

# Television Digest

with **ELECTRONICS** REPORTS

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## SUMMARY-INDEX OF THE WEEK'S NEWS — November 1, 1958

MORE EDUCATIONAL VHF's sought by JCET in petitions to FCC. General investigation requested, along with reservation of 5 specific channels (p. 3).

NOBODY—BUT NOBODY—of real consequence, not even in Manitowoc, Wis., really wants to break "dike" against hard liquor advertising on TV-radio (pp. 3 & 4).

BIG-SCREEN TV FOR BASEBALL classics, with fans paying way into ball parks across country for World Series, proposed by TelePrompTer's Irving Kahn (p. 6).

PURCHASE OF WITI-TV, MILWAUKEE, won't increase "concentration of control," Storer tells FCC. Says it can operate independent at a profit (p. 8).

TAMPA EDUCATIONAL STATION started this week, one in Gainesville shortly, give Florida lead in non-commercials; next starter to be KCIP-TV, Nampa, Ida. (p. 9).

CBS RADIO CUTS BACK SCHEDULE Jan. 1, will let affiliates sell heavy news schedule locally. Stations approve plan by 84% vote in N.Y. meeting (p. 14).

### Manufacturing-Distribution-Finance

RCA PATENT CONSENT DECREE may have long-range impact on research. Questions raised about licensee suits, NBC stations (pp. 1 & 10, Special Report).

FM RADIOS ROLLING ONCE AGAIN as stereo hypos interest in good music. Steady production rise presages best FM year since 1953 (p. 11).

GE BUILDS LILLIPUTIAN TV no bigger than automatic toaster. Still in development stage, tiny set weighs 10 lb., has 8-in. picture tube (p. 11).

ANOTHER WAGE BOOST THREATENS if Walsh-Healy missile-aircraft proposal goes through (p. 11).

*With This Issue: Full Text of Final Judgment and Statements by Principals.*

**RCA PATENT DECREE—THE KNOWN & UNKNOWN:** It would take a lawyer's lawyer to explain fully the details of this week's patent consent decree signed by RCA and Justice Dept. -- and it would take a seer to predict what the decree, along with RCA's "nolo contendere" in criminal anti-trust suit, portends for future.

We reprint herewith the full text of decree, along with Justice's statement describing its terms in non-legal language, plus RCA's statement, in a Special Report. We've gone beyond these documents and talked to Justice Dept. attorneys, RCA spokesmen and patent licensees. What follows is our impression of what it all signifies (on p. 10, we go into greater detail):

Both Justice Dept. and RCA seem satisfied with outcome -- latter perhaps because it might have been worse. Anti-trust chief Victor Hansen says "we got what we wanted" and his top aide Robert Bicks says "this enables manufacturers to earn the fruits of their research, as in other industries -- that's what the patent system is all about." RCA chairman David Sarnoff and pres. John Burns believe RCA is quite strong enough to move ahead vigorously, bereft of its patent arm. RCA takes comfort from fact that N.Y. Judge McGohey fined it \$25,000 on each of the 4 counts instead of the \$50,000-each sought by Justice Dept. in the criminal suit, and interprets this as indication the judge considered its actions weren't so "heinous."

Impression on Capitol Hill is that no one has any plans to "investigate" decree because it isn't harsh enough. It's doubted, for example, whether even Rep. Celler (D-N.Y.), chairman of House Judiciary Committee and critic of consent decree in AT&T case, will be critical of the RCA settlement.

RCA's nearly-40-year stewardship of most valuable electronic patents, notably some 12,000 affecting TV-radio industries, is now over. In a sense, the consent decree is anti-climactic, doesn't change things immediately, was foreshadowed by

RCA's settlement with Zenith more than year ago (Vol. 13:37 et seq). RCA's more-than-\$20,000,000 annual gross (and considerable but undisclosed net) from patent royalties dropped to virtually nil a year ago, because after Zenith settlement it promptly negotiated with most licensees new agreements which eliminated royalties on black-&-white TV. Though RCA was still able to collect color patent royalties, they were minuscule because RCA has been virtually the only maker of color sets.

No one except public utilities (such as Bell System) need now pay RCA royalties for existing "radio-purpose" patents -- primarily TV, radio, radar, sonar, loran, etc. -- though it may collect for color TV under certain limited conditions. But RCA may collect for radio-purpose patents developed by its own employes from now on. In addition, RCA continues to collect in such fields as automation, computers, atomics, tape recorders, Electrofax, medical electronics. With its tremendous research facilities, RCA can be expected to develop more valuable patents.

An effort to stimulate color, on part of both Justice Dept. and RCA, is embodied in a "color pool." RCA puts its 100 best color patents into the pool, free to anyone with no color patents. Those with color patents must throw them into the free color kitty before they can get RCA's free; otherwise, they must negotiate "reasonable" licenses with RCA. Pool will last nearly 17 years -- or life of the youngest patent in it (not "oldest," as Justice's statement puts it).

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All developers of patents are free to keep them to themselves or try to find customers for them. This was true before -- but it was RCA's practice generally to acquire important patents, sometimes at great cost, and make them available to all licensees. Now, it's expected there will be considerable scurrying around, as new patents are developed, while each patent-owner seeks to drum up licensees. Will manufacturers find themselves paying more fees than they did to RCA? Possibly.

RCA is not penalized as a manufacturer, for it was never accused of monopolizing in that area -- only in patent-licensing. Therefore, if non-RCA organization produces patents RCA wants, it must offer them to RCA if it offers them to others.

Two immediate questions raised by decree: (1) Will some manufacturers seek to emulate Zenith and sue RCA for the return of past royalties, and does decree help them? Lawyers, including those at Justice Dept., aren't able to agree on what the decree does for nascent suers. (2) Are NBC's TV-radio licenses jeopardized now? RCA insists on an emphatic "No," saying law requires NBC to be judged on its performance "in the public interest." Others argue that RCA's "nolo" plea taints NBC with "guilt" requiring judge to revoke NBC's licenses. It's also very much up to FCC to judge whether parent RCA's "sins," if any, should be visited on child NBC. At any rate, one able attorney tells us: "I'd love to have \$500,000 to take a crack at the NBC stations." Let your own lawyers tell you whether they think Philco now has a better chance of winning its suit against RCA-NBC, based on NBC-Westinghouse Cleveland-Philadelphia station swap -- now before the U.S. Supreme Court.

Most of RCA's 300-400 "radio-purpose" licensees haven't studied decree yet, so their reactions are limited. However, several tell us decree doesn't make a lot of difference right now because they haven't been paying RCA anything since shortly after Zenith settlement. Long-range, large organizations such as GE are seen stepping up research in order to develop larger patent income. Spokesman for Hazeltine, which is untouched by decree and is now sole substantial licensing company, says he sees no change in its position or mode of operation. One manufacturer's opinion: "I think patent attorneys will be the ones most benefited by this."

There are 3 significant factors to be noted, in comparing conditions of the decree with the agreements negotiated by RCA since Sept. 1957: (1) Color patents are now free, weren't in the agreements. (2) All patents as of Oct. 28, 1958 are thrown open; previous agreements covered those existing as of Sept. 1, 1957, none later. (3) Existing patents are free for lives of patents; the agreements were for 5 years. (For further details, see p. 10.)

**EDUCATORS PLUMP FOR VHF's IN MAJOR MARKETS:** Emboldened by successes of educational TV and hoping that FCC has a sputnik-stirred conscience about education, strongly backed Joint Council on Educational TV (see p. 5) this week launched new campaign to get more vhf channels, in petitions filed with the Commission.

JCET led drive which persuaded Commission to reserve educational channels when freeze was lifted in 1952, and it now seeks to repair holes in educational vhf coverage. Specifically, it requested FCC to start: (1) New investigation aimed at getting vhf channels in all major markets. (2) Rule-making to reserve or allocate-&-reserve vhf channels in 5 specific markets -- Rochester, N.Y. (Ch. 13); Norfolk (Ch. 13); Reno, Nev. (Ch. 11); Panama City, Fla. (Ch. 13); Waycross, Ga. (Ch. 8).

JCET suggests several ways of getting educational vhf's in major markets such as New York, Los Angeles & Washington: (1) Purchase -- "only rarely feasible" because of cost. (2) Taking channels away from commercial operators at renewal time -- "probably a controversial and sharply-contested undertaking," JCET says, putting it a bit mildly. (3) Time-sharing with commercial stations, via FCC fiat.

These aren't all the possibilities, JCET states, but they're good "starting points." It calculates that 32,675,000 people live in 17 markets without educational stations, 21,473,000 in 14 now served with vhf educationals, 2,000,000 in 3 with not-yet activated vhf's, 10,500,000 in 6 with operating uhf's. There are now 34 educationals on the air, 7 of them uhf, with 24 CPs outstanding.

Inadequacies of uhf are recited by JCET in the petitions, though it reports uhf is quite valuable for in-school training. JCET is quite perturbed about New York & Los Angeles, vowing: "We cannot believe that it is in the public interest to perpetuate an allocation pattern which provides for 7 vhf commercial stations in 2 of the nation's largest metropolitan areas and relegates non-commercial educational broadcasting to uhf channels..."

All the 5 specific channels mentioned herein may be dropped in without any changes in engineering standards. All are quarries of commercial interests except Panama City's Ch. 13. JCET also notes that it has already asked FCC to reserve Wilmington-Philadelphia's Ch. 12 (WVUE), which has been taken off air by Storer, now buying WITI-TV, Milwaukee (see p. 8). JCET goes further and requests that FCC "should announce, as a general policy, that vhf channels which may in the future become available in metropolitan areas where there is no vhf reserved channel or educational TV service, will be reserved for non-commercial educational use."

**HEAVE-HO FOR A PHONY ISSUE—An Editorial:** Not a single operator among the 502 commercial TV stations now on the air has indicated any desire or intention of going along with the curiously-inspired campaign to put hard liquor advertising on the air -- a proposal which thus far has won only a handful of converts among the 3300 AM and the 570 FM stations now operating. Fact that a minuscule number of stations say they will take business from national brands or local package good stores, fact that a few liqueur ads have made their way onto the air, can hardly be said to constitute that vaunted "break in the dike" so assiduously promoted and ardently headlined by the trade journal that started it all.

There has been no torrent of demand for change in the TV-radio code restrictions, nor is there likely to be, and the temperance lobby itself, long crusading to ban beer & wine as well as hard liquor advertising from all media in interstate commerce, admits it hasn't got the goods on the TV-radio broadcasting industry yet -- at least, not enough solid exhibits to help build up a convincing argument when it resumes its perennial demands on Congress.

Even the distillers, intensely competitive as they are but with a keen sense of public relations, show no signs of deviating from their own industry code against use of the TV-radio media. And there are indications the beer people are annoyed, not simply out of fear of stiffer competition from hard liquor but because they're aware they must inevitably lose out if the crusading element ever gets enough ammu-

nition to put over any kind of Federal ban on advertising of alcoholic beverages.

