to limit competition from other networks or from non-network sources. In cases where a station licensee has violated a Commission rule at the instance or insistence of a network organization, penalization of the station rather than the network clearly poses a problem of equity which can interfere with effective rule enforcement. A rephrasing of some of the existing and proposed rules to address them to networks as well as, or in lieu of, stations, as recommended in Chapter 14 of this Report, would make it possible to apply sanctions directly against those parties most likely to be the moving parties in violations of some Commission rules.

Regulations directed against stations may have a considerable, if indirect, influence on the networks with which they are affiliated. In instances where a rule infraction has been initiated by a network organization, it would presumably not require revocation of many station licenses for strong pressures to be brought to bear by affiliates on the network to discontinue the practice in question. Nevertheless, the Commission may understandably be reluctant to revoke the license of a station in such circumstances. On the other hand, if the evidence should indicate that the network had instigated the rule infraction, this would presumably reflect on the network's qualifications as a licensee of its owned and operated stations. This raises the question, however, whether the penalties involved are appropriate for rule infractions, by stations or networks.

Revocation "Drastic"

There can be no question that revocation or non-renewal of a station's license, whether the license is held by a network or by a non-network organization, is a drastic penalty for the Commission to impose. Such action clearly reflects on the character of the licensee and his ability to perform in the public interest. The financial penalty involved may be quite substantial. In most cases the licensee will have made a substantial investment in plant and facilities, program materials, etc. It is not unlikely that there would be a financial loss in the forced sale of the station's facilities to the new licensee authorized by the Commission to operate on the assigned frequency. As previously indicated, in the *Don Lee* case in which the Commission was dealing with clear-cut violations of the Chain Broadcasting Rules by a radio network, the Commission concluded that revocation of any of the station licenses of the network would be too extreme a penalty.

In addition to its power to revoke, or not to renew, a station's license, the Commission, under authority granted to it by the 1952 Amendment to the Act § 312(s) may issue a "cease and desist" order in cases when the licensee has violated any provision of the Act or any Commission rule or regulation. The "cease and desist" order, in certain circumstances, can be a useful tool in rule enforcement. The effectiveness of this sanction may be limited, however, for the reason that the only remedy provided by the Act for failure to observe a "cease and desist" order is the extreme penalty of license revocation. Also, this penalty applies to failure to observe the "cease and desist" order, rather than to engagement in the practices violative of the Commission's rules, which are the subject of the order.

It appears, therefore, that the Commission's vital function of effective rule enforcement would be aided if it were impowered to impose penalties (other than revocation of a station's license) for practices which, after proper investigation by the Commission, were found to be infractions of the existing rules. In any case where the Commission is authorized, pursuant to § 312(a)(b) to revoke a license, or to revoke a permit, or to issue a cease and desist order, the Commission, after the hearing required by subsection 312(c), or waiver thereof, in lieu of revoking a license, or revoking a permit, or issuing a cease and desist order, or in addition to issuing a cease and desist order, should be authorized to order the licensee or permittee to forfeit to the United States a specified sum for each day during which the Commission finds that any offense set forth in the order to show cause issued pursuant to subsection 312(c) occurred. Since the magnitude and importance of the rule infractions are likely to vary from case to case, the Commission should be permitted some latitude, within prescribed limits, in relating the amount of each forfeiture to the nature of the infraction and the particular circumstances involved. Such a system of forfeiture would give the Commission more flexibility in applying its rules to varied and changing situations.

The Network Study Staff therefore recommends that the Commission request Congressional legislation that would impower it to adopt a system of forfeitures in the case of demonstrated infractions of Commission rules. This procedure for handling alleged violation of Commission rules is preferable to considering such complaints in the license renewal context.

Continued Surveillance Recommended

In the past, the main thrust of Commission activity in the broadcasting area has necessarily been in the assignment of frequencies for the development of radio and television broadcasting and in licensing of stations to operate on the assigned frequencies. These were clearly the most urgent of the Commission's tasks and, with the limitations of budget and staff, required a heavy concentration of Commission personnel. Now that the Commission has succeeded in getting a substantial number of television stations on the air, and has issued licenses for virtually all commercial assignments in the VHF portion of the spectrum, it is possible for the Commission to devote more of its resources to some of the other problems before it. With respect to a number of practices which it has examined, the Network Study Staff has discovered apparent violations of existing Commission rules. The mutuality of interest between stations and networks in many areas, and the overriding importance to stations of affiliation with a network, may make it unlikely that some stations will inform the Commission in cases where the network has been seeking to influence station behavior in ways that may be contrary to the Commission's rules. For these reasons, the Network Study Staff concludes that continued and close surveillance by the Commission of such practices is essential, including field investigations, where appropriate, in connection with alleged violations.

Television is a dynamic industry, and its structure and practices will undoubtedly undergo numerous changes with the passage of time. The Network Study Staff therefore recommends that the Commission take such administrative steps as it considers necessary in order to insure an adequate staff organization both for the effective enforcement of the existing and proposed rules and for a continued reexamination of the rules in the light of their impact on the industry and of other developments. Only in this way can the Commission insure a broadcasting system that is serving the public interest through effective competition.

IV. CONCLUSION

The Report on Network Broadcasting recognizes the great contribution of the networks to television. It was the nationwide, interconnected network system of broadcasting, providing free program service through national advertiser support, which made possible the phenomenal growth of television. In this way, national program service was brought to virtually all our people in a brief span of years. Through this system, public service programming as well as popular entertainment is provided and simultaneous broadcast to a nationwide audience of events of national interest is made possible. The network system also provides a vital means of linking together our people in the event of national emergency. In these and other respects, network activities are consistent with, or help to promote the public interest and to effectuate Commission policy.

On the other hand, there are respects in which the networks' concentration of control, and the practices in which they engage, have been found incompatible with the public interest. An important Commission policy impinged upon by network structure and practices is that of making the station licensee responsible for broadcasting in the public interest. As has been seen, stations are highly dependent on the network program service, and the network affiliate carries a large schedule of network programs. The networks, through their use of the contractual right of option time, and other practices, have persuaded affiliated stations to accept a larger schedule of network programs than they would otherwise be disposed to carry. In this way, network practices have, to some extent, restricted the programming responsibility of the station licensee and limited the licensee's opportunities to program according to the specific needs of his local community. They have also curtailed the availability of alternative program sources to the station and thus to the public which it serves.

Another statutory and Commission policy directly affected by networking is that of preserving effective competition in broadcasting. Networks have a high concentration of control over important facets of the telecasting industry. The principal factors accounting for the high concentration of control by networks are the shortage of competitive station facilities in the VHF spectrum and the economic advantages, to networks and stations, inherent in the affiliation relationship. Despite the very high network profits of CBS and NBC, there is little prospect for the immediate entry of a fourth network. While the three existing networks compete among themselves in many areas, the small number of networks and the formidable barriers to new network entry are limitations on the effectiveness of competition at the network level. The encouragement of greater competition between networks and national spot telecasting, therefore, holds out the principal hope of providing more effective competition in the public interest. However, a number of network practices have served to restrain competition between network and national spot advertising and to place the station representatives, program suppliers, and advertisers using national spot, at a competitive disadvantage. These practices, in combination, have restrained competition between networking and the national spot "system" to a significant degree.

A third policy of the Commission is that of providing a nationwide television system, with one or more broadcast services available to as high a proportion as possible of the people of the United States. The network system has done much to foster the realization of this objective. But some practices of the networks designed to protect the area of their primary affiliates, especially in the larger and more profitable markets, have impeded rather than assisted this Commission policy.

This Report accepts the network system as a necessary and highly desirable component of the American broadcasting system. The recommendations which have been made are designed to provide effective competition in television by removing those competitive restraints which impinge upon Commission policy relating to the public interest in broadcasting. It is the opinion and hope of the Network Study Staff that the present system of broadcasting, in which the networks play so large a role, will be rendered more competitive by adoption of these recommendations, and thus will better serve the interest of the public at large.

It should be recognized, however, that the high concentration of control exercised by networks, the barriers to the new network entry, the strong bargaining position of the networks in their relations with stations in many markets, and the limited opportunities for non-network groups to compete, present in combination a serious problem for the realization of the objectives of the Commission. Should measures recommended in this Report, together with technological change in the industry within the next few years, not achieve effective competition in the broadcasting system, it may be necessary to consider basic structural changes in the system. The changes which might have to be considered under these circumstances include such alternatives as: a national television service available to any subscribing stations, as national news sources now make their services available to all newspapers; rationing of station time among program suppliers and advertisers; Commission regulation of rates; recapture of monopoly profits or economic rent in the use of valuable frequency channels allocated to the large commercially desirable markets; and recapture of the value of the frequency itself upon the sale of scarce, viable, station facilities.

Designed to Improve Structure

In lieu of considering such basic structural changes, the Network Study Staff has followed the policy of working within the framework of the existing network system and recommending the minimum changes necessary to remove competitive restraints and to effectuate Commission policy relative to licensee responsibility, diversity of ownership and control, and broadcasting in the public interest. Thus, it has been recommended that the self regulating value of publicity as to affiliation practices, rates, and compensation be relied upon to the extent possible. Where this is not feasible, it has been recommended that the restraints on station freedom and the competitive opportunities for non-network groups, resulting from option time, "must-buy," the use of affiliation and rate decisions to influence station behavior and other practices, be prohibited or further limited. The recommendations are designed to improve upon the existing structure rather than to provide a substitute for it.

Through these recommended changes, stations will have additional freedom in programming to meet the needs of their local communities; there will be somewhat greater opportunity for access to the valuable television medium of non-network groups, such as program producers and national station representatives provided a wide range of program choice; some greater access of local and regional advertisers to television will be provided; multiple ownership will be reduced and more entrepreneurs will be brought into broadcasting, thus increasing opinion sources and the opportunities for local community service; and the networks will be subject directly to the Commission's rules so that any restraining conduct in matters affecting the public interest may be more effectively administered. Adoption of the recommendations should result in a greater degree of competition in broadcasting, programming which is more responsive to community needs, and a more nearly nationwide service. The viewing public would have available a wider variety of television services and a more varied program fare.

In the opinion of the Network Study Staff, these recommendations, if adopted, will bring about important and substantial improvements in television broadcasting service to the people.

II—NETWORK STUDY REPORT, WHAT IT MEANS: No one in Washington—or at the networks—is attempting to minimize importance of Barrow report as portent of stepped-up drive to substantially stiffen network and multiple-ownership rules.

By same token, it goes almost without saying that any major administrative or legislative proposals would probably take years to put into effect—either via FCC rule-making or Congressional law-making.

Report is classified as "unofficial"—not a report OF the Commission, but TO the Commission, or more properly to Commission's Network Study Committee (consisting of Comrs. Doerfer, Hyde & Bartley). This Committee could accept report, change it, order more study, pass it on as is to full Commission—even sit on it.

But despite its unofficial status, Barrow report carries much weight: It was administered by outside experts selected by ex-Chairman McConnaughey, on express mandate from Congress, which twice appropriated funds for the network study. You can expect legislators to take proprietary interest in it, to prod & poke Commission to start translating recommendations into rules.

And you can expect introduction of legislation to carry out some of the proposals almost as soon as Congress reconvenes—from Congressmen who don't choose to wait until FCC decides whether to "request" changes in Communications Act.

■ ■ ■

Impact of report is multiplied when considered in terms of cumulative effect—coming on top of Senate Commerce Committee's Plotkin and Jones reports of 1955 (Vol. 11:6-8), testimony by Justice Dept. officials concerning possible network anti-trust violations in 1956 (Vol. 12:9, 37), House anti-trust subcommittee's Celler report and Senate Commerce Committee's Cox report in 1957 (Vol. 13:23, 26).

Barrow report shows more similarity to the extremely tough Plotkin report than any of the others—though in some cases (i.e., return to "Avco procedure") it goes beyond Plotkin, and in others (rejection of principle of rationing station time among networks) it doesn't go as far. Many of Barrow's recommendations are common to most of the previous "network practices" reports.

Current FCC network study report is far more carefully documented, more thorough, than any to date—and fact that vast 2-year study reached many of same conclusions will add considerably to its influence, particularly in Congress.

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Like all previous network researchers, Barrow found one area in which he was unable to reach any conclusions—the allegations of network tie-ins of time sales with program sales. This is one field of inquiry in which Justice Dept. has been most active—and is known to be one of focal points of its network anti-trust investigation. It's understood Justice feels it has already uncovered extremely significant information in this area.

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All networks declined immediate comment on Barrow's report or recommendations, stating they hadn't had time to study it completely.

Congressman Celler is known to be extremely pleased with it.

Former FCC asst. gen. counsel Harry Plotkin—as might be expected—thought report "excellent," and added: "The Commission is not going to have much choice" but to go along with recommendations.

■ ■ ■

Barrow's group worked in extreme secrecy, shunning the usual "leaks" and trial balloons so common in Washington. Indicative of his way of working is fact that he never permitted any member of his staff to accept free lunch from anyone in industry.

Dean Barrow returned this week to his post as head of U of Cincinnati law school. Value of his contribution to theory and practice of TV regulation will be hotly debated for many months—but there's no question that it is destined to become the new rallying point for those in and out of Congress who would chip away at power of the networks.

NEW DEAL FOR RCA TV PATENT LICENSEES: In wake of settlement of bitter 11-year RCA-Zenith patent litigation (Vol. 13:37-38), all TV-radio manufacturers who hold RCA "package" patent licenses received this letter, signed by RCA commercial dept. v.p. R. A. Correa:

"Subject: Broadcast receiving set licensing agreement.

"This is to advise you that changes in our patent licensing are now under active consideration by us and we hope to reach a conclusion in the near future.

"The purpose of this letter is to inform you that as soon as a conclusion is reached we will promptly communicate with you and advise you of the manner in which our licensing relations with you may be affected. We believe you will find our proposal of benefit to your company."

Big RCA, TV-radio industry's patent landlord, thus confirms industry speculation that Zenith settlement is prelude to liberalization—and perhaps some rather drastic changes—in its licensing procedures (Vol. 13:38).

As is traditional when questioned about patent matters, RCA sources are refusing any comment on subject—but it's believed new proposal is just few weeks away, despite fact that current "package" licenses don't expire until end of 1959.

■ ■ ■

All litigation between RCA & Zenith now has been dismissed ("with prejudice") in both Chicago & Wilmington Federal courts. Terms of settlement, though not filed in courts nor made "public record," conform closely to earlier reports.

Some set makers looked at this clause in settlement agreement as possible clue to RCA's future licensing intentions:

"RCA to grant Zenith & Rauland, and Zenith & Rauland to grant RCA, royalty-free licenses for radio & TV receiving sets, including tubes therefor (except color TV, color tubes and Phonevision) for a term beginning on the dates hereof and extending to Jan. 1, 1963, under all U. S. & foreign patents issued prior to Sept. 1, 1957, to the extent to which each of them has the right to grant such licenses [other than licenses granted to Zenith & Rauland by GE & Western Electric under terms of settlement]."

To settle past claims for infringement between RCA & Zenith, agreement proposes that Supreme Court Justice Minton "or a man of comparable standing" be selected as arbitrator.

Still not revealed is how much of the $10,000,000 payment to Zenith is to be paid by RCA, how much by GE & Western Electric. Latter company has already paid to bank which is handling transaction the full amount required of it; other 2 companies will make 10 yearly payments. There has been some "educated guessing" that 85-90% of total amount will be paid by RCA.

■ ■ ■

RCA pres. John L. Burns this week confirmed some more industry speculation: He said RCA hopes to clear up litigation in which it is involved—but each dispute will be considered separately and no settlement will be accepted which conflicts with best interests of stockholders or industry.

GOVT. WINS 1ST ROUND IN FTC VS. TV ADS: Milestone FTC unfair-TV-advertising case, first to be tied directly to "visual deception" by commercials, reached govt. hearing phase this week in what promises to be long litigation—and FTC won initial point.

Over strenuous objections by defendant American Chicle Co., FTC examiner John D. Poindexter ruled that two 60-sec. TV spots, picked out of program content, constituted evidence in themselves to support charges by FTC's monitoring unit that advertiser misrepresented Rolaids alkalizer and falsely disparaged competitors (Vol. 13:20, 33).

FTC is trying to establish guilt by implications which viewer might draw from spots alone, without reference to whole continuity on TV screen, argued defending attorney H. Thomas Austern.

Asserting that any TV commercial must be judged within context of program, Austern said that "projection of a fragment of a TV presentation is a complete departure from what the TV viewers see, hear, and read, and therefore cannot be made the basis for determining what, if any, fact representations are impliedly made by any TV continuity."

This argument was called "reductio ad absurdum" by FTC counsel Daniel J. Murphy, who said Rolaids commercials alone were in issue.

But Austern entered vigorous exceptions for case record when examiner Poindexter ordered spots screened for him in hearing room. One showed man in white coat, addressed as "doctor," who extolled remedy as preferable to "old-fashioned alkalizers." Other showed "beaker test" for "stomach acid." Question of claims for Rolaids wasn't reached at hearing, which continues next week.

Personal Notes: Edward P. Shurick resigns as CBS v.p. & station relations director to join Blair-TV as exec v.p. . . . Martin Codel, publisher of *Television Digest*, has returned to his desk following a long illness . . . **Dr. George Gallup** & **Dr. Claude E. Robinson** step down as chairman & pres., respectively, of Gallup & Robinson Inc., succeeded by v.p.'s **L. E. Purvis** & **Dr. Paul I. Lynes** . . . **Robert Lemon**, ex-WTTV, Bloomington-Indianapolis, named program director of WRCV-TV, Philadelphia; **Bob Benson** promoted to program director of radio WRCV . . . **John H. Hanna** named business mgr. of WTIC-TV, Hartford . . . **John Scuoppo** promoted to field exploitation mgr., NBC . . . **George C. Castleman**, new TV business development mgr. of rep Peters, Griffin, Woodward, elected a v.p. . . . **Robert S. Jones**, ex-CBS, joins MBS as midwest operations mgr., Chicago; **John Irish** promoted to field representative, headquartering in N. Y.; **Norman Baer**, ex-Lewin, Williams & Saylor and AP & INS, joins exec. staff to handle special events & sports programs . . . **Charles H. Phillips**, ex-Petry, joins WCKT, Miami, as national sales mgr. . . . **Ted Sack**, ex-CBS-TV producer and creator of *Let's Take a Trip*, joins WTVJ, Miami, as operations director . . . **Fred M. Whiting**, ex-NBC, Chicago, promoted to asst. dean of Medill School of Journalism, Northwestern U . . . **Henry G. Kirwan** resigns as secy.-treas. of radio WINS, N. Y. to re-establish CPA firm specializing in TV-radio & theatrical accounts . . . **Leslie A. Hollingsworth** resigns as public relations mgr. of WPIX, N. Y. . . . **Stanley Raiff**, ex-WHEN-TV, Syracuse, and WMAL-TV, Washington, joins NARTB public relations staff . . . **Arthur M. Mortensen** named mgr. of KERO-TV, Bakersfield . . . **Gene P. Loffler**, ex-mgr. of KMMT, Austin, Minn. named v.p. & mgr. of KICA-TV, Clovis, N. M. . . . **James R. Keen** promoted to program mgr., WFIE-TV, Evansville . . . **Ken Corbitt**, program mgr. of WTIK, Durham, named director of promotion & publicity of WTVD, same city . . . **Russell Furse**, ex-Los Angeles TV consultant, appointed exec. asst. to pres., CHEK-TV, Victoria, B. C. . . . **Frank A. Balch**, mgr. of radio WJOY, Burlington, elected pres. of Vt. Assn. of Radio & TV Broadcasters . . . **Wm. E. Young**, ex-Unity TV Corp., named north central div. mgr. of Screen Gems; **Gene Plotnik** promoted to publicity mgr. . . . **Wm. C. Brearley** named eastern sales mgr., George P. Hollingbery Co. . . . **Samuel G. Henderson Jr.** promoted to mgr. of WGAN-TV, Portland, Me.

Obituary

Charles E. (Ned) Midgley Jr., 51, TV-radio mgr. of Ted Bates & Co. who became a v.p. of agency in Aug., died Oct. 1 at home in Yonkers, N. Y. He joined Bates in 1950 after 9 years with CBS, for which he was sales service mgr., and in 1948 published book, *The Advertising & Business Side of Radio*. Earlier he was sales service mgr. of BBDO. Surviving are widow and 2 sons.

Frank Finney, 84, co-founder of Street & Finney, one of oldest N. Y. ad agencies, died last week at Summit, N. J.

ADVERTISING AGENCIES: **Henry Halpern** promoted to v.p. of MacManus, John & Adams, in charge of media & research, N. Y. . . . **John Egan**, in Compton Adv. TV-radio programming dept. since 1951, promoted to v.p. . . . **John Hoagland** promoted to TV account executive, BBDO, N. Y., **Don Rowe** to TV-radio account executive, Hollywood.

Add agency mergers: Chambers & Wiswell Inc., and Shattuck, Clifford & McMillan Inc., both Boston, become **Chambers, Wiswell, Shattuck, Clifford & McMillan Inc.** Nov. 1. Announcement says combined agency, which will have annual billings of more than $3,000,000, expects to "offer stiff competition to N. Y. agencies which have been attacking the New England markets."

Progress Medal Award of SMPTE, organization's highest honor, was presented to director Ralph M. Evans of Eastman Kodak's color technology div. at 82nd semi-annual convention Oct. 4 at Sheraton Hotel, Philadelphia. He was cited for achievements in motion picture color film development and color photography generally. Other SMPTE prize winners: Charles P. Ginsberg, Ampex, David Sarnoff Gold Medal Award for technical contributions to TV; Col. Richard H. Ranger, Rangertone, Herbert T. Kalmus Gold Medal Award for color film processes for TV & theatres; Earl M. Lowry & J. Gordon Jarvis, Eastman, *Journal* Award for best paper.

John Hay Whitney, whose J. H. Whitney & Co. owns 4 TV & 2 radio stations managed by Corinthian Bcstg. Corp., went into newspaper business this week by making "an investment" in *N. Y. Herald Tribune*—reportedly $1-$2,500,000. Announcement by pres. & editor Ogden R. Reid of *Herald Tribune* didn't mention amount involved, but quoted Whitney, now Ambassador to Court of St. James: "Until such time as I become a stockholder of the paper, I will have no connection with its management or its editorial policies."

ARB establishes Chicago sales office in Tribune Tower, headed by Elliot Johnson, ex-A. C. Nielsen and Foote, Cone & Belding. At same time, N. Y. general sales office is moved to 400 Park Ave., advertiser service dept. remaining at 341 Madison Ave.

Edison Amateur Award nominations for 1957 were opened by GE this week for nation's 150,000 amateur operators. Jan. 3 is deadline for nominations submitted to GE award committee, Owensboro, Ky. Trophy and $500 will be presented to winner at Washington banquet in Feb.

New reps: WSBA-TV, York, Pa. to Jack Masla & Co. Inc. (from Edward Petry & Co.); WXEX-TV, Petersburg-Richmond, Va. to Simmons Assoc. Nov. 15 (from Forjoe-TV Inc.).

Fleet Adm. Wm. F. Halsey resigns from boards of IT&T subsidiaries Mackay Radio and All America Cable to devote efforts to preservation of carrier *Enterprise*.

Joseph M. Sitrick, legislative asst. to FCC Chairman Doerfer, adds duties of security officer.

Network Profit Figures: CBS showed before-tax profit of $40,733,000 on broadcast operations (network & owned stations) in 1956, NBC made $34,910,000 and ABC $9,727,000—each showing substantial increase over 1955. These figures are revealed for first time by FCC network study staff report (see pp. 1-3 & Special Report), in table showing that since 1955 all networks have realized profit from network operations as such—as well as from operation of their owned stations.

Table breaks down percentage of profit realized from o-&-o stations in 3 biggest cities as compared with all o-&-o stations. Interesting sidelight is fact that after one unprofitable year, CBS in 1956 made slight profit on operation of its 2 uhf stations (WXIX, Milwaukee & WHCT, Hartford), while NBC's uhfs (WBUF, Buffalo & WNBC, Hartford-New Britain)—acquired more recently than CBS's, were still quite deeply in loss column last year.

The table indicates that o-&-o stations in 1956 accounted for 73.9% of ABC's total TV broadcast income, 45.1% of CBS's and 47% of NBC's.

Individual network profit figures for 1953-1955 had been revealed previously (in 1956) by Sen. Bricker (R-O.) & Rep. Celler (D-N. Y.)—but 1956 & 1950-52 figures have hitherto been kept confidential. (Complete 1953-1955 network revenue-expense-earning table will be found on p. 45, Spring-Summer 1957 *TV Factbook No. 24*.)

The network profit table, reprinted from FCC network study report (add 000 to dollar figures):

		ALL O-&-O STATIONS		STATIONS IN N. Y., CHICAGO & LOS ANGELES		
Year	Broadcast income, network & o-&-o stations	Broadcast income	% of total income of network & o-&-o stations represented by o-&-o stations	Broadcast income	% of income of network & o-&-o stations	% of income of o-&-o stations
			ABC[1]			
1950	$(1,931)	$ 1,522	—	$ 1,334	—	87.6%
1951	(664)	1,679	—	979	—	58.3
1952	(2,178)	2,041	—	880	—	43.1
1953	(1,906)	2,478	—	542	—	21.9
1954	(2,504)	4,319	—	2,601	—	60.2
1955	5,589	5,108	91.4%	2,945	52.7%	57.7
1956	9,727	7,186	73.9	4,942	50.8	68.8
			CBS			
1950	(2,337)	[2]	—	[2]	—	—
1951	4,280	[2]	—	[2]	—	—
1952	3,239	3,708	114.5	3,708	114.5	100.0
1953	11,885	7,008	59.0	7,008	59.0	100.0
1954	25,378	12,276	48.4	12,276	48.4	100.0
1955	34,870	14,505[3]	41.6	14,635	42.0	100.9
1956	40,733	18,362[3]	45.1	18,276	44.9	99.5
			NBC			
1950	(3,894)	1,272	—	1,195	—	93.9
1951	8,645	5,639	65.2	4,641	53.7	82.3
1952	9,888	7,969	80.6	6,418	64.9	80.5
1953	8,846	8,464	95.7	7,388	83.5	87.3
1954	16,036	12,018	74.9	9,918	61.8	82.5
1955	30,179	15,577	51.6	12,408	41.1	79.7
1956	34,910	16,420[4]	47.0	13,592	38.9	82.8

() Indicates loss.

[1] Profits of ABC stations for 1954-1956 are not fully comparable to those for earlier years due in part to changes in allocations of costs as between the stations and the network.

[2] Included in network.

[3] CBS had a loss of $130,000 in 1955 and a profit of $86,000 in 1956 from its uhf station(s).

[4] NBC had a loss of $515,000 from its uhf station in 1956.

Source: FCC Form 324.

Watchdog Muzzled? "Concerted plan" by 6 federal regulatory agencies to thwart House Commerce "watchdog" subcommittee investigation of them (Vol. 13:38) was alleged Oct. 4 by chairman Moulder (D-Mo.). He called in newsmen to complain that CAB already had instructed its staff to withhold needed files from subcommittee investigators, that he thought this meant "first step" by chiefs of all agencies, including FCC, to prevent full probe to see if they are being administered properly. Moulder summoned CAB to hearing Oct. 17 to explain attitude which he described as "arrogant & shocking"—tantamount to taking "high-class classified 5th Amendment."

FCC musn't investigate any religious faith, counsel for Oral Roberts Evangelistic Assn. Inc. warned Oct. 3 in filing comments with Commission on NAFBRAT complaint seeking revocation of license of KCOP, Los Angeles, for purported violations of "minimum program standards" (Vol. 13:37). Counsel Saul A. Yager and Cohn & Marks said that worth of Roberts faith-healing program, carried by KCOP and cited by NAFBRAT as objectionable, had been established by "impartial observers & investigators." But in any event, they said, any attempt by federal agency to judge any faith would "undermine the religious freedom of all Americans guaranteed by the First Amendment." In its reply to complaint, KCOP said NAFBRAT's attack on station was nothing more than attempt at censorship, that no violations of FCC rules had been shown. KCOP urged summary rejection by FCC of complaint.

President Eisenhower thinks TV—as "tremendously important" news medium—deserves to be "treated on a completely equal basis with all other media of public communication." Quote is attributed by Oct. *Television* to White House press secretary James C. Hagerty, who added: "In a press conference, I think the camera has the same right as the pencil. The President shares these views." Hagerty also told magazine he had suggestions for TV networks: (1) avoid over-commercialization of programs generally, (2) cover only the highlights of political conventions.

Equal time demand by White Citizens Councils of America to answer President Eisenhower's broadcast last week on Little Rock school integration crisis was rejected Sept. 30 by FCC Chairman Doerfer. Protesting "one-sided explanation" of Arkansas trouble by President, chairman W. M. Rainach of segregation group asked FCC to persuade or order networks to give "nationally-recognized southern spokesman" time for rebuttal. Doerfer pointed out equal time rule doesn't apply to President's broadcasts when he isn't running for office.

Ban on giveaway shows which offer prizes for boxtops or other proof of purchase was invoked by CBC Sept. 30. Directive to Canadian TV & radio broadcasters said such shows are not in public interest, that any defiance of new policy would count as "an unfavorable factor" when CBC reviews station licenses. Not affected by directive were giveaways in which contestants must appear at station or in which written entries are judged on merit.

Deceptive statements in TV & radio commercials, newspaper & magazine advertising and other promotion is charged by FTC in complaint against Schick Inc., alleging that Jan.-May campaign this year misrepresented that "Lady Schick" shaver would be given free with purchase of "Schick 25" man's razor. Company is also accused of fixing prices illegally and discriminating among customers in prices, promotional allowances, demonstrator services.

Private microwave vs. common carrier economics and techniques are covered in detailed study submitted by GE's Wm. J. Morlock as exhibit in FCC's proceeding covering allocations above 890 mc.

Specifics Due on Pay TV: FCC gets down to toll-TV test consideration again next week, possibly week thereafter, and it looks as if it will finalize proposal to accept applications for tests. Big question: limitations.

Undoubtedly, pay proponents will term limitations too severe, while opponents label them lax—but some applications are expected, at any rate. Applications may be slow arriving at first, not only because Congress is picking up the ball but because it probably will take some head-scratching to answer FCC's questions about program supplier-franchiser-station-viewer relationships — including money involved.

Lawmakers' interest in dollars was emphasized this week when San Francisco's Board of Supervisors, goaded by theatre interests, conducted hearing designed to elicit wired pay-TV plans of Skiatron TV et al. Tone of questioning was set by board chairman Harold S. Dobbs, who told Skiatron representative Alan Lane that it was "an insult to the city" for Skiatron to refuse to disclose whether it has resources to carry out multi-million-dollar project. "I'm not going to be a party," he said, "to granting a franchise to any company that can't prove it has the finances to live up to the terms of the agreement." Lane protested that Skiatron had given N. Y. Giants $500,000; that "we are further committed to many millions of dollars"—that Skiatron's finances therefore should not be questioned. Dobbs also asserted telephone company should testify as to its proposed role. Upshot: Final action on San Francisco closed-circuit TV franchise further delayed.

But the Bartlesville cable-movie experiment has certainly prompted many movie and telecasting entities to make initial moves to protect themselves. In Houston, for example, there are now 7 applicants for franchises: Custom TV Inc., Austin Senators Baseball Club, Texas Bell Video, Trail Drive-In Theatre, Interstate Circuit, Loew's State Theatre, Bellaire Theatre. Denver has 3: KBTV, Gene O'Fallon (former owner of KTVR), McGee Briggs Enterprises.

Other subscription TV developments:

(1) 20th Century-Fox pres. Spyros P. Skouras explained why he hasn't released pictures for Bartlesville: "When we do go into something like this, I'll want a lot of money for our pictures, and guarantees, too."

(2) Writers Guild of America, West, refraining from asking pay increases from movie makers because of "depression" in film business, voted to ask for up to 7½% of pay-TV gross achieved with current movies, flat 10% on those made before Sept. 2, 1957.

(3) Wm. B. Lewis, pres. of Kenyon & Eckhardt ad agency, asking why commercials shouldn't be carried on pay TV, asserted: "People do not dislike advertising. They simply—and rightfully—resent bad advertising. It is a complete fallacy to state the people will not pay for something that has advertising in it."

(4) Big-city cable pay-TV systems are "technically impossible," FCC was informed by Robert J. Myers, pres. of Industrial TV, Los Angeles uhf translator installer. Former western district mgr. of DuMont TV transmitter div., he asserted that simplest and best way to provide subscription TV is to telecast picture without sound, let phone company supply sound via wire—similar to proposal of Sol Sagall (Vol. 13:38).

Exhibitor Again: Paramount Pictures Corp. is going back into theatre-operating business despite 1949 anti-trust consent judgment divorcing movie production & theatre activities, according to announcement Oct. 3 by v.p. George Weltner. He said producing company is acquiring Esquire Theatre, Chicago, as first-run outlet, but that "move represents no policy change" by Paramount in anti-trust restriction. It was pointed out that 1949 ruling permitted some optional leeway for motion picture companies to retain or acquire a few flagship theatres and that 20th Century-Fox, for example, owns Roxy Theatre, New York.

Rumors of purchase of Skiatron Electronics by Zenith were labeled "100% dope phony" by Skiatron spokesman, who extended his "unqualified denial" to include Skiatron Electronics licensee Skiatron TV. He stated that terms of Skiatron TV's license preclude it from merger or agreements with other companies without approval of Skiatron Electronics.

New community antenna systems being installed by Fred Welsh Antenna Systems, Vancouver, B. C., Jerrold distributor: Squamish, B. C., Reliance Distributors Ltd., 300 potential subscribers; Sarita River, B. C., Severson Sales & Service, 40 potential.

First convention of National Community Antenna TV Assn. of Canada will be held Oct. 18-19 at Alpine Inn, Ste. Marguerite, Que.—arrangements being handled by acting secy. Ken Easton, 6301 Park Ave., Montreal, Que.

Color TV sales in Colo. for 8 months of 1957 totaled 463, compared to 751 for all 1956 and 252 for 1955, according to Rocky Mountain Electrical League.

Quoteworthy Quotes: If the end aim of all advertising is sales—and I don't think that anyone will seriously quarrel with the fact that it is—we ought to rate media as we do salesmen. Print? Print advertising is good advertising, and millions of dollars are spent annually on its profitable use. Print is like the salesman who sits down and writes you a letter; he makes sales. Radio? This salesman picks up the phone and calls you; now, the added impetus of the human voice has been added. Television? He's the high-powered salesman who comes to see you; he demonstrates his merchandise, in actual use, right in your living room. That's television—sellovision—the only complete sales call in all advertising.—NTA Film Network v.p.-gen. mgr. Raymond E. Nelson, to Boston Ad Club.

ANA annual meeting will be held Oct. 28-30 at Chalfonte-Haddon Hall, Atlantic City, where theme sounded in opening speech by v.p. H. H. Dobberteen of Bryan Houston Inc. will be: "How to Get More for Your Advertising Money by Selecting Media in Relation to Your Markets." Highlights will include discussion of "mediocrity & imitativeness" in TV programming by Jack Cunningham, pres. of Cunningham & Walsh, workshop on "Creating the Radio Commercial," report on spot radio campaign by Universal CIT Credit Corp. ABC will produce show for banquet Oct. 29.

First Moscow-to-London live telecast is scheduled for New Year's Eve, on basis of arrangements made by Associated-Rediffusion, London commercial TV program contractor, with Russian govt. Ballet show from Bolshoi Theatre is scheduled to be sent by cable to Helsinki, to Stockholm and then to London by microwave & cable.

Allocations Cleanup: This week, FCC whittled away at its backlog of fights over its deintermixture and vhf drop-in actions. It turned down petition of WTVW, CP-holder of Ch. 7, Evansville, to make Evansville 4-vhf town, Louisville all-uhf—or to retain Ch. 7 in Evansville. Commission also ordered hearing on its proposal to shift WTVW's grant to Ch. 31. It turned down efforts of WSUN-TV, St. Petersburg, to get itself shifted to newly assigned Ch. 10, Comrs. Doerfer & Craven dissenting, and denied the petition of WAGM-TV, Presque Isle, Me. (Ch. 8) which had asked reconsideration of decision adding Ch. 10 to city.

New rule-making petition filed, by WKRG-TV Inc., Mobile, asked assignment of Ch. 13 to Panama City, Fla.

Competitive hearing for license renewal, between WMUR-TV, Manchester, N. H. (Ch. 9) and new applicant TV for New Hampshire Inc., was ordered—latest action in battle that started when Storer Bcstg. Co. sought to buy WMUR-TV and move it nearer Boston.

Commission resolved another fight by granting program test authority permitting WJMR-TV, New Orleans (Ch. 21) to telecast simultaneously on experimental KK2XFW. Authorizaton had been opposed by WJTV, Jackson, Miss. (Ch. 12) and KWTV, Oklahoma City—latter an applicant for Ch. 12 in New Orleans.

Warning for laggard CP-holders was issued by FCC in form of rules amendment delegating to chief of Broadcast Bureau the authority to declare forfeit expired CPs for which Commission hasn't given extensions.

NTA Buys WATV: National Telefilm Assoc. closed long-pending deal at week's end for purchase of WATV, Newark-N. Y. (Ch. 13) with WAAT & WAAT-FM for approximately $3,500,000 from Irving Rosenhaus interests. Call letters will be changed to WNTA-TV, WNTA & WNTA-FM. It's understood NTA is paying present owners $2,500,000 for stock over fixed period of years, plus $1,000,000 out of station profits. Subject to FCC approval, sale will give NTA ownership in 2 TV stations, the film distributor having recently acquired 75% ownership of KMGM-TV, Minneapolis (Ch. 9).

Option for 50% of WIIC, Pittsburgh (Ch. 11) is being exercised by H. Kenneth Brennen & family, according to application filed with FCC. They're paying $500,000 under terms of merger agreement reached in 1955 (Vol. 11:23, 25). The other owner is P-G Publishing Co., publisher of *Pittsburgh Post-Gazette*, also owner of radio WWSW. Brennen family sold its Pittsburgh radio WJAS with WJAS-FM to NBC for $750,000 (Vol. 13:39), but retains control of radio WHJB, Greensburg, Pa. and Radio Advertising Co., Pittsburgh.

Bob Hope will own 50% of WREX-TV, Rockford, Ill. (Ch. 13), it's disclosed by transfer application filed with FCC. Other new owners in sale of station for $2,850,000 (Vol. 13:24) are Albert Zugsmith, 25%; Ashley L. Robison, 15%; Arthur B. Hogan, 10%. Aug. 31 balance sheet shows $242,363 surplus as of June 30, with net income for 2 months ending Aug. 31 being $27,073. It had $252,676 current assets, $340,867 accounts receivable, $276,100 fixed assets; $247,384 current liabilities, $105,000 capital stock.

Reports of Radio Station Sales: This week's station sales & transfers disclosed: KWFT, Wichita Falls, by Kenyon Brown for $300,000 to North Texas Radio Inc. (Ben Ludy, pres.) . . . WMOU, Berlin and WJWG, Conway, both N. H. by John W. Guider (who retains interest in WMTW, Poland Spring, Me.) for $165,000 to Richard P. & Virginia A. McKee, owners of KOWB, Laramie, Wyo. . . . KAIR, Tucson, by W. Dawkins Espey, Harold Lampel, Wm. J. Hyland III and James H. Duncan for $135,000 to Joe Dumond, once known as "Josh Higgins" during earlier radio days . . . KENL, Arcata, Cal. by Vern Emmerson for $100,000 to Mel Marshall . . . WDEB, Gulfport, Miss. by Denver T. Brannen for $80,000 to John Caraway, ex-Electronics Research Corp., Evansville, Ind. Brannen is also owner of KCIL, Houma, La., awaits FCC approval of purchase of WCOA, Pensacola & WDLP, Panama City (Vol. 13:34) . . . KJFJ, Webster City, Ia. by Mr. & Mrs. Charles V. Warren (also owners of KSMN, Mason City, Ia.) for $55,000 to Don Treu and Glen Barnett, both on staff of radio KAYS, Hays, Kan. . . . WCPM, Cumberland, Ky. by Edward F. Shadburne for $41,860 to Elmo Mills. Brokers: WMOU, KAIR, KJFJ, Allen Kander & Co.; KENL, Hamilton, Stubblefield, Twining & Assoc.; WDEB, Blackburn Co.