Certainly it's the right of the broadcasters to carry any legitimately recognized advertising they please -- though we recall one who came on sad days when he actually had the audacity to advertise a contraceptive (to the tune of sweet music, no less) on his station. Certainly there's an argument for freedom of enterprise -- though we recall several more broadcasters who got their comeuppance, official and extra-official, when they used their licensed channels for overt abuse and slander of people and creeds and even for promoting goat-gland operations.

But the average broadcaster, however hard up he may be for an elusive buck, knows when to exercise self-restraints which also happen to make good business and community sense. The fact is they've so long exercised such restraints, so far as hard liquor advertising is concerned, that nobody of any real consequence or stature wants the code changed, to our knowledge. Even the liqueur advertising issue might easily be met in due course, and without a lot of fanfare, for that product is more like wine and not associated in men's minds with excess and intoxication. Unlike the more common intoxicants, a case can be made for liqueur advertising on the air that might be as acceptable to home folks and clergy as is beer & wine advertising now.

As for the "church and temperance crowds," let's not kid ourselves about their sincerity or their influence. Happily, they aren't of one accord amongst themselves so far as the use and advertising of light alcoholic beverages are concerned -- but they might very well consolidate forces (as did the local Ministerial Assn. in Manitowoc) if it should come to a showdown on selling whisky, gin and the like -- soft-sell or hard-sell -- via TV & radio. The little Wisconsin station is already suffering a hangover from getting off the codewagon; even the publicity and talk-talk hasn't yet brought it a single liquor account (see below).

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One further observation: It's as if TV-radio hasn't enough real problems, especially in Washington, without creating synthetic and unnecessary ones. As one astute, high-standing veteran of many years in the business put it, "If we don't have crises, we create them. We broadcasters have always been that way."

**Booze, Broadcasting, Boycott:** The man who sparked it—owner Francis M. Kadow of 250-watt WOMT, Manitowoc, Wis. (pop. 27,598), which broke broadcasters' tradition by offering to open his station to any & all liquor advertisers (Vol. 14:43)—was rueful this week about the furor he has raised.

He was in NAB's doghouse, pres. Harold E. Fellows having indicted him publicly for "selling his birthright for a \$20 bill"—words which caused Kadow to resign from NAB. After 32 years of operation in its community and participation in many civic & church causes, WOMT was threatened with town boycott voted by Manitowoc Ministerial Assn.

And—ironically—not a single commercial for hard liquor, from local or national advertiser, was in sight at this week's end.

"The storm we have kicked up is out of all proportion," Kadow told us, sorrowfully. "If it hadn't been for the ill-chosen words of Fellows [at NAB fall meeting in Milwaukee 3 weeks ago] we might not be in the well-known wringer we're in now." As it is, he said, "We're getting a terrific reaction locally." What will he do now? "I think we'll just wait out the storm."

Kadow, who has owned WOMT since its start in 1926 and also serves as gen. mgr., had received 60 letters about his station's new policy on commercials ("All alcoholic

beverage advertising accepted") as proclaimed in Nov. 1 rate card. Most of them were protests, none contained any expression of encouragement or even support from fellow broadcasters. Capping them was resolution adopted by local ministers—"after all we've done for them on the station"—promising that WOMT would be shunned if liquor ads are aired.

But, for the record, Kadow told us he planned no retreat now. "I still don't see why it's all right for publications to carry liquor ads, but not all right for stations—so long as they're done in good taste," he said. As for liquor advertisers: "We haven't had a single tumble from the liquor industry, nor have we solicited local liquor stores."

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It was plain that what Kadow started was little more than trouble for himself. We checked sources in TV-radio industry, liquor industry, temperance groups, advertising, Govt. to find out whether there were any signs that broadcasters' traditional stand against hard liquor advertising is weakening generally. There were no such indications (see editorial, p. 3).

So far as NAB knows, no TV station anywhere in U. S. carries commercials for anything stronger in alcoholic content than beer & wine—and only one NAB radio member (WCRB, Waltham, Mass., which plugs Nuyens cordials & vodka under newscast sponsorship of local dealer)—carries them.

One non-NAB radio—N. Y. Times' WQXR—for long

has carried commercials for cordials. Another non-NAB radio—WKTX, Atlantic Beach, Fla.—announced its willingness to accept hard liquor accounts when it went on air Jan. 28, 1958. But station spokesmen told us this week: "We haven't had a bite."

It's not uncommon for TV & radio stations to carry spots for local liquor stores which don't plug specific liquor products & brands. (Washington's big Eagle Wine & Liquor Store promotes itself on radios WEAM & WARL, Arlington & WPIK, Alexandria, in NAB's backyard). But if any revolt against broadcasters—and liquor industry's—voluntary restraints has started, no evidence of it is apparent.

NAB counts 64% of 500-odd TV stations, 44% of 4000-odd radio stations as members. Of all operating TV stations—NAB & non-NAB—60% formally subscribe to TV code which bans whisky ads on air. Radio stations not affiliated with NAB can't identify themselves formally as subscribers to NAB's radio Standards of Good Practice, but among radio members, 42%—representing 19% of all radio—do subscribe, addition of 6 Westinghouse stations this week bringing number of code subscribers to 620. Number of formal pledges of compliance by stations is no gauge of general acceptance of code rules in industry, however. It's nearly unanimous and is holding that way, according to NAB.

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Here are some of the other reports & comments we gathered:

NAB pres. Fellows—"I haven't heard of any spread of the idea of accepting hard liquor commercials. I'm just hoping that the industry will keep on being wise and realize that it's to its best interest to carry on the way we are."

ABC, CBS & NBC—No change in network policy forbidding hard liquor commercials.

Distilled Spirits Institute (James E. Chinn, Washington representative, local option director)—"Absolutely no relaxation in our policy against advertising hard liquor on the air."

National Temperance League (Clayton M. Wallace, exec. director, who sees WOMT & WCRB policies as big help in campaign by dry forces for Federal law against

all interstate advertising of alcoholic drinks)—"We've heard of no other stations which are taking or planning to take liquor ads. And our members across the country are on their toes, watching for this sort of thing."

National Assn. of Evangelicals (Donald Gill, asst. secy. of public affairs, who wants FCC to consider denying license renewals to liquor-advertising stations)—"We don't know of any stations which go in for liquor accounts beyond those which have been mentioned in the last week or so. We know of no other exceptions to the codes of the broadcasters and the liquor interests, although no doubt many would like to put liquor on the air."

Advertising Federation of America (C. James Proud, pres. & gen. mgr.)—"We are watching the matter with considerable interest & concern. It would be a dangerous precedent if any steps were taken to weaken general opposition to permitting whisky advertising to be broadcast. That would be just waving a red flag in front of the Prohibitionists. We are very pleased that nobody seems to want to do that."

Federal Trade Commission (Charles A. Sweeny, project attorney in charge of TV-radio monitoring)—"We didn't know that any stations were carrying liquor advertising until there were stories about them. I haven't noted any hard liquor ads on TV or radio at all."

Internal Revenue Service (Dwight E. Avis, director of Alcohol & Tobacco Tax Div.)—"There's nothing in any Federal law to prevent hard liquor advertising on radio or TV, of course. But from the voluntary point of view, there's been very little violation of the codes—almost none."

And there was this remark by veteran FCC Comr. Rosel Hyde: "I think the broadcasters have more sense than that."



TV-radio gets "black eye" from "small minority" of broadcasters who don't observe NAB code rules, FCC Comr. Lee told eastern women's conference of Advertising Federation of America in Washington Nov. 1. He listed as "quite abhorrent" practices by some broadcasters: (1) "Over-commercialization in the form of overly-long and too-frequent spot announcements." (2) "Bait & switch advertising." (3) "The smutty & double-entendre remark."

**Plumps for Pay-Vision:** Nov. *Reader's Digest* goes all-out for pay TV in article by roving editor W. L. White, readers of magazine (circ. 12,000,000) being asked: "Would you pay to get better programs which are now too expensive for advertisers to put on 'free TV'?" And suggesting: "If so, you may want to raise your voice." Article is titled "Why Can't We Have Pay TV?" Author White's answer is that Congress blocked FCC test after "bowing to the anti-pay TV pressure" from (1) theatre owners "who fear that first-run features on TV would be the death blow to the Main St. movie houses," and (2) "heads of the huge TV networks which now dominate the industry." He claims pay TV ("Without it, both set-owners and station-owners are in for a lean time") could: (1) Bring good movies into homes cheaply. (2) "Put college athletic financing back on a sound basis." (3) Protect pro baseball & football from free TV which "is eating itself right out of this field." (4) Provide good music for those "able & eager to pay." (5) Even fill "most of the empty channels" reserved by FCC for educational TV stations if they were "allowed to sell a few hours a night to aspiring students." Article ends: "Congress, how about clearing the track for that experiment?"

**Makeup of the JCET:** Joint Council on Educational TV, the educators' Washington arm now seeking more vhf channels in major markets (see p. 3), is no mere fly-by-night collection of longhairs. The 7-year-old organization, supported by Ford Foundation, comprises these organizations: American Assn. of School Administrators, American Council on Education, American Assn. of Land-Grant Colleges & State Universities, Council of Chief State School Officers, Educational TV & Radio Center, National Assn. of Educational Bcstrs., National Assn. of State Universities, National Citizens Committee for Educational TV, National Congress of Parents & Teachers, National Education Assn. of the U. S. Chairman is Dr. Albert N. Jorgensen, of National Assn. of State Universities; exec. director, at Washington headquarters (1785 Massachusetts Ave. NW), is Ralph Steetle. Petitions were filed by 2 attorneys: Telford Taylor, N. Y. lawyer who was FCC pre-war gen. counsel, then as Army brig. gen. chief prosecutor at Nuremberg trials; Seymour Krieger, Washington lawyer who served as Taylor's Nuremberg aide, now has list of educational stations and organizations among TV-radio clients.

**'Take Me Out to the [TV] Ball Game':** TelePrompTer pres. Irving Berlin Kahn, nephew of the songwriter and head of one of the Big 2 of the burgeoning closed-circuit TV industry (Vol. 14:40), is confident that TV—blamed now by organized baseball for vanishing gate receipts—can make ball park cash registers sing again.

He envisions day when fans will flock once more to parks across the country to watch baseball—starting with All-Star and World Series games—on TV. Instead of seeing games on home sets for free, he thinks they'll happily pay their way into parks for bigger-than-life play carried via closed-circuit to huge screens on fields.

Not that it's likely to come for a few years. NBC & Gillette have big games tied up through 1961 under 5-year \$16,000,000 contracts. But Kahn thinks his closed-circuit idea not only could bring real rebirth of major & minor league baseball as the great American sport, but could make \$16,000,000 look like peanuts.

It's an idea, at least. And Kahn would develop it not only for ball games but for other spectacle events, outdoor & indoor, in an adaptation of pay-TV principle which he thinks wouldn't have damaging effects on free TV.

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Idea was propounded by Kahn Oct. 30 before Advertising Club of Columbus, home of National Assn. of Professional Baseball Leagues. He claimed it could "insure [baseball's] survival & growth in the future." And, he figured, closed-circuit income from 4 World Series games in one year alone could easily reach \$16,000,000—as much as majors now get for 5 years of TV-radio rights.

"Baseball is dying at its roots, the minor leagues," said Kahn. "Home TV, of course, cannot be blamed for all of this"—and he cited such other factors as horse-racing, drive-in theatres, poor parking facilities at ball parks. In any event: "The only thing that's going to save

the situation is paid admissions." He argued that pay-at-gate big-screen big games (in which minors would get cut of profits) could be a sure starter toward return of baseball prosperity—while home viewers continued to see some games on their TV sets. Thus closed-circuit would "supplement"—not compete with—home TV. His plan:

\* \* \* \*

Ready-made arenas for big-screen TV baseball are at hand, minor leagues alone embracing 95 cities where closed-circuit network could be set up readily. Ball parks there and in major league cities have total of 1,464,640 seats. "Viewing audience of over 2,000,000 easily can be estimated [for] full, larger-than-life picture of the play." At \$2 per ticket for games—which would be played at night—potential gross would be \$4,000,000 per World Series day.

"Bigger paydays for professional fighters" already have been provided by closed-circuit TV—and "certainly it can do so in other fields where sports spectacles are involved," said Kahn, whose TelePrompTer operations include big-meeting TV and educational TV for Army in addition to championship boxing. "The key, of course, is use of the medium only on [sports] events that will draw paying patrons."

Kahn was highly skeptical of outlook for any successful "slot-machine" pay-TV scheme in which homes would be wired for sports. "I can't see the economics working out," he said. "To the best of my information, for example, it will cost something like \$70,000,000 to wire the city of San Francisco in order to broadcast the games of the Giants there. This is going to take an awful long pay out."

In a general review of the closed-circuit business, Kahn figured that all companies engaged in it haven't grossed more than \$20,000,000 in 8-10 years. But he had rosy prediction: "This industry will account for an annual gross of at least \$40,000,000 within the next 5 years, and I would even go so far as to anticipate that we would reach that figure within the next 2 years."


**Orlando Case Remanded:** FCC beat courts to the draw in Orlando, Fla. Ch. 9 case—for it had already started investigation of "influence" charges a month ago (Vol. 14:40), whereas U. S. Supreme Court only this week told Court of Appeals to examine situation "for such action as it may deem appropriate." This was same language Supreme Court used last week when it returned Peoria & Springfield deintermixture cases to the lower court (Vol. 14:43). Attorney for WLOF-TV, winner of Ch. 9, said station would cooperate fully in any probe, noted that staff investigator for Rep. Harris' (D-Ark.) legislative oversight subcommittee had "agreed that no violation of the statute was involved." Fla. attorney Wm. H. Dial, who had represented WLOF-TV on a local matter, not before FCC, was charged with having urged former Comr. Mack to vote for WLOF-TV. Meanwhile, Court of Appeals drew a blank in poll of attorneys involved in Evansville-Owensboro-Louisville deintermixture case (Vol. 14:43)—for none said he knew of any "ex parte" angles to FCC's decision. Next move is up to court.

ABC-TV signs KOMO-TV, Seattle, as secondary affiliate immediately, primary affiliation becoming effective Dec. 10, 1959, when station loses NBC affiliation in network's shift to Mrs. A. Scott Bullitt's KING-TV there (Vol. 14:42). Meanwhile KOMO-TV stays with NBC Spot Sales as rep, KING-TV with Blair. ABC-TV has not yet designated Portland, Ore. affiliate to replace KPTV, which also switches to NBC next year.

Special Canon 35 committee of American Bar Assn. to study revision of ban on TV-radio coverage of court proceedings (Vol. 14:35) is headed by Whitney North Seymour, partner in N. Y. law firm of Simpson, Thatcher & Bartlett and member of ABA board. He's chairman of Freedom House, once (1931-33) was asst. U. S. Solicitor General. Also appointed to committee by ABA pres. Ross L. Malone with instructions to report on TV-radio issue "as early as feasible": Joseph A. Ball, Long Beach, Cal.; Richmond C. Coburn, St. Louis; David A. Nichols, Camden, Me.; Lewis C. Ryan, Syracuse, N. Y.; Chief Judge Emory H. Niles, Baltimore City Supreme Court; James L. Shepherd Jr., Houston; Richard P. Tinkham, Hammond, Ind.; Edward L. Wright, Little Rock, Ark.

N.Y. Newspaper Guild will file brief with U.S. Supreme Court in support of *Herald Tribune* columnist Marie Torre's appeal from Court of Appeals decision that she was guilty of contempt and subject to 10-day jail sentence for refusing to divulge confidential news source (Vol. 14:41). Petition for Supreme Court review of decision, written by new Supreme Court Justice Potter Stewart, as then visiting judge, was filed this week on Miss Torre's behalf, her newspaper backing important test case.

Paul Niven, CBS newsman expelled from Moscow (Vol. 14:41), was reassigned this week to CBS News, Washington. He was on Washington staff before going to Russia 10 months ago.

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|  <p><b>Television Digest</b><br/>and ELECTRONICS REPORTS<br/>WYATT BUILDING, WASHINGTON 5, D. C.</p>        | <p>MARTIN CODEL, Publisher<br/>ROBERT CADEL, Bus. Mgr.<br/>ALBERT WARREN, Senior Ed.<br/>WILLIAM WIGHT, Managing Ed.</p> |
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**Personal Notes:** Charles H. Colledge, NBC-TV facilities v.p., named gen. mgr. of newly reorganized RCA broadcast & TV equipment div., Camden, reporting to Theodore A. Smith, v.p.-industrial electronics; under Colledge will come E. C. Tracy, as mgr. of broadcast marketing; Elmer Trouant, chief engineer; G. J. Adams, administration, and chiefs (yet to be named) of closed-circuit and high-power & nucleonics depts. . . . John Green, ABC-TV program mgr., promoted to network exec. producer, reporting to programming v.p. Thomas W. Moore; Leonard Maskin, production services mgr., promoted to new post of administrative mgr., program dept.; John Kneeshaw, plant services supervisor, promoted to business mgr. of production services, succeeded by Arthur Segal . . . Wm. V. Sargent, ex-NBC-TV network administration director, named v.p.-administration of TelePrompTer . . . James F. O'Grady Jr., ex-DuMont & ABC, recently in charge of Chicago office, named exec. v.p., Young Television Corp.; rep firm also promoted Harold M. Parks from mgr. of Atlanta office to eastern sales mgr., successor in Atlanta being Melvin E. Whitmore . . . David Polinger, from NTA's radio WNTA, named gen. mgr. of spot sales for WNTA-TV, Newark-N. Y. and KMSP-TV, Minneapolis-St. Paul; Paul O'Brien, from NTA spot sales, joins WNTA-TV as sales mgr.; Joseph Morris, attorney for NTA stations, also becomes business mgr. of WNTA-TV & WNTA . . . Arthur Tweet, secy. & 20% owner of Community TV Corp., Grand Forks, N. D. (KNOX-TV & KNOX), elected pres. to succeed late Elroy Schroeder . . . Lloyd E. Yoder, now NBC v.p. & gen. mgr. of WNBQ & WMAQ, Chicago, was one of 50 ex-Denverites honored at Centennial celebration Oct. 29 with Distinguished Citizens Award; he managed Denver's KOA for 12 years when it was owned by NBC, took leading part

in civic affairs . . . William S. Hedges, NBC v.p., general services, 1928-39 pres. of NAB, named chairman of host club's convention committee for Rotary International Convention to be held in N. Y. June 7-11 with expected attendance of 20,000 . . . S. Ray West Jr. promoted to ABC-TV supervisor of cooperative & sustaining programs . . . Gordon Hellmann, ex-TVB sales promotion director, named sales development director of Transcontinent TV Corp. . . . Ben Shropshire, ex-KIMA-TV, Tacoma, named mgr. of KLEW-TV, Lewiston, Ida., succeeding Willard W. Thomas, who resigned to set up own adv. agency in Spokane . . . Joseph Sergio promoted to business mgr. of WISN-TV, Milwaukee, John Hinkle succeeding him as chief accountant . . . Raymond F. Kohn, pioneer FM broadcaster who founded and heads WFMZ, Allentown, Pa., named gen. mgr. of Teleradio's WGMS, Washington good music station, which on Nov. 1 severs MBS affiliation which goes to WOL . . . Jerome A. Barnes, program director of satellite WRLP, Greenfield, Mass. (Ch. 32) promoted to program director of parent WWLP, Springfield (Ch. 22) and of WWOR-TV, Worcester (Ch. 14), due in Nov. . . . Wm. T. Stubblefield resigned Oct. 31 from broker Hamilton, Stubblefield, Twining & Assoc. to open own consulting office in Ring Bldg., Washington . . . Donald C. Palmer, ex-radio KGFJ, Los Angeles, named mgr. of rep Meeker's new office there . . . Alvin E. Unger, ex-Ziv, and Stanley Levey, promoted, named administrative mgr. & sales mgr., respectively, of Arrow Productions, new div. of Jack Wrather's ITC set up by pres. Walter Kingsley for sales & counseling on re-runs . . . Raymond W. Wild, ex-MCA-TV, named central div. v.p. of Gross-Krasne-Sillerman . . . Bernard L. Schubert, chairman of Telestar Films Inc., N. Y., also named pres., succeeding Sy Weintraub, resigned . . . John C. Sebastian, ex-CBS Films, heads new N. Y. office of Low Smith Organization (publicity) to handle Independent TV Corp. . . . Len Levy, ex-Kling Films, heads new Chicago office of Robert Lawrence Productions . . . Peter M. Piech, ex-Screencraft Pictures v.p., named sales v.p. of Producers Assoc. of TV, N. Y.

Correction: Wm. E. Goetze, exec. v.p. & gen. mgr. of KFSD-TV & KFSD, San Diego, has announced the appointment of Frank Reynolds, ex-San Diego Chamber of Commerce, as adv. & promotion mgr. Mr. Reynolds' name was inadvertently omitted from previous item (Vol. 14:42).

## Obituary

Mann Holiner, 61, ex-v.p., director and chief of early radio operations of Lennen & Mitchell, later Kudner Agency's TV-radio director, died Oct. 27 at his home in Hollywood—20 months after his wife's death. They were authors of the musical *Cindy & Sam*, wrote songs for such past stage productions as *Blackbirds*, *Hey Nonny Nonny*, *Rhapsody in Black*, *Angela*. He is survived by 2 brothers, 2 sisters.

Glenn Wilson Johnson, 35, producer-director of WBTV, Charlotte, died Oct. 26. He is survived by his widow and a daughter.

W. Arthur Lee, 59, pres. of Lee-Stockham Adv., died Oct. 25 in N. Y. Surviving are widow, daughter.

Joseph Reinhard Joyce, 49, v.p. of Donohue & Coe, died in New York Oct. 28 of heart ailment. He is survived by widow.