Radio station sales approved by FCC this week: WTMC, Ocala, Fla. by John H. Perry Jr. for $150,000 to R. H. Gunckel (Vol. 13:34) . . . KLYN, Amarillo, Tex. by Kenyon Brown for $110,000 to Boyd Whitney, co-owner of KLOS, Albuquerque (Vol. 13:27) . . . KHUB, Watsonville, Cal. by Wm. & Dorothy Morgan for $60,000 to F. T. Crennan (Vol. 13:32) . . . WSYL, Sylvania, Ga. by Robert H. Thompson Sr. for $45,000 to chief engineer & mgr. Edwin H. Bass (Vol. 13:36).

KHVH-TV, Honolulu (Ch. 13) & KHVH are being transferred to Kaiser-Burns Development Corp., operator of Hawaiian Village Hotel, where stations are located. Kaiser-Burns buys out holdings of mgr. Hal Lewis who remains with stations. It pays Henry Kaiser $18,750 for his 75% of TV stock, assumes $186,000 in notes; Lewis gets $25,000 for his 25%. It also pays Kaiser $25,000 for his 50% of radio, assumes $80,000 in notes, and Lewis gets $100,000 for his 50%. Transactions carry proviso that Lewis is to pay Kaiser $6250 note owed on TV, $25,000 note on radio. July 31 balance sheet for TV lists $112,369 deficit. It had $22,857 current assets, $941,443 other assets (unamortized film costs, organization expenses), $162,279 in equipment; $317,979 current liabilities, $734,969 long-term debt, $186,000 notes due stockholders.

Martin Theatres of Georgia, buying WROM-TV, Rome, Ga. (Ch. 9), which has authorization to change to Chattanooga, pays $722,500 to group headed by Dean Covington. Owners told FCC they had sought financial assistance to build first-class outlet in Chattanooga after Earl W. Winger, owner of Chattanooga radio WDOD, cancelled option for 50% because of health, but were unsuccessful. Martin Theatres, headed by E. D. Martin, operates WTVM, Columbus, Ga. (Ch. 28). WROM-TV Aug. 31 balance sheet lists $62,774 deficit. It had $4963 current assets, $86,716 fixed assets; $40,467 curent liabilities, $72,986 fixed liabilities, $31,000 capital stock.

Mass communications revolution wrought by electronics will be covered by Dec. *Atlantic* in last of 3 special issues celebrating magazine's centennial. Oct. issue is devoted to "A Forward Look at Science & Industry," Nov. to arts, literature & politics. "Ideas as well as the products of science & industry might well be left languishing at their source" without mass communications, *Atlantic* points out.

Canadian IRE Convention: These TV papers will be featured at convention & exposition Oct. 16-18 at Toronto's Exhibition Park: Video recording tape, by L. F. Bennett, Canadian Military Electronics Standards Agency; system design of large TV stations, by A. L. Reeve, Canadian GE; modular TV transmitter design, by M. L. Falk & C. C. Nicholson, Canadian GE; vapotron, new cooling device for high-power tubes, by Mr. Beurtheret, CFTH (Paris) & H. G. Towlson, GE; design of single-layer coils for transmitters, by J. Soul, Canadian GE; TV signal strength meter, by S. J. Gabzdyl, Canadian Radio Mfg. Corp.; TV pattern generator, by A. B. Johnson, Canadair; design of 21-in. color set, by W. Kurz, Canadian Radio; 110-degree tubes, by S. F. Love, Radio Valve Co.; TV sync separator, by E. Luedicke, RCA Victor Ltd.

Canadian TV stations in 17 markets will show NTA's *Premiere Performance* film package starting Oct. 10, sponsored by American Home Products thru Toronto office of Young & Rubicam.

Equipment shipments: By RCA—6-kw transmitter Oct. 1 to WRCV-TV, Philadelphia (Ch. 3), planning move to new site. By GE—50-kw transmitter to WCDA, Albany-Vail Mills, due to shift from Ch. 41 to 10; 5-bay helical antenna to WHYN-TV, Springfield-Holyoke, Mass., shifting from Ch. 55 to 40, together with single-bay helical for interim use while new antenna is being erected; used 5-kw transmitter to upcoming KWRB-TV, Riverton, Wyo. (Ch. 10), which hasn't reported target; 12-kw transmitter to WANE-TV, Ft. Wayne (Ch. 15); 6-bay batwing antenna to WDSM-TV, Duluth (Ch. 6), planning change to higher tower.

First "Orth Saver" units, Visual Electronics' device for extending camera tube life, were installed in stations this week.

World Series Color: Better than 2 years ago, but still variable. That's critics' consensus of NBC-TV's World Series colorcasts to date. Meanwhile, foreign viewing of Series was considerably extended and improved. New scatter link fed games to Cuba. Kines made on west coast were flown to Tokyo for day-later showing. Kines were also flown to Honolulu, Anchorage, Fairbanks, Guam, Venezuela, Puerto Rico, Mexico, El Salvador, Guatemala.

Cyprus TV station went on air Oct. 1 with first of series of bi-weekly programs—consisting of newsreels, movie about St. Barnabas (protector of Cyprus) and episode in *Robin Hood* film series. Operated by Cyprus Broadcasting Service (British Govt.), station concentrated on Greek-language programming in debut, will feature Turkish programs in next transmissions. Debut drew crowds to TV store show windows.

Misleading advertising will be subject of Practicing Law Institute forum Oct. 26 in Hotel Commodore, N. Y., for corporation lawyers and others concerned with marketing problems. Participants in panel on "Protection Against Unfair Competition" will include pres. Hugh R. Jackson of N. Y. Better Business Bureau, mgr. Albert G. Seidman of FTC's N. Y. office.

Rate increases: KMJ-TV, Fresno, Cal. Sept. 1 raised base hour from $550 to $600, min. remaining $150. WKOW-TV, Madison, Wis. Oct. 1 added Class AA hour (7-9:30 p.m. daily) at $280, min. at $56, Class A hour going from $250 to $224. KLRJ-TV, Henderson-Las Vegas, Sept. 1 raised hour from $225 to $275, min. $45 to $50.

Radio advertising clinic sponsored by RAB will be addressed by Sen. Morse (D-Ore.) at opening luncheon meeting Oct. 8 in Waldorf-Astoria Hotel, N. Y.

WNEM-TV, Bay City-Saginaw, Mich. (Ch. 5) has established main offices and a studio on 2nd floor of Flint's Bishop Airport Terminal Bldg.

ELECTRONICS PERSONALS: **John S. Anderson**, pres. of Aeronautical Radio Inc., elected chairman, Radio Technical Commission for Aeronautics, succeeding **Dr. John H. Dellinger**, who had held post 17 years and who continues as technical advisor on administration & organization . . . **Dr. George H. Brown** promoted to chief engineer, RCA industrial electronic products . . . **J. Forrest Bigelow** named mgr., radar and radio systems, Philco govt. & industrial div.; **F. J. Bingley**, mgr., audio-video, data systems; **C. P. Woodward**, mgr., missiles and advanced tactical systems; **Ralph Deutsch**, mgr., fundamental techniques . . . **G. W. Duckworth** promoted to mgr., marketing, industrial tube products activity, RCA electron tube div.; **C. F. Nesslage** to administrator, operating financial controls; **E. E. Spitzer**, mgr., engineering; **E. M. Wood**, mgr., production . . . **Donald M. Miller** elected exec. v.p., Airborne Instruments Labs . . . **Everett M. Patterson**, ex-Standard-Thomson v.p., elected pres. of Bulova Research & Development Labs . . . **Edward Alpert** promoted to communications field sales administrator of Raytheon's commercial equipment div., **Joseph J. Sedik** to communications product planning mgr. . . . **Douglas W. Anderson** promoted to asst. to v.p., Stromberg-Carlson electronics div.; **P. R. Sultzbach** to production mgr.; **Wm. F. Hafstrom**, mgr., marketing-industrial products . . . **David E. Laughlin**, ex-Giddings & Lewis Machine Tool Co., named mgr. of Digimatic marketing section of Stromberg-Carlson's Electronic Control Systems Inc. . . . **Roe Nardone** named Haydu Electronic Products director of engineering and a company director . . . **Felix T. Troilo** promoted to sales mgr. of Circuit Instruments Inc., an International Resistance Co. subsidiary . . . **E. C. Titcomb** to head new N. Y. field engineering office of Kin Tel div., Cohu Electronics . . . **Wm. A. Drews** appointed head of electronic group of Atlantic Research Corp.'s electro-mechanical div.

Missile technology has vast potential for development of electronics for peaceful uses, particularly in radio & microwave communications and radar, Sylvania v.p. Howard L. Richardson said Oct. 1 at cornerstone ceremonies at company's new Amherst, N. Y. electronic research & development center. Two-story building on 18-acre site near Buffalo Airport, scheduled for completion early in 1958, will house 500 employes, half of them engineers.

Electronic X-ray amplifier, multiplying image brightness 100 times and reducing radiation exposure of subject, was demonstrated experimentally Oct. 1 by Benjamin Kazan of RCA's David Sarnoff Research Center at American Roentgen Ray Society meeting in Shoreham Hotel, Washington.

Texas Instruments opened wholly-owned subsidiary, Texas Instruments Ltd., at Bedford, England, this week. Company's first manufacturing enterprise outside U. S. produces transistors and other semiconductor devices. Dudley Saward has been named managing director.

"Thyristor," new high speed switching transistor for computers and control systems, has been developed by RCA. Dr. Irving Wolff, v.p.-research, described it as a "marked advance" letting one transistor do work of 2.

All-glass 16-in. radar picture tube for military use (16AKP7) has been produced by Westinghouse for new display equipment used with radar, missiles and computers—or to replace 16-in. metal cone tubes.

Television Digest with ELECTRONICS REPORTS
WYATT BUILDING • WASHINGTON 5, D. C. • TELEPHONE STERLING 3-1755

TOP TV BRANDS-IN-USE IN 23 CITIES: Subscribers expressed so much interest this summer when we printed brief summary of TV set preferences in 23 markets as reported in Consolidated Consumer Analysis surveys (Vol. 13:24), that we have obtained permission to reprint the complete CCA table of TV ownership.

Consolidated Consumer Analysis figures are based on consumer surveys made by CCA member newspapers in the 23 markets. Newspapers distributed questionnaires to cross-section of market-area households, asking data about ownership and use of virtually every type of consumer item from whiskey to automobiles.

Survey sample families for 1957 totaled 69,398, out of 23-market total of 5,000,000 households. Most of the surveys were conducted in Jan. 1957, few earlier.

TV table is cumulative -- that is, it gives percentage of all TV households which owned each brand of set in each market, together with ranking of each make.

Individual market tables, distributed by newspapers making surveys, are broken down to indicate all brands owned by at least 1% of families, whereas consolidated table restricts itself to 14 most popular brands. Therefore, some brands which rank relatively high in certain regions -- such as Kaye-Halbert, Muntz & Airline (Montgomery Ward) -- don't appear in full 23-market table.

* * * *

Newspapers conducting the mass survey on foods, drugs, toiletries, home furnishings, appliances, automobiles, beverages, etc.: Chicago Daily News, Cincinnati Times-Star, Columbus Dispatch-Ohio State Journal, Denver Post, Duluth Herald and News-Tribune, Fresno Bee, Honolulu Star-Bulletin, Indianapolis Star and News, Long Beach (Cal.) Independent and Press-Telegram, Milwaukee Journal, Modesto Bee, Newark News, Omaha World-Herald, Oregon Journal (Portland), Phoenix Republic and Gazette, Portland (Me.) Press-Herald and Evening Express, Sacramento Bee, Salt Lake Tribune and Deseret News, San Jose Mercury and News, Seattle Times, St. Paul Dispatch and Pioneer Press, Washington Star, Wichita Eagle.

Median set saturation in the 23 cities was 92.5% at beginning of 1957, 88.7% in 1956 and 81.6% in 1955. Here is complete Consolidated Consumer Analysis table:

CITY	Per Cent of Owners 1957	1956	1955	RCA Victor	Admiral	Hoffman	GE	Philco	Zenith	Motorola	Silvertone	Emerson	Crosley	DuMont	Packard Bell	Westinghouse	Sylvania
				Place %	Place %	Place %	Place %	Place %	Place %	Place %	Place %	Place %	Place %	Place %	Place %	Place %	Place %
Chicago	93.7	92.3	—	2. 16.8	1. 18.5	— —	6. 6.3	5. 8.0	4. 10.7	3. 11.2	7. 4.5	12. 2.4	14. 1.9	11. 2.6	— —	13. 2.3	— —
Cincinnati	93.9	92.3	90.7	1. 20.6	3. 12.4	— —	6. 6.7	2. 15.7	7. 5.1	5. 7.2	14. 1.7	10. 2.7	4. 11.6	— —	— —	9. 3.7	15. 1.6
Columbus	97.4	96.3	93.8	1. 23.3	3. 11.1	— —	7. 4.9	2. 12.9	6. 5.3	4. 8.9	— —	12. 1.9	9. 2.8	13. 1.8	— —	8. 3.7	16. 1.3
Denver	94.5	—	—	*1. 9.5	3. 8.5	11. 3.2	6. 5.6	5. 6.7	4. 7.2	*1. 9.5	16. 2.2	9. 3.8	12. 2.7	9. 3.8	7. 5.5	12. 2.7	18. 1.7
Duluth-Superior	92.1	88.5	75.3	1. 15.1	3. 8.2	21. 1.1	2. 11.3	5. 6.3	6. 6.0	10. 4.1	17. 1.5	4. 6.7	15. 1.6	— —	— —	8. 4.7	14. 1.7
Fresno	88.3	80.5	66.4	1. 13.0	10. 4.0	3. 9.0	7. 6.0	2. 10.2	5. 7.0	4. 8.1	7. 6.0	6. 6.2	15. 2.6	13. 2.8	9. 5.6	13. 2.8	11. 3.6
Honolulu	83.1	74.6	62.9	1. 14.9	6. 6.8	13. 2.8	4. 9.5	7. 6.6	2. 10.8	8. 5.7	3. 10.0	10. 4.9	14. 2.2	12. 3.3	5. 6.9	11. 3.6	8. 5.7
Indianapolis	93.7	90.4	88.6	1. 15.2	2. 11.9	— —	8. 5.7	3. 8.8	5. 6.8	6. 6.1	12. 2.5	14. 1.9	9. 4.4	— —	— —	7. 6.0	4. 7.1
Long Beach	94.1	91.9	90.8	1. 15.7	4. 7.6	3. 8.9	8. 5.3	5. 6.9	7. 5.7	10. 4.4	6. 5.9	14. 1.9	17. 1.1	12. 2.5	2. 9.7	15. 1.8	16. 1.4
Milwaukee	97.2	95.8	93.1	1. 21.9	2. 15.1	— —	5. 5.0	4. 7.6	6. 4.3	3. 8.0	7. 2.7	9. 2.4	17. 1.7	14. 2.2	6. 6.4	9. 2.4	15. 2.1
Modesto	82.3	72.3	59.0	3. 10.9	9. 4.5	1. 14.3	8. 4.8	2. 11.6	4. 9.0	7. 6.2	5. 6.9	12. 2.8	11. 2.9	20. 1.0	— —	18. 1.2	16. 1.6
Newark	97.2	96.0	92.9	1. 26.6	2. 11.3	— —	6. 5.5	5. 7.6	10. 3.4	9. 3.5	15. 1.3	4. 7.8	7. 3.8	3. 8.7	— —	8. 3.6	12. 2.3
Omaha	95.8	93.0	88.7	1. 19.4	4. 8.4	— —	5. 7.6	2. 13.5	6. 5.4	3. 10.2	10. 2.9	7. 5.2	8. 3.9	16. 1.1	— —	9. 3.1	— —
Phoenix	90.1	88.7	81.5	1. 10.6	2. 10.2	5. 6.1	5. 6.1	9. 4.6	11. 4.5	4. 6.4	9. 4.6	3. 7.3	14. 2.7	16. 2.0	8. 5.6	7. 6.0	12. 3.2
Portland, Me.	92.5	88.4	77.9	1. 16.9	5. 7.5	— —	2. 13.1	4. 11.3	3. 12.1	6. 6.3	7. 5.3	8. 5.0	9. 3.8	14. 1.6	— —	10. 1.9	16. 1.1
Portland, Ore.	83.4	75.7	64.9	1. 11.9	3. 9.4	6. 5.9	8. 4.9	4. 8.0	2. 9.5	5. 7.0	9. 3.8	15. 1.7	11. 3.1	15. 1.7	7. 5.5	10. 3.4	14. 1.8
Sacramento	88.2	77.2	60.8	1. 15.4	7. 5.9	6. 6.8	9. 5.6	2. 9.8	4. 7.2	5. 6.9	13. 3.3	8. 5.7	17. 1.4	— —	3. 9.0	12. 4.1	15. 1.7
Salt Lake City	92.8	89.0	87.1	1. 14.9	2. 11.4	6. 5.9	4. 7.1	5. 6.4	10. 3.7	3. 8.7	12. 2.9	15. 2.5	12. 2.9	11. 3.0	7. 5.7	8. 4.5	16. 2.2
San Jose	91.5	88.3	82.0	1. 11.0	4. 8.7	7. 5.9	11. 3.5	3. 8.9	6. 6.1	5. 6.8	9. 4.7	8. 5.3	13. 2.4	17. 1.4	2. 9.1	12. 3.4	18. 1.2
Seattle	88.1	83.9	74.8	1. 16.6	5. 6.5	12. 3.5	8. 4.5	6. 6.1	7. 5.2	3. 7.0	4. 6.6	13. 2.0	16. 1.7	— —	2. 8.1	8. 4.5	10. 4.2
St. Paul	96.0	93.9	89.2	1. 17.4	2. 11.8	— —	3. 11.5	4. 7.9	6. 6.8	5. 7.3	— —	14. 2.0	8. 3.3	16. 1.9	— —	12. 2.8	— —
Washington, D. C.	87.5	85.8	81.6	1. 23.6	2. 14.7	— —	7. 4.9	3. 10.3	8. 3.3	5. 8.5	9. 3.1	4. 8.8	15. 1.1	13. 1.6	— —	12. 2.0	— —
Wichita	83.7	—	—	2. 11.7	1. 12.6	9. 4.3	6. 5.0	4. 7.4	3. 8.7	5. 6.5	12. 2.2	19. 1.5	8. 4.5	16. 1.8	— —	6. 5.0	22. 1.2

* RCA Victor and Motorola tied for first in Denver.

Slimmer Console: Ten-inch depth for 21-in. console cabinet -- slimmest yet -- is current goal of Sylvania designers, pioneers in trend to shallower cabinets. Set employs 110-degree tube, and intention is to have single model on market by Christmas. Present Sylvania 21-in. console is 13 11/16-in. deep, with 1-in. cup on back. New set retains same cup but has cabinet set back from tube face. No price is mentioned yet, but it's expected to be no lower than current 21-in.

Retail Sales: TV retail sales for Aug. were 510,097, continuing monthly rise from April low of 337,965 and bringing 8-month total to 3,746,834, reports EIA. Figure for Aug. 1956 was 566,158 and for first 8 months, 3,839,718. Radio sales at retail, excluding auto sets, totaled 4,947,006 vs. 4,648,707 sold in similar 8-month period of 1956. Sales in Aug. were 710,553 compared with 681,152 in Aug. 1956.

Factory Sales: TV factory sales totaled 3,649,000, valued at $466,858,000, in first 8 months of 1957, compared with 4,226,000 units, worth $540,873,000, in like 1956 period. EIA also reports 1957 sales of 5,245,000 radios, excluding auto, valued at $122,768,000, vs. 5,073,000 at $105,359,000 in similar 8 months of 1956. Hi-fi component sales through Aug. were valued at $20,276,190 compared with $16,517,-820 in first 8 months of 1956. These included receivers & tuners, amplifiers and speakers, but no unit count of sales is kept.

Production: TV output was 180,725 week ended Sept. 27, compared with 155,751 preceding week and 204,655 in corresponding week one year ago. It was year's 39th week and brought TV production for year to date to about 4,601,000, compared with 5,259,271 in same period of 1956. Also this week, EIA officially estimated first 8 months production at 3,756,533 compared with 4,365,060 in similar 1956 period. Aug. production was 673,734 (88,615 uhf), compared with 360,660 (55,401) in July, 612,927 (90,419) in Aug. 1956.

Radio production was 380,732 (105,895 auto) week ended Sept. 27, vs. 356,290 (105,965) preceding week and 314,993 (109,219) in corresponding week year ago. Radio output for 39 weeks totaled about 10,374,000 (3,838,000) vs. 9,535,896 (3,060,093) in 1956 period. First 8 months production was placed at 8,765,606 (3,392,926) compared with 8,216,707 (2,710,303) in similar period last year. Aug. production totaled 965,724 (301,971), compared with 612,588 (256,279) in July and 990,845 (198,087) in Aug. 1956.

Ad-Inventory Relationship: TV-radio manufacturing industry will require "extraordinary advertising increase" in next 3 months to take care of "extraordinary prospective inventory increase," according to new "advertising barometer" in Sept. 27 *Tide*. "Pressure ratings," devised for magazine by economist Peter B. B. Andrews from projections based on reports by govt. economists and other financial analysts, give this TV-radio estimate for next 12 months: "Large prospective inventory increase; large advertising increases required." In survey of 1958 advertising costs in all media, *Tide* says they'll be up, but that daytime spot TV "is still the cheapest buy and shows little prospect of rate increase."

"Renewed optimism" is reported in Sept. survey by National Assn. of Purchasing Agents, with 32% looking for higher 4th quarter production, 46% seeing no change, 22% expecting drop. Of those NAPA members replying to survey, 32% anticipate an increase in new orders, 44% figure on no change, 20% see decline. Inventories were reported lower by 34%, unchanged by 51%, increased by 15%. Higher prices are listed by 51%, compared with 57% who reported higher prices last month; 42% saw no change and 7% reported decreases.

Lester Krugman, ex-Emerson, is now publishing *Cooperative Advertising Newsletter* with offices at 520 Fifth Ave., N. Y.

Canadian Color: Increased color sales in Milwaukee and Cincinnati were cited this week by Martin F. Bennett, RCA v.p.-merchandising, in urging Canadian sales & adv. executives to prepare for introduction of color TV in Canada—which Fowler report says will probably begin in 1959. He told Advertising and Sales Executives Club of Montreal that advertisers and agencies are beginning to show interest in color, NBC reporting more demands for special color shows "than there is time available. Advertisers want to get experience in color, and especially in color commercials."

Code of ethics for appliance service industry has been proposed by John H. Miller, mgr. of GE appliance & TV receiver product service, who told American Home Laundry Mfrs. Assn. meeting in Chicago that code would let customer know extent of reasonable service demands. Other speakers, saying customers don't understand terms of warranties, called for public relations campaign to explain service policies.

NARDA pres. Ken Stucky told group's Oct. 6 regional meeting at Macon, Ga. that following is ideal division of appliance dealer's sales dollar: 5% for sales expenses; 4% office & delivery; 4% service & installation; 4% return on investment & owner compensation; 4% advertising & promotion; 4% fixed costs & general administration; 75% merchandise costs.

Topics & Trends of TV Trade: Evaluation of electronics role in past 10 years, assessment of future were highlighted by H. Leslie Hoffman, Hoffman Electronics Corp. pres., at dedication of Los Angeles research and development center. He noted that 75% of Hoffman employes now work on products and services not developed 10 years ago—such as TV, computers, transistors, etc.

"Technological breakthroughs," said Hoffman, "spark the growth of the economy," improve job opportunities and living standards. Among problems to be solved, he listed faster communications, better utilization of airways, jam-proof navigation systems, long-range radar, computer standardization, air & ground traffic control.

Hoffman Labs pres. James D. McLean said goal is to double million-dollar center's engineering force to 1000 in 2 years.

Meanwhile, C. E. Underwood, Hoffman v.p.-treas., reported company's net income for year would be about $1,700,000 ($2.25 per share) on sales of approximately $40,000,000—scaled down from his earlier estimates of about $2.45 per share. Last year, Hoffman earned $1,600,000 ($2.19) on sales of $46,600,000. He blamed lower profit outlook on stretchout in Air Force contract at Hoffman Labs. However, he had rosy view of 1958 prospects: net income of about $2,000,000 ($2.90) on some $48,000,000 sales.

* * * *

"Systemized electronics" is key to a new growth era for industry, arts and sciences, Theodore A. Smith, exec. v.p., RCA industrial electronic products, told Oct. 4 opening session of SMPTE convention in Philadelphia's Sheraton Hotel. He said electronics can "free human intelligence from strain and tedium" of every day life and switch it to "executive role of coach and strategy maker." Smith asserted that "the future of American industry and arts lies in electronic systems"; that "in the immediate tomorrow, it may be impossible to remain competitive without systemized electronics."

National Security Industrial Assn. elects as pres. Richard C. Palmer, asst. to pres. of Fairchild Engine and Airplane Corp. Officers elected from TV-electronics industry: Raytheon pres. C. F. Adams, 1st national v.p.; Texas Instruments v.p. W. T. Joyce, 3rd national v.p.; IT&T v.p. H. H. Buttner, treas; Blaw Knox pres.-chairman W. C. Snyder Jr., asst. secy.-treas.

New method of training in TV-radio-electronics, "Trainer-Tester," has been introduced by Howard W. Sams & Co. It uses printed pages simulating equipment, with answers concealed by metallic paint to be erased by student, revealing if correct answer has been selected. Company says "Trainer-Tester" minimizes need for expensive equipment, "fits any school budget."

RCA is laying off 360 of its 12,000 employes at commercial and defense electronics plants in Camden due to "realignment of RCA defense contracts." Spokesman said RCA employment in area remains at or near record high and steps have been taken to absorb those furloughed into other RCA operations.

Guide for TV servicemen, containing theory of circuits & tubes and their applications, is provided in *Essentials of Television* (687 pp., $8.50, McGraw-Hill) by Morris Slurzberg, Wm. Osterheld & Elmo N. Voegtlin.

Trade Personals: Robert Paxton elected GE exec. v.p., directing 4 operating groups-apparatus; consumer products; electronic, atomic and defense systems; industrial components and materials. He also was named to GE board replacing Neil H. McElroy who resigned to become Defense Secy.; **Arthur F. Vinson** appointed v.p. and apparatus group executive, succeeding Paxton; **James H. Goss**, Canadian GE pres., elected v.p., consumer products group—succeeded by **J. Herbert Smith**; **Halbert B. Miller** elected v.p., manufacturing services group . . . **J. J. Toyzer** promoted to mgr., RCA TV receiver components plant at Findlay, O., which TV div. has taken over from components div.; **Joseph A. Haimes** named promotion mgr., RCA semiconductor div. . . . **Richard W. Jones** appointed sales promotion mgr., Stromberg-Carlson special products div., specializing in hi-fi consoles and components; he's been operating sales promotion consulting service . . . **Edward B. Collier**, ex-Norge, appointed Admiral national accounts mgr. . . . **Alexander Theeman** elected pres. of Granco Sales Corp., continues as secy.-treas. of parent Granco Products; he succeeds **Lloyd Dopkins**, resigned . . . **Robert J. Higgins**, ex-Stuart Louchheim Co., Philadelphia, appointed hi-fi-radio adv. supervisor, Sylvania TV-radio div. . . . **Matthew McLaughlin**, Avco v.p.-counsel, elected director.

Frank M. Folsom, RCA exec. committee chairman, attending Oct. conference of International Atomic Energy Agency in Vienna as permanent representative of the State of Vatican City, will visit RCA activities in Germany, Italy, Spain, France, England before Nov. return to U. S.

DISTRIBUTOR NOTES: Emerson appoints Edward Link midwest district mgr for Pa., Ind., O., Ky., Mich., Tenn.; Ray Fisher, ex-Mitchell Mfg. Co., as southwest district sales mgr. . . . **Motorola** appoints James F. Haley, ex-Philco, as eastern regional sales mgr. . . . **Murray Rosenberg**, ex-Harmon-Kardon, named sales supervisor, Warren-Connolly (Motorola), N. Y. . . . **Danforth Corp.** (Westinghouse), Pittsburgh, appoints H. E. Dillmore gen. mgr. . . . Herbert B. Bartel resigns as Admiral TV-radio sales asst., Pierce-Phelps, Philadelphia . . . **DuMont** appoints C. Carson, 12210 Grand River, Detroit, (Charles Carson, pres.) for 33 eastern Mich. counties including cities of Detroit, Flint, Saginaw, Ann Arbor, Port Huron, Jackson . . . **Raymond Rosen & Co.** (RCA), Philadelphia, appoints Joseph Diem, ex-Heckle Publishing Co., as asst. adv. mgr., promotes Andrew Villante to credit mgr. . . . **GE** appoints Robert E. Giannini western regional mgr., distributor sales, for tubes and other components . . . **Motorola** appoints Cramer Electronics Inc., Boston, and Allied Radio Inc., Chicago, for semiconductors . . . **Irwin J. Premack**, ex-Hotpoint Appliance Sales Co. TV sales mgr., Chicago, named Foreign Automotive Marketing Corp. v.p. & gen. mgr. . . . **Delmonico International Corp.** dissolves factory distributing branch, Delmonico Distributors of N. Y., shifting to direct distribution for key N. Y. accounts, branch pres. Philip P. Geth resigning.

Withdrawal of subpoena for TV-radio records of Siemens & Halske, Munich, has been ordered by Justice Dept. with company agreeing to produce records, but reserving right to challenge U. S. court jurisdiction if civil or criminal suit follows. N. Y. federal grand jury is investigating whether patent pooling by U. S. and foreign companies violates anti-trust laws (Vol. 13:21).

RCA is mass producing round, glass shadow-mask, 261-sq. in. color picture tube (RCA-21CYP22), 20¾-in. diameter, 25-in. long, at Lancaster, Pa. plant.

Financial Notes: Officers-&-directors stock transactions for Sept., as reported to SEC: American Bosch Arma—Wm. S. Wasserman sold 2400 through holding company, 100 through trusts, holds 10,000 in holding company, 4569 in trusts, 12 personally. American Electronics—Warren H. Crowell sold 100 through Crowell Weedon & Co., holds none in Crowell Weedon, 4995 personally. American Machine & Foundry—G. A. Ingalls bought 400, holds 3109; Walter Bedell Smith bought 500, holds 620. AT&T—F. R. Kappel bought 10, holds 186. Arvin Industries—Gordon T. Ritter exercised option to buy 465, holds 1124; T. Earl Robinson exercised option to buy 200, holds 1412. Avco—Rudolph H. Deetjen bought 1000, holds 1000. Bendix Aviation—Palmer Nicholls sold 1098, holds 2386. C&C TV—Matthew Fox sold 3500, holds 576,200 as collateral against loans; Walter S. Mack sold 14,600, holds 206,271. Consolidated Electrodynamics—Philip S. Fogg sold 2000 through wife's account, holds 18,000 in wife's account, 20,000 personally. Emerson Radio—Benjamin Abrams bought 600 for trusts, holds 29,239 in trusts, 63,801 in foundations, 233,445 personally; Max Abrams bought 1100 for trusts, holds 9755 in trusts, 63,801 in foundations, 87,109 personally. Friden Calculating—L. B. Taylor sold 1000, holds 1762. General Dynamics—Gordon Dean exercised option to buy 5000, holds 5150; Earl D. Johnson sold 9300, holds 12,000; Allen D. Marshall sold 1600, holds 8100; Joseph T. McNarney exercised option to buy 10,000, holds 10,513; J. V. Naish exercised option to buy 7000, holds 7200. GE—W. R. G. Baker bought 2139, holds 12,291; Robert L. Gibson exercised option to buy 2400, holds 5310; Chauncey Guy Suits exercised option to buy 2070, holds 5070; Clarence C. Walker exercised option to buy 1125, holds 4683; Wm. C. Wichman exercised option to buy 1695, holds 4872. Hazeltine—W. M. McFarland bought 100, holds 619. International Resistance—Charles H. Griffin exercised option to buy 400, holds 6100. Minneapolis-Honeywell—P. B. Wishart exercised option to buy 1850, holds 6120. Oxford Electric—David E. Davis sold 200, holds 1890. Philips Electronics—Arie Vernes bought 100, holds 100. Sperry Rand—Theodore F. Allen sold 1000, holds 1726; Harry Landsiedel sold 2000 through joint account, holds 10,460 in joint account, 13,904 personally. Texas Instruments—J. S. Dufford bought 900, holds 18,027; P. E. Haggerty sold 1000, holds 132,159; S. T. Harris bought 1000, holds 17,604. Tung-Sol—George W. Keown exercised option to buy 150, holds 1143; Anthony Scala bought 1000, holds 1000; Alfred K. Wright exercised option to buy 125, holds 860. Unitronics—David Bogen bought 3000, holds 3000; Lester H. Bogen bought 2000, holds 2000; John G. Brooks sold 4210, holds 3000; Abraham Cooper sold 500, holds 235; Louis Haber bought 1102, holds 1102; Stanley R. Schoen bought 441, holds 441. Webcor—Titus Haffa bought 500, holds 62,554. Westinghouse—Chris H. Bartlett exercised option to buy 300, holds 1075; Bruce D. Henderson bought 200, holds 900; Leslie E. Lynde bought 300, holds 1828; Tom Turner exercised option to buy 100, holds 1925.

Standard Coil is "operating at a substantial profit" after reaching break-even point in first 6 months, which ended in $777 net profit (Vol. 13:36), pres. James O. Burke said Sept. 30 in special report to stockholders. Company earned about $160,000 in July & Aug. at rate which should accelerate, he said. Burke attributed improvement to economy drive, including closing of Los Angeles plant, and to addition of Magnavox, Westinghouse & Sylvania as customers for Standard tuners despite decrease in TV set sales. Standard has licensed British manufacture of its tuners and is negotiating similar arrangements on Continent and in South America. Company's net loss in 1956 was $1,487,000.

Meredith Publishing Co. had broadcasting revenues of $9,971,000 in fiscal year ended June 30 vs. $8,881,000 year earlier, according to breakdown in annual report showing total 1956-57 revenues of $53,071,711 and consolidated earnings of $4,644,417, compared with $48,459,633 & $4,047,146 (Vol. 13:34). Meredith owns KPHO-TV & KPHO, Phoenix; KCMO-TV & KCMO, Kansas City; WOW-TV & WOW, Omaha; WHEN-TV & WHEN, Syracuse, and is buying radio KRMG, Tulsa (Vol. 13:35).

Avco earned $6,223,181, plus $2,363,193 special tax credit, for a total of $8,586,374 (92¢ per share) on sales of $238,983,886 and royalties etc., of $277,310 for 9 months ended Aug. 31, compared with an operating loss of $3,499,529, exclusive of $16,000,000 reserve in connection with discontinuance of major part of appliance operations, on sales of $246,168,438 in comparable 1956 period.

P. R. Mallory & Co. pres. Joseph E. Cain predicts earnings of about $3,600,000 ($2.60 per share) on 1957 sales of around $80,000,000, compared with $3,065,108 ($2.60) on sales of $68,356,203 in 1956. For 1958, he told Security Analysts of San Francisco, sales are likely to increase another $5,000,000 to $85,000,000, earnings will hit about $4,300,000 ($3-$3.50).

"Oscar of Industry" award by *Financial World* for best annual report of motion picture industry has been won for 5th consecutive year by AB-PT.

Belock Instrument Corp., which entered movie camera field in Feb. by acquiring Andre Debrie Mfg. Co. (Vol. 13:6), expanded into radio-hi-fi manufacturing this week by buying Sonic Industries Inc., Lynbrook, N. J. Sale of Sonic, which markets "Capri" hi-fi, was completed through exchange of 75,000 shares of Belock common stock for all outstanding Sonic stock. Bid price of Belock stock on American Stock Exchange was $10 Oct. 1. Sonic pres. Ben Birns will continue as head of new Belock subsidiary, which was founded 12 years ago and has reached estimated $5,000,000 sales volume this year.

Electronics expansion of 120% by 1965 is forecast by E. Dorsey Foster, RCA v.p.-economic planning, who told Southern N. J. fall conference at Atlantic City that national economy will grow 40% in next decade—matching growth of last 10 years. He listed basis for prediction as: 15% population increase; 7,000,000 more households; income going from $5640 in 1955 to $6500 in 1965; households in $4000-$10,000 group increasing from 5,000,000 to 30,000,000 by 1965.

Beckman Instruments reports net income of $209,432 (16¢ per share) on sales of $38,088,730 in year ended June 30, compared with $1,744,856 ($1.36) on sales of $29,362,131 in preceding year. Lower earnings this year, said Beckman pres., Dr. Arnold O. Beckman, were due mainly to research & development investments and non-recurring loss on govt. contract.

Dividends: Avco, 10¢ payable Nov. 20 to stockholders of record Oct. 29; Canadian GE, $2 plus $4 extra, both Jan. 2 to holders Dec. 16; General Dynamics, 50¢ Nov. 9 to holders Oct. 18; National Theatres, 12½¢ Oct. 31 to holders Oct. 17.

Raytheon won contract for $4,134,901 from CAA this week for 4 more long-range radar units and Amplitron amplifying equipment, delivery to start Sept. 1958. Company received CAA order for 23 sets year ago.

Farnsworth Electronics Co., IT&T div., starts construction of 4th plant in Ft. Wayne area, scheduling completion for mid-1958 to double production capacity.

Network Television Billings

August 1957 and January-August 1957

(For July report see *Television Digest*, Vol. 13:35)

NETWORK TV BILLINGS slid 9.5% in Aug. to $38,564,220 from $42,596,589 in Aug. 1956, when political convention sponsorships swelled total to since-surpassed record high, according to Publishers Information Bureau. It was lowest monthly figure since $37,747,514 recorded in July 1956 and marked first time in network history that billings for any given month didn't show advance over same month year earlier. Cumulative total for 8 months of 1957 were up 4.2% to $327,981,866 from $314,854,415 in corresponding 1956 period, however. In Aug. this year, CBS (whose 1956 convention billings from Westinghouse were $3,556,213) was down 5.9% from Aug. 1956. NBC ($4,382,964 convention billings from Sunbeam, RCA & Oldsmobile) dropped 13.3%; ABC ($2,258,181 from Philco), 10.3%. The complete PIB report for Aug.:

NETWORK TELEVISION

	Aug. 1957	Aug. 1956	% Change	Jan.-Aug. 1957	Jan.-Aug. 1956	% Change
ABC	$ 6,134,380	$ 6,842,292	—10.3	$ 52,578,094	$ 50,855,477	+3.4
CBS	18,278,933	19,430,748	— 5.9	153,578,489	144,411,892	+6.3
NBC	14,150,907	16,323,549	—13.3	121,825,283	119,587,046	+1.9
Total	$38,564,220	$42,596,589	— 9.5	$327,981,866	$314,854,415	+4.2

1957 NETWORK TELEVISION BY MONTHS

	ABC	CBS	NBC	Total
Jan.	$ 6,715,581	$ 20,231,474	$ 16,554,941	$ 43,501,996
Feb.	6,175,488	18,309,088	14,900,631	39,385,207
March	6,848,848	20,172,173	16,631,974	43,652,995
April	6,682,786	19,385,098	15,154,388	41,222,272
May	7,258,807	20,307,762	15,811,033	43,377,602
June	6,413,708	18,356,892	14,746,537	39,517,137
July	6,348,496	18,537,069	13,874,872*	38,760,437*
Aug.	6,134,380	18,278,933	14,150,907	38,564,220
Total	$52,578,094	$153,578,489	$121,825,283	$327,981,866

*Revised as of October 3, 1957

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

Four applications for TV stations and 3 for translators were filed with FCC this week, bringing total to 120 (35 uhf) for stations, 41 for translators. Station applications: for Lafayette, La., Ch. 3 by consultants Dawkins Espy and Thomas B. Friedman; for Presque Isle, Me., Ch. 10 by owners of WTWO, Bangor; for International Falls, Minn., Ch. 11 by local group of over 2700 headed by Leroy Phaklides; for Portland, Ore., Ch. 27 by community antenna operator Trans-Video Co. of Ore. Translator applications were for Lovelock, Nev., Paradise Valley-Golconda, Nev. and Gold Beach, Ore. [For details see *TV Addenda 25-J* herewith.]

NTA Film Network will offer live shows on regional & national hookups beginning early next year, v.p.-gen. mgr. Raymond E. Nelson announced this week in address to Boston Ad Club. Name will be changed to "NTA Network," he said in speech stressing "flexibility" as desired quality in TV advertising. He emphasized importance of being able to select only desired TV markets, free from option time and must-buy requirements.

TV Schooling for Free World: International seminar on educational TV will be conducted Oct. 9 & 10 at Boston U for professional educators & broadcasters invited by school's communications arts div. to make "preliminary inventory" of uses of medium in free world. Participants will include: Robert S. Lambert, CBC; Arne Arnbom, Swedish Broadcasting System; Dr. Jerry Winfield, ICA; H. Reid Bird, State Dept.; Wm. Frye, UNESCO; John K. Weiss, Fund for the Advancement of Education; W. M. Brish, Washington County (Md.) schools; Charles Hettinger, Pittsburgh schools; Dr. Earl Hemminghaus, St. Louis schools; John W. Taylor, WTTW, Chicago; Dr. Thomas Clark Pollock, NYU; L. L. Lewis & Max Berry, RCA; Robert Hudson, Educational TV & Radio Center, Ann Arbor; Richard B. Hull, Ohio State U; Hartford Gunn, WGBH-TV, Boston; Dr. Harry Skornia, NARTB.

Broadcaster immunity from equal-time libel suits was asked Oct. 2 in brief filed by NARTB with North Dakota Supreme Court on appeal by Farmers Union of lower court decision in favor of WDAY Inc., Fargo (Vol. 13:32, 35). Farmers Union had charged it was libeled by minor party congressional candidate in broadcast over WDAY-TV during 1956 campaign. Station admitted libel but said it could not prevent or censor broadcast because of FCC equal-time regulation. NARTB brief also said "we believe the broadcaster would as well serve the public in the field of political broadcasting without legislative stricture as he has done in the many other fields of public programming."

Moscow TV tried giveaway gimmick on its popular *VVV (Evening of Merry Questions)* program this week with these disastrous results: (1) Audience response was so enthusiastic that station couldn't go on, (2) next day's *Evening Moscow* denounced quiz show as "beneath criticism" and promised that Russia will never have *The 64,000 Ruble Question* on TV, (3) *VVV* was in danger of losing its sponsor—the Govt. Catastrophe started when announcer offered prizes to first 3 viewers who arrived at Moscow U studio fully dressed for winter. Within minutes stage overflowed with more than 500 prize-seekers, announcer got lost in crush, program was cancelled for "technical reasons," station went off air hours ahead of schedule.

CBC Board of Governors Sept. 26 recommended grant of Ch. 3, Yorkton, Sask. to Yorkton TV Co. Ltd.; Ch. 2 satellite at Elk Lake, Ont., to J. Conrad Lavigne, operator of CFCL-TV, Timmins, Ont. (Ch. 6); power increase to 100-kw by CKCO-TV, Kitchener, Ont. (Ch. 13). It denied request for Ch. 6 satellite in Inverness, N. S. by CJCB-TV, Sydney, N. S. (Ch. 4), stating "high" 20-kw power wasn't justified. It also noted that CFCL-TV had withdrawn request to change satellite grant in Kapuskasing from Ch. 3 to Ch. 70 translator.

Big Japanese TV film sale was reported this week by TPA, whose foreign mgr. Manny Reiner lined up Radio Tokyo TV network in Tokyo, Osaka, Nagoya & Hokkaido to show *Lassie, Susie, Ramar of the Jungle.* Radio Tokyo also bought *The Lone Ranger* for Tokyo alone. At same time TPA claimed first commercial TV film sales by American company in Korea, where Seoul's HLKZ-TV bought *Fury, Ramar, Count of Monte Cristo.*

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SUMMARY-INDEX OF THE WEEK'S NEWS—October 12, 1957

SPOTTING THE CABLE THEATRE ENTREPRENEURS: There's no central record-keeping of cable theatre data. Neither federal nor state Govts. are involved. Therefore, in effort to meet TV-movie industry needs, we've begun the laborious task of finding out who is seeking to establish cable systems where. If the Bartlesville experiment shows clear signs of success, you can expect a rush.

We've questionnaired city officials in all the 490 municipalities over 25,000 population, have received fair return. In addition, we've kept track of trade reports. On page 4, you'll find a list of applicants for cable franchises reported to date. Obviously, it isn't complete. There may be some glaring omissions—and we hope you'll call our attention to them. However, it's the only directory extant, and replies are still coming in from city halls.

Our records show 96 applications filed in 66 cities. Responses from 155 cities give official verification of 70 of the applications; trade reports account for the balance.

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Not included in list are conventional community antenna systems, an extensive directory of which is a regular feature in our semi-annual Factbook. Our Fall-Winter issue lists 610 in U. S. & Canada, representing some 500,000 homes already tied together with cable—though most systems are quite small when considered in light of current speculation about cable theatre.

Almost as interesting as list of applicants is list of cities with none. Here are a few cities with no applications, according to our replies from city officials: Mobile, Hartford, Daytona Beach, Ft. Lauderdale, Miami Beach, Orlando, Augusta, Boise, Evansville, Muncie, Council Bluffs, Des Moines, Wichita, Baton Rouge, Shreveport, Worcester, Pontiac, Muskegon, Duluth, Minneapolis, St. Paul, Newark, Syracuse, Asheville, Cincinnati, Portland (Ore.).

MEETING ON BARROW REPORT WITHIN MONTH: Networks, FCC members and some Congress staffers were still burrowing through hefty Barrow staff report of FCC's network study group (Vol. 13:40) at week's end—and if on-the-record reactions were slow to come it was because: (1) a complete reading of report takes plenty of time, and (2) those directly affected by recommendations have decided it's smart to keep their mouths shut for the present.

Report did bring quick reaction from 2 long-time Congressional critics of networks—Sen. Bricker (R-O.) & Rep. Celler (D-N. Y.)—both of whom talked of more hearings and inquiries when Congress reconvenes and pledged to keep vigilant watch on Commission.

The 3 Commissioner members of FCC Network Study Committee (Doerfer, Hyde, Bartley), as well as the other 4 FCC members, are still in process of reading report, and Chairman Doerfer gave us "rough guess" that Committee may be ready to hold first meeting on matter in about 2 weeks. After Commissioners have completely digested report, he said, Committee meeting will be scheduled to decide whether to transmit report directly to full Commission—or, if not, what the alternatives are.

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It's good bet that full Commission will give report's legislative recommendations pretty substantial consideration by time Congress reconvenes next Jan. Already there have been veiled threats from Congressional sources which can be taken to mean "act fast or else—."

Bricker issued statement saying that bills already before Senate Commerce Committee "would carry out practically all of the recommendations made in the report" and urging Commission to be ready with its own proposals early in session. He added:

"I am asking Chairman Magnuson to schedule early hearings by the Senate Commerce Committee to receive any additional testimony which may be needed before consideration by the full Committee of the bills already introduced."

Both Magnuson (D-Wash.) and Sen. Pastore (D-R. I.), chairman of communications subcommittee, are abroad and couldn't be reached.

"Our anti-trust subcommittee," said Rep. Celler in statement, "will maintain a watchful eye" to see that FCC acts promptly on Barrow recommendations. He found it "significant" that study group reached conclusions similar to those of his own subcommittee and of Senate Commerce Committee staff.

Celler's subcommittee also will take look at Justice Dept.'s progress in its inquiry into possible connection between network time sales and program ownership, he indicated. "Considering that 3 years have now elapsed since commencement of this investigation, it will be necessary for our subcommittee to determine the reasons for the apparent inordinate delay by the Dept. of Justice in resolving these highly important questions."

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Justice Dept.'s chief trust-buster, Asst. Attorney General Victor R. Hansen, told us he had read complete report and that "it covers many areas in which we have been investigating." He said Barrow & Co. "should be commended for an extremely comprehensive report."

"As to the recommendations directed to us," he added, "they are all areas which we have been studying for a long time."

Among informed Washington legal observers, there was unanimous feeling that any contemplated anti-trust action on such network practices as option time, must-buy, network spot sales representation, etc. would now be delayed—Justice Dept. preferring to give FCC opportunity to act instead.

Conversely, observation was also made that Barrow group had tossed several hot potatoes right into Justice Dept.'s lap by making no recommendations in areas affected by programming—particularly issue of alleged tie-ins between network sales of choice time slots and network-owned programs. There was definite impression—also hinted in Celler statement—that study group's omission of such material from report now makes it incumbent on Justice to take action or end its inquiry in this area.

Veterans of Washington TV-radio wars this week were viewing Barrow report as preliminary to some changes in FCC rules, but no one could conceive that Commission would go all the way. Their best guesses: No changes in multiple ownership rules in foreseeable future. Probable eventual elimination or modification of must-buy principle. At least a partial victory, probably, for Barrow group in its recommendations for publishing of affiliation contracts and criteria (Celler has publicized this information anyway, and could do it again if he chose).

Biggest and bitterest fight probably will center around proposal to ban option time. And you can be sure networks aren't prepared to give on this one.

■ ■ ■

When Congress reconvenes, networks will be involved in at least 2 new sets of hearings—in addition to revival of the old ones mentioned above.

Sen. Smathers' bill to divorce networks from music publishing and record business is almost certain to get Senate Commerce Committee hearing, reopening ASCAP-BMI fight in Congress. And there's Rep. Moulder's legislative oversight probe of regulatory agencies, still grinding along at staff level. (His staffers last week sent questionnaires to networks, asking them to specify all "gifts, honorariums, loans," etc. bestowed upon FCC commissioners or staff members).

Lest Congressional preoccupation with what's-wrong-with-networks give impression that crushing legislation is inevitable, it's well to bear in mind that—as one industry veteran put it—"when the chips are really down, there are a helluva lot of Senators and Congressmen who believe the TV networks are doing a bang-up job."

HOPES FOR INTENSE STUDY OF WHOLE SPECTRUM: Encouraging progress toward an all-spectrum study, including military uses, is reported by Paul L. Chamberlain, GE mgr. of broadcast equipment marketing, who is spearheading EIA's work on subject. He says top military communications officers have shown willingness to go along in principle, at least. EIA expects shortly to name committee to advise EIA board on role it should play in advising Govt.

Chamberlain's philosophy is this: There have been numerous spectrum studies since Radio Technical Planning Board completed its work in 1945—but none have been all-inclusive, covering all uses by all services. "There's plenty of spectrum space," he said, "if it were only used efficiently. But we know only how half is being used—the civilian half."

Study might take 2-3 years, then 8-10 years might be required to implement recommendations, Chamberlain says. He asserts that objective would be neither to protect nor to attack any particular user of spectrum. As for TV, he reiterated what engineers have long asserted: "From an equipment standpoint, today's TV assignments aren't efficient. There's about an 18-to-1 frequency spread between the bottom of the vhf band to the top of the uhf band. It would be much better to have a continuous block with a 2-to-1 spread."

■ ■ ■

Continuous addition of TV stations, at modest pace, is foreseen by Chamberlain and Wells R. Chapin, GE mgr. of broadcast equipment research & product planning. They don't quarrel with estimates showing total of about 600 commercial stations in sight (Vol. 13:34), but Chapin notes: "There are always entrepreneurs willing to take a risk, and they are likely to push the figure higher." Chamberlain is also tremendously impressed with educational TV growth, in fact predicts that educational stations will eventually equal commercial outlets in number.

■ ■ ■

Meanwhile, FCC this week officially dismissed its "Craven Plan" proposal, following previously stated intention (Vol. 13:37). Plan envisioned dropping of present allocation table, permitting TV applications to be filed anywhere—as long as they met engineering standards. Commission said it would wait for TASO's engineering study of vhf & uhf performance.

Cable Theatre Applicants: Most reliable sources of information on cable theatre applicants are city officials, (see p. 1), because cable entrepreneurs must get franchises to use city streets, etc. for stringing of cable. Our questionnaire was directed to the 490 cities with population exceeding 25,000; 155 replies have been received to date. List has been supplemented by trade reports, in instances where responses haven't been obtained from cities. Those based on trade reports are indicated by asterisks. Herewith is the list of applicants on basis of our survey so far:

ARIZONA

Tucson	Harriscope Inc.
	Skiatron TV Inc.

ARKANSAS

Little Rock	Midwest Video Inc.
	Rowley United Theatres Inc.
North Little Rock	Fisher & Cochran Enterprises
	North Little Rock Theatres Inc.

CALIFORNIA

Compton	Skiatron TV Inc.
Glendale	Harriscope Inc.
	Skiatron TV Inc.
Inglewood	Skiatron TV Inc.
Los Angeles	Fox West Coast Theatres Corp. & International Telemeter Corp.
	Harriscope Inc.
	Skiatron TV Inc.
Lynwood	Skiatron TV Inc.
Oakland	Blumenfeld Theatres
	Skiatron TV Inc.
	United California Theatres
*Oceanside	Telemovies Development Corp.
Richmond	Park Theatre
	Skiatron TV Inc.
San Bernardino	San Bernardino TV Enterprises Inc.
*San Francisco	Fox West Coast Theatres Inc. & International Telemeter Corp.
	Jerrold Electronics Corp.
	Skiatron TV Inc.
San Jose	Electronic Home Tele-Movies Co.
	Skiatron TV Inc.
Santa Ana	Skiatron TV Inc.
Santa Barbara	Community Cable Theatre Inc.
South Gate	Skiatron TV Inc.
Vallejo	Skiatron TV Inc.

COLORADO

*Denver	Gene O'Fallon
	McGee Briggs Enterprises

COLORADO (cont.)

Denver (cont.)	TV Denver Inc. (KBTV)

DISTRICT OF COLUMBIA

Washington	Washington Broadcasting Co. (WOL)

INDIANA

Bloomington	Nova E. Vanderschmitt
	Y&M Management Corp.

KANSAS

*Garden City	"Theater group"
*Great Bend	"Theater group"
Hutchinson	Jay Wooten
*Manhattan	"Theater group"

MISSISSIPPI

Greenville	George T. Davis, Clara Mae Davis & W. A. Prewitt Jr.

NEW JERSEY

Atlantic City	Atlantic Coast TV Cable Corp.

NEW MEXICO

Carlsbad	Frontier Theatres Inc.
Roswell	Frontier Theatres Inc.

OKLAHOMA

Bartlesville	Vumore Co.
Enid	Vumore Co.
Oklahoma City	Vumore Co.
Tulsa	Vumore Co.

TEXAS

Abilene	Vumore Co.
*Amarillo	Interstate Circuit Inc.
*Arlington	Interstate Circuit Inc.
Austin	Eddie Joseph Theatres
	Interstate Circuit Inc.
	Trans-Texas Theatres Inc.
*Brownsville	Interstate Circuit Inc.
*Brownwood	Interstate Circuit Inc.
Corpus Christi	Corpus Christi Theatres
*Corsicana	Interstate Circuit Inc.
Dallas	A. H. Belo Corp. (WFAA-TV)
	Big D Theatre Co.

TEXAS (cont.)

Dallas (cont.)	Interstate Home Movie Inc.
	KRLD Radio Corp. (KRLD-TV)
	B. R. McLendon
	Midwest Video Corp.
	Rowley United Theatres Inc.
	Charles W. Weisenburg
*Denison	Interstate Circuit Inc.
*Denton	Interstate Circuit Inc.
*El Paso	Interstate Circuit Inc.
*Ft. Worth	Interstate Circuit Inc.
*Galveston	Interstate Circuit Inc.
*Harlingen	Interstate Circuit Inc.
*Highland Park	A. H. Belo Corp. (WFAA-TV, Dallas)
Houston	Austin Senators Baseball Club
	Bellaire Theatre
	Custom TV Inc.
	Interstate Circuit Inc.
	Loew's State Theatre
	Texas Bell Video
	Trail Drive-In Theatre
Laredo	Laredo Theatres Inc.
Lubbock	Vumore Co.
*McAllen	Interstate Circuit Inc.
*Mercedes	Interstate Circuit Inc.
*Paris	Interstate Circuit Inc.
*Pharr	Interstate Circuit Inc.
San Angelo	Concho Theatres Inc.
*San Antonio	Interstate Circuit Inc.
Temple	Interstate Home Movie Corp.
Tyler	Interstate Home Movie Corp.
*Vernon	Interstate Circuit Inc.
Waco	Interstate Home Movie Corp.
*Wichita Falls	Interstate Circuit Inc.

WISCONSIN

Eau Claire	Wisconsin Theatre Video Corp.
*Milwaukee	Skiatron TV Inc.
Wausau	Wisconsin Community Antenna Inc.

Pay-TV Storm Rages On: Two national publications undertook this week to tell their readers which way pay-TV winds are blowing. In pictures & article by Loudon S. Wainwright, Oct. 14 *Life* spread itself through 6 pages to report TV "revolution which networks fight to halt." Wainwright concluded that pay TV "is well on the way to becoming a vivid reality for millions of viewers" and that "the best likelihood for the immediate future, all alarums & excursions to the contrary, is that toll TV & free TV will exist together, that there will prove to be room for both."

In Oct. 6 *N. Y. Times Magazine*, TV-radio critic Jack Gould found FCC applying "firm indecision" on issue, "using the English language so that the words will have no meaning." He observed that seldom in history of show business & electronics has there been "such a deluge of excited doubletalk and such a paucity of tangible fact."

Gould wrote: "There might be room for both [pay and free TV]. Whether toll TV ultimately is destined to be a practical success or a promotional turkey, however, no one really knows."

Meanwhile, there was little let-up in skirmishes:

(1) Chairman Celler (D-N. Y.) of House Judiciary anti-trust subcommittee demanded that FCC Comr. Lee disqualify himself from pay-TV deliberations. Lee, said Celler, had "practically expressed approval for pay TV" in article written for *Look*. Lee had "no comment."

(2) Sen. Langer (R-N. D.), second ranking minority member of Senate Judiciary Committee, promised to introduce bill in Jan. to "expressly prohibit" pay-TV.

(3) NARTB pres. Harold E. Fellows warned Broadcast Advertising Club of Chicago that pay TV will begin carrying advertising if 10,000 families ever become paying customers.

(4) Milwaukee common council resolution to permit Skiatron TV Inc.—or any other pay-TV franchise applicant—to negotiate with local utilities for use of poles, lines & other facilities was vetoed by Mayor Frank P. Zeidler. Joined by *Milwaukee Journal*, he said council hadn't made sufficient study of problems.

(5) Exec. committee of Reserve Officers Assn., headed by New Orleans Mayor deLesseps Morrison, passed resolution expressing "misgivings" about pay TV in view of "vital role which a free use of the air" could play in national emergencies.

(6) Brooklyn Dodgers made it official. They'll move to Los Angeles next season, when N. Y. Giants will be in San Francisco. One reason for moves: pay-TV promises.

Personal Notes: Edmund C. Bunker, gen. mgr. of WXIX, Milwaukee, named v.p. & station relations director of CBS-TV, succeeding **Edward P. Shurick**, resigned (Vol. 13:40); **Frank Shakespeare Jr.**, gen. sales mgr. of WCBS-TV, N. Y., moves up to gen. mgr. of WXIX, replaced at WCBS-TV by **Norman E. Walt**, CBS-TV Spot Sales account executive; **Robert F. Jamieson**, CBS-TV sales service mgr., to station contacts mgr., succeeded by **George Zurich**; **Robert L. Pike** succeeds Zurich as asst. mgr. . . . **Dean D. Linger**, sales promotion & publicity director of KNXT, Los Angeles, and CBS-TV Pacific Network since 1952, named adv. & promotion director of ABC-TV, N. Y., replacing **John H. Eckstein**, resigned; **Austin Heywood** promoted to KNXT & CBS-TV Pacific Network posts . . . **Robert Sadoff**, ex-Bourne Inc., named to new post of music coordinator, NBC Radio . . . **Harold Grams**, program director of KSD-TV, St. Louis, becomes gen. mgr. of *Post-Dispatch*'s TV-radio stations as of Jan. 1 when he succeeds retiring **George M. Burbach**, who founded and directed both stations—radio KSD while he was adv. mgr. of the newspaper; at 74, Mr. Burbach is an active Pulitzer director, enjoys improved health, reports to office regularly . . . **James E. Kovach**, ex-WRC-TV & WRC, Washington, named program mgr. of WBAL-TV, Baltimore . . . **Karl B. Hoffman**, v.p. & engineering director of WGR Corp., Buffalo, named to same posts in Transcontinent TV Corp. in corporate merger of WGR-TV & WGR and WROC-TV, Rochester (Vol. 13:39) . . . **Ben Slack**, ex-radio KTUC, Tucson, joins KGUN-TV there as commercial mgr. . . . **Roland Kay**, from radio KCBS, San Francisco, named sales mgr. of KERO-TV, Bakersfield, Cal., succeeding **Ed Urner**, who resigned to develop new Bakersfield radio outlet . . . **Carlo Anneke**, WDSM station mgr., named gen. sales mgr. of WDSM-TV, Duluth, succeeding **Tom Gavin**, named gen. mgr. of radio WDSM . . . **Boone Boggs** advanced to promotion director of WDBJ-TV, Roanoke, succeeding **Mike Schaffer**, now promotion director of WAVY-TV, Portsmouth-Norfolk . . . **Roy E. Larsen**, Time Inc. pres. who is chairman of Fund for the Advancement of Education, elected a trustee of Ford Foundation . . . **Ralph J. Baron** promoted to asst. eastern div. mgr. of TPA, headquartering in Baltimore . . . **George Kellogg** joins Animation Inc., Hollywood, to handle west coast TV sales . . . **Robert T. Lund**, exec. v.p. of Vision Inc., named assoc. publisher of *Printers' Ink;* **W. Richard Bruner** promoted to managing editor, succeeding **Thomas M. Jones**, who resigned to take similar post on *Modern Packaging* . . . **Jack Krueger**, news editor of WTMJ-TV & WTMJ, Milwaukee, reelected pres. of Wis. AP Radio & TV Assn. . . . **Charles G. Burke** of radio KFGO, Fargo, elected pres. of N. D. Broadcasters Assn. . . . **Howard Stanley**, mgr. & sales mgr. of radio WAVY, Norfolk, elected pres. of Norfolk Ad Club . . . **Burton B. LaDow**, commercial mgr. of KTVK, Phoenix, also named station mgr., reporting to exec. v.p. **Leon M. Nowell** . . . **Arthur H. McCoy** promoted to exec. v.p. of radio rep John Blair & Co. . . . **Oliver H. Crawford** shifted from programming editor of *TV Guide*, N. Y., to Pacific Coast regional mgr., Los Angeles; **Lee Gottlieb** named programming editor, **Harold B. Clemenko** assoc. editor.

"Award for Achievement" will be presented ABN pres. Robert E. Eastman by Washington Ad Club in "Radio Day" ceremonies Oct. 15 at Presidential Arms. He will speak on "The New American Broadcasting Network Product."

ADVERTISING AGENCIES: **Ken R. Dyke**, former NBC v.p. in charge of programming and onetime ANA chairman, retires as a v.p. of Young & Rubicam in international div. . . . **John L. Louis** retires as a senior v.p. of Needham, Louis & Brorby, Chicago, after 28 years with agency . . . **H. Grant Atkinson**, ex-D'Arcy, named TV-radio director of Compton Adv., Chicago . . . **Tom Dillon** promoted to mgr. of BBDO, Los Angeles, replacing **A. W. Neally**, resigned to become consultant to agency . . . **John P. Hudak Jr.**, ex-BBDO, named director of mass communications commission of National Conference of Christians & Jews . . . **Harold F. Scheinkopf** named associate research director of Ogilvy, Benson & Mather . . . **David Lawrence**, ex-Milton Weinberg Adv., Los Angeles, named TV-radio director of Beckman, Koblitz Inc. there.

Another merger: Marsteller, Rickard, Gebhardt & Reed Inc. acquires Rittenhouse & Co., Inc., Houston, and opens office there under Jack D. Rittenhouse, founder of Rittenhouse agency in 1952, and Douglas S. Craig, ex-Gulf Publishing Co., Houston. They've been named v.p.'s.

John J. Nordberg, FCC telephone div. chief since 1955, was appointed Common Carrier Bureau chief Oct. 8, succeeding Harold G. Cowgill, now Broadcast Bureau chief (Vol. 13:21). Nordberg started with Commission in 1935 as accountant.

New AP pres. is Benjamin M. McKelway, editor of *Washington Evening Star* and v.p. of its WMAL-TV & WMAL. He succeeds pres.-publisher Robert McLean of *Philadelphia Bulletin*, which owns WCAU-TV & WCAU, controls WDAU-TV, Scranton.

Vincent De Laurentis, chief engineer of WNHC-TV, New Haven-Hartford, has applied for daytime radio station in Hamden, Conn.

Top TV entertainers joined Oct. 8 to give $300,000 closed-circuit show for audience of one—"Little Boy Blue," 9, who is dying of muscular dystrophy in Lakeville State Sanatorium at Middleboro, Mass. Spectacular 45-min. TV program was organized by comedian Jerry Lewis, Muscular Dystrophy Assn. chairman, after child told nurses he'd like to get "4 or 6" funny cards for birthday this week. News stories brought 120,000 letters & cards to boy, whose father is in prison for killing his mother, and party was topped by show piped from NBC's Burbank studios to sanatorium. Participating with Lewis were Ernie Ford, Hugh O'Brian, Jim Arness, Eddie Cantor, Eddie Fisher, Disney's Mouseketeers, Skylarks, 18-piece orchestra.

Time Inc. personnel shifts resulting from death Sept. 24 of Wayne Coy (Vol. 13:39): Time Inc. broadcasting v.p. Weston C. Pullen Jr. assumes Coy's title of pres. of Twin State Bcstg. Inc., licensee of WFBM-TV & WFBM, Indianapolis, and WTCN-TV & WTCN, Minneapolis. Eldon Campbell, v.p. & gen. mgr. of Indianapolis stations, and Philip Hoffman, v.p. & gen. mgr. of Minneapolis div., become directors of Twin State. Hugh B. Terry, pres. & gen. mgr. of KLZ-TV & KLZ, Denver, becomes a director of TLF Broadcasters Inc., subsidiary which controls Time Inc. stations.

Report of SMPTE awards (Vol. 13:40) should have indicated that Col. Richard H. Ranger, Rangertone, was given Samuel L. Warner Memorial Award for work in sound engineering; Wadsworth H. Pohl, Technicolor Corp., was presented Herbert T. Kalmus Gold Medal Award for efforts in color film field.

Teleglobe Pay-TV System Inc., organization established by Sol Sagall to promote his subscription system in which unscrambled picture is sent over air and sound is sent by phone wire (Vol. 13:38), sets up New York office at 15 E. 48th St. (Eldorado 5-0010).

Telecasting Notes: More competition among the networks is showing up on basis of first Trendex ratings of the heavy slate of new programs this season. Interpreting Trendexes is favorite game, and there are 3 different versions of who's winning network rating game. There's no question that NBC-TV has improved its competitive position so far this season, and that ABC-TV's share of audience is moving up, too . . . Both NBC-TV & ABC-TV have put out analyses of their increases in share-of-audience as measured by Trendex samplings for new-program premieres. NBC reports 29% increase in share-of-audience for the time periods occupied by its 19 new shows measured so far; ABC-TV reports 30% gain in time segments of its 9 new shows, 15% boost in new-season premieres of its 9 "established programs" . . . Most of the new situation comedies—and some of the reprised old ones—aren't expected to live beyond their first 13-week cycles, and search by networks and sponsors for replacements by Jan. has already begun . . . Syndicated shows have more durability than network shows, TPA claims on basis of study of programming in nation's top 22 markets which indicates only 42% of sponsored evening network shows survived from Jan. 1956 to Oct. 1957, while equivalent figure for syndicated programs was 65% . . . At least 20 new series are being prepared for first-run syndication this winter, reports Oct. 7 *Billboard*, which estimates their total production cost at $25,000,000 . . . Fate of 7-9 a.m. on CBS-TV due to be settled in next 2 weeks, amid reports network will hand segment back to stations . . . Expansion of TV film commercial industry is about completed, *Variety* fears in Oct. 9 issue; there's built-in ceiling of about $52,500,000 billings, it explains, because of limited number of networks and stations. Article estimates 1957 filmed commercial production will total record of nearly $49,000,000 . . . Quick rebroadcast of Ed Murrow's excellent *See It Now* exposition of postal problems planned by CBS-TV Oct. 20, just 2 weeks after original performance . . . Westinghouse renews *Studio One* on CBS-TV for full 2 years, but with change in name, policy and production locale: It will be *Studio One in Hollywood* beginning in Jan., featuring top movie stars, abandoning N. Y. as origination point . . . Handout news films, offered by industrial firms and running 3-5 min., are currently being used by more than 100 TV stations, *Printers' Ink* survey indicates . . . NTA Film Network gets another sponsor: Toni signs for partics in its series of 4 Shirley Temple movies to be televised on Sundays in 60 markets, sharing sponsorship with Ideal Toy Co. . . . It can't happen here: Britain's commercial TV reported no viewer complaints last week when it showed special 15-min. segment filmed in nudist colony.

Smash hit BBC-TV scientific spectacular, "This Restless Sphere," special program on International Geophysical Year narrated by Prince Philip, has been bagged by ABC-TV, which will present the filmed shown Sun. Oct. 20, 9-10 p.m. as salute to IGY and the royal couple's visit to U. S.

Transatlantic TV: When it comes—and it's "inevitable within the next few years"—it will be dictated by military necessity for coordinating radar information among the NATO countries. So said Wm. S. Halstead of Unitel Inc., in paper read at Philadelphia SMPTE convention by Ellis D'Arcy, Chicago consulting engineer and chairman of convention's symposium on international TV. Pointing out that transoceanic scatter microwave system is possible now, since greatest overwater hop between land masses in extreme North Atlantic area is 290-mi. between Iceland & Faeroe Islands, Halstead's paper said: "The most direct action toward the establishment in the near future of a wide-band telecommunication relay system across the Atlantic [probably] will come as a necessary extension of the existing wideband relay facilities that link the numerous radar stations now operated by cooperating military services of the nations in the NATO area."

Longest & deepest cable system underseas was placed in San Francisco-Honolulu telephone service Oct. 8 by AT&T and Hawaiian Telephone Co. following ceremonies in Treaty Room of Executive Office Bldg., Washington. Providing 36 voice circuits augmenting 14 existing radiotelephone circuits, new link was opened with 18,000-mi. call from Washington to Honolulu via London & Ketchikan, utilizing 3 deep-sea cables laid by AT&T in past year—transatlantic, Alaskan, Pacific. Amplifiers developed by Bell Labs and manufactured by Western Electric are built into 2 Pacific cables at 44-mi. intervals in 2400-mi. stretch, at depths to 3½ mi., from Point Arena, Cal., to Hanauma Bay, Oahu.

First TV-radio coverage of ceremonies opening Canadian Parliament will be provided by CBC Oct. 14 preceding Senate appearance by Queen Elizabeth II for "Speech from the Throne," which also will be carried live. CBC cameras & microphones will follow Parliament proceedings through election of Speaker of House of Commons.

British movie attendance has hit lowest figure in 7 years—as commercial TV celebrates second anniversary.

Anglo-U. S. TV Battle: "War" between Britain, U. S. & continental Europe over TV standards for middle east is described in front-page London-dated story in Oct. 8 *Wall Street Journal* which details important stakes of the 2 countries in terms of TV set and equipment sales. Key to battle is issue of U. S. 525-line vs. European 625-line standards. First mid-east TV station is Pye's 625-line Iraq govt.-owned 500-watt station at Baghdad, on air since May 1956. But in neighboring Iran, RCA is installing new station in Tehran, privately owned by group headed by RCA distributor Firooz Trading Co. Next step, according to article, is Iraq govt. decision on future TV expansion in proposed 3-year nationwide transmitter-building project. Govt. has not yet decided which standards it will officially embrace—but decision could materially affect future of middle east TV equipment market.

MBS showed profit—"small but significant"—in Sept., pres. Paul Roberts said Oct. 8 in special report to directors of new group which bought radio network from RKO Teleradio Pictures Aug. 8 (Vol. 13:32). Roberts disclosed no figures publicly, but said he is "sure Mutual will continue, from now on, to be a profitable broadcasting activity." He saw "real turning point in the acceptance of network radio" by national advertisers, citing such recent MBS accounts as General Foods, P. Lorillard, GM, Chrysler, *Reader's Digest*, H. J. Heinz, Benrus. In first 10 months of 1956 MBS lost more than $1,000,000.

First commercial TV in Peru—Radio El Sol—is scheduled to begin programming early next Jan., reports Ziv International chief Ed Stern, who adds that the station has placed orders for Spanish-language versions of 13 Ziv film series. Two govt.-owned stations—one with a 1957 target date—and several other commercial TV outlets reportedly are planned in Peru.

Biggest single program sale to Hong Kong's closed-circuit TV system was claimed this week by Screen Gems, which has sold five 30-min. series and one 15-min. musical series to Rediffusion Hong Kong.

New and Upcoming Stations: Oregon educational KOAC-TV, Corvallis (Ch. 7), began programming Oct. 7, following Oct. 1 test pattern debut. Non-commercial educational outlets now number 27 and total for all stations on air becomes 513 (91 uhf). KOAC-TV has 5-kw RCA transmitter, 200-ft. Fisher tower on Vineyard Hill, 6 mi. N. of Corvallis. Studios at Oregon State College, Corvallis, and at U of Oregon, Eugene, connect with transmitter via microwave. Glenn Starlin, chairman of Dept. of Speech, U of Oregon, is in charge of inter-institutional TV teaching; James M. Morris, from State College's KOAC, program mgr.; Grant Feikert, also KOAC and prof. of electrical engineering at Oregon State, chief engineer.

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

KTWX-TV, Sheridan, Wyo. (Ch. 9) has changed target to Jan. 15, reports Burt I. Harris, pres. of Harriscope Inc., also operator of KTWO-TV, Casper, Wyo. (Ch. 2). Sheridan outlet will operate initially as satellite of KTWO-TV, which plans move of tower to Casper Mt. and power boost to 28-kw by Dec. 1. KTWX-TV will use 30-ft. Ideco tower, hasn't ordered transmitter as yet. It will be sold as bonus to KTWO-TV. Rep is Meeker.

KRSD-TV, Rapid City, S. D. (Ch. 7) is installing 6-bay RCA antenna on 370-ft. Ideco tower, but hasn't set target, reports partner & gen. mgr. Eli Daniels, who with John & Harry Daniels also holds CP for KDSJ-TV, Deadwood, S. D. (Ch. 5). Studio-transmitter bldg. on Skyline Dr. is 75% completed and 5-kw DuMont transmitter is scheduled for installation shortly. Network affiliation hasn't been signed; base hour not set; rep not chosen.

WFWC, Tampa-St. Petersburg (Ch. 3, educational) hasn't ordered equipment or begun construction, but hopes to be on the air early in Jan., reports Robert R. Guthrie, pres. of Florida West Coast Educational Television Inc.

KHUM-TV, Eureka, Cal. (Ch. 13) has ordered RCA equipment for Dec. delivery but hasn't set target, writes Russell K. Olsen, asst. mgr. of KVIP-TV, Redding, Cal. (Ch. 7), which has acquired 50% interest from former sole owner Carroll R. Hauser (Vol. 13:31). It will use 200-ft. self-supporting tower. Bids on studio-transmitter building are now being obtained. Rep will be Hollingbery.

KXAB-TV, Aberdeen, S. D. (Ch. 9) has changed target to Jan. 1, reports John W. Boler, whose North Dakota Bcstg. Co. acquired CP from Joseph E. McNaughton interests (Vol. 13:25). Plans are to operate it in affiliation with his KXJB-TV, Valley City-Fargo, N. D. (Ch. 4). Make of transmitter not designated, Stainless tower to be used. Base hour will be $150. Rep is Weed.

WGTV, Athens, Ga. (Ch. 8, educational) has decided to request new transmitter site and has cancelled Nov. start, reports Gerald L. Appy, assoc. director of communication services for grantee U of Georgia. It has ordered 25-kw RCA transmitter and 1000-ft. Stainless tower. Station will be part of $2,500,000 Center for Continuing Education, where closed-circuit programming began last April 30.

Airspace Panel Actions: Approved proposals by TV applicants KSTT, Davenport, Ia. (Ch. 8) for 1000-ft. tower southeast of Cambridge, Ill.; Midland Bcstg. Co., Moline, Ill. (Ch. 8), 1089-ft. 3.7 mi. south of Orion, Ill.; Central Minn. TV Co., Alexandria, Minn. (Ch. 7), 1133-ft. 3 mi. east of Westport, Minn. It also approved application by WSAU-TV, Wausau, Wis. (Ch. 7) for 609-ft. tower 3.2 mi. west of Wausau Municipal Airport. Panel rejected 3 proposals for new towers in Norfolk area: By WVEC-TV (Ch. 15) & WTOV-TV (Ch. 27) for 531-ft. tower near Kempsville, Va., and by applicant Norfolk-Newport News Bcstg. Co. (Ch. 13) for 1033-ft. tower, recommending 380-ft. maximum height at proposed locations or 449-ft. in downtown Norfolk. It approved proposal by KLFY-TV, Lafayette, La. (Ch. 10) for 973-ft. tower at Church Point, La., but rejected 1000-ft. tower proposals (near Kaplan, La.) by Ch. 3 applicants Acadian Bcstg. Co. & Evangeline TV Corp., suggesting they locate at Church Point or establish new farm where all Lafayette towers may be placed. It deferred consideration of proposed 977-ft. tower for KCSJ-TV, Pueblo, Colo. (Ch. 5) and 1061-ft. tower for applicant St. Anthony TV Corp., Houma, La. (Ch. 11) at request of applicants.

Translator starts: K75AE, Grangeville, Ida. began tests Oct. 1, repeating KLEW-TV, Lewiston, Ida. K76AE, La Grande, Ore. expects to start Nov. 10, repeating KXLY-TV, Spokane. W82AA, North Warren, Pa. began tests Oct. 6 repeating WBEN-TV, Buffalo. K79AB & K82AD, Brownlee Trailer Court, Ore. began tests Oct. 8 repeating KBOI-TV & KIDO-TV, both Boise, Ida. K72AN, Durango, Colo. plans Nov. 1 start repeating KOB-TV, Albuquerque.

New CBS affiliate: WDTV, Durham, N. C. (Ch. 11), starting Oct. 2 as secondary affiliate, becomes primary affiliate next April.

New rep: WSIX-TV, Nashville, to H-R Television (from Hollingbery).

Reports of Radio Station Sales: WGAY, Silver Spring, Md., 35% owned by Joseph L. Brechner & wife for $150,000 to associate John W. Kluge, increasing his interest to 100% . . . **KYTE, Pocatello, Ida.**, by J. Ronald Bayton for $60,000 to Thomas R. & Andrew H. Becker, who control KNPT, Newport, Ore. . . . **WJOE, Ward Ridge, Fla.** by Vacationland Bcstg. Co. Inc. for $40,000 to Rupert P. Werling.

Radio station sales approved by FCC this week: WRAD, Radford, Va. by Perry E. & Alice Gresham for $95,000 to *Wooster* (O.) *Record* (Vol. 13:37) . . . **KWLK, Longview, Wash.** by Twin City Bcstg. Corp. for $65,000 to Triad Bcstg. Co. (Vol. 13:31).

Rate increases: KOVR, Stockton, Oct. 1 raised base hour from $650 to $800, min. $135 to $190. **KXJB-TV**, Valley City, N. D. Oct. 1 added KCJB-TV, Minot, to combination already including KBMB-TV, Bismarck, and raised hour from $500 to $550, min. $100 to $125. **WCNY-TV**, Carthage-Watertown, N. Y. Sept. 30 raised hour $200 to $250, min. $40 to $50.