Charles Egelston, 72, who for 20 years played "Shuffle Shober" on CBS's daytime serial *Ma Perkins*, died Oct. 31 in N.Y.

Emilio Azcarraga, pres. of Telesistema Mexicano, network operating XEW-TV, Mexico City (Ch. 2), owner of theatres and radio stations, holder of CPs for at least 7 new TVs in his country (see *TV Factbook No. 27*, p. 304) named one of winners of Maria Moors Cabot gold medals for advancing inter-American friendship. Award was established by Dr. Godfrey Lowell Cabot, Boston, and is made annually by trustees of Columbia U on recommendation of Edward W. Barrett, dean of its School of Journalism.

Mutual's new pres. Alexander L. Guterma, 43, born in Siberia and raised in Far East where he amassed fortune after war, U. S. citizen only 2 years, having come here in 1950 to retire, is subject of sketch in Oct. 10 *Printers' Ink*, which captions its article: "Mystery man from the Far East starts to rebuild Mutual, offers to buy out ABC."

Axel Jensen, Bell Labs director of visual & acoustic research, retiring Nov. 1 at age 62, has joined Matty Fox's Skiatron of America Inc., pay TV licensor, as consultant, reporting to Skiatron v.p. Richard Hemingway; he's succeeded at Bell Labs by his asst., Dr. E. E. David.

**Storer Defends WITI-TV Buy:** Elaborate and carefully documented presentation was offered to FCC this week by Storer Broadcasting Co. as it sought to settle Commission's doubts about approving its \$4,462,500 purchase of independent WITI-TV, Milwaukee-Whitefish Bay (Ch. 6)—and its 20pp. document was endorsed by seller Jack Kahn, et al (Vol. 14:32 et seq).

A major theme of Storer's letter was that it's not in the business of buying & selling stations indiscriminately—that in fact it has bought & sold only 2 stations: KGBS-TV, San Antonio (Ch. 5); WBRC-TV, Birmingham (Ch. 6). Furthermore, it said, sole purpose was to reinvest proceeds in other stations.

Storer pointed to its record in uhf—how it invested \$2,350,000 in KPTV, Portland (Ch. 27), and \$1,050,000 in WGBS-TV, Miami (Ch. 23) and did its utmost to put them across before bowing to inevitable defeat in intermixed markets.

"Concentration of control" won't increase when WITI-TV is substituted for now-dark WVUE, Wilmington-Philadelphia (Ch. 12), Storer stated, because WITI-TV reaches fewer TV homes and less area than WVUE did. In addition, it noted, each of 4 other multiple owners covered more people with its stations—CBS, NBC, Westinghouse, General Teleradio. Another factor: No overlap with other Storer stations—none being nearer than 250 mi.

Storer listed TV-radio-newspaper facilities in Milwaukee area to show it will have plenty of competition there.

FCC's concern that Storer will offer "combination rates" for WITI-TV and its other stations was answered by statement that it simply won't do it.

\* \* \* \*

How can Storer operate independently in Milwaukee—when it couldn't in Wilmington-Philadelphia? Best answer, Storer said, was that WITI-TV is now profitable—grossing \$632,770 in 9 months of 1958 vs. \$511,523 in same 1957 period, with estimated Oct. gross of \$100,000 and

**ADVERTISING AGENCIES:** John F. Whalley, ex-NBC, named financial v.p. of Needham, Louis & Brorby, Chicago, succeeding Max D. Anwyl, resigned; Charles D. Ewart, Richard H. Needham, George W. Oliver & Robert F. Steinhoff named v.p.'s . . . Fred B. Manchee retiring as exec. v.p.-treas. of BBDO Jan. 1 after 32 years; v.p. Thomas C. Dillon assumes some of his duties as marketing, research & media director . . . Victor M. Ratner, Benton & Bowles v.p. and onetime CBS adv. & promotion mgr., resigns from agency . . . Norman Gladney dissolves own market consulting firm to become TV-radio director of Calkins & Holden, N. Y. . . . Raymond A. Robinson, promoted to v.p., Foote, Cone & Belding, Los Angeles . . . Ben Alcock promoted to v.p. of Grey Adv. . . . Fred Klein, ex-Earle Ludgin, Chicago, heads new Doyle Dane Bernbach office . . . Frank O'Connor, asst. v.p. of Ted Bates, resigns Nov. 15 to return to active TV production.

**Success Story:** Reflecting intensity of TV viewer interest, 5-year-old *TV Guide* took full-page newspaper ads this week to report largest circulation in weekly magazine history—6,500,000 vs. 6,000,000 for *Life*, 5,800,000 *Saturday Evening Post*, 5,500,000 *Look*.

operating profit of \$6500 after depreciation of \$7600. Other factors:

(1) WVUE faced competition from 3 entrenched vhf stations, whereas in Milwaukee WTMJ-TV (Ch. 4) is the only "truly 'established' TV station."

(2) WVUE had "serious programming problem," because Philadelphia stations had tied up major feature film packages, substantially all good syndicated film and sporting events. It said it had to pay WFIL-TV more than \$1,500,000 for sublicense on the RKO package.

(3) Serious reception problems—rising from its transmitter site at Pitman, N. J. at "wrong end" of receiving antennas when compared with the 3 Philadelphia stations, all located at antenna farm. WITI-TV, it said, has no orientation problem.

(4) Operating costs for WVUE were extremely high—dictated by Philadelphia wage rates, film prices, cost of rights to sports events, etc.—compared with lower costs in Milwaukee.

(5) WVUE "ran a very poor fourth" in ratings, whereas WITI-TV "is very close to the third network station, making it a relatively easy sale on a cost-per-thousand basis."

Notwithstanding WITI-TV's strong independent operation, Storer said, it would try to get network affiliation if one becomes available.

Over-all, Storer pointed out, its major business is broadcasting. It noted that founder George B. Storer, his 3 sons and key executives have been with the organization for virtually their entire business lives; that more than 95% of company's revenues come from broadcasting (it received \$107,642 dividends in 1957 from Standard Tube Co., Detroit steel fabricating firm, never received any from *Miami Beach Sun*.)

Revenue-expense figures for all uhf stations and those vhf's in intermixed vhf-uhf areas are sought by FCC in special request sent to 125 stations. They're asked to supply figures for first 6 months of 1958. Commission notes that data is requested "in connection with the Commission's current allocation studies." Commission's purpose is to get fresh information, since its latest financial data is for 1957. It doesn't mean any sudden change in allocations possibilities, according to FCC.

CATV-microwave freeze is quite justified, FCC told Court of Appeals this week, because it must first conclude its general inquiry into impact of community antenna systems, translators, etc. on TV station growth. Commission stated: "In view of the complexity of the inter-related questions involved in the inquiry and the large number of responses which the Commission has received, it cannot, under any circumstances, be properly argued that the Commission has taken an inordinately long period of time to reach a determination of the issues involved in the general inquiry."

CATV-station suit in Helena, Mont. (Vol. 14:36, 38, 42) was dismissed this week by U. S. District Court Judge W. D. Murray on petition by Ed Craney's stations—which had sought to stop Helena community antenna system from picking up and distributing signals of his KXLF-TV, Butte (Ch. 4). Judge made no ruling on merits of case, in which Craney had asserted system illegally "rebroadcast" signals. System plans to distribute signal of KREM-TV, Spokane (Ch. 2), despite fact station asserts it hasn't given permission.



**New & Upcoming Stations:** This week's starter (Oct. 27) was WEDU, Tampa (Ch. 3, educational), set up by citizens' group formed as Florida-West Coast Educational TV Inc. It's state's 3rd educational, others being WJCT, Jacksonville (Ch. 7) and WTHS-TV, Miami (Ch. 2)—and when WUFT, Gainesville (Ch. 6) starts shortly (Vol. 14:39), Florida will lead nation in non-commercial educational outlets. New WEDU has 5-kw RCA transmitter, 475-ft. Stainless tower with 3-bay antenna located on 78th St., 5 mi. SE of Tampa. Daniel H. Smith is gen. mgr. & chief engineer.

Next commercial starter is expected to be KCIP-TV, Nampa, Ida. (Ch. 6), which was due to ask FCC for program test authorization week of Nov. 3. Also reporting mid-Nov. target is WWOR-TV, Worcester, Mass. (Ch. 14), off-air uhf being revived as satellite of Wm. L. Putnam's WWLP, Springfield (Ch. 22). This week's starter brings on-air total to 536, of which 34 are non-commercial educational.

\* \* \* \*

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

WTOL-TV, Toledo (Ch. 11) began construction of 1000-ft. Ideco tower Oct. 29, expects to meet Dec. 1 target for programming with CBS-TV, writes owner Frazier Reams, ex-Congressman and operator of radio WTOL. RCA 12-bay antenna is on order and 50-kw transmitter has been installed at 7020 Cedar Point Rd., Oregon, O., 8-mi. from downtown Toledo. Temporary studios will be in penthouse of Toledo's Hillcrest Hotel. Base hour will be \$950. Rep will be H-R Television.

WKBW-TV, Buffalo (Ch. 7), with studio and transmitter buildings nearly completed, is holding to Dec. 1 for start with ABC-TV, reports John H. Norton Jr., asst.

**'Kohler' Clarification Sought:** Westinghouse Bcstg. Co. wonders just how far FCC intended to go with its "Kohler" letters—in which it rebuked KYW-TV, Cleveland, and other stations for carrying films of Senate hearings on Kohler strike without identifying National Assn. of Manufacturers as donor (Vol. 14:31, 37, 39). Fearful of too-broad interpretation of stations' handling of general news, press releases, etc., pres. Don McGannon states in letter to FCC: "WBC strongly urges the Commission to modify its decision in the Kohler matter to require the licensee to exercise his best judgment in the presentation of all forms of program material, and when the viewing or listening public will be misled by the non-disclosure of the source of the material, where source would contribute to the public's better understanding of the subject matter, then Sec. 3.654 would be applied. If, on the other hand, the item is one of typical 'hard news' that might well have come from literally a dozen different sources, and does not represent an attempt by any person or group to present a partisan viewpoint, the requirements of Sec. 3.654, in the judgment of the licensee, may be dispensed with. In all instances it will be the responsibility of the licensee to determine this. The Commission should periodically review any questionable situations, and abuse of discretion should be considered in reviewing a licensee's qualifications to hold a license."

CP granted: Ch. 8 satellite, Wailuku, Maui, to KONA-TV, Honolulu (Ch. 2)—without prejudice to possible FCC action on request of KGMB-TV, Honolulu, to substitute Ch. 7 for Ch. 8 in Wailuku (Vol. 14:41).

to pres. & principal owner Clinton H. Churchill. It will use 10-kw RCA transmitter and 1000-ft. Stainless tower with 12-section superturnstile antenna. Base hour will be \$1000. Rep will be Avery-Knodel.