KGEO, Enid-Oklahoma City (Ch. 5) is being sold for $2,500,000 by Streets Electronics Inc. (P. R. Banta, pres.) to L. E. Caster, Rockford, Ill. and Ashley L. Robison, owner of radio KOVO, Provo, Utah. Caster is pres. of WREX-TV, Rockford (Ch. 13), being sold for $2,850,000 to Bob Hope and associates, including Robison as 15% stockholder (Vol. 13:40).

Sale of KVTV, Sioux City, Ia. (Ch. 9) with radio WNAX, Yankton, S. D. for some $3,000,000 is being negotiated by Cowles interests to Peoples Broadcasting Corp. (Nationwide Mutual Insurance Co. subsidiary), operator of radio WGAR, Cleveland, O.; WRFD, Worthington, O.; WTTM, Trenton, N. J., and WMMN, Fairmont, W. Va.

RCA shipped 6-bay superturnstile 6-bay antenna Oct. 9 to WRC-TV, Washington (Ch. 4), moving to new site.

Homework Watching TV: Commercial TV can be educational TV, too, ABC-TV boasted this week. Network reported that 1,200,000 elementary & high school students from 31,500 classrooms in 68 areas of country are taking lessons regularly from *Bold Journey* Mon. 8:30-9 p.m., sponsored by Ralston Purina.

Students watch travel-adventure documentary film series as part of homework, follow up episodes in classroom studies of geography and social & physical sciences. Teachers use special program guidebooks prepared by committee of educators headed by pres. Dr. J. Cloyd Miller of N. M. Western College.

Instructional program was originated by v.p. Ernest J. Hodges of Guild, Bascom & Bonfigli, Ralston's agent. Participating teachers also are offered more than 30 educational travel grants in tours directed by National Educational Assn.'s travel service div.

In other educational TV developments this week:

NBC lined up Health, Education & Welfare Secy. Marion B. Folsom and Comr. Lawrence G. Derthick of U. S. Office of Education for broadcast statements Oct. 12 & 13 on o-&-o stations starting network's 6-week "Know Your Schools" project.

John K. Weiss, v.p. & treas. of Fund for the Advancement of Education, told international seminar at Boston U (Vol. 13:40) that "American education on all levels of instruction may realize substantial savings in the future use of educational TV." He cited Penn State U survey which showed last term's TV classes in psychology, accounting, air science & sociology cost school $52,000 vs. $92,000 previously spent for conventional courses.

Student response to *Sunrise Semester* course in comparative literature on WCBS-TV, N. Y., has been so great (Vol. 13:39) that station & NYU will extend TV class another semester, starting late in Jan. Full college credit is given for course, first of kind in city.

Study-group discussion by delegates organized for "A Look at Ourselves" in such areas as "Professional Standards" and "Station Policies & Practice" will feature 33rd annual convention of National Assn. of Educational Broadcasters Oct. 29-Nov. 1 in Statler Hotel, St. Louis. Luncheon speaker Oct. 30 will be TASO exec. director George R. Town. NAEB also announced these deadlines for applications for educational TV scholarships under grant by Ford Foundation: For study prior to next June 1—Dec. 1. For 1958 summer study—April 1.

Originating point for 2 upcoming live closed-circuit color telecasts will be Washington's color-equipped Walter Reed Army Medical Center. First Walter Reed origination for outside reception will be series next week beamed to D. C. Medical Society's annual scientific assembly in Washington's Statler Hotel. Second use will be non-medical series beginning next week—at which Washington area high school teachers will view experimental instruction in "calculus in color," conducted by U of Md. This week's 50-min. session will be first of series of 26.

TV cameras were banned Oct. 7 from Indianapolis road scandal trial by Special Judge Walter Pritchard following objections to courtroom coverage by counsel for Nile Teverbaugh, ex-Indiana highway right-of-way director, one of 3 defendants accused of embezzlement in superhighway land purchase.

Satellite Week: "The week of the sputnik" was extremely significant for all phases of TV-radio-electronics. From networks' and telecasters' point of view, it was important opportunity to keep public informed with the kind of coverage TV & radio do best—and opportunity wasn't muffed. All networks presented special programs last week end—forums, background information and frequent news bulletins, and the "beep-beep" tone (later deteriorating to steady note) became TV-radio's top tune. Other significant angles: (1) RCA Communications' receiving station at Riverhead, N. Y. became semi-official U. S. monitoring headquarters for satellite, doing first extensive monitoring and computations of speed, course, etc.—in addition to supplying all networks with "beep-beep" recordings. (2) Tracking the sputnik became favorite pastime not only of hams but of everyone with short-wave receivers (including battery portables) which could pick up 20 or 40-mc bands. (3) Reports that sputnik was equipped with TV camera were quickly denied in Russia, but an INS dispatch stated that U. S. was now ready and waiting (for favorable winds) to shoot TV-equipped rocket to moon from 100,000-ft. high balloon launching platform. (4) Military experts were predicting U. S. would step up its missile program, with electronics industry the first to feel big boost. (5) Andrew G. Haley, well known as both a Washington TV-radio attorney and rocket expert, made headlines when he told International Astronautical Congress in Barcelona that he will ask Congress to appoint committee to define air space in anticipation of possible demands by other countries for unlimited sovereignty over space above their lands. He's also quoted as proposing to Congress that moon be declared "free and independent autonomous area" to prevent any country from claiming sovereignty over it.

"On the Air" research service for spot advertisers is being offered by KTWO-TV, Casper, Wyo., as part of regular sales package when they buy units of 20 announcements per month at regular rates. "Awareness" method developed for station by research director Dr. Saul Ben-Zeev of North Adv., Chicago, includes interviews with random sample of 200 persons on completion of 20 spots, "playback of copy points for the participating product and all of its competitors." Dr. Ben-Zeev says "method permits estimates of norms and allows diagnoses of irregularities in the development of public consciousness of a brand and its advertising image."

Broadcasters' Promotion Assn. has added seminars on merchandising and cooperation with agencies & syndicates to program for second annual convention Nov. 1-2 in Sheraton Hotel, Chicago (Vol. 13:37). Second-day session on "Merchandising—The Red Ink Invader or a Bugaboo?" will be moderated by adv.-sales promotion mgr. Paul I. Woodland of WGAL-TV & WGAL, Lancaster, Pa. Seminar on "Promotion Cooperation" will be led by sales promotion mgr. John Hurlbut of WFBM-TV & WFBM, Indianapolis.

Recommended standards and handling practices for monochrome and color film for TV were adopted last week end by Assn. of Cinema Labs (Reid H. Ray, pres.). Recommendations include camera area dimensions, review room projector apertures, set lighting techniques, control of negative and positive prints, etc.

Howard W. Blakeslee Award of American Heart Assn., for distinguished reporting in field of heart & circulatory diseases, has been presented to producers of *Robert Montgomery Presents* for "The Long Way Home" on NBC-TV.

Name change: Effective with Oct. 14 issue, *Broadcasting-Telecasting* reverts to original name of *Broadcasting*.

FCC Freeing WLWI, Indianapolis: Blocked from going on air, though waiting to throw switch, Crosley's WLWI, Indianapolis (Ch. 13) began to see daylight this week when FCC instructed staff to draft document denying various pleadings filed by applicants defeated by Crosley in hearing. When finalized, action presumably will be followed by modification of CP and program-test authorization permitting start—probably in week or 2.

In Albany, WCDA (Ch. 41) still holds FCC permission to switch temporarily to new Ch. 10, Court of Appeals denying stay sought by WVET-TV, Rochester (Ch. 10), also an applicant for the Albany channel. Also in Court of Appeals, WKAT, Miami, filed additional pleadings attacking grant of WPST-TV (Ch. 10).

In Elko, Nev., Donald W. Reynolds' Nevada Radio-TV Inc. now holds initial decision for Ch. 10, following drop-out of competitor KELK. In Eureka, Cal., KHUM-TV was granted change from Ch. 13 to Ch. 6, 4 to 14.8 kw, minus 70 to plus 460 ft.

In Scottsbluff, Neb., KSTF (Ch. 10) received increase from 11.5 to 240 kw, 240 to 840 ft., after telling Commission it would withdraw application for Ch. 13, Alliance, Neb. Sole new CP granted was for a Ch. 82 translator in Rock Springs, Wyo.

Commission got after couple of CP-holders—telling Wrather-Alvarez to ask for hearing on more time to build its KYAT, Yuma (Ch. 13) or lose CP; designated for hearing application of Chinook TV to reinstate its Ch. 23 CP in Yakima.

Commission finalized substantial uhf channel-shifting to permit WSJV, Elkhart, Ind. to shift from Ch. 52 to Ch. 28, WSBT-TV, South Bend, from Ch. 34 to Ch. 22.

WWLP, Springfield, Mass. (Ch. 22) filed petition seeking substitution of Ch. 15 for Ch. 75 in Concord, N. H.; in addition, it sought extensive changes in Mass., Me., Vt. & N. H. to permit addition of translators. Cascade Bcstg. Co., operator of KIMA-TV, Yakima (Ch. 29) and KEPR-TV, Pasco (Ch. 19), asked substitution of Ch. 22, 44 & 50 for Ch. 5, 8 & 22 in Walla Walla. [For details of changes finalized or sought, see *TV Addenda 25-K* herewith.]

Vhf booster rules proposed by FCC are too tough, (Vol. 13:32), Wash. State TV Reflector Assn. told Commission this week, asking amendment of Sec. 4.935 of rules as follows: "A low power TV broadcast repeater station will not be authorized to operate with a power in excess of that required to produce a field of 5 millivolts/meter in 75% of the area to be served . . ."

RCA-Ampex Agreement: Prospects for compatibility of all future makes of video tape recording and playback equipment appeared to be enhanced at week's end with brief skeleton announcement that RCA and Ampex Corp. had signed "agreement for exchange of patent licenses covering video tape recording and reproducing systems for both black-&-white and color."

Very few details were available—nothing at all on terms of agreement. But there were indications that agreement may remove spectre of video tape mechanisms using different width tapes and running at different speeds. RCA officials declined to comment when asked whether they intend to enter commercial TV recorder production soon.

From standpoint of TV technology, agreement is historic in that 2 of leaders in video tape research—Ampex in monochrome and RCA in color—apparently have agreed that each has something to offer the other. From telecaster's viewpoint, deal can do nothing but hasten advent of practical, reliable tape for color and monochrome.

A top RCA official explained patent deal this way: "We can't proceed unless we have freedom to work. This clears the air for both companies—we can both work on our own approaches to tape without getting in each other's hair patent-wise."

Philco appealed to D. C. Court of Appeals Oct. 9 to overturn FCC ruling rejecting its bitter protest against renewal of license of NBC's WRCV-TV & WRCV, Philadelphia (Vol. 13:37). Philco contends that Commission (1) was mistaken in denying that Philco had no standing as party of interest in license case, (2) wrongly held that FCC had no jurisdictional interest in Philco's $150,000,000 anti-trust case against RCA.

FCC's mobile TV station measuring equipment is described by engineer Raymond L. Day in Oct. 1 *Electronics*.

McConnaughey Raps Controls: "Lot of inane prattle" has been "going on in Washington about regulating broadcasting," former FCC Chairman George C. McConnaughey told Ohio Municipal League conference in Dayton, urging delegates to help keep field from "destructive federal control." In first reported speech since he left Commission June 30 (Vol. 13:26) McConnaughey said that public—not Govt.—should censor programming, that he's "unalterably opposed to censorship or any other kind of govt. control over programming or over the thoughts of free men, provided the operation as a whole is conducted in the public interest." He said he prefers "weaknesses" of U. S. system—"too many commercials, switch & bait, giveaway programs and commercialization"—to any govt.-controlled operations he's seen abroad.

"Color V" product sold by Superior Products, 673 Broadway, N. Y., has been misrepresented as providing same visual effect as color TV, FTC examiner Loren H. Laughlin ruled Oct. 8 in ordering Harry G. Kriegel to stop making false advertising claims for plastic sheet (Vol. 13:16). Kriegel did not appear at hearing in case but in answer to FTC complaint said he didn't own company, that sale of product was discontinued June 1, 1956 (Vol. 13:35).

Photographs of equipment for which FCC type acceptance is sought would be required in proposed new Commission rule amending Sec. 2.523 (b) of regulations. Notice of amendment (Docket 12212) says it is intended only for acceptance applicants whose instruction books or manuals don't include photographs. Comments may be filed by Dec. 1.

New 8 rpm record has been developed by CBS Labs for use by the blind, pres. Peter Goldmark told Audio Engineering Society, hinting that new disc might also have other more commercial applications. He said 7-in. diameter record will play for 4 hours, 12-in. about 10 hours, and stated surface noise is 7db less than 33 rpm record.

United Artists Corp. joins other movie producers in establishing own music firms, setting up United Artists Records Corp. and United Artists Music Corp., both headed by v.p. Max E. Youngstein of parent company.

Television Digest with ELECTRONICS REPORTS
WYATT BUILDING WASHINGTON 5, D. C. • TELEPHONE STERLING 3-1755
Trade Report
October 12, 1957

SEPT. SALES AND FULL-YEAR OUTLOOK: Industry generally regards Sept. as a key month, a useful index in gauging the all-important 4th quarter sales. Vital retail sales figures for month aren't in yet, but preliminary factory sales are -- and they show some drop from year ago -- 875,000 vs. 1,020,000 in Sept. 1956. Total factory sales for year reached 4,500,000 end of Sept., compared with 5,250,000 last year.

Sept. looked good to most top producers, according to check of cross-section we conducted this week. Here are their sizeups:

Robert A. Seidel, RCA exec. v.p.-consumer products: Sept. sales seem to be "firming up quite a little bit -- at least in our end of it." It may be, he said, that RCA "is gaining in percentage of industry sales."

His reports indicate, Seidel elaborated, that Sept. business "held up relatively well -- much better than in Aug." He said week before last was very good and "if last week was as good, we'll be off to the races."

Activity in color evoked bubbling enthusiasm from Seidel who said that since RCA's 2-hour closed-circuit color show Sept. 4 (Vol. 13:36) this phase of business "has taken quite a spurt...it's gone up to beat hell."

Admiral pres. Ross Siragusa told us his Sept. business "in dollars equals or exceeds last year," although unit volume is down. He went on to say that "the mix has changed, we're selling more high end consoles and combinations, fewer portables -- and profits will be better."

Siragusa also noted tremendous drop the industry has suffered in Canada, but "Admiral sales in Canada are considerably ahead, in both units and dollars."

* * * *

Motorola's Edward R. Taylor, exec. v.p.-consumer products, put his views of Sept. market this way: "I feel pretty encouraged, although I don't have any figures on hand yet" to back up the feeling. Motorola executives, he said, have just finished a round of 14 regional meetings with distributors and "in almost every case they felt pretty good about what was coming up. By and large, I'm convinced things are moving in the TV market and we've had an excellent Sept. in hi-fi."

John M. Otter, Philco exec. v.p. for marketing, said "our TV sales in Sept. were better than last year" and the same is true for first 9 months, compared with 1956. He described TV-radio sales in 3rd quarter as "very good, excellent -- and hi-fi is selling like a house afire -- far ahead of 1956."

Philco "Slender Seventeener" played big part in good sales showing, Otter declared, adding that they've had to put an extra production line on the model and "still can't make enough of them."

Incidentally, a Philco spokesman told us firm's 3rd quarter profits -- which haven't been announced yet -- "are up over last year" when earnings were $240,000 (4¢ per share) on sales of $87,460,000.

Robert L. Shaw, gen. sales mgr., Sylvania TV-radio div., called Sept. a "good month," roughly twice as good as last Sept., although final figures are not in yet. He said "our sales growth is following a pattern which has prevailed since the first of the year."

GE—On Production, Price, Color: Visiting Syracuse this week, when GE turned out its 1,000,000th TV portable since production on it started May 1955, we obtained top officials' views on GE and industry TV activities.

Herbert Riegelman, gen. mgr. of TV receiver dept., explained that dropping of night shift (Vol. 13:38) was simply result of careful analysis of sales prospects for final quarter. He emphasized GE's efforts to minimize impact on employes. Night shift had 700, whereas day shift has 3300.

Any price cuts in sight? Riegelman sees none. Then, we asked: "You don't think there will be any price increases?" His reply: "I wouldn't say that." And he pointed to higher wages and material costs.

GE's color position, as given by marketing mgr. Jack S. Beldon: Color is here. GE has a good set. We'd be delighted to see it go over. We know of no engineering advance likely to cut color costs. Real mass production, say 200,000 sets per year by one company -- would produce real price reductions.

Riegelman said he had felt consumers would pay about $100 premium for color over black-&-white but now wonders whether even this figure is too high.

Beldon reviewed current black-&-white sales, said that a very important facet is dealers' emphasis on advances in new lines -- slim design, automatic tuning, etc. -- that "price alone shouldn't be the main point of sales emphasis."

GE's over-all corporation policy is that each division must make a profit, stand on its own feet. Thus, each division head is like a corporation president, reporting to stockholders. Greatly decentralized under pres. Ralph Cordiner, each division acts quite independently, can't lean on others.

Production: TV output was 167,605 week ended Oct. 4, compared with 180,725 preceding week and 215,480 in corresponding week one year ago. It was year's 40th week and brought TV production for year to date to about 4,769,000, compared with 5,464,467 in same period of 1956. Radio production was 356,748 (114,402 auto) week ended Oct. 4, vs. 380,732 (105,895) preceding week and 307,865 (113,594) in corresponding week year ago. Radio output for 40 weeks totaled about 10,731,000 (3,952,000) vs. 9,873,114 (3,197,048) in 1956 period.

Trade Personals: Robert J. Theis promoted to merchandising mgr., Philco TV div.; **George Strotmeyer** succeeds him as regional mgr., Allegheny region; **Bruce Lambert** named regional mgr., Atlantic region . . . **Merrill L. Bengtson**, Hufford Corp. pres., named director of parent Siegler Corp. which recently merged with Unitronics Corp. (Olympic Radio & TV) . . . **George I. Long Jr.**, Ampex pres., named a director of ORRadio . . . **Donald T. Lucas** appointed mgr., Raytheon receiving tube sales; **Paul R. Keeler**, mgr., govt. relations; **C. W. Duncan**, sales engineer of receiving & picture tubes, transistors and semiconductor diodes . . . **Harold G. Towlson** promoted to engineering mgr., GE technical products dept. . . . **Martin I. Stoller**, ex-Young & Rubicam adv., appointed marketing mgr., Fairchild Recording Equipment Co. . . . **Robert A. Donner**, ex-Bruno-New York, named adv. & sales promotion mgr., Herold Radio & Electronics Corp.'s Steelman phonograph and Roland radio divs. . . . **E. L. Bragdon** promoted to RCA trade press editor, N. Y.; **B. I. French Jr.** to coordinator, editorial and press services, Cherry Hill, N. J. . . . **Dr. Raymond L. Garman** elected General Precision Equipment v.p.-engineering & research; **Wladimir A. Reichel** resigns as senior v.p.-engineering.

Dr. W. R. G. Baker, GE v.p. and EIA pres., retires from GE Nov. 30 at mandatory retirement age of 65. Recovering from stroke at St. Joseph's Hospital, Syracuse, he's been active despite some paralysis—working from office established next to his room, conferring regularly with associates.

Tribute to Dr. Irving Langmuir, Nobel Prize winner and world famous GE scientist who died Aug. 16 (Vol. 13:34), is contained in 8-page booklet from GE Research Lab, Schenectady. It includes excerpt from *N. Y. Times* editorial, encomiums from friends and associates.

DISTRIBUTOR NOTES: Sylvania appoints Traynor-Dean Appliances Inc., 107 N. 11th St., Tampa, Fla. (Frank M. Traynor, pres.) for TV-radio-hi-fi in 19 Fla. counties . . . **Tri-State Distributing Corp.** (Philco), Cincinnati, names Richard Brenner gen. sales mgr., replacing Robert Murrell, resigned . . . **Yancey Co. Inc.** (RCA), Atlanta, names Tommie Preacher field sales mgr. . . . **Trav-Ler** appoints Tecca Distributing Co., Cleveland, for TV-radio-hi-fi in territory including N. Ohio formerly serviced by Trav-Ler factory branch in Cleveland . . . **DuMont** appoints Ft. Orange Radio Distributing Co., 904-16 Broadway, Albany, N. Y. (David L. Marks, secy. & gen. mgr.) for TV-hi-fi . . . **Stuart Falk**, ex-Philco, opens mfrs. rep. firm, representing Capehart Corp. hi-fi, with temporary offices at 17611 Van Aken Blvd., Cleveland . . . **Stuart F. Louchheim Co.** (Zenith), Philadelphia, appoints Robert J. Boyle, ex-Raymond Rosen (RCA), Philadelphia, as adv. mgr.

Audio Engineering Society elects pres. Sherman M. Fairchild of Fairchild Recording Equipment Co. as pres., succeeding Walter O. Stanton of Pickering & Co. Other officers named: Donald J. Plunkett, Capitol Records, exec. v.p.; H. E. Roys, RCA Victor, central v.p.; Herbert E. Farmer, U of Southern Cal., western v.p.; C. J. LeBel, Audio Instrument Co., secy.; Ralph Schlegel, RKO.

Engineers were challenged by Motorola pres. Robert W. Galvin to assume broad responsibilities as dominant "taste makers" of American society. He told Oct. 7 meeting of AIEE in Chicago that some day a man of science would be elected president of U. S. but he cautioned engineers not to measure all relationships and values with an inflexible scientific slide rule.

Frank A. D. Andrea, Andrea Radio Corp. pres., named chairman of Radio & Television Mfrs. div., Muscular Dystrophy Assn. of America.

Service Problems: Servicing travails of U. S. householder, TV repairs costing nearly $2 billion of last year's $16.6 billion bill, are pinpointed in cover story of Oct. 14 *Time* which is bound to stir up considerable controversy in industry.

"Horrible examples" listed include Los Angeles man who was billed $162.40 for several month's effort to fix 21-in. TV set which he said didn't work any better when repairs were finished. In another case, a Washington homeowner said: "I've gotten to the point where I'm terrified to call the TV serviceman. I'd rather kick the set down the cellar steps than pay a bill for $70."

Service problem, says magazine, is aggravated by modern technology which fills demand for bigger and better gadgets, with TV set becoming as complicated as an electric brain. "Actually," article states, "the great majority of repairmen are honest enough. The difficulty is that no one can tell the good from the bad—so many are merely incompetent."

NARDA exec. v.p. A. W. Bernsohn is quoted in article as saying: "Never in the history of the appliance industry have we had a time when so much faulty merchandise was being received." Story cites NARDA survey to show appliance dealer loses money on service and adds that independents do little better.

Future will see, *Time* predicts, color TV, appliances, etc. with plug-in units that will be returned to factory for repair.

Factory sales of transistors in first 8 months of 1957 were 15,611,300, worth $42,063,000, reports EIA, compared with 6,958,000, valued at $19,717,000 in similar 1956 period. Aug. sales were 2,709,000, worth $6,598,000, vs. 1,315,000 at $3,660,000 in Aug. 1956. EIA's monthly breakdown:

	1957 Sales (units)	1957 Sales (dollars)	1956 Sales (units)
January	1,436,000	$ 4,119,000	572,000
February	1,785,300	5,172,000	618,000
March	1,904,000	5,321,000	708,000
April	1,774,000	4,880,000	832,000
May	2,055,000	5,636,000	898,000
June	2,245,000	6,121,000	1,130,000
July	1,703,000	4,216,000	885,000
August	2,709,000	6,598,000	1,315,000
TOTAL	15,611,300	$42,063,000	6,958,000

Sixty-second check of portable TV without taking set from shipping carton is made possible by slots in new Admiral carton. Pressing in knife-cut section permits (1) connecting power cord and antenna, (2) setting on-off switch and controls, (3) inspecting picture.

Firming up of TV market around Christmas is prediction of A. W. Zelomek, Fairchild Publications economist, in Oct. 7 *Home Furnishings Daily*. He adds that this "will be the start of an improved level of TV set business which should continue through the first half of 1958."

Hi-fi components volume of $200,000,000 in 1957, a 25% increase from 1956, was predicted by Edwin Cornfield, exec. secy., Institute of High Fidelity Mfrs., at 2nd annual hi-fi show this week in N. Y.

Emerson introduces 21-in. deluxe modern console TV in blond and mahogany at $238-$258 and 2 hi-fi consoles at $168-$188 and $198-$218.

Trav-Ler increases TV price 5-10% effective Oct. 15—portables excluded.

Tube Sales Reports: Picture tube sales by manufacturers totaled 930,296, valued at $17,984,185, for Aug., nearly double July's 491,935 but still less than the 1,099,605 sold in July 1956, reports EIA. Total sales for 8 months were 6,236,890, worth $114,806,802, compared with 6,837,728, valued at $125,286,416, in similar 8 months of 1956. Receiving tube sales for 8 months were 297,281,000, worth $252,389,000, vs. 303,004,000 at $244,144,000 during similar period last year. EIA's monthly breakdown:

	Picture Tubes Units	Picture Tubes Value	Receiving Tubes Units	Receiving Tubes Value
January	760,860	$ 13,594,525	37,571,000	$ 31,170,000
February	728,363	13,134,778	44,460,000	36,631,000
March	833,257	14,850,847	43,010,000	37,007,000
April	629,838	11,394,043	27,970,000	25,384,000
May	758,328	14,031,519	32,836,000	28,955,000
June	1,104,013	19,981,319	35,328,000	31,314,000
July	491,935	9,835,586	33,077,000	27,042,000
August	930,296	17,984,185	43,029,000	34,886,000
TOTAL	6,236,890	$114,806,802	297,281,000	$252,389,000

"Philco-Day USA," annual Philco sale promotion Oct. 7, resulted in TV distributor sales to dealers of more than $6,000,000 at retail value, reports Henry E. Bowes, v.p. and gen. mgr. of TV div. Describing the sales as "successful," Bowes listed the day's TV sales as 10,000 greater than last year. TV sales mgr. Gibson B. Kennedy emphasized "there were no cut prices—this was not a clearance sale—all sales were at regular prices." Philco introduced 21-in. console for promotion at $240 and Kennedy said over 8000 were sold and set will be continued as part of regular line.

New "field accelerated" class of transistors developed by Philco is capable of operating through entire vhf and part of uhf spectrum. Called MADT (Micro Alloy Diffused-base Transistors), they are currently in production, are said to open new fields of advanced electronic equipment to transistorization. Philco says they operate at switching speeds comparable to speed of light.

Dealers' outlook for balance of 1957 "promises no improvement," NARDA chairman H. B. Price Jr. told Oct. 6 NARDA southern regional meeting at Macon, Ga. and warned that "1958 may well bring further contraction of our market." Ellie Grumiaux, adv. mgr. of Price's Inc., Norfolk, called TV advertising "expensive, difficult to use, but the most powerful medium."

Dismissal of FTC price discrimination charge against Hamburg Bros., RCA distributor in Pittsburgh, has been urged by examiner Joseph Callaway who held company's pricing practices "were justified in all significant respects" (Vol. 13:6, 34). Examiner's order may be stayed, appealed or reviewed, but issuance was not opposed by FTC counsel and routine commission approval will follow.

"Control Master," Packard-Bell's remote control unit with self-contained speaker, illuminated channel selector, on-off switch, controls for volume, brightness and fine tuning, is described by pres. Robert S. Bell as " . . . a revolutionary development that television manufacturers have been striving to achieve for many years." Sound may be switched back and forth between set and remote speaker.

RCA raises entertainment tube prices average of 6%, effective Nov. 1, on 272 types, or 85% of those shipped to distributor market—no increase on picture tubes indicated. A Sylvania spokesman said similar price boosts for receiving tubes will be effective Nov. 5.

Sylvania produced its 15,000,000th picture tube this week—24-in. aluminized, 110-degree—at Seneca Falls, N. Y. plant.

RCA is bringing out 14-in. table model with built-in 45 rpm phono. "Bellevue" uses short 90-degree tube, is $239 in mahogany or oak.

Financial Notes: Record Motorola sales for first 9 months of 1957, topping previous high of $162,-689,182 in 1956, are expected by pres. Robert W. Galvin who outlined company financial picture in Oct. 10 speech to Investment Analysts Society of Chicago.

Galvin said final third quarters figures aren't available but he reported sales were over $60,-000,000, compared with $60,887,948 in similar 1956 period. Net profits, he added, were about $1,900,000 (about $1 per share) in this year's third quarter, compared with $1,751,757 (91¢) in similar quarter last year.

Going on to the fourth quarter, Galvin forecast Motorola would have a moderate increase in both sales and earnings, compared with 1956 when sales were $64,872,986, earnings $3,147,853 ($1.63). He predicted total 1957 sales of approximately $235,000,000, earnings of $8,500,000, vs. $227,562,168 sales and $7,966,817 earnings last year.

Galvin listed 9-month sales gains for two-way radio communications, microwave relay systems, transistors, car radios, phonographs. Home radios and military electronics, he said, were about even, while TV is slightly below 1956.

Other highlights of Galvin's talk:

(1) Color—Big problem is no one knows how to make color set for $300-$400.

(2) Hi-fi—Motorola business is up 50-75% in each of last 2 years.

(3) Auto radio—Motorola auto radios account for "tens of millions of dollars," show small profit, but require comparatively little investment.

(4) Two-way radio—between 60-65% of 2-way radios made in country come from Motorola; he sees company volume increasing 10% in 1957.

(5) Military electronics—Company will do $50,000,000 volume this year and he intends to hold it at 20% of total business.

(6) Semiconductors—Break-even point this year, then profits.

(7) New capital investment—Motorola had $8,000,000 in 1956; level dropping to $5,000,000 in both 1957 & 1958.

(8) 110-degree tube—To be used more or less universally but currently affected by high cost and service problems.

Electronics Personals: John F. McAllister Jr. promoted to gen. mgr., GE electronic components div. power tube dept., succeeding Robert O. Bullard who has been appointed mgr. of an engineering study project in the electronic components div.; McAllister has been mgr. of engineering, TV receiver dept. . . . David D. Coffin, mgr. of Raytheon missile systems div., and Dr. Thomas H. Johnson, mgr., research div., elected v.p.'s . . . Robert F. Bender, IT&T exec. v.p., named a director . . . George J. Eannarino, ex-Sarkes Tarzian Inc., elected Audio Devices rectifier div. v.p. . . . Rolland V. Robison promoted to product mgr.-semiconductor sales, Sylvania semiconductor div. . . . George M. Russell, ex-RCA Service Co., named liaison engineer in Packard-Bell Electronics' Washington office . . . George S. Kertson, ex-West Coast Telephone Co., appointed Wash.-Alaska sales rep., Stromberg-Carlson telecommunication div.; he replaces Charles E. Fogg, transferred to national telecommunications sales engineering staff, Rochester . . . Robert A. Bailey, ex-Engineered Electronic Co. v.p., appointed Norden-Ketay western div. marketing mgr. . . . Wm. M. Cagney, ex-Pye Corp. of America, appointed eastern regional sales mgr., DuMont 2-way radio communications systems . . . Capt. Gould Hunter (USN ret.) promoted to administrative asst. to Eitel-McCullough pres. W. W. Eitel and exec. v.p. J. A. McCullough . . . Wm. T. Dickinson promoted to research & development engineering dir., Jansky & Bailey, Washington . . . J. T. Houlihan promoted to mgr., merchandising-entertainment tubes, RCA electron tube div.'s distributor products merchandising; Joseph E. Kelley, mgr., merchandising-industrial tubes & semiconductors; Joseph J. Kearney, mgr., merchandising-parts & equipment; Gerald G. Griffin, mgr., merchandising coordination.

Hewlett-Packard Co., Palo Alto, Cal. manufacturer of precision electronic measuring equipment, filed registration with SEC Oct. 9 (File 2-13667) for 350,000 shares of $1 par capital stock, 300,000 to be purchased by underwriters, headed by Blyth & Co. Inc., for resale to public. Balance will be subject to restricted options granted to employes. Shares are being sold to underwriters by pres. David Packard and exec. v.p. Wm. R. Hewlett, each 50% owner.

Litton Industries earned $1,806,492 ($1.51 per share) on sales of $28,130,603 for year ended July 31, compared with $1,019,703 (97¢) on sales of $14,920,050 in preceding year. Pres. Charles B. Thornton said firm had $54,000,000 backlog at end of July, operates at 12 plant locations, has over 3000 employes. Litton also concluded agreement to acquire Aircraft Radio Corp., Boonton, N. J. through exchange of 0.6 of a share of Litton common stock for each ARC share or 0.23 of a share of Litton 5% cumulative preferred for each ARC share, subject to stockholder approval. Thornton said ARC would operate as Litton subsidiary and there woud be no change in officers or policy. ARC sales for 1957 are expected to reach $10,000,000, ARC pres. W. F. Cassedy Jr. says, while indicated first half earnings are $380,000 on sales of $5,357,630.

Pacific Mercury, which makes Silvertone label TV sets for Sears, Roebuck, earned record $557,754 (80¢ per share) on sales of $20,001,656 in year ended June 30 vs. $482,752 (69¢) in preceding 15 months, after which close of fiscal period was changed from March to June. "Prospects for the current year appear bright," said pres. Joseph Benaron, anticipating that rate of TV set sales will equal last year's and that company, which also produces electronic organs and electrical components, will increase volume of other products. "With a stable demand for TV sets, coupled with the potential for its other products, fiscal 1958 should prove another record year," Benaron said.

Teleprompter Corp.'s semi-annual report to stockholders this week cites gross income of $1,177,845 for the 6 mo. ended June 30 and net loss of $119,485—latter caused by "extraordinary expenses of establishing new and enlarged facilities for our branch offices . . . non-recurring charges resulting from expansion of our basic line of products and services [notably closed circuit] and other moves toward greater future growth and expansion." In 1956 Teleprompter grossed $804,191, netted $76,422; in 1955, $420,435 & $34,081.

Victoreen Instrument Co., Cleveland, filed registration with SEC Oct. 9 (File 2-13665) for $1,000,000 of 6% convertible subordinated debentures, due Nov. 15, 1967, for subscription by stockholders at rate of $100 for each 100 common shares. Underwriter is Saunders, Stiver & Co.

Flat, Transparent Tube: Kaiser flat picture tube with transparent phosphor is currently being tested on military aircraft, Chief of Naval Research Rear Adm. Rawson Bennett told National Security Industrial Assn. in Washington this week. He explained need for transparent flat tube which could be placed in windshield of plane, so that pilot could see through it in clear weather, see instrument and radar data in bad weather. Though scientists said neither flat tube nor transparent phosphors could be made, Adm. Bennett said, "today we have both, and they work." He added: "The reward that the general public will get for our stubbornness is a revolutionary new type of commercial TV tube." Also this week, delegates to SMPTE convention in Philadelphia heard 3 papers on flat transparent tube by those who developed it: Office of Naval Research's Cmdr. George W. Hoover, Kaiser Aircraft & Electronics' Ross Aiken (inventor of flat tube) and Naval Research Lab's Dr. Charles Feldman (inventor of the transparent phosphor used in tube).

First FTC ruling that cigarette smoking is harmful per se was made Oct. 10 in initial decision by examiner Wm. L. Pack prohibiting Liggett & Myers from advertising that Chesterfields will have no adverse effect on nose, throat, etc. Decision in 1953 false-claims case held that "it is highly significant" that no medical or scientific testimony by govt. or company witnesses maintained that "cigarette smoke is harmless—that an individual may smoke with impunity." Examiner recommended, however, that FTC dismiss charges that Liggett & Myers falsely claimed that Chesterfields are "milder," "soothing & relaxing" and leave no "unpleasant after-taste." Company said it may appeal adverse findings.

Automation is boon—not bane—to U. S. economy and free world, RCA chairman Brig. Gen. David Sarnoff said in "As Business Leaders See It" column in Oct. 11 *Journal of Commerce.* Instead of causing unemployment, as some fear, automation promises "higher standard of living and a better & happier life," Sarnoff said. He compared electronic advances in field with early progress in radio, talking pictures and TV—"developments that were significantly new & progressive" but which also were met by "violent reactions."

TV's east-to-west migration became campaign issue in New York this week, as GOP candidate for City Controller State Sen. Walter McGahan charged "New York City will become only a relay broadcasting station in the nation's mammoth TV industry" if Mayor Wagner is reelected. He blamed Wagner administration for losing to the city "millions of dollars now being spent annually in Hollywood for equipment, supplies and salaries."

Single application filed this week with FCC was for translator in LaBarge-Big Piney, Wyo. by local group headed by George D. Eubank. This brings total to 118 (34 uhf) for stations, 41 for translators. [For details see *TV Addenda 25-K* herewith.]

Sylvania TV Awards for 1957 will be presented Jan. 16 at banquet in Plaza Hotel, N. Y. Date has been changed from early Dec. to include entire year in Awards period.

Probes Annoy CBC, Too: Future of TV in Canada is hard to predict, CBC chairman Davidson Dunton told Toronto Rotary Club in speech complaining that "recurring cycles" of investigations of govt.-controlled system by Royal Commissions (Vol. 13:28) and Parliament put broadcasters in continuing state of "uncertainty." He expressed hope that new policy, financing & operating "decisions following one Royal Commission report are made before another Commission looms up on the horizon." But Dunton said CBC is determined "to push ahead with the job, to do the best possible with the means & mandate immediately at hand." He pointed out that in 5 years Canadian TV growth "has been relatively faster than in any other country in the world," making national program service available to 85% of population from 40 stations—8 owned by CBC, 32 by private interests.

WDAY-TV equal-time libel suit appeal by Farmers Union has been taken under advisement by North Dakota Supreme Court (Vol. 13:32, 35, 40). Lower court had ruled in favor of Fargo station which admitted telecast by minor party candidate was libelous but that station was prevented from stopping it because of FCC equal-time regulation. Appeals court decision isn't expected for several months, is sure to be appealed to U. S. Supreme Court.

New microwave across St. Lawrence River in 98-mi. 4-hop system linking Quebec City & Montreal with Jonquiere was placed in operation for Canadian National Telegraph by Philco this week—without field tests or equipment alignment. System was switched on prematurely at CBC's request to relay world series baseball games to CKRS-TV, Jonquiere. Reception was reported excellent.

Libel suit for $2,000,000 has been filed by ex-police chief C. B. Horrall of Los Angeles against Mickey Cohen, alleging damages from statements by ex-gambler on *Mike Wallace Interviews* show May 19 on ABC-TV. Also named in Los Angeles court action are Mike Wallace, network & others. It was third big libel suit resulting from telecast (Vol. 13:28).

New closed-circuit idea: Trustees of Springfield, O. Municipal Hospital approved closed-circuit system for use of patients who will be able to watch services in hospital's first-floor chapel. Patients will pay $1 a day for set rental, hospital receiving 25¢ and Telesound Inc. of Philadelphia the rest.

Trade paper ads for Storer Bcstg. Co., designed by adv. & sales promotion v.p. Art Schofield, have won top award in their classification in Greater Miami Art Directors' Club competition for third successive year.

Copies of Network Report

We still have some extra copies of our printed Special Report of Oct. 5, distributed as a Supplement with *Television Digest* of that date, carrying full text of the summary and recommendations of the "FCC Staff Report on Network Broadcasting" (Barrow Report)—and subscribers may obtain them at $2 each, 10 copies $12.50, 25 copies $20.

Television Digest with Electronics Reports
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with ELECTRONICS REPORTS

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SUMMARY-INDEX OF THIS WEEK'S NEWS—October 19, 1957

ONE TOLL TV SKIRMISH ENDS, MORE TO COME: Another step toward telecast pay TV—not the final word by any means—but certainly a move in the direction of tollcasting. That sums up FCC's "First Report" on subscription TV—a document setting up conditions for testing subscription TV and inviting stations to apply for permission to conduct tests.

There was little official industry reaction by week's end, as principals mulled over document, consulted their attorneys. There's no question, however, that pay TV proponents regard FCC action as something considerably better than nothing, despite very severe restraints—while opponents must acknowledge that they wish that Commission had shelved whole affair.

Situation remains wide open for Congress to nullify Commission move, and FCC gave Congress ample time to make wishes clear—by stating it wouldn't act on applications before March 1958. And extremely influential Congressmen, such as Celler (D-N. Y.) and Harris (D-Ark.), have made no bones about intention to take ball away from Commission—if possible. And, of course, Commission itself took pains to emphasize that authorization of tests is by no means a guarantee that permanent tollcasting will be permitted when tests end.

Commission's 38-page document does these things: (1) Tells why FCC has legal authority to approve pay TV if it's in the public interest. (2) States that it can't tell whether pay TV is in public interest until tests are made. (3) Sets up conditions for tests, after which a public hearing will be held to assay results. (For conditions of tests, see p. 7).

Only Zenith announced its reaction. It stated that FCC action means that pay TV will start in "reasonably near future;" that it (Zenith) is now considering numerous applications from TV stations; that move eliminates need for Congressional action; that telecast pay TV can obviate possibility "high-cost wire systems might become so firmly entrenched and skim so much cream from the city population that the rest of the country would be left out in the cold."

International Telemeter's Lou Novins said he hadn't studied document but that "in principle, we regard this as a very important step forward." Skiatron TV's Matty Fox stated: "Frankly, we don't want to reveal our thinking. The situation is fluid. I don't think the FCC's action will be meaningful until next March."

Sample reactions from Washington attorneys: "FCC is indulging in real doubletalk. It seems to be authorizing something—yet it says it will conduct hearings later (and you know how those can drag on) and seems to be saying it will go to Congress. The controls to be levied ought to scare stations to death. They go further than the Barrow report—and you can't have one set of rules for pay systems, another for the free system, even if FCC says this is only a test."

Another attorney: "FCC says there will be a hearing. That's almost the whole story. Can you imagine what it will be like? Can you imagine people investing money in tests without any assurance they're getting anything at all? And the data the Commission asks from stations! Stations will be operating in a fish bowl. You know that they want to keep as far away from the Commission as possible."

Still another: "The voting of some commissioners surprises me. They believe in laissez faire, minimum regulation—but this document calls for intimate control."

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In voting, only Comr. Bartley dissented, while Ford abstained, Mack issuing concurring opinion. Full text of document will be printed in Federal Register about Oct. 23 and as No. 12 in FCC's official weekly pamphlet Oct. 25—both available at nominal cost from Govt. Printing Office, Washington 25. They may be ordered in advance.

In Los Angeles, meanwhile, city council accepted closed-circuit franchise bids of Harriscope Inc., International Telemeter-Fox West Coast Theatres, Skiatron TV. Latter are now deciding what to do next. (For up-to-date report on Bartlesville closed-circuit system, see below).

BARTLESVILLE CABLE PROGRESS—CON & PRO: Report that Bartlesville cable theatre operation is off to "slow start," in Oct. 18 N. Y. Times, comes as surprise to George Griffing, operator of the system. Article notes that "only 500" subscribers have been signed up to date; that "customer lists are tenuous at best" and 30 dropped after free service in Sept.; that flat $9.50 monthly rate is regarded as too high by some subscribers who want fewer than the 30 movies offered monthly; that screen is too small for some "spectacles." On other hand, reporter Donald Janson found, viewers liked ready availability of current movies, lack of commercials, technical quality of transmission.

■ ■ ■

Griffing is a conservative attorney, sometimes chafes associates by habit of understatement (rare in show business). Here are his comments on progress to date: "We feel pretty good about it. It's better than we anticipated, even though we warned that we thought it would take a full year to get a fair test. We expected a considerable amount of 'fall off' in October when payments began; there hasn't been much. There may be about 30 who have cancelled; these include some of the 40-odd 'monitors' we attached before service began, to judge picture quality.

"We now have 540-550 subscribers and we're adding about 2 to 5 a day. There no longer is a backlog. No intense sales program has begun; that starts in November. However, you can't sell this like Fuller brushes. It's more like selling insurance—continuous payment over a long period.

"The growth to date has been on a par with our experience in community antenna systems. Surprisingly so. Before we started, we projected growth to about 200 by Oct. 1—but 500 signed up.

"We have 38 mi. of cable reaching 4500 TV homes—so I think the rate of growth isn't bad."

N. Y. Times article noted that Griffing is considering metering system, with smaller monthly minimum—such as $3.50. Griffing states:

"We've frequently said we're not averse to trying anything that looks like what the public wants. Stromberg-Carlson and Jerrold engineers have been looking into metering techniques; they could hook up devices outside each home—tomorrow. But we prefer a central metering system. We're not proposing to change the present method—but we're not bound to the present way, either."

On programming, Griffing states: "We've learned a few things already. The public wants short comedies and cartoons. We're giving them some. There also is a demand for 'constructive' children's shows such as 'Young Tom Edison,' 'Pasteur,' etc.; we're now carrying them on Sunday afternoons."

Meanwhile, good sources tell us several entities "definitely" plan to start Bartlesville-like systems in other towns—within next 3 months.

THE BIG CHANGE FROM RCA PATENT DEPT.: Changes in RCA's patent licensing structure following settlement of Zenith litigation (Vol. 13:37-38, 40) are expected by most set manufacturers to be basic and far-reaching. And best bet is that they will be announced simultaneously with settlement of Govt.'s anti-trust "package patent licensing" suit against RCA.

Until new terms are announced, some set manufacturers have stopped paying "package" patent royalties to RCA. It's believed that new formula awaits outcome of current RCA discussions with Justice Dept. anti-trust lawyers.

Last Sept. 25, RCA notified TV-radio set makers that it is considering "changes in our patent licensing" without revealing how basic these changes might be. Best information indicates that RCA hasn't yet completely formulated its new terms.

Under present procedure, RCA's domestic licensees pay on a "package" basis, manufacturers paying a specified percentage of their factory selling price for permission to use all RCA patents in each given field. For example, current rate for monochrome TV receiver license package is 1¼%, color 1¾%. There are separate rates for conventional radios, transistor radios, receiving tubes, color tubes, monochrome tubes, etc. It is this "package" licensing principle to which Govt. objected in its suit.

Money from patent licenses—believed to total close to $20,000,000 a year—supports RCA Labs, industry's principal research center. Patent licensing deal is 2-way street, of course, since RCA's licensees receive fruits of Labs' TV-radio research & development while paying to help support Labs.

Set makers have scanned Zenith settlement as clue to RCA's new patent plans. Under this agreement, both companies will exchange monochrome patents on royalty-free basis until 1963. Arbitrator is settling each company's back patent infringement claims against the other.

Another section of agreement involves foreign patents—which are separate from RCA's domestic patent package. The $10,000,000 RCA-GE-Western Electric payment to Zenith are in settlement of separate suit arising out of foreign patent situation, not directly related to domestic patent arrangements currently under revision by RCA.

'THIN TUBE' NOT HERE, STILL ON HORIZON: Early prospects for 'thin-tube' TV were discounted this week by set and tube manufacturers, despite flurry of excitement created by display of a thin TV set at a military symposium and a press statement which has been interpreted as indicating the new tube is almost ready for production.

The intriguing release and the displays were work of Kaiser Aircraft and Electronics, which reported that civilian version of its 2⅝-in. deep thin transparent tube (Vol. 11:3 et seq.) needs "only refinements of the glass envelope for mass production to make space-saving a reality." Accompanying the release was photo of "prototype table model" with children viewing from both front & rear of screen.

Set and tube makers discounted prospects of early consumer use of thin tube—though they conceded its military value. Some expressed belief Kaiser hadn't successfully sealed more than 1 or 2 units, and one manufacturer said civilian model "isn't much further along than it was 2 years ago."

Kaiser device is basically a cathode-ray tube, using electron gun mounted at bottom edge of one side. It uses phosphor screen and 2 sets of deflection plates. Some manufacturers are known to be aiming at electroluminescent "flat screen" as next big change in picture displays, skipping thin CR tube, which they regard as intermediate step—an expensive one, in view of tooling and circuit changes.

Military version of Kaiser tube has been "successfully flight-tested," according to Defense Dept., which this week made design available to commercial airlines. Tube fits in front of cockpit, like second windshield. Since it uses Feldman transparent phosphors (Vol. 13:17-18), pilot can see through it in good weather. In poor weather he sees TV-like picture presentation with "perspective of the 3rd dimension," with superimposed data on altitude, rate of climb, distances, fuel, etc., fed from digital computer at touch of switch. Navy predicts operational use in 2-3 years.

Kaiser exhibited 2 "commercial thin tubes for the home" at Los Angeles Army-Navy Instrumentation Program Symposium—one in table model set and one wall-mounted. Thin tube uses plate glass instead of molded glass, has electrode elements printed on inside surfaces of glass. Kaiser says it has been built in 21-in. size.

We could find no manufacturer who says he's interested enough in it to take out license for civilian production. However, Kaiser's progress is illuminating in that it indicates flat-tube breakthrough may not be too far off.

Tube makers are known to be working toward civilian version of transparent phosphors developed by Dr. Charles Feldman of Naval Research Lab for Kaiser tube. DuMont, GE, RCA, Sylvania are among those trying to come up with satisfactory transparent phosphors (both monochrome & color) which can be applied at the low temperatures suitable for use with conventional tube glass.

Canon 35 Causes Fracas: Courtroom corridor hassle in Miami Oct. 15 involving American Bar Assn.'s Canon 35, Judge Stanley Milledge and 4 news cameramen, including Bob Brumfield of WTVJ, had spread all way up to Fla. Supreme Court at week's end. Miami Press Photographers Assn. asked high court, Fla. Bar Assn. and Gov. Leroy Collins for investigations after judge pushed cameramen around when they took his picture in corridor following courtroom altercation with lawyer. One photographer was shoved and his camera damaged, Brumfield and another were detained for hour in Milledge's office. Judge later told Gov. Collins, who was asked by Photographers Assn. to hold public hearing on incident, that he was just trying "to enforce the judicial canon against picture taking." WTVJ showed Brumfield's film, blasted Milledge's conduct and Canon 35. Coincidentally, call to all broadcasters to unite against Canon 35 and other news restrictions was sounded at Region 7 NARTB conference in Denver this week by Howard H. Bell, asst. to pres. Harold E. Fellows. He deplored fact that "our advances to date have been on the basis of isolated effort—a few broadcasters carrying the banner for all."

Old State Dept. hand—Ambassador George V. Allen, who ran VOA in 1948-50 as Asst. Secy. for Public Affairs —is new USIA director, replacing budget-battered Arthur Larson. Allen has been in diplomatic corps since 1930, expanded & improved VOA operations before they were put into separate office outside State Dept. Announcing Allen's appointment, White House said Oct. 16 that Larson will become special aide to President Eisenhower to counter Soviet propaganda. Larson took over USIA last Dec., suffered deep budget cuts from critical Congress in spring, subsequently ordered 76% reduction in VOA's TV operations (Vol. 13:31). This week he appointed Sylvester L. (Pat) Weaver, former NBC pres. & chairman, to non-paying place on USIA's broadcast advisory committee, replacing v.p. Chris J. Witting of Westinghouse, resigned.

Unusual joint ad campaign, boosting Jackson, Miss. TV market, is being run in trade publications by city's competing TV stations, WLBT & WJTV.

New Closed-circuit Uses: (1) Major defense plants in Los Angeles area will be connected via TV next year, Hallamore Electronics pres. Lloyd G. Hallamore told Systems & Procedures Assn. at Los Angeles meeting. He said system will be used to expedite production on govt. contracts, but declined to name firms which would be hooked up. (2) Whether TV becomes tool for libraries may be decided in experiments now being conducted at U of Va. under $41,500 grant from Ford Foundation's Council on Library Resources. University has equipped 2 of its branch libraries with TV monitors, so that students can consult books at main library without actually going there. Students telephone request for books to main library and have book they want reproduced on TV screen. They turn pages by manipulating remote control page-turner. University plans TV interconnections to 4 more branch libraries on its 510-acre campus.

TV is big feature of U. S. exhibit at Tunis International Fair Oct. 19-Nov. 13, marking first official American participation in Tunisian event. Air-conditioned studio, glassed on 3 sides, is set up in U.S. area carrying out "America at Home" theme. Shows including local talent and demonstrations of U. S. products by Tunisian distributors are watched by crowds on 8 monitors. Participants in exhibit include AT&T, RCA, Westinghouse, Anton Electronic Labs.

German TV cameras for industrial and broadcast use are now being delivered by Majestic International Corp. Line of Grundig cameras includes "world's smallest"—cylindrical-shaped camera 2-in. in diameter, 4-in. long, with its own light source, selling at $4000-$5000 including all remote attachments and 17-in. monitor. Grundig also has standard-size vidicon camera. Line will be taken over soon by large distributing company.

First "over-horizon" feed of local commercial TV program between Florida & Cuba on AT&T's "scatter" link (Vol. 13:38) was accomplished Oct. 15 by WTVJ, Miami. Station's cameras picked up special program from Miami Beach's Fontainebleau Hotel for transmission to CMAB-TV, Havana.

Personal Notes: Stephen C. Riddleberger promoted from administrative v.p. of ABN to v.p. & controller of ABC and asst. treas. of AB-PT, reporting to AB-PT financial v.p. **Simon B. Siegel**; **Jason Rabinovitz** resigns as administrative v.p. of ABC-TV; **James T. Aubrey Jr.**, now ABC-TV v.p. for programming & talent, understood to be slated for promotion to exec. v.p. . . . **James A. Stabile** promoted to talent & program contract administration director of NBC . . . **Thomas A. McAvity** resigns as an exec. v.p. of NBC to join McCann-Erickson TV-radio dept. . . . **Walter Lowendahl** promoted from exec. v.p. to pres. of Transfilm, succeeding **Wm. Miesegaes**, who continues as chairman; **Michael A. Palma**, treas., also named exec. v.p. . . . **Milton P. Kayle**, TPA gen. counsel, also named secy. . . . **Robert H. Salk**, ex-Screen Gems & Katz Agency, joins Corinthian Bcstg. Corp. as program director . . . **Ole G. Morby**, ex-MBS, named broadcast operations coordinator for TLF Broadcasters, subsidiary of Time Inc. . . . **Edwin H. Peterson**, ex-Eastern Airlines, named publicity & public relations mgr. of WRC-TV & WRC, Washington, succeeding **Jay Royen**, resigned . . . **Franklin G. Bouwsma**, ex-TV program director, Wayne State U, named exec. secy., Detroit Educational TV Foundation, operator of WTVS . . . **Henry Morgenthau III**, son of former Secy. of Treasury, named TV projects mgr., educational WGBH-TV, Boston, coming from radio WNYC, N. Y. . . . **Alex Duncan** appointed Latin American administrator for Fremantle Overseas Radio & TV, headquartering in Mexico City; **Sean O'Donoghue** named asst. to Mexican subsidiary mgr. **Rene Anselmo** . . . **Clyde L. Clem**, ex-Grant Adv., Detroit, named a v.p. & asst. to pres. of NBC spot sales southern rep Bomar Lowrance Assoc., headquartering in Atlanta . . . **William E. Lane**, ex-Haig & Patterson, Detroit, rejoins Video Films, Detroit, as production mgr. . . . **S. L. Goldsmith Jr.**, ex-NAM, named exec. director of National Sales Executives, succeeding **Robert A. Whitney**, whose title had been pres. . . . **Richard Kelliher**, ex-Headley-Reed, San Francisco, named mgr. of Adam Young office, same city, succeeding **Chuck Christianson**, resigned to become mgr. of radio KRUX, Phoenix . . . **Weston J. Harris**, ex-WTTG, Washington, joins WRC-TV there as program director, succeeding **James E. Kovach**, now program director of WBAL-TV, Baltimore . . . **John A. Scott** named administrative v.p. of Truth Publishing Co. (WSJV & WTRC, Elkhart; WKJG-TV & WKJG, Ft. Wayne; *Elkhart Truth*) . . . **George Goldman**, ex-WCAU-TV & WCAU, Philadelphia, named adv. & sales promotion mgr. of KPIX, San Francisco, replacing **Wm. H. Ryan**, resigned . . . **Allen Sanderson** promoted to chief studio engineer of WWJ-TV, Detroit, succeeding **Russell P. Williams**, who joins Ampex as central district sales mgr. . . . **Frank Langley** promoted to publicity supervisor, WPIX, N. Y. . . . **Arthur H. Barnes**, ex-Carl Nelson & Assoc., named promotion & publicity director of WISN-TV & WISN, Milwaukee . . . **Fred Eichorn**, ex-radio KXL, Portland, Ore., named merchandising mgr. of KGW-TV & KGW there . . . **C. L. (Rud) Richards**, ex-RAB, joins rep Peters, Griffin, Woodward as radio sales development director . . . **Mel Kampe**, ex-radio WMAY, Springfield, Ill., joins WTVJ, Miami, as public service director . . . **George H. Morris**, ex-WHBQ-TV, Memphis, named v.p. & national sales mgr. of WSIX-TV, Nashville . . . **David Abbott**, ex-Official Films, named national sales mgr. of upcoming WHDH-TV, Boston (Ch. 5), due in Nov. . . . **Lee Gorman**, exec. v.p. & gen. mgr. of WABI-TV, Bangor, named exec. v.p. of WAGM-TV & WAGM, Presque Isle, Me.; **Walter Dixon**, operations v.p. of WABI-TV, will act in same capacity for WAGM-TV & WAGM; **Ted Coffin** promoted from production mgr. to station mgr. of WAGM-TV . . . **Lewis Klein** promoted from production mgr. to program & production mgr., WFIL-TV, Philadelphia . . . **Wm. G. Wadman** named program mgr. of WGAN-TV, Portland, Me.; **Lloyd Knight**, production mgr. . . . **Robert C. Harnack**, ex-Smith Adv., named sales & production mgr. of WKST-TV, New Castle-Youngstown (Ch. 45), planning to resume soon.

New **chief clerk** of House Commerce Committee is W. E. (Ed) Williamson, Democratic mayor of Magnolia, Ark., former college roommate of Committee Chairman Harris (D-Ark.). He succeeds Republican Elton J. Layton, who retired after 36 years in post.

John A. (Doc) Willoughby, asst. to FCC chief engineer, retires Oct. 31. He's 66, has served with Govt. since 1917, with FRC & FCC since 1930.

ADVERTISING AGENCIES: **Samuel Cherr**, senior v.p. and head of merchandising dept. of Young & Rubicam, retires Jan. 1 . . . **George Wolf**, v.p. & TV-radio director of Ruthrauff & Ryan prior to its merger into Erwin Wasey, Ruthrauff & Ryan Inc., resigns from combined agency . . . **Emerson Foote**, subject of much speculation in trade (Vol. 13:35) since he resigned in Feb. as exec. v.p. of McCann-Erickson, joins Geyer Adv. as chairman . . . **Lawrence J. O'Neill** named TV-radio supervisor of Kenyon & Eckhardt, Chicago . . . **Lee Rich** promoted to media director of Benton & Bowles . . . **Frederick T. Wehr**, ex-Joseph Katz, Baltimore, named TV-radio adv. director of H. W. Ruddemeier Co. there . . . **Herbert Halpern** promoted to TV-radio director of Winius-Brandon, St. Louis.

Communion breakfast of Catholic Apostolate of Radio, TV & Adv. will be held Nov. 17 in Waldorf-Astoria Hotel, N. Y., following 9 a.m. mass & communion at St. Patrick's Cathedral. Principal speakers will be pres. Donald H. McGannon of Westinghouse Bcstg. Co. and pres. Rev. Laurence McGinley of Fordham U. Jack Costello & Jack Sterling will be masters of ceremonies.

"Value of Your Station Property" is title of talk to be delivered Oct. 25 before Miss. Broadcasters sales management conference at U of Miss., University, Miss., by Ray Hamilton, of Hamilton, Stubblefield, Twining & Assoc.

Columnist Faces Jail: TV-radio columnist Marie Torre of *N. Y. Herald Tribune* was threatened with 30 days in jail Oct. 16 for refusing to identify CBS executive she quoted in report on contract dispute between actress Judy Garland & network. Miss Torre was held in contempt of court by Federal Judge Sylvester J. Ryan in N. Y. and warned about 30-day sentence after pre-trial hearing in $1,393,333 libel-&-breach-of-contract suit by Miss Garland against network. Columnist had refused under press privilege to name CBS spokesman who told her, as quoted in column last Jan. 9, that Miss Garland "is known for a highly developed inferiority complex," that he "wouldn't be surprised if it's because she thinks she's terribly fat." Judge Ryan withheld actual sentencing of Miss Torre pending filing of show-cause order, but said she was in criminal contempt as "matter of law," that "privilege does not obtain in this circumstance." *Herald Tribune* said it would carry case to U. S. Supreme Court if necessary to sustain Miss Torre's right to keep source in confidence.

Broadcasters' Promotion Assn. second annual convention Oct. 31-Nov. 2 at Sheraton Hotel, Chicago (Vol. 13:41), will be addressed at Nov. 1 luncheon session by v.p. and sales & adv. director Ben H. Wells of Seven-Up Co. Chicago disk jockey Howard Miller will be master of ceremonies at banquet that night.

Telecasting Notes: "Studio None" is phrase used by *Variety* TV-radio editor George Rosen in Oct. 16 edition to describe coming status of New York as TV drama origination point following defection of Westinghouse's *Studio One* to Hollywood (Vol. 13:41). He points out *Kraft TV Theatre* will be sole surviving weekly 60-min. drama networked from east, and, in fact, only "4 basic shows keep New York TV alive in terms of major live showcases"—*Perry Como, Steve Allen, Ed Sullivan & The Big Record* . . . As of now," says Rosen, "the networks are standing pat on the 'New York production' tag for these variety shows, but it's recognized that should any one of them decide to make the move (thus inviting a wholesale N. Y.-to-L. A. talent swing as in the dramatic field), all of Mayor Wagner's horses & men couldn't stave off a general exodus that could be disastrous to the cause of New York TV as a bigtime production center" . . . Both viewers and critics had field day last Sunday, with $1,400,000 worth of specials on the air. Critics almost unanimously picked Bing Crosby-Frank Sinatra *Edsel Show* (CBS-TV) for raves, *Pinocchio* and *Standard Oil Jubilee* getting mixed reviews; *New York Herald Tribune's* John Crosby was exception, gave "smash hit" rating to *Pinocchio*, and a ho-hum to Crosby-Sinatra. Trendex-wise, all 3 shows were big: *Pinocchio* 24.6 (52.2 share of audience), *Edsel* 40.8 (63.3), *Standard Oil* 32.2 (52.7) . . . Probably biggest spectacular of season—Mary Martin's *Annie Get Your Gun*, 2-hour Thanksgiving Eve colorcast on NBC-TV—will be thoroughly pre-tested by airtime, having opened last week at Los Angeles to rave reviews after successful San Francisco run . . . Late night TV finally seems to be catching on for NBC-TV, which renewed agreement with Jack Paar for *Tonight;* billings on show are up 46% since July 29, and number of stations carrying show is at all-time high of 76 . . . Top fall ratings: CBS-TV's *Gunsmoke* wins No. 1 place in Nielsen total audience & average audience for 2 weeks ending Sept. 21; Bob Hope's NBC-TV special comes in first in Trendex Oct. 1-7 ratings, with CBS-TV's *Danny Thomas Show* appearing as a surprising third following second-place *Ed Sullivan* . . . MGM's gross from TV sale of its feature backlog hit $50,000,000-mark with this week's sale to Westinghouse . . . New package of 80 features, including *High Noon, The Men* and *Cyrano de Bergerac*, to be offered by NTA . . . Hottest thing in TV since the feature film, according to trade press features, is horror—with Screen Gems' Dracula-Frankenstein-Mummy series of old spine-tinglers reportedly piling up phenomenal ratings . . . Hit of last season, *Secret Life of Danny Kaye*, will be repeated by CBS-TV Oct. 27 for UN Children's Fund . . . Cut in number of Emmys for 1958 was recommended by ATAS (Hollywood) Award Structure Committee at meeting this week . . . First TV commercial to be made into a movie: Ford's $1,000,000 around-the-world-in-130-days commercial, shot by Filmways Inc. with staff of 18 in 23 countries, timed for first TV exposures with introduction of 1958 Ford. Shot at same time was 60-min. travel documentary (featuring highways of the world), aimed at theatrical release.

Bishop Fulton J. Sheen is taking year's leave from broadcasting, or at least from live TV, his N. Y. office said Oct. 16. Commenting on 25 years as TV & radio preacher, Bishop Sheen told INS in Boston: "This is not my vocation. It is well for me to retire. I shall leave the lights of TV in order to live in a more intimate union with God." But Bishop "undoubtedly" will resume weekly TV appearances in fall of 1958, and many local TV stations are continuing his filmed sermons, according to Msgr. Edward T. O'Meara, asst. director of Society for the Propagation of the Faith in N. Y. Sheen concluded fifth season on ABC-TV in April.

Warner Bros. plans to double output of TV films, pres. Jack Warner announced, predicting at least 5 hours weekly of Warner shows on TV by June 1. New $1,000,000 TV operations building at Burbank studios is scheduled for completion in 90 days.

Mike Fright: Mike Wallace's penchant for controversy got him in trouble again this week—losing him first one and then a second announced interviewee for Oct. 19 program. At last minute, after he had reached out to England for a subject to fill the hot seat, at least one key ABC-TV affiliate refused to carry the show. Wallace originally had planned to interview Mrs. Eleanor Roosevelt, who suddenly canceled, remembering she had "previous engagement." Then he arranged to interview Arlene Francis, but NBC—to which she is under exclusive contract—put kibosh on this. Then at midweek he substituted Malcolm Muggeridge, ex-editor of *Punch* and author of article in current *Saturday Evening Post*, "Does England Really Need A Queen?" Muggeridge was already in TV doghouse in England, having been barred from BBC-TV panel show as result of article. As soon as ABC-TV announced it intended to fly him to U. S. for interview, Washington affiliate WMAL-TV canceled show, mgr. Fred S. Houwink questioning the taste of telecasting "any program that might cast a shadow over the visit of Her Gracious Majesty to the nation's capital."

Demand for educational TV for in-school training will exceed available air time within 10 years, exec. director Dr. John W. Taylor of WTTW, Chicago, predicted Oct. 15. "TV teaching is becoming a necessity," he told luncheon meeting in Chicago Club in educational station's 1957-58 fund campaign for $340,000. "The need is so great that even the facilities of TV will be strained in the effort to keep up with it over the next decade."

Dull TV Season? NBC pres. Robert W. Sarnoff takes issue with critics of new-season TV programming in latest of his informal "letters to TV-radio editors." He cites April-May 1957 survey of 1235 heads of households in 244 urban areas by Psychological Corp. which indicated 3 out of every 4 people were watching as much or more TV than a year earlier and 8 out of 10 thought programs were as good or better, and first Oct. Trendex which shows 5% more nighttime viewing than year ago. In enumerating fine programming of this season, Sarnoff revealed that he sneaked a look at Oct. 13 Bing Crosby-Frank Sinatra *Edsel Show* on CBS-TV, admitting that he "went back and forth" between that show and NBC-TV's *Steve Allen Show.* He formulated this proposed rule for TV critics: "All reviewers should look at a first show and then a fifth show and then a tenth show before delivering a final verdict" on a series. "Every series can be improved during the course of a season," he added. "That's the job we're busy on now."

ABN programming is aimed at "multiaccess" & "ambiactive" audiences which only radio can fully reach, pres. Robert E. Eastman said this week. In Oct. 15 speech to Washington Ad Club at Presidential Arms, where he was given "Award for Achievement," and in Oct. 18 address at Region 7 NARTB conference in Brown Palace, Denver, Eastman gave these definitions of terms: "Multiaccess"—kitchens, living rooms, bedrooms, bathrooms, barbershops. "Ambiactive"—making beds, washing dishes, tending babies, getting haircut, sitting on beach.

Pay-TV Test Conditions: FCC's "First Report on Subscription TV" (see p. 1) imposes these conditions for trial operations of toll TV systems:

(1) Three-year tests will be limited to cities receiving Grade A signals of at least 4 commercial TV stations. Commission says there are more than 20 such markets. To conduct trial in city which now has only 3 Grade A signals, it would be necessary for applicant to build new station.

(2) Both vhf & uhf stations will be eligible to participate.

(3) Applications will be accepted from any CP or license holder or present or future TV applicant. Applications may be made simultaneously for TV station and for toll-TV tests.

(4) Any pay-TV system or method may be used so long as it meets FCC interference requirements and causes no degradation of either pay-TV or free signal.

(5) Each qualified method will be permitted trial in not more than 3 of the eligible markets.

(6) Any toll-TV station shall be free to try more than one system, and more than one station in a trial market may participate in trial of any individual method. Agreements between stations and system franchisers must be non-exclusive and filed with FCC.

(7) Stations must retain responsibility to select and reject programs and to determine maximum charges to subscribers. Charges & terms must be applied uniformly to all subscribers.

(8) Transmission of subscription-TV programs must begin within 6 months after authorization is granted; trial authorizations will be permitted for 3 years from date of start of transmission.

(9) Commission may fix cut-off date for applications or fix trial periods at less than 3 years for late applications so that tests don't continue indefinitely and all trials are conducted during same general period.

(10) Authorizations "will not be renewable, as such." However, if Commission finds it in public interest to continue authorizations, it will do so for "limited periods," subject to public notice.

(11) Subscription-TV stations will be required to adhere to minimum hours of free programs as specified in FCC rules.

(12) Pay-TV test grantees will be required to furnish reports to FCC covering all aspects of operation.

* * * *

Commission is asking applicants for large amount of information, including: "Statement of intention" with regard to commercials during fee-TV programs (Commission stating that it "understands" proponents don't contemplate commercials). Detailed information on commitments and negotiations for programs. Detailed description of decoding-encoding methods and devices, perhaps including submission of models. Methods of billing, terms of contracts with subscribers, approximate number of subscribers, minimum & maximum charges, information about all persons involved in providing equipment, programs, etc.

Commission said it will conduct public hearing on fee-TV service "when it finds that sufficient meaningful data are available."

In his dissent, Comr. Bartley argued that fundamental question is whether FCC should use scarce TV frequencies for a service which it hasn't even classified as a broadcast service. Allowing test demonstrations, he said, is buying pig in a poke—"and the trouble may be that, when we open the 'poke,' we may discover a spectrum hog." He stated that neither proponents nor opponents have endorsed test as necessary or useful, that record is inadequate to justify tests, that there's no urgency for tests, since those who wish to go into fee TV now can use wire systems.

Bartley warned that wording of FCC's fee-TV report "presents the real possibility of stringing this out long beyond a mere 3 years." He urged complete full-scale evidentiary hearings before any action is taken.

Agency Prober Is Probed: "Show-cause" hearing on CAB reluctance to open all files for House "watchdog" investigation of 6 federal regulatory agencies, including FCC (Vol. 13:40), ended Oct. 17 with chief prober himself under fire. Commerce Committee's legislative oversight subcommittee headed by Rep. Moulder (D-Mo.) held first public session with CAB Chairman James R. Durfee as sole witness to explain why he withheld some files from subcommittee counsel Bernard Schwartz. Durfee assured subcommittee it could have 99.44% of CAB records—but not Board members' personal files. Then Republican members of subcommittee lit into Schwartz for his investigative methods, including questionnaires demanding that all agency officials list gifts they or their families had received. "Lousy," said Rep. O'Hara (Minn.). "Never before has any Congressional investigating group started out by assuming that everybody is crooked." Rep. Heselton (Mass.) wanted to put Schwartz on stand under oath. "He thought he was going to blow the top off this town," Heselton said. Rep. Moss (D-Cal.) defended Schwartz's tactics, contended Durfee was trying to "spoon-feed this committee." Moulder finally adjourned hearing indefinitely.

Editorial stands on public issues should be taken by broadcasters, Democratic Gov. Robert D. Holmes of Ore. told Region 8 NARTB conference this week in Hotel Multnomah, Portland. "Political eunuchs," he said, "are scorned; scorned by legislators, scorned by your listeners & viewers. People love politics. They have a right to know where a station stands."

Propagation Measurements: First of AMST's series of TV propagation studies was turned over to TASO this week, covering mobile unit survey made in Wilkes-Barre-Scranton area. AMST said its unit traveled 6000 mi. taking measurements for initial study. Document—not released—contains 117 pp. and 62 maps. AMST unit currently is completing studies in Baton Rouge area, then will move to west coast. Second unit is operating in Madison, Wis. area. Meanwhile, FCC announced availability of new technical report, *Summary of VHF Field Strength Measurements in TV Zone III* (Gulf coast area). Single copies are available from FCC's Technical Research div. (Report T.R.R. 2.4.17).

Northernmost TV station within U. S. borders—WAGM-TV, Presque Isle, Me. (Ch. 8)—received live network service in time for World Series via private 4-hop microwave system from WABI-TV, Bangor (Ch. 5). Both stations are owned by Community Telecasting Service (Lee Gorman, exec. v.p.).

Radio audience supremacy was claimed for NBC network Oct. 16 on basis of Nielsen ratings for advertising campaigns during 4 weeks ended Sept. 7. NBC said first 7 advertisers on Nielsen list of those whose campaigns delivered greatest radio audience were all NBC sponsors.

Mayor Frank Zeidler's veto of Skiatron's cable pay-TV franchise in Milwaukee was sustained by Common Council this week—Council agreeing that more study is needed. In Dayton, O., Muzak announced filing of application for franchise and negotiations with phone company to wire city.

FCC Initial Decisions, Hearings: Puerto Rican Dept. of Education, now operating radio WIPR in San Juan, and building WIPR-TV (Ch. 6) there, won initial decision for Ch. 3, Mayaguez, in contest with Sucesion Luis Pirallo-Castellanos, whose principals control radios WISO, Ponce, and WMIA, Arecibo.

Examiner Hugh B. Hutchison held that commonwealth agency had demonstrated "vital need" for educational TV service in Mayaguez area, while Sucesion showed "no evidence of a probative character" supporting its arguments for commercial operation. Sucesion was given "slight preference" on basis of local ownership & ownership integration, but was outweighed in all other factors, Hutchison said.

KFDM-TV's hold on Ch. 6 in Beaumont was made more secure as Commission announced it had instructed staff to prepare decision affirming CP, denying competitor Enterprise Co. Case has been to Court of Appeals and back.

In Elk City, Okla., Southwest Bcstg. Co. moved another step toward final CP on Ch. 8, examiner issuing favorable decision—competitor Video Independent Theatres having dropped out.

Court of Appeals declined to block grant of move of WESH-TV, Daytona Beach, Fla. (Ch. 2) 24 mi. toward Orlando, upholding FCC action which had been appealed by Mid-Florida Radio Corp. and Central Florida Bcstg. Co.

Among other actions, Commission: (1) Told KBTM-TV, Jonesboro, Ark. (Ch. 8) its CP would be cancelled until it seeks hearing on more time to build. (2) Informed KVIT, Sante Fe (Ch. 2) that it must go to hearing on its request to move to 14 mi. northeast of Albuquerque. (3) Set for hearing application of grantee KSLM-TV, Salem, Ore. (Ch. 3) for more time to construct. (4) Denied petition of WTVJ, Miami (Ch. 4), an applicant for Ch. 11 in Houma, La., which sought reconsideration of Ch. 12 experimental grant in New Orleans to WJMR-TV. (5) Finalized assignment of Ch. 12 to Mankato, Minn.

Reports of Radio Station Sales: KYME, Boise, Ida. by Roger L. Hagadone for $120,000 to Keith E. Patterson, gen. mgr. of KONP, Port Angeles, Wash. (broker, Hamilton, Stubblefield, Twining & Assoc.) . . . **KOWB, Laramie, Wyo.** by Richard P. McKee for $108,000 to Richard K. Power & John Hunter, owners of WAVN, Stillwater and WCMP, Pine City, Minn. (Kander) . . . **WLFH, Little Falls, N. Y.** by Walter T. Gaines for $43,000 to Richard D. Gillespie . . . **WLBG, Laurens, S. C.** by Laurens-Clinton Bcstg. Co. for $63,000 to Charles W. Dowdy.

Radio station sales approved by FCC this week: WCHI, Chillicothe, O. by Norman M. Glenn for $78,450 to ex-station rep J. H. McGillvra & wife (Vol. 13:39) . . . **WRKE, Roanoke, Va.** by Elmore & Reba Heins for $75,000 to Sherwood J. Tarlow, Allan W. Roberts, Dr. Bertram M. Roberts & Joseph Kruger (Vol. 13:37).

Transcontinent Expands: Ruinous competition in Wilkes-Barre-Scranton area will be eased under terms of agreement whereby Transcontinent TV Corp. acquires control of WARM-TV, Scranton (Ch. 16) while WILK-TV, Wilkes-Barre (Ch. 34) goes off air. Transcontinent will own 60% of new corporation, WARM-TV and WILK-TV principals 20% each. Total consideration involved is $1,500,000—Transcontinent putting up undisclosed amount of cash and stock, and new corporation assuming debt. Radio WILK is retained by present stockholders. Principals stated purpose of merger was to establish "truly regional station" with strong ABC-TV affiliation. Plan is to use Ch. 16 at WILK-TV's site, employ 1.4-megawatt power, change call to WNEP-TV (for new Northeastern Pa. Bcstg. Co.). Wm. Scranton (WARM-TV) will be chairman; Mitchell Jenkins (WILK-TV) pres.; Thomas P. Shelburne (WILK-TV) exec. v.p. & gen. mgr.; Martin Memolo (WARM-TV) engineering v.p. Also on board will be Transcontinent's David Forman, Paul & Fred Schoellkopf, Seymour H. Knox, George Goodyear, David Moore. Transcontinent also owns WROC-TV, Rochester (Ch. 5), WGR-TV, Buffalo (Ch. 2), 50% of WSVA-TV, Harrisonburg, Va. (Ch. 3).

KSHO-TV, Las Vegas (Ch. 13) is being acquired for $70,000 by Mervyn Adelson and father Nathan, Las Vegas supermarket operators, it's revealed by transfer application filed this week. Sellers are Frank Oxarart-Albert Zugsmith interests, who acquired TV and radio KBMI, Henderson, Nev. in 1956 from Moritz Zenoff for $300,000, including liabilities (Vol. 12:48). June 30 pro forma balance sheet for KSHO-TV shows $12,071 deficit. It lists $18,661 current assets, $127,283 fixed assets; $70,569 current liabilities, $77,537 long term liabilities.

Writers Guild anthology titled *The Prize Plays of Television & Radio—1956* will be published Oct. 22 by Random House. Book contains 12 scripts.

Robert E. Sherwood Awards for TV programs dealing with freedom & justice will be continued, but with prize money cut from $55,000 to $15,000, chairman Robert M. Hutchins of Fund for the Republic announced this week. Directors of Fund, which is being liquidated gradually, voted to reverse earlier decision to discontinue TV project started in 1955. Deadline for entries in third annual competition covering programs from Oct. 1, 1957 to May 31, 1958 is next May 31, with Sylvia Spence Assoc., 527 Lexington Ave., N. Y., handling arrangements. Top award carries $10,000; 5 others, $1000 each. Judges are Mrs. Eleanor Roosevelt, director James J. Rorimer of Metropolitan Museum of Art, pres. Buell G. Gallagher of CCNY, pres. Robert M. Purcell of radio KFWB, Los Angeles, critic Gilbert Seldes, pres. Philip H. Willkie of Rushville (Ind.) National Bank, N. Y. attorney Harrison Tweed.

RKO Teleradio's purchase of radio WGMS, pending for 1½ years (Vol. 12:14 et seq.), was cleared for final FCC approval this week when minority stockholder Lawrence C. Smith withdrew his protest and objections to the $400,000 sale. In July 1956, FCC approved transfer and RKO Teleradio operated station for 4 months before Appeals Court ordered station returned to original owners. FCC held hearing on proposed transfer, and initial decision recommended approval of purchase.

New RAB directors elected at annual meeting in N. Y.: Hugh K. Boice, WEMP, Milwaukee; Henry B. Clay, KWKH, Shreveport; Victor C. Diehm, WAZL, Hazleton, Pa.; Herbert Evans, Peoples Bcstg. Corp., Columbus, O.; Frank N. Headley, H-R Reps Inc., N. Y.; Donald H. McGannon, Westinghouse Bcstg. Co.; Weston C. Pullen Jr., Time Inc.; Paul Roberts, MBS; Lester M. Smith, KJR, Seattle.

WHYN-TV, Springfield-Holyoke, Mass. shifted from Ch. 55 to Ch. 40 Oct. 2.