KLOR-TV, Provo, Utah (Ch. 11) has 6-kw Standard Electronics transmitter installed, plans Nov. 11 programming as independent, equipped for both live and film color shows, reports secy.-treas. Jeanette C. Nissley, whose husband Samuel B. is pres.-gen. mgr. and 54.6% owner. Stainless 84-ft. tower with GE helical antenna also is ready on Lake Mt., 15 mi. W of Provo, 32 mi. S of Salt Lake City. Base hour will be \$350. Rep will be Raymer.

WBDG-TV, Cheboygan, Mich. (Ch. 4) has ordered RCA equipment, plans start about Jan. 1, picking up NBC-TV from parent WPBN-TV, Traverse City, Mich. (Ch. 7), wires Les Biederman, pres.-gen. mgr. & 30% owner of grantee Midwestern Bcstg. Co., licensee of AMs in Traverse City, Cadillac, Alpena, Petoskey & Gaylord, operating as Paul Bunyan Network. Work on studio-transmitter building is well under way and 6-bay antenna is to be delivered early in Nov. for installation on 500-ft. Stainless tower. WPBN-TV base hour is \$200. Rep is Hal Holman.

KXAB-TV, Aberdeen, S. D. (Ch. 9), to be affiliated with parent KXJB-TV, Valley City-Fargo, N. D. (Ch. 4), now has Nov. 15 target, reports pres.-gen. mgr. John W. Boler. Stainless 340-ft. tower with 6-bay antenna is ready, 10-kw RCA transmitter is being wired. Base hour will be \$150. Rep will be Weed.

KOED-TV, Tulsa (Ch. 11, educational) has changed target to Dec. 1, reports John W. Dunn, director for Okla. Educational TV authority, which also operates KETA, Oklahoma City (Ch. 13, educational). It has antenna installed on tower of KOTV (Ch. 6), 2-kw RCA transmitter in KOTV transmitter house.

Unnamed radio stations in Cal. were accused this week by group of Catholic & Protestant leaders there of broadcasting "anti-religious" statements in paid political announcements urging "yes" vote in next week's state referendum on ending tax exemptions for parochial & private schools. Churchmen protested "inflammatory material" in telegrams to FCC, which said it was unable immediately to determine whether stations presented "opposing viewpoint" on controversial issue because stations weren't identified. FCC pointed out in replies to complainants that "selection of broadcast material is responsibility of licensee and Commission cannot advise licensee to broadcast or refrain from broadcasting a particular program."

"Instantaneous Audimeter"—A. C. Nielsen Co.'s answer to "Arbitron" automatic TV rating system operated by American Research Bureau (Vol. 14:36)—should be ready for commercial service soon, reports exec. v.p. Henry Rahmel. Central metering systems for new fast TV ratings have been completed "for several markets," telephone lines to parts of N. Y. sample have been installed. Nielsen has had pilot "Instantaneous Audimeter" operation in Chicago since last summer.

"Restoration of FCC's reputation" was cited as major job that needs to be done, Comr. John Cross told Federal Communications Bar Assn. meeting this week. "We must make sure," he said, "that the unfortunate occurrences of the past don't happen again. We must get back the confidence of the people. Let's make sure that people who try 'ex parte' activities get very rough treatment. So how about it?"

**The Patent Situation—Now:** It's a cliché, but nonetheless true, that only time will tell whether Justice Dept. was right in pushing RCA consent decree (see p. 1 & Special Report) on the theory that breakup of RCA patent structure would stimulate research & development throughout industry.

Most manufacturers, with eye on immediate financial impact, don't see much resulting from this week's decree—they haven't been paying royalties for about a year, anyway. By and large, there's feeling that the general loosening up may help manufacturers—in both domestic & foreign markets. For example, set makers like the idea that they will be able to pick and choose among RCA's future patents, paying only for those they want—and at a "reasonable" rate, with court to determine what's reasonable if parties can't agree.

Also, they're in favor of the requirement that RCA must deduct unpatented parts (cabinets, etc.) from factory price before royalties are computed. In past, some manufacturers have made agreements with RCA taking that factor into consideration. It's frequently very difficult to agree upon. Here are a few angles that may not be clear from reading of full texts in our accompanying Special Report:

\* \* \* \*

(1) "Co-conspirators" in both criminal & civil cases—GE, AT&T, Westinghouse, et al.—aren't mentioned at all in this week's settlements. Since they weren't defendants, they're now out of the picture—unless Justice Dept. wants to pursue them in new complaints in future.

(2) There's no foreign "color pool." For example, a U. S. set maker with Canadian subsidiary may produce color sets in Canada, using all existing RCA color patents—without throwing his own into the pot.

(3) RCA patent applications, other than those re-

Another station sale was questioned by FCC Comr. Bartley this week, but he was alone in his dissent on transfer of radio KUSN, St. Joseph, Mo. for \$90,000. Said he: "In light of the transferors' representation that they now find it 'impracticable to continue the operation of this particular broadcast facility under the existing corporate and management structure,' and in view of the fact that the station was purchased by them in January, 1958 for \$50,000 and is now being sold for \$90,000, I would make further inquiry with a view to determining whether revocation or consent to transfer would better serve the public interest." Station was sold by W. N. Schnepf, et al., to Charles H. Norman.

Experimental Ch. 12 operation in New Orleans by WJMR-TV (Ch. 20) must cease Jan. 1, FCC ordered this week, setting the experimental application for evidentiary hearing in accordance with Court of Appeals' decision (Vol. 14:21). Court had accepted allegations by co-channel WJTV, Jackson (Ch. 12) that WJMR-TV may not have intended to conduct "a bona fide experiment"; that FCC was therefore required to explore the charges in a hearing.

Translator starts: W80AA, Cambridge, O. & W71AB, Coshocton, O. began Oct. 24, repeating owner WHIZ-TV, Zanesville, O.; W78AA, Frostburg, Md. began Oct. 25, repeating WTOP-TV, Washington.

quired by FCC color standards, may be licensed by RCA at reasonable royalties when they're issued.

(4) Patents owned by others, but which RCA has right to sublicense, are now available royalty-free. Justice Dept.'s explanation: "Presumably, such patent owners already have been paid for the patents by RCA."

(5) Patents RCA acquires after Oct. 28, 1968 needn't be licensed by RCA to others if it doesn't choose to do so.

(6) RCA's arbitration with Zenith over exchange of money covering back royalties may continue unaffected by decree.

(7) Philco's treble-damage anti-trust suit against RCA is unaffected, except that RCA is forbidden from enlarging or amending its counterclaim.

\* \* \* \*

Hazeltine v.p. L. B. Dodds, whose patent-licensing organization (said to hold important color patents, among others) has been avid bystander, sums up his company's position this way:

"The decree doesn't affect us much, one way or the other. It does extend to color what has existed in black-&-white. We'd be foolish to go into the color pool, because we're not a set maker. We'll be doing business in the same old place in the same old way."

That RCA has high hopes for color is manifest in its reaction to a news report that it has "lost" \$130,000,000 on color to date. It stated: "RCA believes today more than ever before that the future of TV lies in color. RCA & NBC have spent almost \$130,000,000 in the development and introduction of color TV. This money was spent for scientific and engineering development, color TV manufacturing facilities, color TV broadcasting facilities, programming & promotion of color TV. We regard these expenditures as a sound investment in pioneering a new and important service to the public.

"In black-&-white TV, which RCA also pioneered, we spent more than \$50,000,000 for the same reasons. That investment was returned many times over. We expect that our investment in color TV also will produce similar results."

FCC rejected all proposals for 3rd vhf in Providence this week, holding that air hazards, required changes in channels & sites, separation & coverage problems prevent establishment of another outlet to compete with WJAR-TV (Ch. 10) & WPRO-TV (Ch. 12). Vote to terminate rule-making proceeding was 3-2, Comrs. Craven & Lee dissenting, Craven advocating waiver of mileage separation requirements to provide 3rd channel.

Sale of radio WKBZ, Muskegon, Mich. (850 kc, 1-kw, ABC) by Arch Shawd for \$200,200 was announced this week, purchasers (½ each) being: Robert K. Richards, Washington public relations counsel; Frederick L. Allman, former owner of WSVA-TV, Harrisonburg, Va.; Walter Patterson, pres. of radios WKYR, Keyser, W. Va., & WTRX, Bellaire, O.

Both applications for new TV stations filed this week were by WORA-TV, Mayaguez, P. R. (Ch. 5) for the Virgin Islands: For Ch. 10 in Charlotte Amalie, St. Thomas, and Ch. 8 in Christiansted, St. Croix. Total applications pending are now 94 (27 uhf). [For details, see *TV Addenda 27-I*.]

New short vidicon camera tube offered by RCA is 5½-in. long, 1½-in. shorter than similar tubes; diameter is 1-in. It's designed especially for transistorized cameras—color and black-&-white.

**IS FM RADIO COMING BACK TO LIFE?** Resurgence of interest in FM radio has quadrupled FM set production in last 3 months, presaging total output exceeding 300,000 units this year -- best since 1953. EIA, which began keeping statistics on FM production in July after a 4-year lapse, reports 11,816 sets were built in July, 21,335 in Aug. and about 41,000 in Sept., bringing year-to-date total to about 177,000 sets.

That's drop in the bucket compared with total home radio production to date of about 5,700,000 sets, but it's big by comparison with low point of 189,000 units for the whole of 1954. FM set production really boomed in 1948 under impetus of big manufacturers' push and total of 700 FM stations on air -- the number of FM stations jumped 248 in that year alone. Set makers sold more than 1,500,000 FM receivers and 2 years later output was still well over 1,000,000 sets.

FM slump started in 1953 when manufacturers turned out a meager 456,000 sets, number of stations dropping to 637. Next year, set makers produced only 189,000 FM sets. Downward trend has been steady since that time until resurge in recent months, generally credited to renewed interest in good music stimulated by stereo.

Some 14,000,000 FM sets are in use in U. S. today, National Assn. of Broadcasters "guesstimates." That's more than have been produced in this country, NAB says, because for several years sale of imports, mostly from West Germany, exceeded domestic production. It predicts that total FM sales this year will top 500,000, of which some 200,000 will be imports -- still mostly from West Germany.

**GE's Lilliputian TV:** GE goes RCA one better, so far as weight's concerned, with 10-lb. 8-in. battery-operated portable TV demonstrated at Louisville receiver plant this week. About size of automatic toaster, it's fully transistorized (which makes it too costly yet for consumer pricing), has rechargeable silver cadmium battery with 7½-watt power consumption and life of 3-4 hours before recharging, which can be done on house current. It measures 7¼-in. wide, 7¼-in. deep, 8¾-in. high. RCA's 8-in. battery portable, shown last week (Vol. 14:43), weighs 24 lb., has 25 transistors; its 14-in. weighs 30 lb.

**TV-Radio Production:** TV output was 121,267 sets in week ended Oct. 24 vs. 124,125 preceding week and 153,846 same week last year. Year's 42nd week brought year's total production to 3,945,084 sets vs. 5,075,242 last year. Radio production was 310,148 for week ended Oct. 24 (75,073 auto) vs. 287,829 (73,754 auto) preceding week and 411,273 (150,638 auto) same week last year. Radio production for 42 weeks was 8,598,858 (2,625,466 auto) vs. 10,948,354 (4,254,460 auto) last year.

**Another Wage Boost Threat:** Scarcely noticed move in Wage-Hour Div. of Dept. of Labor to blanket missile workers in with aircraft workers under definitions of Walsh-Healy Act, would force Midwest and East Coast electronics manufacturers into a substantial wage boost if successful. Few electronics manufacturers seem alert to implications of proposal, so we traced industry reports that discussions already are under way at instigation of aircraft makers on West Coast and found that preliminary staff report at Labor Dept. would authorize such reclassification.

EIA has now taken up cudgels for industry, plans to protest blanket reclassification at informal "panel" discussion before Asst. Administrator Harry Weiss of Wage-House & Contracts Div., Labor Dept., Nov. 17. Here's how reclassification of missile workers would work against interests of most electronics manufacturers:

Many makers of electronic home entertainment products, industrial TV, broadcast equipment, components, etc. produce missiles in same plant with other products

and some even on adjacent production lines. It would be quite impossible to pay the higher aircraft-worker scale to those working on missiles, and unions would raise a howl if it were tried. Reclassification result would be that workers on TV, radio and other electronic equipment would get wage boosts estimated as much as 50% so as to meet the new scale that would be authorized for missile workers.

**Trade Personals:** Harry A. Ehle resigns as exec. v.p. & director of International Resistance Co., Philadelphia, after 27 years with firm; he's currently vacationing at his home in St. Croix, Virgin Islands, future plans indefinite . . . E. C. (Andy) Anderson, RCA exec. v.p.-public relations, recuperating from coronary suffered Sept. 30, due to leave Nantucket (Mass.) Cottage Hospital Nov. 1 weekend for home at 27 Studio Lane, Bronxville, N. Y. . . . Joseph N. Benjamin, ex-Pilot Radio exec. v.p., now pres. of Institute of High Fidelity Mfrs., named pres. of Siegler's Bogen-Presto div., succeeding Lester H. Bogen, resigned . . . Albert E. Beckers promoted to DuMont Labs engineering director for tube operations, succeeding Kenneth A. Hoagland, now director of color tube research & development . . . John R. Siragusa, son of pres. Ross D. Siragusa, named Admiral electronic products coordinator of styling, sales & engineering . . . G. T. Stewart promoted to new post of Sylvania national distribution mgr.; Peter J. Grant succeeds him as national sales mgr. . . . Wm. D. Gannon promoted to Sylvania consumer products sales mgr. at Cincinnati . . . Roger C. Smith promoted to Motorola credit mgr., succeeding Robert Riley, now asst. director of international operations.

**ELECTRONICS PERSONALS:** Adm. B. Hall Hanlon (USN ret.) appointed Magnavox consultant on research & development . . . John W. Guilfoyle promoted to exec. v.p. of Federal Electric Co. (ITT) . . . Charles F. Merrigan promoted to mgr. of scatter & special systems, GE technical products dept. . . . Jack Rosenberg promoted to Stromberg-Carlson engineering mgr. for electronic control systems . . . Rudolph W. Selbmann, ex-Oak Mfg., named chief engineer of Blonder-Tongue, Newark.

**GE-Hotpoint Divorce:** Dealers will be franchised for either GE or Hotpoint TV & appliances—but not for both—in areas where distributorships are company-owned. Joint announcement this week said new policy, effective Jan. 1, is move to strengthen value of retail franchise, enable retailer to identify himself with manufacturers' reputation. Statement emphasized policy does not apply to independent distributors of GE or Hotpoint lines.

Sam N. Regenstreif, ex-Philco v.p. in charge of appliance manufacturing, is purchaser of Avco's AK div., Connersville, Ind., maker of dishwashers, pre-fabricated service stations, porcelain panels. As of Dec. 31 he takes over about half of plant, which he has headed, remaining half continuing to be devoted to Avco defense contracts.

Westinghouse exec v.p. John K. Hodnette appoints to his Pittsburgh staff Bruce D. Henderson, mgr. of air conditioning div. at Staunton, Va., who is succeeded there by Raymond K. Serfass.

### **Obituary**

Dr. Ernest Alden Terry Jr., 38, medical director of GE's Appliance Park plant, Louisville, was shot to death Oct. 26 as he was walking to church. Police said assailant was former GE employe discharged after being on sick leave. Surviving are widow, 4 children.

David Thomas Bonner, 62, chairman-pres. of Dynamics Corp. of America, died Oct. 30 in N. Y. Surviving are widow, daughter, son.

RCA creates 2 new divs. for consumer products in streamlining of manufacturing, finance & personnel operations for TV, radio, phonos. Recently appointed exec. v.p.-consumer products P. J. Casella (Vol. 14:41) announced Warren E. Albright, production mgr. of TV dept. will head new TV-radio Victrola production div. in charge of purchasing, production, materials, etc. at 6 manufacturing plants. P. W. Hofmann, controller of electron tube div., will head new consumer products administrative services unit, responsible for finance, personnel, quality control, etc. James M. Toney continues as v.p.-gen. mgr. of TV div., Raymond W. Saxon as v.p.-gen. mgr. of radio div., George M. Marek as v.p.-gen. mgr. of record div., all reporting to Casella.

On a more modest scale than Zenith, whose last annual report to stockholders embraced a brilliant catalog of its consumer products (Vol. 14:12), more companies are accompanying their periodical financial reports with folders and data about products in the belief that shareholders are "naturals" as customers. This week, Packard-Bell sent its stockholders a small dodger on stereo, with a particularly apt and simple diagram showing laymen how stereo works.

End to TV repair frauds in N. Y. area was sought this week by Attorney General Louis J. Lefkowitz at "conference on remedial measures" attended by 100 representatives of service organizations. Said Lefkowitz: "We're here to seek measures to protect public and legitimate repair supply dealers against alleged fraudulent activities" such as mislabeling & re-sale of used tubes, unnecessary and expensive repairs or parts replacements.

Portable stereo radio-phonos—reputedly world's first such combination—has been introduced by Emerson, priced at \$128. Sales director Arnold Henderson says it's "first to combine stereo hi-fi dual amplifier with 4-speed automatic stereo & monaural record changer enclosures that can be swung out at any angle or separated and placed up to 30 feet apart."

Excise tax collections on TVs, radios, phonos & components in fiscal 1958, reflecting lower production & sales, declined to \$146,422,000 from \$149,192,000 in 1957. Tax collections on phono records, however, were up from \$16,450,000 in 1957 to \$18,282,000 this year, reports Internal Revenue Service.

EIA stereo committee, designed to recommend transmission standards, may be announced next week. Sought as chairman, but unavailable because of duties as IRE president, was Philco research director Donald Fink.

Hi-Fi in Mexico City: Annual High Fidelity Fair in Mexico City, Nov. 22-30, has been opened to American manufacturers for first time.

IRE Professional Group on Vehicular Communication (Earl Miller, Motorola, chairman) holds annual convention in Chicago's Hotel Sherman, Dec. 4-5.

TV Sales Spurt: September "TV Month" promotion in Greater Los Angeles boosted sales to 30,984 sets from 21,147 in Aug., reports Electric League of Los Angeles.

New EIA Directory, showing officers, divisional organization, chief executives of member companies, was mailed this week to members.

## Financial Reports:

**Z**ENITH UPSURGE continues, earnings for 9 months & 3rd quarter ended Sept. 30 again establishing new records as sales zoomed from year-ago levels. Report Oct. 28 by pres. Hugh Robertson estimates consolidated earnings at \$6,537,561 (\$6.64 per share) in first 3 quarters, up 33.8% from \$4,885,301 (\$4.96) in same 1957 period. Third quarter net was \$3,547,877 (\$3.60), up 42.6% from \$2,487,164 (\$2.53) year earlier. Consolidated sales (TV, radio, hi-fi, hearing aids) in 9 months were \$128,119,289, up 15.3% from \$111,134,285 year earlier. Sales in 3rd quarter were \$53,648,783, up 20.2%. Report doesn't give figures on TV sales & earnings, but says 9-month factory shipments hit new high—17% ahead of 3 quarters of 1957 while radio shipments were 7% ahead.

Motorola 3rd quarter earnings were \$1,739,429 (90¢ per share) on sales of \$52,618,421 vs. \$1,940,644 (\$1) on \$60,356,275 in same 1957 period. This brought 9-month earnings to \$3,217,726 (\$1.66) on sales of \$137,162,983 vs. \$5,350,422 (\$2.76) on \$166,023,034 in 1957 period. Noting improvement from 2nd quarter, pres. Robert W. Galvin said current uptrend should continue through 4th quarter with substantially higher volume and profit over 1957 period.

Hoffman Electronics improved earnings slightly in 3rd quarter to \$369,368 (50¢ per share) on sales of \$9,425,243 vs. \$350,020 (47¢) on \$9,993,286 in same 1957 quarter. For 9 months, earnings were \$1,173,614 (\$1.58) on sales of \$27,908,848 vs. \$1,214,319 (\$1.65) on \$31,119,324 in same period last year.

Pacific Mercury, which makes Silvertone TV sets for Sears Roebuck, as well as electronic organs, etc., earned \$329,235 (47¢ per share) on sales of \$18,477,918 in fiscal year ended June 30 vs. \$557,754 (80¢) on \$20,001,656 preceding year.

Magnavox's first fiscal quarter to Sept. 20 resulted in earnings of \$722,000 (69¢ per share) on sales of \$17,082,000 vs. \$920,000 (90¢) on \$19,222,000 in same 1957 period. (For last annual report, see Vol. 14:40.)

Collins Radio net income was \$1,081,975 (58¢ per share) on sales of \$107,569,379, after giving effect to \$1,338,724 special credit, in fiscal year ended July 31 vs. \$2,192,946 (\$1.29) on \$127,490,768 preceding year.

Tung-Sol, in 39 weeks ended Sept. 27, earned \$1,766,922 (\$1.76 per share) on sales of \$43,002,356 vs. \$2,221,359 (\$2.43) on \$46,512,610 in comparable 1957 period.

P. R. Mallory earned \$1,632,045 (\$1.05 per share) on sales of \$49,163,476 in 9 months ended Sept. 30 vs. \$2,701,313 (\$1.78) on \$60,552,262 in same 1957 period.

Dividends: Emerson, 3% stock payable Dec. 15 to stockholders of record Nov. 14; Magnavox, 37½¢ Dec. 15 to holders Nov. 25; Storer, 45¢ plus 6¢ on "B," both Dec. 15 to holders Nov. 28; Westinghouse, 50¢ Dec. 1 to holders Nov. 7; Stanley Warner, 25¢ Nov. 26 to holders Nov. 10; International Resistance, 5¢ Dec. 1 to holders Nov. 14; Tung-Sol, 35¢ Dec. 2 to holders Nov. 12; P. R. Mallory, 35¢ Dec. 10 to holders Nov. 14; General Tire & Rubber, 17½¢ Nov. 28 to holders Nov. 10.