Notes on Upcoming Stations: There were no new starters this week, while WJHP-TV, Jacksonville, Fla. (Ch. 36) announced it was suspending operations Oct. 25 for an "indefinite period." Owner is John H. Perry Jr., also owner of WESH-TV, Daytona Beach (Ch. 2) and publisher of *Jacksonville Journal* and other newspapers. WJHP-TV began in Dec. 1953 as NBC-TV & ABC-TV outlet, but lost NBC when WFGA-TV (Ch. 12) began last Aug. City's other station is pre-freeze WMBR-TV (Ch. 4). With WJHP-TV off air, there will be 512 stations in operation (90 uhf).

Note: Nearest new starters are KPAC-TV, Port Arthur-Beaumont (Ch. 4); WBOY-TV, Clarksburg, W. Va. (Ch. 12); WMVS-TV, Milwaukee (Ch. 10, educational); WWLI, Indianapolis (Ch. 13); WINR-TV, Binghamton, N. Y. (Ch. 40); WEEQ-TV, LaSalle, Ill. (Ch. 35).

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

WHDH-TV, Boston (Ch. 5) has changed target for programming with ABC-TV to Nov. 17, reports v.p. & managing director Wm. B. McGrath for owner *Boston Herald-Traveler* (WHDH). It has two 10-kw RCA transmitters (1 for standby) and will use 1082-ft. Ideco tower with 12-bay antenna at site in Newton, Mass. Base hour will be $2500. Rep will be Blair-TV.

WINR-TV, Binghamton, N. Y. (Ch. 40) has changed target for start with NBC-TV to Oct. 25-Nov. 1, reports gen. mgr. Dale Taylor for owner *Binghamton Press* (Gannett). RCA 25-kw transmitter is scheduled to be wired and ready by Oct. 21 and 52-gain pylon antenna is ready on 400-ft. tower. Base hourly rate will be $300. Rep will be Hollingbery.

KWRB-TV, Riverton, Wyo. (Ch. 10), planned as area outlet covering Thermopolis and Worland, hopes to begin with test patterns late in Oct., with CBS-TV programming early in Nov., writes owner Joseph P. Ernst, operator of Wyo. radios KWRL, Riverton; KRTR, Thermopolis; KWOR, Worland. Used 5-kw GE transmitter is scheduled to be ready Oct. 20 and 12-bay antenna is being installed on mast atop Mt. Ridge, Boysen Peak. Studio at 500 Broadway, Thermopolis, will connect via microwave, as will other studios to be built later in Riverton and Worland. Base hour will be $150. Rep will be Meeker.

RCA shipped 25-kw transmitter Oct. 14 to upcoming WMBD-TV, Peoria, Ill. (Ch. 31), due in Jan.; 2-bay superturnstile antenna Oct. 11 to upcoming KXLJ-TV, Helena. Mont. (Ch. 12); 6-bay superturnstile antenna Oct. 15 to WHBF-TV, Rock Island, Ill. (Ch. 4), planning change to new site; 12-bay superturnstile Oct. 14 to WICU, Erie (Ch. 12), planning boost to 316-kw.

New headquarters-studio of WFIL-TV & WFIL, Philadelphia, was opened Oct. 15 in Sheraton Hotel. Triangle stations' facilities in downtown location augment W. Philadelphia studios & offices.

Electronics Personals: Brig. Gen. Wm. L. Bayer, retired commander of Army Signal Supply Agency, Philadelphia, named military marketing mgr. of Stromberg-Carlson electronics div. . . . Martin I. Zwerin, ex-Curtiss-Wright, Westinghouse & Philco, appointed special representative of International Resistance for market development of new products . . . Robert A. Huff promoted to product adv. & sales promotion mgr. of RCA electron tube div., Harrison, N. J.; Alfred J. Jago Jr. to advertising services mgr., Erwin B. May to adv. & sales promotion mgr. for semiconductors & components, Harvey M. Slovick to publications mgr. . . . Robert E. Koehler promoted to production dept. mgr. of RCA semiconductor div., Somerville, N. J.; John M. Spooner to plant mgr. . . . Joseph W. Lewis, ex-Arnold O. Beckman Inc., South Pasadena, joins Beckman Instruments as asst. to pres. . . . Gene Sarazen, ex-golf champion, named sales director of Belock Instrument . . . Henry H. Scudder, exec. v.p. of International Standard Electric Corp., elected a v.p. of parent IT&T . . . Herbert Bomzer, ex-Ford Instrument, named operations analysis director of Paramount Pictures subsidiary Autometric Corp. to coordinate research & development in specialized electronic systems . . . Charles L. Lord named a v.p. & controller of Electronic Communications Inc., St. Petersburg . . . Elbert G. Bellows elected v.p. of W. L. Maxson.

Tiny transistor amplifier designed to step up beat in blocked hearts was reported Oct. 15 at American College of Surgeons clinical congress in Atlantic City by Dr. M. Judah Folkman & Dr. Elton Watkins Jr. of Harvard Medical School & Children's Medical Center, Boston. They said device, weighing less than 2-oz., fitted with leads which pierce chest to be sutured in right auricle & right ventricle, has been successfully tested on dogs, is ready for use with human patients.

Talos Fails in Test: RCA-built missile station, claimed to be first completely automatic launcher of kind, was turned over to Army Oct. 15 for evaluation at White Sands, N. M., proving ground, where Talos rocket misfired in first test. New land-based station, designed to intercept enemy missiles or planes with no help from push-buttons, was manually operated in initial demonstration. Navy-developed Talos was fired, but external booster rocket blew up seconds after takeoff and missile careened out of control. Incorporating most of latest design & engineering developments in electronics, station itself was built in 2 years by RCA in collaboration with Army, Navy, Air Force, long list of subcontractors headed by American Machine & Foundry. In statement Oct. 16, RCA pointed out its electronic system "was in no way involved in the unsuccessful firing of Talos."

Electronic Highway: Auto safety by electronics was demonstrated last week in Lincoln, Neb. by RCA and Nebraska Dept. of Roads using automobile guidance system developed by RCA team headed by Vladimir Zworykin. Using "guidance cable" buried under 320-ft. stretch of highway, demonstration showed driving safeguards of future. Automatic signals on car's dashboard told driver when to stop or slow down to avoid collision. For use in fog or on "blind" hills, car activated series of lights along road as warning to cars approaching or following. In one test, RCA engineer drove car with windshield completely blocked by cardboard. If car moved too far to left or right, needle on dashboard told him which way to turn to stay in proper lane. If he got within 25 ft. of car ahead of him, bell rang and light flashed on.

Van Norman Industries sets up systems automation group with headquarters in Washington, D. C. First project will be program of post office automation.

Admiral receives $1,196,000 electronics contract from Navy Bureau of Aeronautics.

Television Digest with ELECTRONICS REPORTS
WYATT BUILDING WASHINGTON 5, D C. • TELEPHONE STERLING 3-1755
Trade Report
October 19, 1957

1957 TV SALES FORECAST—ABOUT 6,750,000: First unofficial fall retail TV set sales figures are in -- and while they're lower than some earlier industry hopes, statisticians see "no cause for alarm" and conclude that total sales for year will be a shade under 1956 -- about 6,750,000 vs. last year's 6,804,703.

Sept. retail TV sales, first significant indicator of public's response to new TV lines, totaled about 725,000 sets (due to be shaved down by 10,000 or so because this includes export sales) vs. comparable 1956 figure of 783,247. This brings total 1957 retail sales to date to some 4,540,000 for first 9 months, compared with 4,730,000 in first 9 months of 1956.

The 6,750,000 estimate for all of 1957 is based on past pattern of Oct.-Nov.-Dec. sales and presupposes rate of about 730,000 a month for rest of year (compared with average of 504,000 for first 9 months). If prediction holds true, 1957 would be TV's fourth biggest year -- and, by same token, poorest year since 1953. However, even a slight unexpected lift could bring 1957 sales above those of 1956.

Inventory position of industry at beginning of Oct. was regarded as "safe" and seen as tribute to intelligent planning by set manufacturers. At all levels of trade (factory-distributor-retail), inventories were unofficially estimated at 2,550,000, compared with 2,600,000 on Oct. 1, 1956.

Picture Tube Prices Up: A 1½%-5½% increase in picture tube prices to set manufacturers was put into effect this week by virtually all tube makers. Whether it will result in more retail TV price hikes remains to be seen -- but best guess is that set makers will sit tight for time being. Some receiver manufacturers report start of noticeable sales lift in Oct., and are anxious not to disturb anything.

Price hikes on 90-degree tubes (including new stub-neck models) were greater than on corresponding 110-degree models -- end result being that price differential between the 2 models has been cut from $2 to $1.50 across the board.

Rises ranged from 20¢ on 14-in. 110-degree tube to $1 on 21 & 24-in. 90-degree models. New manufacturer prices for 110-degree tubes (90-degree tubes $1.50 less): 14-in. $14 (up from $13.80), 17-in. $16.25 (from $16), 21-in. $21.25 (from $20.75), 24-in. $26.75 (from $26.25).

There was no increase in prices of picture tubes for renewal market, although most renewal receiving tubes are due to go up 4-9% early next month (Vol. 13:41).

TV Imports Are Here: First imported TV sets are now on market in U.S. -- German-built Grundig receivers distributed by Majestic International Corp., whose parent Majestic-Wilcox-Gay once produced own TV sets. Grundig receivers are high-high-end hi-fi combinations, including AM-FM-SW radio, 4-speed phono, tape recorder -- featured as top-of-line item in Grundig-Majestic's successful packaged hi-fi series.

The 2 TV "home entertainment centers" marketed by Majestic are priced at about $1500 (21-in. set) & $2500 (24-in. with better tape recorder). Majestic spokesman said reaction from retailers has been "very good" and units are now being shipped in "pretty good quantities." He said company has no plans to import low-priced models or TV-only receivers. "We won't compete with American TV manufacturers -- there's no money in it." He said he didn't think other German TV-radio makers were yet in position to offer their TV sets on U.S. market.

Possibility of TV competition from Japan -- whose transistor radios are beginning to go into large-scale distribution here -- was raised at "Japanese Electronic Exhibition" last week in New York. Among equipment shown were TV tuners ranging from $6.50 to $9. If Japan is getting ready to invade TV component field, some tradesters wonder whether complete TV receivers will be far behind.

Production: TV output dropped slightly during week ended Oct. 11, to 164,627 from 167,605 preceding week, compared with 205,970 in corresponding week of 1956. It was 41st week of year and brought TV production for year to date to 4,933,000, compared with 5,670,437 in same period last year. Radio production rose to 407,298 (150,075 auto) from preceding week's 356,748 (114,402 auto), compared with 335,206 (127,129) in corresponding week last year. Radio output for 41 weeks totaled about 11,138,000 (4,102,000) vs. 10,208,320 (3,324,177) in same 1956 period.

Topics & Trends of TV Trade: "And so marketing must learn how to live with, and profit from, a new dynamic retailer—the discount house," says E. B. Weiss, director of merchandising, Doyle-Dane-Bernbach Adv., 20 W. 43rd St., N. Y., in 43-page booklet *Marketing's Coming Readjustment to Low-Margin Retailing*.

Growth in size of big discount houses and discount chains is detailed by Weiss who says "in 1957 at least one discount house will top $100,000,000 turnover figure—and a score or more will achieve a turnover in excess of $10,000,000. And by 1960, he adds, several discount chains will hit annual turnover of $250,000,000 and possibly 1 or 2 will reach half-billion mark.

Result of growth, Weiss claims, has been about-face by many manufacturers, especially in hard goods, to win distribution in off-list outlets. He also predicts manufacturers will tend to cut down steps between manufacturer and ultimate consumer. But he adds this "doesn't mean the end of the wholesaler—his demise has been regularly predicted for the last 50 years. But it does mean his partial elimination in some industries; and it does mean new techniques of working through him in other industries."

Weiss says there will probably be fewer store-type discount houses at end of 1957 compared with 1956, but total amount of merchandise moved this year by discount houses will far exceed total of any previous year.

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Outraged protest against Oct. 14 *Time* cover story on TV repairmen (Vol. 13:41) was filed this week by editor Albert J. Forman of *Electronic Technician Magazine*. "You can be well ashamed of this untidy piece of journalism," he wrote managing editor Roy Alexander of *Time*. It "was truly a distorted piece of reporting, and a slander of the thousands of repairmen who work long hours for too little income & appreciation," Forman said. He told Alexander that "most important point" in *Time* story was "half-hearted admission that 'the great majority of repairmen are honest enough,'" yet it was buried in "middle of 5 pages of twisted tales of dishonest & incompetent repairmen and disgruntled homeowners."

Hoffman's "Solaradio"—transistorized, with sun-powered battery charger—has been reduced to $99.95 from $150 because of "substantial savings in manufacturing costs" due to increased demand. Without solar cells, regular battery version of same set was reduced from $75 to $60.

Radios shipped to dealers in first 8 months of 1957 totaled 4,788,006, compared with 4,491,795 in similar 1956 period, EIA reports. Aug. shipments were 769,770 vs. 581,808 in July and 579,102 in Aug. 1956.

Trade Personals: **Frederick H. Guterman**, ex-American Bosch Arma, named gen. mgr. of DuMont Labs technical products div., succeeding **Irving G. Rosenberg**, resigned . . . **Robert E. Rutherford Sr.** promoted to staff asst. to Stanley J. Koch, DuMont Labs v.p. for tube operations; **Kenneth F. Hoagland** to tube engineering director . . . **Arthur A. Brandt** retires Oct. 31 after 40 years in appliance marketing, last 20 years with GE where he's been gen. sales mgr., TV receiver dept. . . . **Ernest L. Hall**, ex-Canadian Aviation Electronics, appointed staff asst. to Emerson pres. **Benjamin Abrams** . . . **Howard Main** promoted to merchandise mgr. of Dominion Electrohome Industries Ltd., Kitchener, Ont. . . . **Milford S. Klinedinst**, from Farnsworth Electronics, named consumer marketing director of IT&T subsidiary International Standard Electric Corp., assigned to North & South America, Australasia, Far East . . . **Maj. Richard J. Lavoie** (ret.), ex-Army Intelligence Center, Ft. Holabird, Md., named security director of IT&T . . . **Frank J. Bias** promoted to transmitter engineering mgr. of GE's technical products dept. . . . **George H. Fass** resigns as national sales mgr., DeWald Radio . . . **Vin Zeluff**, ex-managing editor of *Electronics* (McGraw-Hill), appointed managing editor of *Popular Electronics* (Ziff-Davis) . . . **Edward Link** named Emerson midwest district mgr., headquartering in Pittsburgh.

Edgar N. Greenebaum Jr., Chicago financial analyst specializing in electronics, leaves Oct. 20 for 3-week tour of Europe, will attend international atomic energy conference in Vienna.

EIA Reports Set Totals: TV shipments to dealers totaled 3,460,100 in first 8 months of 1957, when production was 3,756,533, according to EIA state-by-state report. They compare with shipments of 3,761,116, production of 4,365,060 in similar 1956 period. Aug. shipments were 490,849, compared with 465,285 in July and 535,936 in Aug. 1956. Here's 8-month report (county-by-county tables available to EIA members):

State	Total	State	Total
Alabama	50,658	New Jersey	128,282
Arizona	21,485	New Mexico	13,688
Arkansas	29,874	New York	409,448
California	342,856	North Carolina	68,686
Colorado	27,460	North Dakota	10,620
Connecticut	56,055	Ohio	193,788
Delaware	8,109	Oklahoma	37,802
District of Columbia	37,402	Oregon	34,821
Florida	120,241	Pennsylvania	239,621
Georgia	69,960	Rhode Island	19,329
Idaho	10,855	South Carolina	27,245
Illinois	203,729	South Dakota	11,526
Indiana	84,910	Tennessee	57,820
Iowa	36,937	Texas	186,030
Kansas	39,014	Utah	14,719
Kentucky	56,767	Vermont	7,225
Louisiana	62,897	Virginia	54,917
Maine	19,626	Washington	52,698
Maryland	48,240	West Virginia	35,356
Massachusetts	106,446	Wisconsin	58,981
Michigan	131,189	Wyoming	6,723
Minnesota	51,232		
Mississippi	29,496	U. S. TOTAL	3,450,315
Missouri	80,922	Alaska	2,509
Montana	15,384	Hawaii	7,276
Nebraska	24,262		
Nevada	5,574		
New Hampshire	9,410	GRAND TOTAL	3,460,100

Masters Wins Fair Trade Case: "Fair trade" suffered another blow this week when U. S. Supreme Court in effect upheld right of out-of-state mail order house to sell products in fair-trade states at less than fair-trade prices.

Court refused to review lower court ruling that Masters Mail Order Co., Washington, can sell GE products in New York at lower than fair-trade prices. Appeals court had dismissed injunction against Masters, and GE carried case to high court (Vol. 13:25, 28, 30). Injunction suit was brought after Masters' Washington outlet advertised GE small appliances in N. Y. papers at prices at which it would have been illegal for N. Y. retailers to sell them.

GE had said that this practice gave the out-of-state store a "free ride on the advertising done by GE and the sales efforts of every retailer who rents space to display GE products or hires salesmen to sell them."

Masters pres. Stephen Masters hailed this week's news with announcement that Washington store will advertise GE products for sale at less than fair-trade prices in newspapers and magazines throughout country (all but 14 states have fair-trade laws). "Our victory again points out the fact that fair-trade laws, unfair to all, are for all practical purposes meaningless and dead," he said. "Fair trade is falling fast."

Magnavox unveiled new non-metal 17-in. portable TV set (Vol. 13:36, 38) at Ft. Wayne plant this week. Wood-&-composition "Greenbrier" model, replacing metal portables which were discontinued following Skokie, Ill. electrocution (Vol. 13:29, 31-32), is designed as second home set to harmonize with furnishings rather than for outdoor use. Mahogany lists at $170; oak & cherry $180, uhf $20 more.

Marketing seminar, sponsored by West Coast Electronic Mfrs. Assn., starts Oct. 29 at Roosevelt Hotel, Hollywood, takes up techniques of developing new markets and sales of new products. Meetings, to be conducted by Los Angeles marketing consultant Edward A. Altshuler, will also cover marketing research and analysis, sales planning and direction, advertising and public relations.

U. S. Tariff Commission has scheduled Feb. 4 hearing on charges by Brush Electronics Co. (div. of Clevite Corp.) and The Astatic Corp. of unfair competition in import and sale of unspecified foreign phonograph pickup cartridges, elements, and needles.

Motorola introduces all-transistor portable radio—"Weatherama"—which receives standard broadcasts, govt. weather broadcasts and long wave aeronautical beacon bands. Set is priced at $80, will be shipped after Nov. 1.

RETMA of Canada reports TV distributors sold 233,238 sets to dealers in first 8 months of year, compared with 313,285 for similar 1956 period. Sales for Aug. were 39,083 vs. 61,058 in Aug. year ago.

NARDA's 1958 appliance trade-in guide, *Home Appliance Blue Book*, covering appliances but not TV, will be published Nov. 15 by National Appliance Trade-In Guide Co., 2105 Sherman Ave., Madison, Wis.

Admiral moves headquarters next week from Merchandise Mart back to former location, 3800 Cortland St., Chicago 47 (Spaulding 2-0100).

Top 100 Defense Firms: GE kept its No. 1 position among companies heavily engaged in electronics in new list of 100 top prime defense contractors released by Pentagon. As in earlier rankings reported in April (Vol. 13:16), GE was fourth among all defense firms in July 1, 1950-Dec. 31, 1956 tabulation by Defense Dept., in which Boeing replaced GM as biggest contractor among first 10: Boeing, GM, United Aircraft, GE, Douglas Aircraft, North American Aviation, General Dynamics, Lockheed Aircraft, AT&T, Curtiss-Wright. Electronics and related firms generally maintained their relative rankings in cumulative 1950-1956 and Jan. 1, 1955-Dec. 31, 1956 figures given by Pentagon in separate tables. We've consolidated 2 new "top 100" lists in table below to show electronics standings (all dollar figures in millions, dashes after company's name indicating it was not among first 100 prime contractors for period):

	July 1950-Dec. 1956 Contracts	July 1950-Dec. 1956 Rank	Jan. 1955-Dec. 1956 Contracts	Jan. 1955-Dec. 1956 Rank
GE	$5,024.1	4	$1,289.8	5
General Dynamics	4,493.4	7	1,758.2	2
AT&T	2,773.0	9	1,015.3	7
Sperry Rand	1,584.6	14	306.5	21
Bendix Aviation	1,518.9	16	371.1	17
Westinghouse	1,375.8	19	227.6	23
RCA	1,060.0	21	307.6	20
IBM	837.2	24	450.6	14
Avco	738.2	28	215.9	24
Raytheon	687.4	31	313.2	19
IT&T	624.0	34	98.1	47
Philco	562.0	37	157.7	30
Collins Radio	436.8	45	95.3	49
General Precision Equipment	355.5	56	131.5	35
Minneapolis-Honeywell	293.8	61	104.3	45
American Bosch Arma	291.6	62	106.9	42
Hazeltine	225.2	73	—	—
Sylvania	223.1	74	—	—
Mass. Inst. of Technology	216.1	77	83.9	52
Motorola	205.4	82	52.6	78
Dynamics Corp. of America	176.4	91	48.3	88
Admiral	157.8	98	—	—
Burroughs	—	—	109.4	40
Lear	—	—	60.4	69
Standard Coil	—	—	53.7	76

Among "favored 50" of investment trusts are only 5 concerns directly or indirectly identified with one phase or another of electronics, according to *Guide to Investment Company Portfolios* issued by Vickers Associates Inc., 52 Wall St., N. Y. They're IBM, ranked second (in Vickers' evaluation) as of last June 30, with 3.72% of its stock held by closed or open-end trusts; GE, 14th, 1.46%; Minnesota Mining, 31st, 3.22%; AT&T, 33rd, 0.42%; Westinghouse, 45th, 3.44%. (For complete tabulation, with Dec. 31, 1956 and Dec. 31, 1955 comparisons, see Oct. 5 *Business Week.*)

Dividends: Gross Telecasting, 40¢ plus 7½¢ on "B" common, both payable Nov. 8 to stockholders Oct. 25; Aircraft Radio, 20¢ plus 10¢ year-end special, both Nov. 13 to holders Oct. 30; Oak Mfg., 35¢ Dec. 13 to holders Nov. 29; Capitol Records, 25¢ Dec. 31 to holders Dec. 16; Siegler, 20¢ Dec. 1 to holders Nov. 15.

New recommended standards distributed by EIA to members: RS-196, "Fixed Film Resistors (High Stability)," 60¢, and RS-197, "Power Filter Inductors for Electronic Equipment," 50¢. Copies are available from EIA Engineering Dept., 11 W. 42nd St., N. Y., for minimum $1 order.

Merger of Electric Storage Battery Co. & Ray-O-Vac Co. has been approved by directors of both companies. Plan providing for exchange of one Electric Storage share for each 2 shares of Ray-O-Vac will be submitted to stockholders of both companies at special meetings Nov. 19.

Financial Notes: Net income of Sylvania in 3 months ended Sept. 30 was around $1 per share vs. 46¢ in disappointing second quarter of 1957 (Vol. 13:30)—and earnings for rest of year should exceed that rate, pres. & chairman Don G. Mitchell said in interview in Oct. 16 *Wall Street Journal.* Formal report on third quarter is due next week.

Mitchell said third-quarter sales this year, helped by upturn in TV sets first noted in June, were nearly $90,000,000, up from $84,000,000 year earlier, when earnings hit record of $1.15 per share for period. For 9 months of 1957, he estimated sales at close to $252,000,000, compared with $246,000,000 in corresponding 1956 period. But he thought net for all 1957 would run 5%-10% below $14,835,389 last year, working out to $4.10 per share.

As of today, TV set business has much more wholesome tone than it had year ago, Mitchell told *Journal,* pointing out that fierce competition in 1956 led to overproduction, high inventories, soft retail prices. He said that with inventories more in line now with sales, set production is likely to reach 3,800,000 in second half, with sales at 4,000,000.

He saw price as continued deterrent to sales of color sets, predicting that until it falls to about $400 from discount-&-trade-in retail level of $500-$550, color will make little inroad.

* * * *

General Instrument earned $169,599 (12¢ per share) on sales of $8,157,605 in second fiscal quarter ended Aug. 31 vs. $119,916 (9¢) on $8,311,834 in corresponding 1956 period. First-half income was $247,053 (18¢) on $15,-200,170 compared with $35,561 (2½¢) on $13,979,913 year earlier. Gains in earnings were due to development of General Instrument "into a broad-based electronics firm" from one engaged largely in making TV-radio components and to "operating efficiencies made possible by closer integration & control" of manufacturing divs., according to chairman Martin H. Benedek. He foresaw "continuing earnings progress through the third & fourth quarters."

Allied Artists had net loss of $1,783,910 in fiscal year ended June 30, after giving effect to $675,000 federal income tax credit. Company gave no explanation for loss, which compared with net income of $371,875 (27¢ per share) in preceding fiscal year. But in earlier statement predicting loss (Vol. 13:24), pres. Steve Broidy said Allied Artists had discontinued producing unprofitable films in $400,000-$600,000 bracket, that current fiscal year would show better results. At close of fiscal 1957, company had backlog of 14 pictures awaiting release, inventories of $5,615,000 vs. $9,219,000 year earlier.

GE set new records in earnings & sales for third quarter and first 9 months this year. Net income in quarter ended Sept. 30 was $55,165,000 (63¢ per share) on sales of $1.047 billion compared with $47,863,000 (55¢) on $1.003 billion in corresponding period year earlier. For 9 months, earnings were $182,988,000 ($2.10) on $3.169 billion vs. $160,727,000 ($1.85) on $2.962 billion in first 9 months of 1956. Wages & benefits of $1.189 billion paid employes and payments of $1.426 billion to suppliers also set 9-month records, according to GE pres. Ralph J. Cordiner.

Litton Expands Again: Litton Industries, which recently acquired Aircraft Radio Corp. (Vol. 13:41) and Maryland Electronics Mfg. Corp. (Vol. 13:38), is absorbing Monroe Calculating Machine Co. in deal already approved by 80% of latter company's stockholders, according to joint announcement of merger Oct. 15. Monroe holders are offered choice of 1½ shares of Litton common for each share of Monroe common or ½ share of Litton $100 par value 5% pfd. for each share of Monroe common, of which about 300,000 are outstanding. Litton v.p. Roy L. Ash said special stockholders meeting will be called soon after annual meeting Oct. 26 to vote on proposed increase in common stock and authorize new issue of $100 par cumulative convertible pfd.

Storer Bcstg. Co. earned $820,008 (33¢ per share) in third quarter ending Sept. 30, compared with $1,066,019 (43¢) in corresponding 1956 period, company ascribing dip in part to "substantial" costs of reorganizing WVUE, Wilmington, after acquisition of station (then WPFH) in spring (Vol. 13:13). Expenses there "have adversely affected operating results for the third quarter, but current bookings at WVUE are encouraging," Storer said. For 9 months, earnings were $5,249,492 ($2.12) vs. $3,911,464 ($1.58) in comparable period last year.

General Tire & Rubber reports consolidated net income of $8,545,592 ($1.61 per share), including earnings of $599,294 from subsidiary RKO Teleradio Pictures, in 9 months ended Aug. 31, vs. $6,059,025 ($1.17) in corresponding 1956 period, when RKO Teleradio wasn't counted. Sales this year were $311,091,049, compared with $278,-192,007 year earlier. "Our profit for the current 9-month period before including the RKO Teleradio earnings was 4.2% ahead of the comparable 1956 period," General Tire pres. Wm. O'Neil said.

Official Films Inc., whose pres. Harold L. Hackett reports to stockholders this week that it now syndicates 27 series with total of 1319 films, in June 30 annual report discloses $983,000 earnings before taxes on sales of $6,-500,000, up from $908,906 gross profit on $6,100,000 sales in 1956 fiscal year. Paid-in surplus stood at $1,738,200 as of June 30, 1957, earned surplus $692,904, with net income of $437,831 after taxes.

E. J. Korvette Inc., N. Y. appliance store chain, had sales of $71,200,000 in fiscal year ended Sept. 28 vs. $54,900,000 year earlier, according to pres. Wm. Willensky. He said that sales in 13 weeks to Sept. 28 were $18,155,143, compared with $14,155,143 in corresponding 1956 period, that volume in last month of 1957 fiscal period was 41.6% ahead of last year.

New IT&T subsidiary—IT&T Electronics Service Co. of Canada Ltd.—has been organized in Montreal for engineering, installation, operation & maintenance of microwave, radar & other electronic equipment. J. T. Robertson, from IT&T telephone & radio operating dept., N. Y., heads new company.

Magnavox continues optimistic about future of color TV; annual report says 2 new models will be introduced in fall. But it adds: "We continue to feel, however, that there will be no revolutionary switch from black-&-white to color TV receivers but that the growth will be gradual."

Guild Films earned $616,473 (40¢ per share) in 9 months ended Aug. 31 vs. net loss of $8,172 in corresponding period of preceding fiscal year.

WJR, The Goodwill Station Inc. earned 67¢ per share in 9 months ended Sept. 30 vs. 69¢ in same 1956 period.

Monthly hi-fi magazine to be sold by hi-fi dealers will be started in Jan. by Ziff-Davis Co., N. Y.

Seeing-Eye Sputnik: Ominous speculation that Soviet space satellite may be acting as super-spy by means of TV—which would have been dismissed as sheer science fiction 2 weeks ago—didn't seem so far-fetched this week with the revelation that Uncle Sam has been working on a lunar Zoomar of his own for last 10 years.

Aviation Week reported Oct. 14 that Air Force-sponsored Pied Piper project (nicknamed "Big Brother") is code name for earth-circling reconnaissance satellite (weapon system No. WS-117-L). Lockheed Aircraft Corp. was identified as head of team working on project, with CBS named as its "probable" electronic teammate and Eastman Kodak as participant. Though this project dates back only to early 1956, magazine says Rand Corp. has been working on similar projects for 10 years, with Aeronutronic Systems Inc. (Ford Motor Co. subsidiary) also conducting studies. All 3 are working under Air Force auspices, article states.

Meanwhile, N. Y. Herald Tribune Syndicate columnist Stewart Alsop and others expressed view that Russia's sputnik is able to "see" somehow—either by TV, film camera or a telemetering system. But Dr. Joseph Kaplan, chairman of U. S. National Committee for IGY, was quoted in *U. S. News & World Report* as stating that TV-equipped satellite is still a "dream."

Earthbound TV continued to do top-notch job of informing public about satellite, and last week end viewers actually "saw" sputnik from their living room armchairs. Claiming the "first" was Westinghouse Broadcasting Corp., whose WJZ-TV, Baltimore, filmed satellite from display tube of Bendix Aviation's light amplifier, which magnifies light 10,000 times. Films were speeded up so viewers could see actual motion of satellite across screen. They were fed by Boston's WBZ-TV to Westinghouse's other TV stations on live hookup evening of Oct. 13, and fed to NBC-TV affiliates later for 11 p.m. newscast. Also in time for 11 p.m. news shows, another set of "first films" of sputnik arrived from Australia.

Two new Armed Forces TV stations have gone on air in Korea—originating station at Seoul (Ch. 3) with Ch. 12 satellite, first of 4 repeater stations in Korean "network." Other 3 stations are now being installed. After Korean stations are on air, AFTV hopes to start work on Midway Is. outlet.

Radio interview with murder case defendant resulted in mistrial Oct. 16—and citation of Jean LaGrange of WLOI, La Porte, Ind., for criminal contempt of court. In broadcast interview, Robert Lee Johnson, who had gone through 3 previous no-decision trials, told LaGrange that his counsel had promised him suspended sentence if he pleaded guilty to manslaughter, but that he refused because he wanted to be "vindicated." LaGrange then commented that attorneys & court were guilty of unethical practices in making purported offer. Prosecution & defense lawyers moved for mistrial. Ordering it, Special Judge Harry Long found LaGrange in contempt, sent him to jail for 2 hours before $1000 bond was raised, set hearing for next week.

Small TV & radio stations should be exempt from overtime pay provisions of Fair Labor Standards Act, Sen. Allott (R-Colo.) told Region 7 NARTB conference Oct. 17 in Brown Palace, Denver. He said he would seek an amendment to wage-hour law at next session of Congress to put employes of smaller stations in same category as exempt employes of small newspapers. "Nobody has presented any real reason why in an extremely high paid industry like yours, the Govt. should require a particular [40-hour] work week," Allott said in speech to broadcasters. NARTB advocates exemption of stations which operate outside standard metropolitan areas (50,000 or more population around central city).

Network TV & radio advertising volume was unchanged in Aug. compared with July, while weekly magazines showed 8% increase and newspapers 6%, according to national index in Oct. 18 *Printers' Ink*. Business papers and outdoor advertising were down 6%.

TV film reruns in summer, disparaged as unworthy fare by many newspaper critics, actually are welcomed by more than half of N. Y. viewers who saw some programs earlier, according to Pulse survey in Oct. 7 *Television Age*. Pulse queried 1000 viewers, found 563 saw "advantages to the viewer" in TV repeats, while 333 didn't, 104 had no opinion. Of 672 viewers who had watched reruns in 4-week period, 56.1% said they "enjoy seeing a good program a second time," 27.1% had "nothing better to watch," 20.3% started to watch repeats before they realized they'd seen them before.

Two applications for TV stations and 5 for translators were filed with FCC this week, bringing total to 118 (34 uhf) for stations, 46 for translators. Station applications: for Louisville, Ky., Ch. 15 by Louisville Free Public Library; for Norfolk, Va., Ch. 13 by owners of WBOF, Virginia Beach. Translator applications were for Leadville, Colo., La Grande, Ore. & 3 for Evanston, Wyo. [For details, see *TV Addenda 25-L* herewith].

Kate Smith returns to network radio early next year with daytime program on MBS, pres. Paul Roberts announced Oct. 16. She was with Mutual 1948-50, switched to daytime show on NBC-TV in 1950, retired in 1953 after 25 years of broadcasting. Roberts said she represents "first step in a long-range plan we are now undertaking to bring more & more name personalities" to MBS.

Tribute to TV—"The Fabulous Infant"—will be subject of Nov. 10 *Wide Wide World*, for which NBC says it has obtained "cooperation" of ABC & CBS. It's understood program, mainly from Hollywood, will use film clips and perhaps stars furnished by NBC's competitors.

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SUMMARY-INDEX OF THE WEEK'S NEWS — October 26, 1957

CENSUS BUREAU'S NEW TV HOUSEHOLD TALLY: Total TV homes in U. S. reached 39,800,000 of nation's estimated 49,606,000 homes—roughly 80%—according to Advertising Research Foundation report based on April 1957 Census Bureau Survey. Last survey, in Feb.-March 1956, counted 35,495,000 TV households with at least one set.

Current survey says there are 2,500,000 homes with 2 or more sets. Previous multi-set home counts: June 1955, 1,100,000; Feb.-March 1956, 1,700,000.

Total number of sets in homes is 42,520,000, according to latest study, compared with 37,277,000 in Feb.-March 1956. This does not include sets in use in public places, hotels, etc.

This is fourth national survey handled by ARF, underwritten by networks, NARTB, TvB. On two previous occasions ARF has followed with county-by-county projection of these figures. However, spokesman tells us decision has not been reached on repeating county-by-county estimates.

Growth of number of TV homes now is tapering off as total gets closer to saturation and no major TV markets remain to be opened. Census of Housing in 1950 showed only 12% of all households had TV sets. Succeeding surveys went this way: June 1955, 67%; Feb. 1956, 73%; Aug. 1956, 76%.

TV household concentration continues in standard metropolitan areas, 87% reporting sets in April 1957 vs. 82% in Feb. 1956. Growth was more rapid outside these areas, survey showing 70% in April 1957 compared with 59% in Feb. 1956.

Breakdown by geographic regions: Northeast, 88% in April 1957, 80% in June 1955; North Central, 85% vs. 72%; West, 77% vs. 62%; South, 71% vs. 53%.

For comparison, NBC Research Dept. estimates (page 25, Television Factbook No. 25) 40,000,000 TV homes as of July 1, 1957, with 3,160,000 second sets, 1,340,000 in public places—total of 44,500,000.

COLOR TAPE'S HERE AND RCA'S GOT IT: Climaxing more than 5 years of efforts to devise substitute for color kines, RCA this week demonstrated perfected color video tape recorder and announced production models will be for sale in about a year.

From telecasting industry standpoint, happiest aspect of this week's development is fact that RCA recorder will be compatible with Ampex monochrome recorders which go into production next month. New recorder has same mechanical specifications—including speed and size of tape, rotation of heads, etc.

Meanwhile Ampex pres. George I. Long this week indicated that his company's approach to color (a conversion kit for its monochrome models which Ampex hopes to have available about the same time RCA color recorder is on market) will be same as RCA's, so that color and monochrome tapes eventually will be interchangeable between the 2 makes of machines.

Compatibility feature, forecast in Television Digest 2 weeks ago as result of Ampex-RCA exchange of tape recording and color patents (Vol. 13:41), ends threat of dual standards for video recording—precluding necessity of stations purchasing 2 or more separate recorders—even heralds the day when TV tapes may be syndicated in same manner as film.

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Color and monochrome TV pictures from RCA recorder left little to be desired at demonstration showing. To us, both appeared superior to best film. Color tones and registration were good, as was reproduction of detail—and pictures definitely had "live" quality. Monochrome pictures from color tape were excellent, with very good grey scale. Only noticeable imperfection was occasional appearance of "drop-outs"—little white dots and streaks caused by defects in tape—a weakness also common to Ampex recordings but rapidly being overcome by tape manufacturers.

Demonstration was held at RCA's compact Johnny Victor Theatre in Radio City, consisted of segments of last week end's NCAA football, Perry Como, Steve Allen & Hit Parade colorcasts—which had been recorded at Camden RCA plant via microwave from NBC's WRCV-TV, Philadelphia, with playback again microwaved to station and relayed to New York by AT&T line. Two 21-in. sets—one color and one monochrome—were used for demonstration. No live or filmed pictures were shown for comparison.

Tape recorder itself is in Camden, wasn't seen except in photographs distributed to newsmen attending. But RCA industrial electronics chief engineer Dr. George H. Brown described prototype recorder as rack-mounted, occupying but not completely filling 5 racks.

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First commercial deliveries of production model color tape recorders are scheduled for "latter 1958," according to industrial products v.p. Theodore A. Smith, with some engineer-built prototypes to be put in use early next year—first ones presumably going to NBC-TV Hollywood studios.

It's too early to estimate price of production units, he insisted. Under questioning, he expressed hope that it would be kept "under $100,000." Ampex's prototype monochrome recorders cost $75,000 each and production models will be sold for $45,000. Ampex delivered 13 prototypes—5 to CBS, 3 each to ABC & NBC, 2 to govt. agencies for instrumentation recording use.

RCA has no current plans to produce monochrome recorders, Smith said—maintaining that its color recorder is complete and can be used for all purposes, including recording and playback of black-&-white shows.

Like Ampex monochrome machine, RCA color recorder uses 2-in. wide tape, running at 15-in. per second, with 3 revolving record-&-playback heads, and can record 64-min. program on 14-in. reel. It uses same tape as Ampex machine, has same erasure and re-use features—and presumably same problem of extreme difficulty in editing and splicing.

Picture displayed this week was far cry—both in quality and approach—from RCA's first color tape "progress report" in Princeton in Dec. 1953, when it used ½-in. tape at 30 ft. per second, requiring 17-in. reel of tape for 5-min. show (Vol. 9:49).

Ampex pres. Long commented indirectly on RCA achievement in his observations on RCA-Ampex cross-licensing agreement in Oct. 24 address to Security Analysts Society of San Francisco:

"Color TV is essentially an RCA problem. They have spent millions of dollars in an attempt to get their color TV program under way and their hope is to recover these vast sums through the sale of color TV sets. Their problem has been made more difficult because of the extremely poor quality of the film process for reproducing color TV pictures . . .

"Our interest is somewhat different, obviously, than RCA's, because we are not in the business of selling color TV sets. At the same time our whole black-&-white video tape recorder program could be imperiled if it became apparent that color TV was going to substantially replace black-&-white and we were without an answer for it.