Admiral elects to board of directors Charles S. Vrtis, partner of Glore, Forgan & Co., investment bankers, and secy. George E. Driscoll, also named treas.

Arleigh P. Hess, co-chairman of Woodcock, Hess, Moyer & Co., Philadelphia investment house, elected to board of Telechrome Mfg. Co.

Westinghouse's comeback continued in 3rd quarter when its earnings were highest for any comparable period since 1950, running \$19,038,000, or \$1.09 per share on 17,070,543 shares outstanding vs. \$18,487,000 or \$1.07 on 16,840,988 shares in same 1957 period. Sales were down, however, to \$460,538,000 from \$494,334,000. For 9 months ended Sept. 30, net income was \$49,011,000 (\$2.79) sales of \$1,384,499,000 vs. \$49,102,000 (\$2.83) on \$1,477,273,000 in same 1957 period. Chairman Gwilym A. Price, noting that earnings ran 73¢ a share in first quarter, 97¢ in 2nd, said quarter by quarter increase was achieved despite growing squeeze on profit caused by lower sales and higher labor & materials costs; that sales of consumer products have increased steadily each quarter.

Ling Electronics, Culver City, Cal., reports earnings of \$227,161 (25¢ per share) in fiscal year ended July 31 vs. \$308,485 (35¢) preceding year. Ling has filed SEC proposal (File 2-14463) for registration of \$922,500 of 5¾% subordinated convertible debentures due Dec. 1, 1970, offering them in exchange for equal principal amounts of outstanding 3% income notes of subsidiary Calidyne Co., due 1967.

Litton Industries earned \$3,702,203 (\$2.13 per share) on sales of \$85,155,473 in fiscal year ended July 31 vs. \$1,806,493 (\$1.31) on \$28,130,603 year earlier, results reflecting "pooling of interests" with Monroe Calculating Machine from Aug. 1, 1957.

RKO Teleradio Pictures TV-radio div. showed profit of about \$4,300,000 in 9 months ended Aug. 31, but losses of RKO theatrical film div. (now being liquidated with \$9,600,000 reserve) more than offset its earnings, reports parent General Tire & Rubber Co. Result was that General Tire's consolidated net for period dropped to \$5,331,368 (91¢ per share) from \$8,545,592 (\$1.61) year earlier, although sales rose to \$321,405,954 from \$311,091,049. GT pres. Wm. O'Neil stated that, with theatrical film div. discontinued, earnings outlook is "excellent" for RKO properties including 5 TV & 7 radio stations, Yankee & Don Lee Networks, RKO-TV (for full listings, see *Television Factbook No. 27*, p. 387).

United Artists Associated Inc. has completed acquisition of all assets of Associated Artists Productions Corp. (Vol. 14:41), 98% of outstanding AAP shares having been tendered in \$30,000,000 deal for which UAA's parent United Artists Corp. started negotiations more than year ago. UAA-UA chairman Robert S. Benjamin said AAP operating personnel will continue, UAA supervising TV distribution of AAP's films. They include pre-1950 Warner Bros. library of 1000 pictures, 60 *Looney Tunes*, 277 *Merrie Melodies*, 235 *Popeye* cartoons.

Meredith Publishing Co., (*Better Homes & Gardens*, *Successful Farming*), with 4 TV & 5 radio station subsidiaries (see *Television Factbook No. 27*, p. 386), reports over-all earnings of \$786,899 (61¢ per share) on revenues of \$11,716,354 in first fiscal quarter ended Sept. 30 vs. \$947,995 (73¢) on \$12,046,756 same quarter last year.

\* \* \* \*

Reports & comments available: On Sylvania, analysis by Sutro Bros. & Co., 120 Broadway, N. Y. On Magnavox, review by Zuckerman, Smith & Co., 61 Broadway, N. Y. On Avco, report in *Listening Post* of Bache & Co., 36 Wall St., N. Y. On Texas Instruments and ITT, comments in *Investor's Reader* of Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., N. Y. On AT&T, analysis by Theodore Tsolainos & Co., 1 Wall St., N. Y. On Electronics Corp., study by E. F. Hutton & Co., 61 Broadway, N. Y.

**CBS Radio's New Look:** Losses in its radio networking—running “several million dollars” annually—plus demand of affiliates for larger blocks of time for local programming, impelled CBS to adopt curtailed programming plan due to start Jan. 1, and its affiliates affirmed move by 84% vote at convention in New York this week.

Basically, new Program Consolidation Plan (PCP) does this: (1) Cuts to about 30 hours weekly the programming which stations will be required to take (from average of about 49 taken now). (2) Gives affiliates about 7 hours of news weekly for purely local sale. (3) Gives CBS 5¼ hours daily for its own sale. (4) Eliminates almost entirely CBS payments to stations.

Whole purpose of change is to save CBS programming costs while enabling affiliates to retain the “network sound” with news and name performers. At same time, affiliates will have substantial chunks of time for local programming, notably sports. Essentially, stations now will give to CBS 30 hours of free time, compared with present 10, in turn getting the opportunity to sell a flock of CBS news programs locally.

Affiliates will be able to sell locally: “Most” (how many not yet certain) of 14 daily 5-min. on-the-hour newscasts and two 15-min. a.m. & p.m. *World News Roundups*. Stations will pay CBS nothing for these.

CBS will have 5¼ hours daily to sell, retaining revenues for itself, making no station payments: 2 morning hours of Arthur Godfrey, Art Linkletter and similar programs, Mon.-thru-Fri.; 2-hour block of afternoon serials Mon.-thru-Fri.; 1¼ hours of Lowell Thomas, Edward Murrow, et al, 6:45-8 p.m. Mon.-thru-Fri. In addition, it will sell 5-7 p.m. Sun. drama and 7-8 p.m. Sun. Mitch Miller.

Sustaining public affairs programs, like funeral of Pope Pius XII, will be offered as usual—in addition to such week end sustainers as N.Y. Philharmonic, *Face the Nation*, Salt Lake City Tabernacle Choir, *Capitol Cloakroom*, *Church of the Air*, *Unit One*.

\* \* \* \*

One problem CBS will face is possible defections of affiliates who want more than CBS will give. There are reports, already, of major affiliates shopping around for switches, notably to NBC.

All radio networks have been losing money and making no bones about it—though NBC boasts that it has been cutting losses every quarter, now claims 48% of all business on all networks (excluding MBS, from which figures aren't available).

Latest official figures are from FCC, for 1956, and they show radio networks—combined with their owned-&

operated stations—earned mere \$400,000 before taxes that year, compared with peak of \$19,600,000 in 1947. FCC doesn't segregate network operations from o-&-o's. Station Representatives Assn. estimates radio networks will show slight increases in gross from \$50,000,000 in 1957 to \$55,000,000 projected for this year—after dropping steadily from peak of \$133,723,098 in 1948.

This network drop occurred in face of spot rise from \$104,759,761 to estimated \$192,000,000 in same 10-year period, while local sales shot from \$170,908,165 to estimated \$325,000,000 (see *TV Factbook No. 27*, p. 26).

\* \* \* \*

PCP has been in preparation 2 months by CBS executives under CBS Radio pres. Arthur Hull Hayes, in consultation with affiliates committee comprising: Charles Caley, WMBD, Peoria, chairman; John S. Hayes, WTOP, Washington, vice chairman; Lee D. Wailes, Storer stations, director at large.

Said CBS Radio pres. Hayes: “This plan is intended to strengthen the audience values and the financial stability of both the CBS Radio network and its affiliates without whose continuing strength the values of network radio to the people of this country would not exist. By consolidation of our schedule, we are enabling our affiliates to present local programs over longer periods and to integrate these programs into the network schedule which will feature not only news in depth, as in the past, but a continuing schedule of on-the-hour reports by CBS News correspondents. The audience values and the financial stability of our affiliated stations and the network will be increased through the activation of this plan.”

Affiliates board stated: “The Board feels that both stations and network will be strengthened through implementation of this plan. It will further stabilize program structures of individual stations and the network, resulting in larger audiences for stations and advertisers and a greater service to the public, particularly in the areas of national and international news. It will also permit stations to program with even greater effectiveness with regard to special home area situations and unique community needs.”

Of the 103 affiliates voting for PCP, only 9 said “nay” and 8 abstained.

NBC Radio reacted with this statement by exec. v.p. Matthew J. (Joe) Culligan: “I sincerely hope every network can finalize on a formula which will make it a strong competitor. The NBC Radio network developed its ‘pattern-for-progress’ over 2 years ago and proved the logic of that pattern by moving to a point where NBC Radio now has 48% of the sponsored hours on all 3 networks.”

Other NBC spokesmen made it clear NBC has no plans for format changes—recalled statement of RCA chairman David Sarnoff 4 years ago to effect that “network radio is a poor investment” but that NBC was first in the business and would be “last to get out.” ABC offered no comment on CBS move.

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ABC-TV Hails WTAE: Entry of ABC-TV into Pittsburgh market following affiliation with WTAE (Ch. 4), which went on air Sept. 14 (Vol. 14:37), was celebrated Oct. 30 by network & station in special ceremonies there. Feature was studio presentation of network-produced “cellomatic” show, “Business Builds Business,” tracing Pittsburgh's economic & TV growth, relating ABC-TV's advances. Top network brass on hand for event included AB-PT pres. Leonard H. Goldenson, ABC-TV pres. Oliver Treyz, ABC-TV gen. sales mgr. Donald W. Coyle. Station participants included exec. v.p. Leonard Kapner, gen. mgr. Franklin C. Snyder.

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Loew's Inc. spinoff plan, separating its N. Y. radio WMGM and 102 U. S. & Canadian theatres from rest of movie company, was approved 16-3 by board of directors this week in N. Y. By same vote, upholding pres. Joseph R. Vogel, board rejected alternative proposal by minority directors to spin off MGM film studios instead. Under adopted plan, subject to Federal court approval under terms of decree divorcing film production from theatre operation, MGM would be lumped in with company's 49 foreign theatres, record div., music publishing properties and TV interests—including 25% of KTTV. Los Angeles. and \$33,000,000 contracts for sale of pre-1948 films to TV.

Full Text of Final Judgment

## Department of Justice Anti-trust Action Against RCA

Entered in United States District Court for the Southern District of New York, October 28, 1958

With Official Statements by Dept. of Justice and by RCA Chairman David Sarnoff & President John L. Burns

(For story, see *Television Digest*, Vol.-14:44)

IN THE UNITED STATES DISTRICT COURT  
FOR THE  
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,  
*Plaintiff,*

v.

RADIO CORPORATION OF AMERICA,  
*Defendant.*

Civil No. 97-38

### FINAL JUDGMENT

The plaintiff, United States of America, having filed its complaint herein on November 19, 1954; the defendant, Radio Corporation of America, having appeared and filed its answer to the complaint on March 29, 1955, denying the substantive allegations thereof, and the plaintiff and the defendant by their respective attorneys having severally consented to the entry of this Final Judgment without trial or adjudication of or finding on any issues of fact or law herein and without this Final Judgment constituting evidence or an admission by either of them in respect to any such issue;

NOW, THEREFORE, before any testimony has been taken and without trial or adjudication of or finding on any issue of fact or law herein, and upon consent of the parties as aforesaid, it is hereby

ORDERED, ADJUDGED AND DECREE as follows:

#### I

This Court has jurisdiction of the subject matter herein and of the parties hereto. The complaint states claims upon which relief may be granted against the defendant under Sections 1 and 2 of the Act of Congress of July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies," commonly known as the Sherman Antitrust Act, as amended.