"The technical breakthrough to reproduce color pictures on magnetic tape has been accomplished. When equipment will actually be available for sale I am not in a position to say. With the cross-licensing arrangement . . . we are now in a position to assure the purchaser of our black-&-white video machines that for an additional sum we will be able to supply them with a conversion unit which will make their machines capable of recording and reproducing either black-&-white or color pictures. At the same time, RCA has the right to our video tape patents to produce competitive equipment.

"It now appears that we will have an industry with standard specifications and with at least 2 companies supplying equipment."

Ampex's production plans for black-&-white recorders were indicated this week in company house organ, "Ampex Recorder," which said the 100 production-model recorders now on order "will be in service by midsummer of next year." Among refinements in production units will be interchangeability of recorded tapes among different machines, miniaturization of parts and greater accessibility for repair, provision for remote control. NBC reportedly is scheduled to get 2 more Ampexes in Jan., 6 in Feb.

HARRIS OUTLINES CONGRESS TV-RADIO PLANS: Chairman Harris (D-Ark.) of House Commerce Committee thinks it may be time for some important changes in TV-radio regulation, and he outlined to NARTB Memphis regional conference this week the 3 major studies his committee plans to make next session with an eye to amending Communications Act, broadcasting's legislative charter:

Frequency Allocation—He thinks it may be time for Congress to take over allocations reins, a major and radical departure from current procedure. He sees as a necessity "an examination whether the tremendous developments which have taken place in the field of communications require a new statutory approach to the problem of distributing available spectrum space among governmental as well as private claimants."

He urged re-examination of current divided allocations responsibility—the President for governmental users, FCC for all others. "Few persons would consider it in the public interest for the Congress to appropriate annually a lump sum of money for the operation of our Govt. and to leave to the President the unlimited discretion as to what portion of these funds he wants to use for the national defense and what portion for all other purposes," he said. "Still, that essentially is the situation today with regard to spectrum space, which is a commodity much scarcer than money."

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Networks—Harris plans to give high priority to recommendations arising from FCC's network study. "Specifically," said the congressman, "Congress should determine to what extent, if any, it must give up reliance on the forces of competition to produce results in the field of TV broadcasting and what additional powers, if any, should be granted to the FCC to counteract the concentration of power now existing in this field."

Subscription TV—Having already announced his Committee plans hearings on fee TV shortly after Congress reconvenes in Jan., Harris said: "Subscription TV offers an outstanding opportunity for further concentration of power in the field of broadcasting, and hindsight shows that the Commission's efforts to cope with the concentration of power in the hands of the networks and other multiple station owners have proven unsuccessful."

He added that Congress has the responsibility to "scrutinize what protection the public interest requires [with regard to fee TV] so that the country will not again be presented with a situation of trying to lock the barn after the horse has been stolen."

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Harris suggested possibility of putting 10-year time limit on Communications Act—which "might act as an automatic reminder to the Congress" that FCC's regulatory power "must be re-examined in the light of new developments."

Discussing his Committee's legislative oversight (Moulder) subcommittee investigation of regulatory agenices, he assured telecasters that the inquiry "does not include the review of individual cases with a view of changing the results in any such case."

Rather, he said, subcommittee is attempting to "determine whether or not existing patterns of handling individual cases are satisfactory, and, if these patterns are found to be unsatisfactory, whether this is due to the failure on the part of the agency to observe the law or due to inadequate provisions contained in these laws."

TOLL TV—NEXT MOVE UP TO PROPONENTS: Now that the pay-TV chips are down in some fuzzy sort of fashion—i.e., FCC decided it will permit tests (Vol. 13:42)—everyone seems to be waiting for someone else to ante up.

Washington attorneys report that FCC's announcement has stirred almost no response from station clients. A few former uhf operators, eagerly hunting pay system angels, are seeking to get into the swim. Their chances seem slim, since pay promoters would naturally incline to vhf operators and since toll tests are limited to 4-signal markets—where uhf faces enough handicaps already.

Commission itself has heard nothing at all from stations since test decision was issued. Previously, it had bright-eyed inquiries from 3 small-town citizens who asked, in effect, "How do we get into this?"

Question: Who's going to put up the money? It looks like Zenith, if anyone. It has plenty of capital, along with deep, long-nourished yearning to show up commercial TV. Skiatron and International Telemeter just don't have the cash, would have to get it from the public—if public can be persuaded.

Public may be hard to persuade. Special Pulse survey of San Francisco & Los Angeles, for example, indicates that Giants & Dodgers may well take in less money by offering games on wired pay TV than by selling rights on free TV—causing Pulse director Sidney Roslow to speculate that "more people will go broke trying to get it off the ground than will ever make a mint out of it" (see p. 5).

Conditions imposed on stations for subscription tests are totally unrealistic, according to one former uhf operator who has been hot on the toll TV concept. Lou Poller, onetime operator of WCAN-TV, Milwaukee, says that restrictions are "enough to kill the idea." He said he plans to petition Commission to amend rules to restrict pay TV tests to uhf stations only and to one station in each market. "If they restricted it to uhf," he said, "they'd get 2000 applications. As it is, the networks are the only ones who can go into it. And one station would have trouble getting enough programming material in each market. What would 4 do for product?"

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Question of choosing among station applicants has been raised by some attorneys. FCC limits each "system" to 3 markets. Commission sources say it's up to system owners to choose, in event more than 3 stations seek franchises. But there's lot of feeling in Washington that question is academic, that there'll be no plethora of applicants giving system owners the delightful chore of choosing.

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One of the best statements of opposition to pay TV to date came this week in speech by NBC pres. Robert W. Sarnoff, addressing luncheon in his honor by WIIC, Pittsburgh. If fee TV does eventually replace free broadcasting, he said, "we, like the public, will have no choice but to follow the pay tide."

Inevitably, he said, fee TV must offer same type of programs now presented free—sports, drama, film, culture—and "box-office revenue would enable pay-TV to outbid free TV for programs, even if the pay audience were much smaller." By siphoning off the major attractions, pay TV would shrink free TV's advertising base and either kill it completely or reduce it to "marginal" type of service.

Argument that public will be able to choose between free or pay programs "crumbles under examination," said the NBC pres., taking Giants & Dodgers as example. If they go on pay TV, he charged, only choice left to those who wish to see baseball will be "pay-or-you-don't-see." Subscription TV, he added, "can succeed only by devouring the substance of free TV."

Sarnoff could see no practical difference between broadcast and wired pay systems—end result being "replacement of a broad-based free service by a narrower service with a price tag on it."

While toll-TV prospect might be "tempting" to networks and conceivably could provide larger profits than free broadcasting, he said public interest requires maintenance of free system. "Indeed, if self-interest were the prime consideration, we might well be hedging by laying out a stake in pay TV ourselves; or at least by adopting a non-committal position."

He took inferential swipe at FCC's Barrow report with charge that "a governmental study staff" is giving aid & comfort to toll-TV forces by "tampering with the delicate mechanisms of the broadcasting structure." If the network operation "weakens or fails, pay-TV will not falter in taking over."

Can Pay TV Pay Off? Pulse Inc. director Sidney Roslow thinks it can—eventually. But results of Pulse surveys in Los Angeles & San Francisco have convinced him it will have tough sledding initially, and he predicts that "neither the Dodgers nor the Giants will go pay TV just yet." He revealed results of these toll-TV surveys, plus one made in New York, at AFA district conference at Norfolk last week end. N. Y. survey indicated that while more than 250,000 TV homes would pay to see televised movie while it is playing at Radio City Music Hall, "it is questionable whether these people would pay enough to make the showing of first-run top-quality movies feasible." In N. Y., a top movie could gross $270,000 from pay TV as opposed to $150,000-$160,000 at Music Hall in addition to neighborhood theatres. In Los Angeles & San Francisco, Pulse found 13% of TV homes would pay to see baseball games, but largest number drew the line at 50¢ a game as top price, and most weren't willing to view more than 2 games a week. At the 50¢ price, this would mean $65,000 a game for Dodgers (twice as much as they averaged in Brooklyn from TV-radio & ballpark tickets) and $33,000 for Giants (50% more than at Polo Grounds). But since 2 games a week appears to be saturation point for toll TV, Roslow concludes that teams would actually take in less money via pay TV than by following their former policy of restricted free TV. (Since Roslow didn't mention gate receipts of the Cal. teams in computing his comparisons, apparently he feels they would play to empty ballparks on days they were being toll-televised.)

First educational TV series produced by new Organization for National Support of Educational TV (ONSET), Chicago (Vol. 13:37), is *The World of Medicine*, sponsored by Schering Corp. Cooperating in 13 half-hour filmed programs, with doctors & nurses as actors and clinics as locale, were American Heart Assn., American Hospital Assn., National Education Assn., Optical Society of America, American College of Radiology. Series covers radiology, blood pressure, rheumatic fever, eye, heart, brain, hormones, dentistry, speech. Headed by ex-chairman Edward L. Ryerson of Inland Steel Co., ONSET advocates commercial sponsorship of educational programming.

TV does "Herculean" job of good programming, FCC Comr. Robert E. Lee said Oct. 23 in speech to Chicago Council 182 of Knights of Columbus. "If occasionally a presentation falls short of the mark," he said, "the wonder is not that every once in a while one misses, but that so many hit, if only in the outer rings of the target." Lee lauded NARTB's Code of Good Practice as demonstration by broadcasters of "real effort" to "eliminate much of the objectionable material from TV" and improve programming. However, he said, "audience rejection is by far the most effective method."

Fear of slander suit led to cancellation of *Manion Forum* just before it was scheduled to go on air Oct. 20 over MBS stations with taped speech by pres. Herbert V. Kohler of strike-harassed Kohler Co., Kohler, Wis. Mutual executives decided speech was "unacceptable" for broadcast because Kohler statements about United Automobile Workers leaders and police officials "may be held defamatory." Kohler offered to indemnify radio network, but Clarence B. Manion, former Notre Dame law school dean who heads *Manion Forum*, withdrew 15-min. program.

Pre-censorship of TV programs as well as movies & stage shows was advocated as "absolute necessity to the preservation of decent moral standards" by Rev. Gerald H. Kirwin, editor of *The Evangelist* of Catholic diocese of Albany, in address at Siena College, Loudonville, N. Y. "You would not let a child learn the danger of fire by putting its hands in the flames," he said. contending that without censorship "there will be chaos in the moral world, and then all sorts of conflict in the economic & spiritual worlds."

Union meetings on TV at home are new labor promotion gimmick of United Steelworkers, whose pres. David J. McDonald wants to show public as well as stay-at-home members how union's business is conducted. Series of 13 programs produced by Bob Post, Philadelphia film packager, shows McDonald giving reports on Steelworkers' progress, explaining how union money is spent, illustrating advantages of organization. Scheduled to start in Nov., series is planned for Sunday afternoon showings in 30 major markets where Steelworkers are concentrated.

Personal Notes: Thomas Velotta, ABC-TV v.p. & administrative officer for news, special events, sports & public affairs, assumes new network duties in Hollywood . . . **Manny Reiner** promoted to TPA v.p. in charge of foreign operations . . . **Paul C. Conangle** appointed Latin American sales coordinator of ABC Film Syndication . . . **Henry W. Levinson** promoted to sales development mgr. of ABN . . . **Robert F. Hurleigh**, in charge of Washington office, and **Harold M. Wagner**, in charge of programs, named MBS v.p.'s . . . **Proctor Jones** promoted to national sales mgr. of WNAC-TV & WNAC, Boston, and Yankee Network div. of RKO Teleradio Pictures . . . **John E. Kilgore Jr.**, from Kilgore & Kilgore law firm, Dallas, becomes gen. partner of J. H. Whitney & Co., parent of Corinthian Bcstg. Corp. . . . **Frank Barron**, from WJW-TV, Cleveland, promoted to national sales staff of Storer Bcstg. Co., N. Y. . . . **Paul Garrett**, retired public relations v.p. of General Motors, elected a director of Teleprompter . . . **John A. Kellogg**, ex-Institute for Motivation Research, named v.p. & gen. mgr. of Forbes Marketing Research; **Dr. Charles D. Forrest**, ex-Forbes, appointed marketing professor at NYU School of Commerce, Accounts & Finance . . . **Stanton Webb**, ex-Paper Mate Pen, joins Jerry Fairbanks Productions, Hollywood, as sales director . . . **Richard Bronson** promoted to mgr. of WABI-TV, Bangor; **John MacRae** to mgr. of WABI . . . **Carlos Rivera** promoted to gen. mgr. of WAPA-TV, San Juan, replacing **David H. Polinger**, who resigns Nov. 1 to return to States; **Helena Martinez Schettini** named head of new sales service dept. . . . **Glenn W. White** promoted from program director to gen. mgr. of KNAC-TV, Ft. Smith, Ark., succeeding **Dick Campbell** . . . **Wm. D. Gibbs** promoted from film director to program director of KNTV, San Jose . . . **Arthur L. Smith**, from KVTV, Sioux City, named managing director of news & special events of WHTN-TV & WHTN, Huntington . . . **Gerald Thomas**, gen. mgr. of radio WHIN, Gallatin, Tenn. promoted to exec. asst. to Dot Records pres. **Randolph Wood** who also controls WHIN . . . **Wm. E. Anderson** promoted from NBC trade press mgr. to program services mgr. of NBC-TV participating programs.

Obituary

Charles J. Feldman, 57, v.p. & gen. mgr. of Universal Pictures, died Oct. 23 of heart attack in N. Y. home. He joined Universal in 1929 as Sioux City branch mgr. after working in midwest for United Artists and World-Wide Pictures, rose to v.p. of company in 1953. He was past chairman of distributors committee of Motion Picture Assn. of America, noted as conciliator in disputes between distributors & theatre operators. Surviving are widow, brother, 2 sisters.

Richard Field Lewis Jr., 50, Winchester, Va. owning 6 stations and building a 7th, died Oct. 18 after collapsing in Washington hotel. He owned WRFL, Winchester; WSIG, Mt. Jackson, Va.; WFVA, Fredericksburg, Va.; WHYL, Carlisle, Pa.; WAYZ, Waynesboro, Pa.; WELD, Fisher, W. Va., and held CP for WAGE, Leesburg, Va. Surviving are his widow, 3 sons.

Edward A. Allen, 68, pres. of WLVA-TV & WLVA, Lynchburg, Va., died there Oct. 19 from heart disease after long illness.

ADVERTISING AGENCIES: **Wm. M. Weilbacher** promoted to v.p. & research director of Dancer-Fitzgerald-Sample . . . **A. Burke Crotty** elected TV-radio v.p. of Ellington & Co. . . . **Lucien C. Rondot**, who headed own market research firm, named marketing research director of Ketchum, MacLeod & Grove . . . **Douglas C. Manson**, ex-Benton & Bowles, joins creative dept. of Joseph Katz Co., which also makes these Baltimore office apointments: **James A. Miller**, TV-radio director; **Stanley E. Blumberg**, v.p. & gen. mgr.; **Morris L. Milstein**, production mgr.; **George Fondersmith**, art director . . . **Alan Pottasch**, ex-ABC, joins Kenyon & Eckhardt as international account executive . . . **Willard Johannsen**, ex-*Electrical Dealer*, joins staff of Needham, Louis & Brorby.

Regional merger of Burke Dowling Adams Inc. and Roy S. Durstine Inc., with joint offices at 3440 Wilshire Blvd., Los Angeles, will give former a southern Cal. outlet. Announcement of "reciprocal working agreement" says both agencies will retain corporate identities, but Durstine v.p. Wm. D. Sloan also becomes western div. mgr. of Burke Dowling Adams.

GE ad account for technical products dept. goes to Brooke, Smith, French & Dorrance for marketing of TV-radio broadcast equipment.

Tex. Assn. of Broadcasters elects: M. E. Danbom, radio KTBB, Tyler, pres.; Al Johnson, KENS-TV & KENS, San Antonio, v.p.; Joe Leonard Jr., radio KGAF, Gainesville, secy.-treas. New directors: Charles Jordan, KFJZ-TV, Ft. Worth; George Tarter, KCBD-TV, Lubbock; Jim Hairgrove, radio KFRD, Roseberg.

National Community Antenna Assn. of Canada incorporates, elects: Fred Metcalf, Guelph, Ont., pres.; N. Dery, Bagotville, Que., v.p.; K. J. Easton, Montreal, Que., secy.; O. Girard, Magog, Que., treas.

Jail sentence of 45 days was handed out Oct. 23 to newscaster Jean R. LaGrange of radio WLOI, La Porte, Ind., for contempt of court for broadcast interview with murder case defendant which caused mistrial (Vol. 13:42). Special Judge Harry Long fined LaGrange $250 and tacked on prison term on ground that broadcast "constituted a clear & present danger to the administration of justice in this case [and] reflected on the court as an institution." LaGrange told judge he had no intention of questioning court's integrity in broadcast, which reported "deal" had been offered accused slayer.

Carillon for Vatican exhibit at 1958 International Exposition at Brussels is being donated by RCA chairman Brig. Gen. David Sarnoff, according to Paul A. Haymans, Brussels banker who'll be Vatican's commissioner-general at fair. In White House visit Oct. 25, Haymans told President Eisenhower electric carillon will be one of world's largest.

Sole woman engineer on FCC staff is Miss Irma Galane, recently transferred from Defense Dept., where she served primarily in Navy Bureau of Aeronautics, to Commission's rules & standards div. Last woman engineer with Commission was Virginia Erwin Page, who left several years ago.

Father-&-son TV teams show how industry is reaching maturity despite mere decade of growth, Oct. 21 *Television Age* notes in article containing thumbnail sketches of second-generation executives of networks & stations.

FCC Comr. Richard A. Mack and UNESCO Mass Communications Dept. dir. Tor Gjesdal will be banquet speakers Oct. 31 at National Assn. of Educational Broadcasters convention in St. Louis' Statler Hotel.

Mennen Baby Foundation will award $1000 for "outstanding contribution to baby care" by TV or radio program, book, newspaper editorial campaign, etc. Deadline for nominations at 430 Park Ave., N. Y., is Nov. 15.

Transatlantic Telemovies: News film transmitted across Atlantic by cable was telecast for first time on British TV Oct. 22 as result of cooperative effort by UP Movietone News and BBC, climaxing more than 2 years of exploration and tests by UP Movietone. More commonplace TV use of the technique depends on economics—whether telecasting industry is willing to spend the comparatively large amounts of money required for such brief snatches of quickly delivered film.

Film shown on BBC-TV lasted about 15 seconds (9 ft. of 16mm), though somewhat more was transmitted by UP Movietone. Film was taken at 10:10 a.m. in Staten Island, showing arrival of Queen Elizabeth & Prince Philip there. The exposed film arrived at processing lab about 11:45, was "out of soup" and dry shortly before 1 p.m. Transmission to Britain took about an hour, but BBC didn't show film until its usual 11 p.m. news show (7 p.m. N. Y. time).

Transmission via underwater cable used regular wirephoto techniques and equipment. Film was shot on 16mm positive film, printed on photographic paper as a negative, received in England as positive print on negative film stock. UP handled transmission at both ends. Scanning system was stepped up so that lines were 3 times as fine as for regular newsphoto transmission and quality of resulting film was described as "very usable."

The newsfilm which was used was actually sixth transmission in series of such tests, according to UP Movietone mgr. Wm. R. Higginbotham, who said 3 of the tests resulted in "completely usable" film. He added that transmission system gives good quality reproduction on close-ups, but not for distant scenes.

Higginbotham said radio transmission has also been tried for sending film across ocean, but has proven unsatisfactory because of distortion. Ideal system, he believes, would be to transmit from 35mm film print with scanning lines every 1/500 in., receiving station picking up reproduced pictures on 16mm film.

UP Movietone officials said cost details for such service hadn't been worked out. BBC news dept., meanwhile, is exploring same technique, plans cable transmission of news film to U. S. TV next time there's event of sufficient interest to American viewers.

Picture quality could be improved, it's understood, through development of equipment especially designed for scanning of motion picture film—if & when there's real demand for service.

Report on Japanese TV: Japan now has 17 stations on air, plus 4 satellites—with 5 more due to start by end of year—according to TPA foreign v.p. Manny Reiner, who returned this week from far east trip. As of Aug. 31, he said, there was total of 591,116 registered sets, plus about 160,000 unregistered sets. He said circulation is increasing at rate of 60,000 sets a month. Of total stations, 12 are owned by NHK, official semi-governmental network. Most popular screen size is 14-in. (about $210), though 17-in. sets are also manufactured. American TV films are purchased under dollar allocations approved by govt., he said, total for year ended March 31, 1957 being $166,000, for this year $325,000. He quoted survey indicating that films are most popular Japanese TV fare, followed by sports, stage attractions, quizzes. Average TV receiver prices in other Oriental countries: Thailand, $350; Hong Kong (wired TV), $9.50 a month for receiver and 5 hours of nightly programs; Philippines, $400.

"Tactile electronics"—transmission of sense of touch via wire and radio—is predicted in Nov. *Radio-Electronics Magazine* by editor Hugo Gernsback, who in his long career as popular scientific publisher has foreseen many of today's electronic advances. He points out that electronic principles behind "teletac" are already well-known, and looks into future when a telephone subscriber might "see, feel and order a suit or a bolt of cloth or any other merchandise across the continent," or doctor might feel patient's pulse or take his temperature over the phone.

We goofed last week—as a number of cartographic-minded subscribers were quick to point out—in locating "northernmost TV station within U S. borders" (Vol. 13:42). Actually, honor belongs to KVOS-TV, Bellingham, Wash., as a look at map should have shown us in the first place.

RCA shipped live color camera Oct. 23 to Smith, Kline & French, Philadelphia; 3-V color film camera Oct. 21 to WFBM-TV, Indianapolis.

More Cable Applicants: Directory of cable-theatre franchise applications (Vol. 13:41) is augmented by following, reported by trade publications, etc.: Cal.—Berkeley, Skiatron Inc.; Beverly Hills, Harriscope Inc.; Burbank, Harriscope Inc.; Carlsbad, Tele-Movie Development Co.; Gardena, Tele-Movie Development Co.; Lakewood, Skiatron Inc.; Montebello, Tele-Movie Development Co.; Pasadena, Harriscope Inc.; San Diego; Skiatron TV Inc.; San Mateo, Skiatron TV Inc.; Santa Monica, Harriscope Inc.; Uplands, Tele-Movie Development Co.; Vista, Tele-Movie Development Co. Ind.—Muncie, Y. W. Management Corp.; New Albany, Meritt Wilkins. Mont.—Billings, Televents Inc. N. C.—Fayetteville, Wellons Theatres.

DuMont names 7 new distributors for industrial TV line: Boom Electric Corp., 5226 W. Grand Ave., Chicago; De Mambro Sound Equipment, 1095 Commonwealth Ave., Boston; Electronic Specialty Co., Virginia St. W., Charleston, W. Va.; Shaffer Co. Inc., 849 N. High St., Columbus, O.; Signal Equipment Co. Inc., 2706 Third Ave., Seattle; Southeastern Sight and Sound Corp., 400 Glenwood Ave., Raleigh, N. C.; Springfield Sound, 772 Worthington St., Springfield, Mass.

Commercial TV is "acceptable to the overwhelming majority of the public," International Chamber of Commerce has decided, its council passing resolution in Paris calling for commercial TV research based on experience gained in U. S., Canada & U. K.

Boycott of TV sets in Cyprus—where govt.-owned station is operating—is urged by anti-British National Organization for Cyprus Liberation, which claims TV transmissions are loaded with propaganda.

First sponsored show on Spanish TV, Ziv TV reports, will be Spanish-dubbed *Highway Patrol* series *(Caminos de Patrullo)*. It will be sponsored by N. V. Philips, world-wide electronics-electrical combine.

Advertising sales in *TV Guide* for first 3 quarters of 1957 totaled $4,085,809, up 75% from same 1956 period.

FTC Hits Promotion Plan: In blow at TV-radio advertising tie-ins used by all 3 networks, FTC examiner Abner E. Lipscomb ruled Oct. 24 that 6 major grocery producers gave illegal promotional allowances to favored grocery chains by paying for their broadcast time (Vol. 12:30, 44).

Charging violations of Robinson-Patman Amendment to Clayton Act, Lipscomb issued preliminary orders prohibiting such allowances except on a proportionately equal basis for all customers. Examiner said producers paid CBS, NBC & ABC for time which networks gave to favored chains without charge in return for in-store promotional displays of manufacturers' products.

Named in ruling were Groveton Paper Co., Groveton, N. H.; General Foods Corp., White Plains, N. Y.; Sunshine Biscuits Inc., Long Island City, N. Y.; Piel Bros. Inc., Brooklyn; Hudson Pulp & Paper Corp., N. Y.; P. Lorillard Co., N. Y.

According to FTC, plan (called "Supermarketing" by CBS, "Chain Lightning" by NBC, "Mass Merchandising" & "Sell-A-Vision" by ABC) worked this way:

Networks entered into agreements with grocery chains whereby, for free TV or radio time, they conducted in-store promotions of products. Then networks solicited manufacturers to buy time at regular rates, offering in-store promotion as added inducements.

Networks were not named as defendants in case, in which grocery companies argued that their payments to CBS, NBC & ABC covered only their own broadcasting time—not promotional allowances for favored chains.

But Lipscomb held that 6 producers "would not have purchased broadcasting time at all, or would have purchased it only at a reduced price or in a lesser amount, except for the inducement of the in-store promotion." He said companies were sole financial supporters of plan, paying for time given stores for in-store promotion as well as for time for producers' own use.

As examples of payments made by 6 manufacturers to networks for time in N. Y., Chicago & Boston, FTC examiner cited these yearly totals: Groveton (1954), $122,-151; General Foods (1955), $206,411; Sunshine Biscuits (1955), $132,775; Piel (1953), $211,795; Hudson (1954), $154,619; P. Lorillard (1955), $210,758.

Bait advertising on TV & radio and in newspapers by Universal Sewing Service Inc., 600 Reading Rd., Cincinnati, is alleged in default order issued Oct. 24 by FTC examiner Joseph Callaway prohibiting false claims in sales of sewing machines & vacuum cleaners. Firm failed to answer FTC charges that it used "Westinghouse" name on Japanese sewing machines, advertised products at prices which weren't bona fide.

What Western Admen Earn: "Peons" in ad fields —if there are such—include production assistants employed by agencies & advertisers, whose median pay is less than $4500, and senior copywriters & copy chiefs at TV & radio stations, whose median salary is on level with production assistants, according to Oct. *Western Advertising*. Survey of 6 western states by assoc. professor Daniel S. Warner of School of Communications at U of Washington also shows that TV & radio time salesmen for larger stations make more than space salesmen for larger newspapers. Among "lowest bracket salesmen" at 19 TV stations, 14 radio stations & 14 newspapers, these earn more than $5000: 79% TV, 50% radio, 29% newspaper. More than $7500: 14% TV, 10% radio, no newspaper. Among "highest bracket salesmen," these earn more than $7500: all TV, 82% radio, 71% newspaper. More than $9000: 93% TV, 64% radio, 7% newspaper. Newspaper employes holding titles of commercial mgr. or adv. director on newspapers earn more than TV & radio counterparts, however: 77% earn more than $15,000 on newspapers, while only 39% in TV and 36% in radio are in that bracket.

"Truthful advertising" campaign in cooperation with FTC was launched Oct. 23 by Advertising Federation of America, to "gain greater public confidence" in reliability of claims. Announcement of drive followed FTC-AFA conference in Washington, where FTC Chairman John W. Gwynne said voluntary effort would be aimed particularly at "abuses" such as fictitious pricing, bait ads, exaggerated claims for drugs. He welcomed "help of the industry in clearing the advertising road for honest competition," added that "99 & 99/100%" in business—including TV, radio & newspapers—favor honesty. AFA group was led by chairman Robert M. Feemster, a Dow, Jones executive.

TV & radio contacts are needed by small firms as part of "bank account of dependable friends & allies," Small Business Administration points out in *Public Relations for Small Business Owners* (Marketers Aid No. 27), available from all offices of agency.

Who Owns TV Ad Idea? Unique agency-vs.-advertiser suit—unpublicized by any principal until issues were exposed this week by federal court injunction in Philadelphia—poses this knotty TV commercial question: Who owns idea submitted by agency, rejected by advertiser, then adopted by advertiser after it is proposed by another agency? Warwick & Legler (joined by Remington Rand as party-plaintiff) contends that defendant Schick Inc., former client whose account was switched to Benton & Bowles, has no right to use razor "cotton test" on TV—as Schick did on *Dragnet* Sept. 19. Agency claims that razor sequence, spurned in 1956 by Schick, remains property of Warwick & Legler, which has since sold idea to client Remington Rand, Schick's competitor. Schick maintains that 15% commission it paid to Warwick & Legler covered any ideas submitted by agency, that advertising trade custom permits client to keep such ideas, that in any event Benton & Bowles had come up with "cotton test" dramatization after account was switched. Judge J. Cullen Baney granted temporary injunction to Warwick & Legler, restraining Schick from further use of "cotton test" pending further hearings in case—probably in Jan.

Teen-age TV viewers "seem ashamed that they fell for what was told to them when they were kids," pres. Lester Rand of Youth Research Institute told 37th annual meeting of Conn. Dairy & Food Council at Cheshire. He said teen-agers no longer succumb to "soothing blandishments" of TV commercials which in pre-adolescent days encouraged them "to stock pantries with their sponsors' merchandise." Rand cited 1956 study by Institute which showed 59% of teen-agers thought commercials could be improved, only 23% thought they were satisfactory.

Must Reading: (1) "Talent Agents" in Oct. 21 *Broadcasting*. "They're taking $50,000,000 a year from TV," magazine says of 10 percenters. "Are their services that valuable?" (2) "The Rise & Fall of the Radio Commentator" by Quincy Howe in Oct. 26 *Saturday Review*. Veteran newscaster, pres. of Assn. of Radio & TV News Analysts, fears his trade—in both media—faces "gradual extinction."

Deck Cleared for WLWI, Indianapolis: Bitter battle over Crosley's WLWI, Indianapolis (Ch. 13) ended at FCC level, as Commission denied all petitions seeking to block effectiveness of CP. Station management now aims for start with ABC-TV by Oct. 30, hoping to get program test authority by then. FCC vote was 4-2, Lee not participating, Hyde & Bartley dissenting.

Improved facilities were sought by 2 major-city vhf stations this week—KPTV, Portland, Ore. applying for switch from Ch. 12 to newly assigned Ch. 2, KGUL-TV, Galveston (Ch. 11) asking that its channel be assigned to Houston. Latter gave as precedent Commission's action in reassigning KTVX's Ch. 8 from Muskogee to Tulsa—a move that had been contested by KOTV, Tulsa (Ch. 6), which has same ownership as KGUL-TV (Corinthian Bcstg. Corp.).

Allocations actions by FCC: (1) Finalized addition of Ch. 13 to Fajardo, P. R., deletion of Ch. 12 from Charlotte Amalie, V. I., substitution of Ch. 12 for 13 in Aguadilla-Arecibo, P. R. (2) Proposed substitution of Ch. 80 for 70 in Bradford, Pa.

Texas Tech's CP for Ch. 5 in Lubbock, due to become effective Oct. 28, was held in abeyance this week as Commission stated it wanted to look into agreements of Lubbock's KDUB-TV & KCDB-TV to donate funds to college.

CPs granted: Educational Ch. 5, Albuquerque, to U of N. M. and city board of education; Ch. 74 & Ch. 78 translators in Ukiah, Cal.; Ch. 73, 78 & 83 translators in McGill, Nev.; Ch. 75 & 80 translators in Ely, Nev.

Control of Meyer Bcstg. Co., operating KFYR-TV, Bismarck (Ch. 5) & KFYR and affiliated KUMV-TV, Williston, N. D. (Ch. 8) and holding CP for KMOT, Minot, N. D. (Ch. 10), passes from Etta Hoskins Meyer to daughter Marietta Meyer Ekberg, it's disclosed by transfer application filed with FCC. Mrs. Meyer is turning in 2904 shares (54.3%) to Meyer Bcstg. in return for title to office building which houses studios of KFYR-TV & KFYR. Also involved is $137,000 in obligations—she's cancelling note for $87,000 due her for cash loan to Meyer Bcstg. and assuming two $25,000 notes of Meyer Bcstg., one to First National Bank, other to former gen. mgr. & stockholder Frank E. Fitzsimonds. Ownership after transfer: Wm. A. Ekberg, pres.-gen. mgr., .04%; Marietta Meyer Ekberg, 63.83%; Marietta Meyer Ekberg trust (Etta H. Meyer, trustee), 35.38%; Gordon V. Cox, secy., .49%; Ward R. Lewis, director, .25%.

Mel Wheeler is acquiring 96% of WJDM, Panama City, Fla. (Ch. 7) for $60,000 from builder J. D. Manly, it's shown in application filed with FCC. Wheeler already owns 2%, his wife 2%. Wheeler also owns 25% of WEAR-TV, Pensacola (Ch. 3) & WEAR, holds CPs for radio WSCM, Panama City, and WTYT, Titusville, Fla. Aug. 31 WJDM balance sheet shows $8993 profit to date. It lists $37,351 current assets, $119,872 fixed assets, $46,939 good will; $196,521 liabilities, $10,000 capital stock.

Rate changes: WLWT, Cincinnati, Oct. 27 raised base hour from $1000 to $1500, min. $250 to $330. WLWC, Columbus, O. Oct. 27 raised hour from $800 to $1100, min. $175 to $200. WLWD, Dayton, O. Oct. 27, hour $800 to $1100, min. $175 to $200. WAGM-TV, Presque Isle, Me. Nov. 1 adds Class AA hour (8-10 p.m. daily) at $225, min. $45, Class A hour going from $150 to $200. WABI-TV, Bangor, Me. Nov. 1 offers combination with WAGM-TV, hour at $500, min. $100. Spot increase: WBUF, Buffalo, raises 20 sec. from $110 to $135.

The St. Louis Parlay: St. Louis is experiencing a three-way ownership switch in TV stations, FCC this week having approved sale of KWK-TV (Ch. 4) to CBS along with transfer of CP for Ch. 11 there from CBS to 220 Television Inc.—while *St. Louis Globe-Democrat* (which had held 23% of KWK-TV) filed application to buy 25% of KTVI (Ch. 2). *Globe-Democrat* is paying $31,000 for 310,000 shares of KTVI stock, taking over about $141,000 in mortgages and lending station $360,000. KWK-TV is being sold to CBS for $2,500,000, with network paying additional $1,500,000 to *Globe-Democrat* for TV studio and real estate. Call letters are to change to KMOX-TV. Transfer of CP for Ch. 11 to 220 Television Inc. is part of agreement CBS reached with losers in Ch. 11 hearing (220 Television Inc., St. Louis Telecast Inc. & Broadcast House Inc.) that they terminate all litigation challenging CBS's right to Ch. 11. Agreement also provides that 220 Television is to issue $200,000 in debentures to both St. Louis Telecast and Broadcast House. Future of radio KWK hasn't been settled, but agreement gives 220 Television first refusal if it's put up for sale (Vol. 13:39).

Commission Okays AM-FM Transfers: Radio sales approved by FCC this week: **KQV, Pittsburgh,** by trustees Earl F. Reed & Irwin D. Wolf Jr. for $700,000 to AB-PT (Vol. 13:35) . . . **KRMG, Tulsa,** by Western Bcstg. Co. (Harrington Wimberly, pres.) for $500,000 to Meredith Publishing Co. (Vol. 13:35) . . . **WVDA, Boston,** by Vic Diehm Assoc. for $252,500, plus $206,000 in stockholder's notes to Great Trails Bcstg. Corp., controlled by ex-Secy. of Commerce Charles Sawyer (Vol. 13:39) . . . **KWFT, Wichita Falls,** by Kenyon Brown for $300,000 to Ben Ludy and associates (Vol. 13:40) . . . **WFMF (FM), Chicago,** with functional music service, by Field Enterprises for $125,000 to Chicago attorney Maurice Rosenfield (Vol. 13:37) . . . **WCSI, Columbus, Ind.** by Syndicate Theatres Inc. (J. P. Finneran & Trueman Rembusch) for $100,000 to *Findley* (O.) *Republican-Courier* (Vol. 13:36) **WERI, Westerly, R. I.** by Ted Estabrook for $74,000 to Wm. Sweeney (Vol. 13:36) . . . **WOKE, Oak Ridge,** by Air Mart Corp. for $64,000 to Carter M. Parham (21% of WDEF-TV, Chattanooga) and associates (Vol. 13:39) . . . **KLMO, Longmont, Colo.** by Grady F. Maples for $63,000 to Arline H. Steinbach (Vol. 13:39) . . . **WWXL, Manchester, Ky.** control (47%) by Clifford Spurlock for $32,450 to J. L. Tigue and associates (Vol. 13:39).

Reports of Radio Station Sales: **WHAR, Clarksburg, W. Va.** sold by George F. Wilson Sr. & Jr. in deal involving $155,000 to Mr. & Mrs. Mason C. Deaver, former owners of WPUV, Pulaski, Va. (broker, Blackburn) . . . **WEAR, Pensacola,** by Gulfport Bcstg. Corp. (Mel Wheeler, pres.) for $112,500 by Florida Radio & Bcstg. Co. (Edward J. Oberle, pres., also owner of WIVY, Jacksonville, Fla.). WEAR-TV is retained by Gulfport (Chapman) . . . **WMMB, Melbourne, Fla.** 70% by Mrs. Erna Bessler for $102,500 to Harlan Murrelle and associates; Murrelle is pres. & 20% owner of WOND, Pleasantville, N. J. and publisher of two N. J. weekly newspapers (Chapman) . . . **KLEE, Ottumwa, Ia.** by Jack Lester & Wm. O'Connor for $57,500 to Carroll Marts, ex-MBS central div. (Hamilton, Stubblefield, Twining & Assoc.) . . . **KORC, Mineral Wells, Tex.** by J. Elroy McCaw for $45,000 to Action Bcstg. Corp., owned by Waco businessmen J. H. Kultgen, Bernard Rapoport and Wm. Stinson . . . **KART, Jerome, Ida.** by Herbert E. Everitt (66⅔%) and Karl L. Metzenberg (33⅓%) for $35,000 to Frederick M. Parry, engineer for Radio Free Europe in Biblis-Hessen, Germany.

Telecasting Notes: "The film industry," reports Oct. 23 *Variety*, "has quietly launched a campaign to dispel a rumor that is reportedly sweeping the nation that the screen hits now scheduled for theatre presentation will soon be released for free TV viewing." Elsewhere same issue reports survey by unnamed business analyst firm quoted by Allied Theatre Owners of Ill. as indicating that "22.5% of the lost admissions in July were contributed by those who said that they decided to wait to see a picture when it comes on TV" . . . Revival of interest in such "space" shows as *Rocky Jones, Space Ranger* and *Flash Gordon* as well as *Science Fiction Theatre* etc. reported by syndicators as result of sputnik. Screen Gems, AAP and United Artists also reportedly are contemplating putting together "space packages" of interplanetary features . . . Popularity of Bing Crosby-Frank Sinatra *Edsel Show* was reflected this week on 2 fronts: (1) ABC-TV's *Frank Sinatra Show* premiere garnered whopping 29.1 Trendex, outranking combined network competition. (2) CBS-TV signed Crosby to another 60-min. special Dec. 11, 10-11 p.m., immediately sold half of it to Shulton cosmetics . . . Bob Hope lost a sponsor as result of appearing on *Frank Sinatra Show* (ABC-TV) which included commercial for alt.-week sponsor Bulova Watch Co. U. S. Time Corp. immediately canceled its partial sponsorship of 3 forthcoming Hope shows on NBC-TV; Hope said he didn't know Bulova commercial would be used on Sinatra's Chesterfield-sponsored show . . . Riding horror wave, ABC-TV has entered into co-production deal with Screen Gems for 39 half-hour *Tales of Frankenstein* films for 1958-59 season . . . "Made in Japan" label goes on U. S. TV commercials for first time as result of pact between Song Ads Inc., Hollywood, and Cinema Guild Productions, Tokyo. U. S. firm will offer advertisers Japan-made commercials featuring stop-action puppets with U. S.-recorded soundtracks. Firm will also distribute puppet shorts to TV stations . . . Newly reorganized Flamingo Films (Herman Rush, pres.) enters first-run syndication via *Citizen Soldier*, to be produced in cooperation with Defense Dept. at cost of more than $1,000,000; shooting begins in Europe about Nov. 1.

Broadcasters must learn to accept criticism, NARTB pres. Harold E. Fellows said Oct. 22, deploring those "who have chosen to ignore criticism, since our industry attracts a good deal, rather than to analyze it." In speech to joint luncheon meeting of Kiwanis Club of Kan. and broadcasters from Kan., Okla. & Tex. at Baker Hotel, Dallas, he said: "It should be the obligation of every broadcaster to take such criticism as comes his way, analyze it, discard that which is motivated by purely selfish reasoning and consider that which comes from responsible sources."

Comedians will disappear from entertainment world unless networks use their radio stations as "farm system" for training of comics and comedy writers, Steve Allen warned at 16th annual Pulse luncheon in N. Y. this week, where he received the research organization's "Man of the Year" award. He said that young comics need 3 or 4 years on radio, "away from the pressure of ratings," before being moved into TV's "firing line."

Tax Ruling Assailed: IRS refusal to allow station buyers any tax depreciation for TV network affiliation contracts (Vol. 13:35) is "based on something less than knowledgeable facts about our industry & industry practices," Wm. T. Stubblefield of Hamilton, Stubblefield, Twining & Assoc. said Oct. 25. Speaking at U of Miss. School of Business Administration in Biloxi, he said IRS ruling is "unwarranted." Station broker asserted he has first-hand knowledge of "TV operations that have dropped in value one-half upon the receipt of a registered letter serving notice of disaffiliation from a network." He urged "keen awareness of this situation" by all broadcasters. Stubblefield also said that already-high station prices "will continue to increase with the general economy."

"The Critics Be Damned!", Oct. 19 *Sponsor* says in lead article by Evelyn Konrad, deploring press reviews of new TV season programs. "Even *Variety* has begun to wail mournfully, burying the season before it has started," and critics on dailies "have done their best to cry panic," *Sponsor* complains. Magazine runs chart to show Trendex ratings of new shows don't correspond with poor notices in *Variety* and *N. Y. Times, World Telegram* and *Daily News*, quotes ad agency "professionals" as pointing out: (1) total TV audience has increased, (2) network TV as sales medium is powerful as ever, (3) shows have improved in talent & technique, (4) it's too early to predict audience reaction to season as whole, anyway.

NTA Film Network picked up 2 new sponsors for its Shirley Temple feature film "Holiday Specials," after 13-city Trendex indicated rating dominance for first program, shown in most cities Oct. 19 or 20. Show got 14.2 rating and 46.5 share of audience in the 13 measured markets, including No. 1 ranking in its time segment in N. Y., Chicago & Los Angeles. Smith Bros. cough drops signed as partic. sponsor of last 2 Shirley Temple films, and Phillips-Van Heusen Corp. (shirts) bought 2 partics. in each of 3 shows plus 6 partics. in NTA's *Premiere Performance*.

TV Fund Frozen: Educational TV kitty of $100,000 is going begging in N. Y. state treasury because nobody can touch it, according to legal ruling disclosed this week. State legislature appropriated $100,000 at 1957 session in Albany for special aid to schools developing TV programs and for indirect assistance to non-profit groups offering educational telecasts. Fund had survived budget-cutting of more ambitious educational TV plans proposed by Gov. Averell Harriman (Vol. 13:6). But lawmakers neglected to vote any authorization to anybody to decide how TV money should be distributed. So Dept. of Audit & Control has ruled it can't be spent.

TV-radio columnist Marie Torre was formally directed Oct. 21 by Federal Judge Sylvester Ryan to explain why she isn't in contempt of court for refusing to divulge CBS source of item in her *N. Y. Herald Tribune* column, cited by actress Judy Garland in $1,393,333 libel action against network (Vol. 13:42). Show-cause order, returnable Oct. 29, was sought by Miss Garland's lawyer, Lionel S. Popkin, who said identity of source was needed to prove cause for libel suit. Popkin told court exec. v.p. Hubbell Robinson Jr. and gen. program exec. Lester Gottlieb of CBS-TV had denied telling Miss Torre that Miss Garland has "inferiority complex" because "she thinks she's terribly fat."

Secy. of State Dulles will star as "chief communicator" on first of *Camera on Washington* series in NBC-TV educational project starting Fri., Nov. 1, 6-6:30 p.m. Opening program in 10-week series undertaken in partnership with Educational TV & Radio Center, Ann Arbor (Vol. 13:38), will deal with Mutual Security Act, show originating in State Dept. Bldg., Washington.

New closed-circuit pay-TV organization is Selectivision Inc., 1 W. 58 St., New York 19 (Plaza 9-2495), which says it plans to establish wired movie systems from theatres in N. Y., Pa., N. J., Conn., Fla. & Chicago. J. T Hamilton is pres.; Emanuel Demby, secy.; Jules Spaulder, treas.; Bernard L. Goldenberg, asst. treas.

New and Upcoming Stations: KPAC-TV, Port Arthur-Beaumont (Ch. 4) made debut with NBC-TV at 5:55 p.m. Oct. 22, second outlet in area where KFDM-TV (Ch. 6) has been providing service since April, 1955. In Canada, satellites CHBC-TV-1, Penticton (Ch. 13) & CHBC-TV-2, Vernon (Ch. 7) began Oct. 12 repeating programs of parent CHBC-TV, Kelowna, B.C. (Ch. 2).

Meanwhile, Steinman brothers' WLEV-TV, Bethlehem, Pa. (Ch. 51) notified FCC it is leaving air midnight Oct. 31, losses to date totaling more than $500,000. Same owners operate WGAL-TV, Lancaster (Ch. 8) and hold CP for WRAK-TV, Williamsport (Ch. 36). Another station which should be deleted from on-air total is KVDO-TV, Corpus Christi (Ch. 22), which holds FCC authorization to remain dark until Jan. It left air Aug. 19 after unsuccessful effort to continue operation during reorganization (Vol. 13:32). U. S. total is now 511 operating stations (88 uhf); Canadian total 44.

KPAC-TV has 10-kw RCA transmitter and 12-section superturnstile antenna on 702-ft. Ideco tower at site near Vidor, Tex., 8½ mi. NE of Beaumont. Studios are in Port Arthur. Co-equal owners are Port Arthur College and Jefferson Amusement Co., with Julius M. Gordon, pres. & gen. mgr. and Carl D. Levy, secy., representing Jefferson; O. W. Collins, v.p. and Earl R. Moxon, treas., the college. Mack Newberry, from radio KPAC, is sales mgr.; John Stegall, ex-KFJZ-TV, Ft. Worth, production mgr.; Doug Thompson, ex-KCTV, San Angelo, program mgr.; Glenn Boatright, from KPAC and also dean of electronics at Port Arthur College, chief engineer. Base hour is $350. Rep is Raymer.

CHBC-TV-1 & 2 use 75-watt RCA transmitters with 80-ft. towers from Western Bridge with wavestack antennas. They're unattended automatic repeaters, controlled from main studio of CHBC-TV, Kelowna, which began operation Sept. 21. CHBC-TV hour is $170. Reps are Weed and All-Canada.

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

KMOT, Minot, N. D. (Ch. 10) is wiring 5-kw DuMont transmitter and plans start Nov. 15, operating in affiliation with parent KFYR-TV, Bismarck (Ch. 5), writes pres.-gen. mgr. Wm. Ekberg. It has 6-bay RCA antenna installed on 400-ft. Ideco tower south of city. KFYR-TV, also operator of affiliated KUMV-TV, Williston (Ch. 8), has $275 base hour. Rep is Blair Television Assoc.

WRIK-TV, Ponce, P.R. (Ch. 7) is installing 500-watt DuMont transmitter, plans Nov. 21 test patterns, Nov. 30 programming, reports ⅓ owner George Mayoral, also exec. v.p. of WJMR-TV, New Orleans, and WORA-TV, Mayaguez, P.R. Alford antenna, due Nov. 7, is to be installed on 100-ft. tower by Nov. 15. Base hour will be $150. Rep will be Forjoe.

KDUH-TV, Hay Springs, Neb. (Ch. 4), planned as satellite of parent KOTA-TV, Rapid City, S. D. (Ch. 3), has changed target to Dec. 1, reports KOTA-TV business mgr. Wm. F. Turner. Studio-transmitter building shell is ready and 6-kw RCA transmitter with 25-kw Standard Electronics amplifier and RCA antenna are scheduled to arrive Nov. 1. Footings have been poured for 500-ft. Ideco tower, which is due shortly. KOTA-TV plans to raise base hour to $200 in Dec. Rep is Headley-Reed.

WGTE-TV, Toledo, O. (Ch. 30, educational) has 100-watt GE transmitter on hand and plans Feb. 1 start, reports Murray W. Stahl, program director. Studios and transmitter will be at U of Toledo, with antenna atop University Hall tower. Harry D. Lam, director of radio-TV education for Toledo Public Schools, will be gen. mgr.

WMUB-TV, Oxford, O. (Ch. 14, educational) has 1-kw RCA transmitter on hand, plans to start studio-transmitter construction in Dec., but still has July 30, 1958 target, reports Stephen Hathaway, director of broadcasting activities for grantee Miami U. Truscon 320-ft. tower is due Nov. 1 and 6-section helical antenna is on order.

CJFB-TV, Swift Current, Sask. (Ch. 5) has ordered 5-kw Canadian GE transmitter for mid-Nov. delivery, plans Nov. 20 test patterns, Nov. 30 programming, writes pres.-gen. mgr. Wm. D. Forst, who says station will be first in Canada with automatic program control. Studio-transmitter building is 75% completed and work on 325-ft. Utility Tower begins Oct. 16. It will use 3-bay batwing antenna. Base hour will be $120. Reps will be Forjoe and TV Representatives Ltd.

CKBI-TV, Prince Albert, Sask. (Ch. 5) has ordered 10-kw Standard Electronics transmitter for Oct. 31 delivery, plans Dec. start, reports pres.-gen. mgr. E. A. Rawlinson. It will use 600-ft. Wind Turbine tower. Rates not set; rep not chosen.

CFCL-TV-2, Elk Lake, Ont. (Ch. 2) hasn't ordered equipment, but plans May, 1958 start, reports owner J. Conrad Lavigne. It's to be satellite of his CFCL-TV, Timmins, Ont. (Ch. 6), which also holds license for satellite CFCL-TV-1, Kapuskasing, Ont. (Ch. 3), due to start soon. Construction hasn't begun, but land has been cleared and road is being built to site. It will use 400-ft. tower. CFCL-TV base hour is $180. Reps are McGillvra, Paul Mulvihill & John N. Hunt.

Translator starts: K70AU, Cave Junction, Ore. began Sept. 2 repeating programs of owner KBES-TV, Medford; K83AC, Globe-Miami, Ariz. plans Nov. 1 start duplicating KVAR, Phoenix—K77AD & K80AE there having begun Aug. 28 repeating KOOL-TV & KTVK, Phoenix. Also planning Nov. 1 starts are K71AF, Cedarville, Cal. with KOLO-TV, Reno, programs; K71AH, Salida, Colo. with KCSJ-TV, Pueblo; K72AK, Yosemite National Park, Cal. with KSBW-TV, Salinas-Monterey.

WLEX-TV, Lexington, Ky. (Ch. 18), requesting change to directional with 1° antenna beam tilt, also filed statement of income which shows station is just entering black. It had $92,292 loss for fiscal year ending March 31, 1956; $53,531 loss for fiscal 1957; $250 net profit for March 31-Aug. 31, 1957.

RCA shipped used 12-section superturnstile antenna Oct. 21 to upcoming KVII, Amarillo (Ch. 7), due in Dec.; 12-kw amplifier Oct. 21 to WLEX-TV, Lexington, Ky. (Ch. 18), planning power boost; 50-kw transmitter Oct. 23 to WICU, Erie (Ch. 12), also going to high power.

New reps: KTVO, Kirksville, Mo.-Ottumwa, Ia. to Hollingbery Nov. 1 (from Bolling); WCBI-TV, Columbus, Miss. to James S. Ayres for southern area (from Dixieland), Everett-McKinney continuing nationally.

WICU, Erie, Pa. became WICU-TV Oct. 25, radio affiliate changing from WIKK to WICU.

Television Digest with ELECTRONICS REPORTS
WYATT BUILDING WASHINGTON 5, D C. • TELEPHONE STERLING 3-1755
Trade Report
October 26, 1957

RCA'S CAREFUL VIEW OF TV RECEIVER MARKET: "Spotty" is adjective used by Robert A. Seidel, RCA exec. v.p. for consumer products, to describe current TV set sales, as we discussed black-&-white and color outlook with RCA executives in N.Y. offices.

Though industry generally is behind last year in sales, Seidel said, RCA is not -- but he admitted uncertainty about balance of year. Until recently, he said, it looked as if industry sales were firming up. "There are lots of places where there are increases over a year ago," he noted, but "spottiness" is showing up.

Attention to consistently declining factory average price of black-&-white sets was drawn by Seidel -- and he blamed trend to increasing sales of portables -- many of which, he said, are sold as first set in home rather than second. RCA's factory prices, he noted, are considerably above average.

Queried about 14-in. portables, Seidel said they'd remain in RCA line as long as they sell in good volume. However, he said, RCA is selling 3 times as many 17-in. portables as 14-in. -- and, of the 17-in., 3 of 4 sales were high-end sets.

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Turning enthusiastically to color, Seidel reported sales were "going very good," excellent in these cities: San Francisco, Los Angeles, Milwaukee, Indianapolis, Detroit, Baltimore, Columbus, Dayton, Cincinnati, Cleveland. "But," he added, "there still are a number of markets where sales aren't up to expectations."

A key point in color effort, according to merchandising v.p. Martin Bennett, was RCA's 2-hour closed-circuit color show Sept. 4 (Vol. 13:36) -- which drew twice the dealer attendance expected.

Probing for color sales deterrents, Seidel touched on price -- saying he knew of nothing in sight promising reductions, though RCA engineers are continually striving for cuts. "A real reduction will come," he said, "with greater volume."

New Uhf Tuner: General Instrument Corp. comes up with series of strong claims for its new uhf tuner -- not least of which is "appreciably less expensive." Among features: (1) Applicable to all TV sets -- including color and portable. (2) Smaller & lighter -- 2 11/16-in. square, 1⅝-in. deep, 11 oz. (3) Good compensation for heat-induced frequency drift. (4) Reduced radiation -- "to the lowest level yet attained in any uhf unit." (5) Sturdy construction enhancing stability, particularly in portables that are moved and bumped.

Spokesman declined to specify price, explaining that tuners are made to set producers' specifications and the price varies. Production begins shortly.

Economic Outlook: Varying views on business conditions are expressed this month in report of National Assn. of Purchasing Agents Business Survey Committee. "Many of our reporting members have lost some of last month's optimism. Production and new orders are off from Sept., but about the same as reported in July," it says.

Continued rise in personal income, to rate of $346.5 billion annually, was reported by U.S. Dept. of Commerce and President's Council of Economic Advisors. Meanwhile, reports that Federal Reserve Board would ease rein on tight money policy had tonic effect on Govt. securities, corporate bonds, bank credit.

Production: TV output dropped again week ended Oct. 18 to 153,846 compared with 164,627 preceding week and 200,425 in corresponding week one year ago. It was year's 42nd week and brought TV production for year to date to about 5,087,100, compared with 5,874,859 in same period of 1956. Radio production was 411,273 (150,638 auto) week ended Oct. 18 vs. 407,298 (150,075) preceding week and 352,876 (162,159) in corresponding week year ago. Radio output for 42 weeks totaled about 11,549,300 (4,252,870) vs. 10,547,548 (3,470,958) in 1956 period.

Trade Personals: Edward A. Altshuler, marketing consultant, named to new post of managing director of Magnetic Recording Industry Assn., 6234 Scenic Ave., Los Angeles . . . **Selmer Solem** elected v.p. of Appliance Buyers' Credit Corp., finance subsidiary of Whirlpool Corp. . . . **John F. McDaniel** appointed Hotpoint Appliance Sales Co. acting gen. mgr., continuing as gen. mgr. of Hotpoint's range and component parts dept. . . . **Russell S. Rockafellow**, ex-Chrysler, named Raytheon industrial engineering mgr. . . . **Lewis W. Selsor** resigns as Electro-Voice Inc. gen. sales mgr. . . . **Alex Nazemetz**, ex-RCA international div., named account exec., electronic and technical accounts, Evans, McClure & Assoc., San Francisco . . . **Leon Knize**, ex-Capehart, appointed Stromberg-Carlson hi-fi components sales mgr. . . . **Kenneth B. Shaffer** promoted to mgr., field sales, RCA electron tube div. distributor sales staff; **John J. Hemberger** named mgr., northeastern district, headquartering in Boston; **Harold C. Vance**, mgr., sales engineering.

Dr. Elmer W. Engstrom, RCA senior exec. v.p. and a pioneer in TV development, has been selected to receive 1958 medal of Industrial Research Institute for "outstanding accomplishment in leadership in or management of industrial research which contributes broadly to the development of industry or the public welfare." It will be presented at Institute's meeting next May in Colorado Springs.

GE's views on color **TV** sales (Vol. 13:41) are elaborated by Jack S. Beldon, mgr.-marketing, TV receiver dept. who wrote following comment: "I believe that even if a company produced 200,000 sets and sold them even at today's prices, they might break even. You can imagine what would happen if all manufacturers tried this today, with a purchase market of perhaps 200,000 units maximum, which is extremely optimistic—you would really have an over-inventoried situation that would result in a tremendous loss." He also said: "We have stated for a long time, and we still believe, that it will take an invention of some kind to bring the color prices down, and that producing more and more color receivers will not lend itself to the reduction of prices."

GE cuts cooperative ad and promotional fund for radio receivers and electric housewares distributors to 1½% of monthly net billings effective Jan. 1, making grant automatic and eliminating need for filing claims. Previously, GE had granted 2% and required distributor contribution of one-third amount put up by GE. In letter to distributors, dept. adv. mgr. M. M. Masterpool said: "This new plan can only be successful if you continue to add your share to the factory funds up to, and, as has been the practice in the more successful distributorships, in excess of 1% of the net sales billed by the product departments . . ."

RCA sold **more** black-&-white TV picture tubes in Sept. than in any other month in year, says v.p. and gen. mgr. D. Y. Smith, RCA electron tube div., adding that key factor was "tremendous demand" for 110-degree tubes. Marion, Ind. plant is producing all RCA black-&-white picture tubes, operating at maximum rate with 3 shifts, 6 days weekly.

RCA 2-day clinics on transistors, tape recorders, hi-fi and color TV—for distributor, dealer and independent servicemen—are to be held in scores of major cities, continuing into 1958. Sponsored by RCA and RCA Victor distributors, clinics will include slide projector lectures, demonstrations, workshops.

DISTRIBUTOR NOTES: Graybar appoints W. J. Goerisch and G. L. Carl as Atlantic and Central Pacific district mgrs., respectively; headquarters for the districts are at Philadelphia and San Francisco; W. G. Glennon named district operating mgr. at Boston . . . **Hotpoint** renews contract for distribution in some 30 Graybar branches . . . GE appoints Graybar for radio in Tampa, Miami, Orlando, W. Palm Beach, Jacksonville, St. Petersburg and Ft. Lauderdale, Fla. . . . **RCA** appoints Southern Radio Corp., Charlotte, for all of S. C. except 7 southernmost counties which will be handled by King's Appliance and Electronics Inc., Savannah; they replace East Coast Appliances Co., Columbia, S. C. which has gone out of business . . . **Sylvania** appoints Goldberg-Tiller, 959 Myers St., Richmond (LeRoy B. Goldberg, pres.) for TV in 76 Va. counties, including Richmond, Roanoke, Norfolk markets . . . **Krich-New Jersey** (RCA), Newark, names Norman Skier, ex-DuMont, adv. mgr. . . . **Interstate Supply Co.** (RCA), St. Louis, appoints Edgar W. Fehrmann adv. mgr., succeeding John Richmond who is with Interstate's sales staff covering central Mo.; George Meyer named to new post of RCA Victor sales mgr. . . . **Disco Distributing Co.** (Motorola) moves to 5040 Arsenal St., St. Louis . . . **Sylvania** appoints Chauncey's Inc., 4740 W. Chicago Ave., Chicago, for radio . . . **Admiral** appoints Marshall C. Wells as gen. mgr., Admiral Distributors' San Francisco div.; Clarence B. Flinn promoted from midsouth regional sales mgr. to succeed Wells as regional sales mgr. in Dallas office; E. B. Freeman, regional mgr., mid-Atlantic states, will cover special assignments.

Imports of crystal cartridges and pickup arms from European and Japanese firms have resulted in 30% sales drop for Astatic Corp., Conneaut, O., reports pres. George Fraser in explaining hearing which Tariff Commission has scheduled for Feb. 4 (Vol. 13:42). Fraser said Japanese imports are hitting both original equipment and replacement market, citing rochelle salt cartridges which his firm has reduced to $1.40 against Japanese imports at 75¢ each. Number of Astatic employes has dropped from normal 600-700 to about 500, he said, noting that company had labor contracts calling for 12¢-hourly wage increase in next 2 years. He said 2 West German cartridges and perhaps 10-12 Japanese phono pickup arms are being sold in U. S.

Latest protest over Oct. 14 *Time* cover story on servicemen (Vol. 13:41-42) comes in letter to editor from RCA Service Co. pres. E. C. Cahill, which says in part: "Our own high opinion of this country's independent servicemen is confirmed by national Elmo Roper survey (which is made annually covering entire service industry) showing 91% of TV set owners are pleased with quality of servicemen's work, 89% said service call was answered promptly, 83% were satisfied with prices, 91% felt serviceman was pleasant and courteous." Cahill concluded that service fraternities' "proven record of outstanding performance wholly justified continued public confidence."

RETMA of Canada cites steady drop in selling prices of TV sets from $523 in 1951 to below $300, despite 10% sales and 15% excise taxes and inflationary pressures of higher material and labor costs, increased taxation and services—during a period when Govt.'s consumer price index rose almost constantly. RETMA says lower TV prices were due to long-range research, advances in mass production, stepped-up TV sales as new stations opened across Canada. However, it said prices appeared to have leveled off and no further reductions were in immediate sight.

Admiral space at Merchandise Mart will be continued (Vol. 13:42); only public relations headquarters moves to former location, 3800 Cortland St., Chicago.

Financial Notes: RCA posts new sales record of $853,667,000 for first 9 months of 1957—5% increase over similar period of 1956. Earnings for the 9 months were $28,320,000 ($1.87 per share) compared with $27,893,000 ($1.82) in corresponding period last year.

RCA chairman David Sarnoff and pres. John L. Burns also reported third quarter record sales of $288,677,000, compared with $286,036,000 for quarter ended Sept. 30 last year. Net profits in 1957 third quarter amounted to $8,009,000 (52¢) vs. $7,856,000 (50¢) in similar 1956 period.

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Hoffman earned $1,214,319 ($1.65 per share) on sales of $31,119,324 for 9 months ended Sept. 30, 1957, compared with $1,101,474 ($1.51) on $34,241,989 sales in similar 1956 period. Third quarter net was $350,020 (47¢ on 735,-610 shares outstanding) on sales of $9,993,286 vs. $317,502 (44¢ on 729,120 shares) on sales of $11,366,428 in similar quarter last year. Pres. H. Leslie Hoffman wrote stockholders that higher profits on lower sales in 1957 were due to "concentration on profit rather than volume," elimination of unprofitable activities, "expansion of those activities earning a healthy profit." He said planned expansion of semiconductor facilities has been "held in abeyance" although land has been acquired and that no other expansion projects "are contemplated at this time." Hoffman said Defense Dept. adjustments had resulted in terminating one minor contract, rescheduling a major one at ⅔ former rate, plus some cutbacks in orders for semiconductor devices.

Daystrom Inc. earned $1,107,000 ($1.22 on 903,533 common shares) on sales of $39,339,000 in 6 months ended Sept. 30, compared with $1,116,000 ($1.26 on 888,793 then outstanding) on sales of $33,652,000 in similar 1956 period. For 3 months ended Sept. 30 profits were $560,000 (61¢) on sales of $19,498,000 vs. $589,000 (67¢) on sales of $16,751,000 in similar quarter year ago. Pres. Thomas Roy Jones said Sept. was best month in fiscal year with sales up 36% from Sept. 1956. He said firm had no material defense cutback and he expects sales and earnings to increase in next 6 months.

Aerovox Corp. earned $365,000 (42¢ per share) on sales of $16,361,000 in 9 months ended Sept. 30, 1957, compared with $76,000 loss on sales of $18,826,000 in similar 1956 period. Pres. Wm. Owen reports business volume holding "fairly well but the anticipated fall increase has not materialized as is apparent in many other lines of industry." Working capital, he said, has increased since Jan. 1 from $5,280,000 to $6,132,000.

Oak Mfg. Co. earned $831,964 ($1.27 per share) on sales of $16,487,797 in first 9 months of 1957, compared with $1,352,631 ($2.06) on sales of $18,368,576 in similar 1956 period. Third quarter net profits were $333,763 (51¢) on sales of $5,692,885 vs. $347,234 (53¢) on sales of $5,-516,599 in same period last year.

Dividends: Sylvania, 50¢ payable Dec. 23 to stockholders of record Dec. 2; Television-Electronics Fund, 11¢ Nov. 30 to holders Nov. 1; P. R. Mallory, 35¢ plus 2% stock, both Dec. 20 to holders Nov. 15; Sperry Rand, 20¢ Dec. 31 to holders Nov. 7.

Kaiser Aircraft & Electronics Corp. is being purchased from Willys Motors Inc. by Kaiser Industries Corp. in intra-company shift, will be renamed Kaiser Aircraft & Electronics Div. of Kaiser Industries, with executive offices in Oakland, Cal.

Philco Improves: Strong Philco comeback, showing net profit of $3,112,000 (74¢ per share) on sales of $270,246,000 in first 9 months of 1957, evoked this comment from pres. James M. Skinner Jr.:

"Although competition is particularly intense at this time, especially in the consumer appliance field, we are indeed gratified with the profit and sales trend. We believe that the forward progress will continue for the balance of 1957. While EIA figures show that the industry is off this year over the comparable period for last year, Philco figures run counter to this. We are very glad to see this since it clearly indicates the public preference for Philco TV-hi-fi-radio lines."

Philco's 9-month profit total nearly tripled last year's earnings of $1,071,000 (21¢) on sales of $254,322,000 for the similar period. Earnings for quarter ended Sept. 30, 1957, were $1,499,000 (37¢) on $87,595,000 vs. $240,000 (4¢) on $87,460,000 sales in corresponding quarter last year.

N. V. Philips' Gloeilampenfabrieken, big Dutch TV-radio-electrical combine, reports consolidated earnings of $21,052,631 on sales of $365,789,473 in 6 months ended June 30 compared with $16,578,947 on $294,736,842 in corresponding 1956 period. In first 1957 quarter, net profit was $10,974,000 on $189,181,000 (Vol. 13:23). The report issued at Eindhoven contained no breakdown of world operations, but noted total number of employes was 154,000 as of June 30 vs. 146,000 year earlier, said sales this year are increasing at 18% rate over 1956—that second-quarter sales "have been higher than we expected." Report also said liquid assets had increased since end of 1956.

Ampex Corp. expects total sales of $27,500,000 in fiscal year ending next April 30, with profits of $1,500,000 after taxes & profit sharing, pres. George I. Long told Security Analysts Society of San Francisco. Company's profits for fiscal 1957 totaled $1,087,000, up from $311,275 in 1956 (Vol. 13:25). He said company expects to get its video tape recorder "selling program" under way with delivery next month of first production unit—aiming not only at TV stations but at closed-circuit TV market, advertising agencies and large TV advertisers.

Hycon Mfg. Co. has filed registration statement (File 2-13697) with SEC for 400,000 shares of 10¢ par common stock to be offered for public sale by Dempsey-Tegeler & Co. Statement said $500,000 of proceeds would be used to repay $500,000 bank note endorsed by pres. Trevor Gardner, $80,000 for research & developement, $120,000 for capital improvements, balance for working capital. Price of offering will be stated in amendment.

Thompson Products had record earnings and sales of $10,568,195 and $284,139,517 respectively in first 9 months of 1957. Comparable figures last year were $7,565,219 & $214,772,134. For 3rd quarter ended Sept. 30, net income was $2,244,984 on sales of $88,138,814 vs. $2,703,377 on $71,841,023 sales in similar period last year.

Orradio Industries earned $83,968 (18¢ per share on 477,335 shares outstanding) on sales of $970,174 in 6 months ended Aug. 31 vs. $53,266 (12¢ on 422,515) on sales of $621,051 year earlier.

P. R. Mallory & Co. had net income of $2,701,313 ($1.81 per share) on sales of $60,552,262 for first 9 months of 1957, compared with $1,900,511 ($1.14) on sales of $49,752,951 in similar period last year.

Republic Pictures reports net loss of $248,895 in 39 weeks ended July 27 compared with earnings of $946,595 (32¢ per share) in comparable 1956 period.

Sylvania's Surge: Sylvania marked up record third quarter and first nine month sales of $89,363,209 and $251,883,741 respectively, compared with $83,792,859 and $246,153,243 in comparable 1956 periods. Chairman-pres. Don G. Mitchell reported third quarter net income of $3,853,571 ($1.07 per share), compared with $4,167,321 ($1.16 on fewer shares outstanding); for first 9 months, net income was $8,642,240 ($2.37) vs. $11,544,570 ($3.20). All figures were adjusted to reflect Jan. 2, 1957 acquisition of Argus Cameras.

Mitchell attributed record sales and third quarter earnings, which more than doubled the $1,-718,725 (46¢) earned in this year's second quarter, to number of factors, including: "TV industry's return to more normal production levels, which in turn increased the demand for the components supplied by Sylvania to other TV set producers"; completion of changeover to 110-degree sets and picture tubes; record-breaking Sylvania TV set sales; strong business in lighting products.

"From the standpoint of both sales and earnings, the outlook is favorable for the remainder of the year in Sylvania's diversified product lines," Mitchell said. He declared that TV factory unit sales nearly doubled last year's first 9-month total, but that company's market for home radios and phonographs softened during third quarter. However, he expects an improvement, especially in hi-fi, during balance of year. Receiving and picture tube sales to other setmakers, said Mitchell, showed substantial increase in third quarter over year's first and second quarters, third quarter picture tube sales setting record for any comparable period.

Commenting on national economy, Mitchell described condition as "rolling adjustment" to be followed by a "resumption of the upward trend by the latter part of 1958." Decline in capital spending, he went on, indicates manufacturing capacity has moved ahead of consumer demand, that temporary industry need is for "breathing spell." Mitchell predicted increased state and local spending, stepped up housing construction, probable softening of interest rates in 1958, increased consumer spending will make up for any "weak spot" in economy and decline in Federal spending.

Despite decreasing govt. defense spending, Mitchell declared that more money is expected to be channeled into electronics equipment and devices. He said Sylvania is participating in a number of defense research and development projects and received several new contracts during third quarter.

American Broadcasting-Paramount Theatres reports operating profit of $1,333,000 (30¢ per share) in third 1957 quarter compared with $1,484,000 (34¢) in corresponding period year earlier. Earnings for first 9 months were $4,033,000 (91¢) vs. $5,686,000 ($1.31) in same 1956 period. In letter to stockholders, pres. Leonard H. Goldenson said AB-PT theatre business "was very good" in summer months, exceeding results last year, but that in broadcasting "there was the usual seasonal decline." Noting that "ABC had been running behind for the year," Goldenson observed that difference between 1957 & 1956 results "was steadily narrowed in each quarter" this year. "Overall," he said, ABC-TV programs this season "are indicating good audience gains" over last season; ratings "augur well for ABC in that they point up the network's ability to deliver a more competitive share of the total audience than at any prior time."

Muter Co. earned $248,155 (34¢ per share) on sales of $10,407,480 for first 9 months of 1957, compared with a loss of $148,773 on $8,646,210 sales in comparable period last year.

TV in Space: More plans for space-stationed TV were revealed this week by Office of Naval Research in disclosure of plans for huge "satellite observatories" to circle earth for decades. Project Stratoscope, long-term astronomical photography program, has already completed first step, which involved photographic cameras carried 20 mi. aloft in balloons. Second step—"Strato II"—will be taken in 1961 and will comprise 36-in. telescope on balloon at altitude of more than 80,000 ft. relaying pictures to ground monitors. Strato III is still tentative, envisions one-ton satellite orbiting 500-mi. above earth and also carrying TV telescope focused remotely on sun and other celestial objects. Meanwhile, Air Force took first step toward possible celestial TV this week when it fired "Farside" rocket to height estimated at between 1000 & 4000 mi. Air Force denied, however, that "Farside" was any more than code name, repudiating earlier stories that project's aim was to shoot TV-equipped rocket around moon to get pictures of never-seen far side of moon. In telephone interview with station WDMG, Douglas, Ga., Russian geophysical officials denied reports that sputnik is sending TV pictures or other strategic information back to Soviet bases. FCC Comr. Lee, in Chicago address, praised Commission's monitoring control branch for "outstanding job in tracking and positioning the Russian satellite."

Sam Norris, chairman of Nuclear Corp. of America, will be sworn in Oct. 28 as asst. director of Electronics Div. of Commerce Dept.'s Business & Defense Services Administration on without-compensation 6-month loan basis. Donald S. Parris is director.

ELECTRONICS PERSONALS: M. A. Maurer promoted to mgr., RCA electronic instruments & parts marketing, Camden; he's been mgr. of RCA Detroit mfg. plant . . . Jose D. Dominguez, exec. engineer of telephone & radio operating dept., named an asst. v.p. of IT&T . . . Allen C. Munster promoted to Philco assoc. director of research, assisting Dr. James F. Koehler, director of research for Philco G&I div.; Wm. H. Forster promoted to director of research, Philco research div.'s solid state electronics dept.; Carlo V. Bocciarelli appointed asst. director of research . . . Chester A. Grondzik, ex-Emerson labs, named mgr. of Systems Automation Group, Washington, a new section of Van Norman Industries' H. W. Butterworth & Sons Co.

National electronics symposium on reliability & quality control, sponsored by EIA, IRE and other industrial & professional organizations, will be held next Jan. 6-8 in Statler Hotel, Washington. M. M. Tall of RCA is gen. chairman of 4th annual session. Keynoter will be Maj. Gen. F. L. Ankenbrandt (USAF, ret.), RCA defense electronics products div., speaking on future reliability requirements.

TV system of improved resolution which will permit optical tracking of guided missiles is included in list of 65 electronics and electricity problems for which the National Inventors Council, Dept. of Commerce, is seeking solution. Total of more than 380 technical problems affecting U. S. defense is listed in 34-pp. booklet, *Inventions Wanted by the Armed Forces.*

Ad Year Nears $10.4 Billion: Paced by 28% radio increase, biggest U. S. advertising volume in history is running at rate 5% ahead of 1956, should top $10.4 billion by end of 1957, Oct. 25 *Printers' Ink* reports.

Based on data for first 6 months of 1957, all-year estimates prepared for magazine by Robert J. Coen of McCann-Erickson indicate that network & spot radio revenue will total $295,000,000 vs. $229,900,000 in 1956, that network & spot TV advertising will be up 6% to $1.015 billion from $954,700,000 last year.

Radio is "surpassing its first quarter pace," TV "failed to hold its earlier gain" but still is expected to run $60,000,000 ahead of 1956, according to *Printers' Ink.*

Other media share anticipated gains for year in national advertising revenue: Business papers up 10% from $495,500,000 to $595,000,000, newspapers up 5% from $788,900,000 to $825,000,000; magazines up 3% from $794,700,000 to $820,000,000.

Printers' Ink, noting that advertising volume at end of first half this year was 5% ahead of 1956 after 3.4% increase in first quarter, pointed out that level nevertheless was below average 9% rate of annual increase in past 5 years.

Underground Color TV: Installation of closed-circuit color TV system in Strategic Air Command's subterranean headquarters at Offutt Air Force Base, Omaha, was reported Oct. 22 by exec. v.p. Theodore A. Smith of RCA industrial electronic products. System permits instantaneous transmission of briefing information, air intelligence, weather data from colored charts, maps, etc., duplicating them for any location within SAC nerve center. RCA equipment includes 5 live color cameras, 3-vidicon camera system for integrating film material, monochrome industrial camera for surveillance of operations control room, central control facilities, 21-in. color monitors.

"First **completely** new film studio built in New York in over 25 years" was opened this week at 20 West End Ave. by Caravel Films Inc. The new 4-story $1,000,000 production center was made necessary by increasing volume of business, particularly TV commercials, according to pres. David I. Pincus, who added that expanded facilities will make possible production of complete TV series packages in addition to commercials. Founded in 1921, Caravel is a leading producer of industrial films.

TV commercials aren't overdone—"it only seems that way," Oct. 21 *Advertising Age* says stoutly. Magazine totted up data for 401 TV stations in Barrow report to FCC (Vol. 13:39-41), found that they average less than 90-sec. of paid commercials for every viewing hour. Even in 6-11 p.m. period, viewers are exposed to less than 2 mins. per hour. Average for commercials from sign-on to 1 p.m. is 50-sec. per hour. Most common commercial runs 1-min.

Doerfer's Pet Peeve: "Protest" section of Communications Act (309c) was described as "instrument of extortion in the hands of certain people" by FCC Chairman Doerfer in Oct. 24 address to Federal Communications Bar Assn. "You know and I know that monies have been passed," he said—adding that it is usually impossible to prove. He urged repeal of section, which he called "fit subject for Congressional investigation." He said protest procedure delays new service to public while FCC hears "internal corporate disputes and other private differences." Since last amendment of protest section in Jan. 1956, he said 72 protests have been filed, of which 64 were in broadcast field. Processing these cases required total of 11,395 professional man-hours and 5596 non-professional man-hours, not including more than 1300 professional and 252 non-professional man-hours spent on these cases by offices of Commissioners. He estimated that total cost to Govt. in processing the 72 protests amounted to $71,963.55. Doerfer's next speech is Nov. 14, before members' council of New Orleans Chamber of Commerce, at Roosevelt Hotel.

TV-radio audience measurements may be superior to sworn-circulation newspaper gauges, NBC planning & research v.p. Hugh M. Beville Jr. told annual ABC meeting in Chicago. Conceding that broadcasters' systems for estimating audience size aren't comparable to ABC's methods of counting readers, Beville speculated on "enormous effect" on publishers & advertisers if newspapers adopted TV-radio techniques to show: (1) number of readers, page by page, for entire week, (2) how many men who read sports pages also read financial pages, (3) how many women who read society section also read amusement pages & comics, (4) how competing papers rate in such reader counts. Even if ABC service were available to broadcasters, Beville said, it would be complementary—not primary—measurement of audience.

Political speech on N.Y. gangsterism was cancelled by WABC-TV Oct. 24 on ground station's lawyers hadn't had time to "digest & approve it." Time for 15-min. speech by Robert Blaikie had been bought for about $1200 by Republican headquarters for mayoralty candidate Robert K. Christenberry, but they were notified by station just before scheduled 11:45 a.m. telecast that it couldn't go on. Script hadn't been submitted until about 10:15 a.m. Station substituted travel film.

Rumors of TV deal for White House press secy. James C. Hagerty were denied Oct. 21. He told newsmen there was "nothing to" reports that he had signed contract to take industry job in 6 months—that "as long as the President wants me to remain . . . I will do so."

Broadcasting scholarships for 4 years of college study are offered by Meredith Foundation, sponsored by Meredith Publishing Co., to 2 finalists in National Merit Scholarship competition. Preference will be given to boys in Meredith TV & radio station coverage areas in N. Y., Ia., Mo., Neb., Kans., Ariz., Okla.

One TV station application was filed with FCC this week, bringing total pending to 117 (34) uhf. Application was for Farmington, N. M., ch. 12, by local business group headed by attorney Wade Beavers. [For details, see *TV Addenda 25-M* herewith].

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