#### II

As used in this Final Judgment:

(A) "RCA" shall mean the defendant Radio Corporation of America and each of its subsidiaries.

(B) "Domestic patent" shall mean United States Letters Patent (and all reissues, divisions and extensions thereof) relating to, but only in so far as they relate to, the manufacture, use or sale of any radio purpose apparatus.

(C) "Foreign patent" shall mean foreign patents (and all reissues, divisions and extensions thereof) relating to, but only in so far as they relate to, the manufacture, use or sale of any radio purpose apparatus.

(D) "Person" or "applicant" shall mean any individual, partnership, corporation, association, firm, trustee or other legal entity.

(E) "Radio purpose apparatus" shall mean equipment,

any systems and circuits for use of such equipment, which transmits or receives, or is used in the transmission or reception of, signals by means of electronic impulses or waves for whatever use (e.g., radio, television [including color television apparatus], radar, sonar, loran, and guiding and controlling devices), or any part thereof including tubes or transistors, except such apparatus when used for public service communication for toll. The term "radio purpose apparatus" shall not be deemed to include medical or therapeutic apparatus, business machines, electron microscopes, microanalyzers, diffraction cameras, high frequency heating apparatus, or devices for actuating other mechanisms by the presence, absence or intensity of light or color.

(F) "Color television apparatus" shall mean color television broadcast receiving sets, color television picture tubes and color television transmitters and associated studio equipment capable of transmitting and/or reproducing a picture embodying two or more chromatic colors.

(G) "Public service communication for toll" shall mean communication (including the sending or the reception or both) by wire or radio for the public by a person in a public utility capacity for hire or toll but shall not include services limited to a particular customer or class of customer whether or not such services are combined with services for the public.

#### III

The provisions of this Final Judgment shall apply to RCA, and to each of its subsidiaries, officers, directors, employees, agents, successors and assigns, and to all other persons in active concert or participation with RCA who receive actual notice of this Final Judgment by personal service or otherwise.

#### IV

RCA is enjoined and restrained from:

(A) Entering into, adhering to, enforcing or claiming any rights under any term or provision of any contract, agreement or understanding, which term or provision or understanding allocates or divides territories, fields or markets for the manufacture, use or sale of radio purpose apparatus or for the licensing of domestic or foreign patents or other inventions;

(B) Entering into or adhering to any contract, agreement, understanding, plan or program under which any domestic or foreign patents are licensed upon the condition, agreement or understanding that the licensee will limit or cause any other person to limit imports into or exports from any country;

(C) (i) Entering into or renewing any contract, agreement or understanding under which any foreign patents are licensed by any person who directly or indirectly licenses patents owned or controlled by any person other than RCA; (ii) failing to give notice of the cancellation of any such contract, agreement or understanding within

thirty (30) days from the date of entry of this Final Judgment under any present right of cancellation, or adhering to any such contract, agreement or understanding after such cancellation; (iii) granting permission for any such person party to any such contract, agreement or understanding to institute infringement suits under RCA foreign patents;

(D) Entering into or renewing any contract, agreement, understanding, plan or program under which any owner or licensor of any foreign patent requires that radio purpose apparatus be manufactured in the country issuing such foreign patent;

(E) Except as permitted in V (C) and (D) hereof, conditioning, directly or indirectly, the issuance by RCA (i) of any license under any domestic patent upon the granting back to RCA a license or any rights under any domestic or foreign patent, or (ii) to any domestic applicant of any license under any foreign patent upon the granting back to RCA a license or any rights under any domestic patent, provided such applicant is actually engaged in and remains, and intends in good faith to remain, in the business of manufacturing in the United States;

(F) Conditioning, directly or indirectly, the grant of a license under any domestic patent upon the prospective licensee taking a license under any other domestic patent;

(G) Instituting, or causing any other person to institute, any suit or proceeding for any act of infringement of any domestic patent owned, controlled or licensed by RCA at the date of entry of this Final Judgment alleged to have occurred prior to the date of entry of this Final Judgment, and from enlarging or changing the nature of any pending counterclaim for patent infringement, or substituting for or adding to any patents asserted in such counterclaim;

(H) Licensing any domestic patent on terms which restrict in any manner the right of the licensee to make, use, lease or sell any particular products constituting radio purpose apparatus, but varying royalty rates may be charged for different products;

(I) Licensing any domestic patent on terms which do not permit deduction from the net selling price, against which royalties are assessed, for services or unpatented parts or patented parts on which RCA has collected royalties;

(J) Licensing or offering to license any domestic patent or limited number of domestic patents at the same royalty rate which RCA licenses or offers to license a greater number of domestic patents, if there is a difference between the reasonable value of the license under the lesser number of domestic patents and the reasonable value of the license under the greater number of domestic patents, the burden of going forward with the evidence as to such difference to be on RCA in any proceeding with respect thereto.

V

(A) RCA is ordered and directed to grant, to the extent that it has the power to do so, to any applicant making written request therefor an unrestricted, nonexclusive and royalty-free license to make, have made, use, lease or sell any radio purpose apparatus, under all claims of any, some or all, as the applicant may request, domestic patents owned or controlled by RCA issued prior to the date of entry of this Final Judgment (other than the patents listed in Exhibit A to this Final Judgment in so far as they apply to color television apparatus) and under all claims of any, some or all, as the applicant may request, domestic patents under which RCA has or shall acquire sublicensing rights under any agreement entered into prior to the date of entry of this Final Judgment, such license to be for the full unexpired term of the patents licensed, or for such lesser term as the applicant may request.

(B) RCA is ordered and directed to grant, to the extent that it has the power to do so, to any applicant making written request therefor an unrestricted, nonexclusive license to make, have made, use, lease or sell any radio purpose apparatus, such license to be at reasonable royalties under all claims of any, some or all, as the applicant may request, of the domestic patents owned or controlled by RCA issued, or under which RCA may have sublicensing rights acquired pursuant to Section IX (B) of this Final Judgment, during the period of ten years subsequent to the date of entry of this Final Judgment and of the patents listed in Exhibit A to this Final Judgment in so far as they apply to color television apparatus, such license to be for the full unexpired term of the patents licensed, or for such lesser term as the applicant may request.

(C) Notwithstanding the provisions of subsection (B) hereof, RCA is further ordered and directed to place the patents listed in Exhibit A [below] to this Final Judgment (and any and all domestic patents which RCA may own or control issuing on any invention the use of which required in order to comply with the color television technical standards adopted by Order of the Federal Communications Commission, provided such invention is contained in a patent application filed in the United States Patent Office prior to the date of entry of this Final Judgment) in a color television patent pool which all persons engaged in the manufacture of radio purpose apparatus shall be free to join, without regard to whether such person has any patent, or has the right to license any patent, on condition that such person also places in said pool, to the extent that it has the power to do so, such domestic patents applicable to color television apparatus as it may have the right to license issued on or before the date of entry of this Final Judgment (and any and all domestic patents which such person may acquire the right to license issuing on any invention the use of which is required in order to comply with the color television technical standards adopted by Order of the Federal Communications Commission, provided such invention is contained in a patent application filed in the United States Patent Office prior to the date of entry of this Final Judgment), all the patents placed in said pool to be licensed to all members of said pool royalty-free, non-exclusively and without restriction for the manufacture, use, lease and sale of color television apparatus for the full unexpired term of such patents.

(D) (i) RCA shall not be required to grant a license under any patent owned by RCA to any applicant under the provisions of subsection (A) hereof, or continue such a license in effect, unless such applicant agrees, upon written request made at the time of his application or at any time thereafter, to grant to RCA, to the extent such applicant has the power to do so, a non-exclusive license to make, have made, use, lease or sell radio purpose apparatus (other than color television apparatus) of the same general character or kind as that for which a license from RCA is applied for or granted under all claims of

EXHIBIT A

|           |           |           |           |           |
|-----------|-----------|-----------|-----------|-----------|
| 2,299,333 | 2,633,554 | 2,740,889 | 2,768,296 | 2,816,230 |
| 2,344,810 | 2,633,555 | 2,742,524 | 2,782,333 | 2,817,276 |
| 2,431,115 | 2,650,264 | 2,742,615 | 2,785,336 | 2,817,788 |
| 2,440,418 | 2,663,821 | 2,742,627 | 2,789,212 | 2,820,174 |
| 2,446,791 | 2,677,720 | 2,744,155 | 2,791,644 | 2,821,671 |
| 2,449,969 | 2,677,721 | 2,747,136 | 2,795,717 | 2,824,172 |
| 2,477,557 | 2,677,779 | 2,749,475 | 2,795,719 | 2,824,267 |
| 2,497,840 | 2,678,348 | 2,750,438 | 2,795,733 | 2,830,112 |
| 2,503,700 | 2,681,379 | 2,750,440 | 2,795,734 | 2,831,968 |
| 2,536,838 | 2,707,248 | 2,750,456 | 2,799,723 | 2,832,819 |
| 2,545,325 | 2,712,568 | 2,751,430 | 2,799,798 | 2,834,911 |
| 2,551,228 | 2,719,242 | 2,751,519 | 2,806,162 | 2,835,728 |
| 2,554,693 | 2,726,340 | 2,751,520 | 2,806,163 | 2,837,692 |
| 2,560,351 | 2,728,812 | 2,752,520 | 2,806,164 | 2,841,702 |
| 2,561,059 | 2,728,857 | 2,755,402 | 2,809,133 | 2,842,708 |
| 2,561,089 | 2,729,764 | 2,755,405 | 2,810,779 | 2,845,481 |
| 2,595,548 | 2,733,164 | 2,757,232 | 2,811,577 | 2,846,608 |
| 2,598,134 | 2,736,765 | 2,758,155 | 2,811,580 | 2,847,600 |
| 2,630,542 | 2,736,766 | 2,761,916 | 2,811,636 | 2,851,542 |
| 2,633,538 | 2,737,609 | 2,762,874 | 2,813,225 | 2,855,529 |



any domestic patent issued prior to the date of entry of this Final Judgment, owned or controlled, directly or indirectly, by such applicant, or under which such applicant has sublicensing rights, such license to be at reasonable royalty.

(ii) RCA shall not be required to grant to any applicant under the provisions of subsection (B) hereof, a license to make, have made, use, lease or sell color television apparatus under any patent listed in Exhibit A to this Final Judgment, or continue such a license in effect, unless such applicant agrees upon written request made at the time of his application or at any time thereafter to grant to RCA, to the extent such applicant has the power to do so, a nonexclusive license to make, have made, use, lease or sell color television apparatus of the same general character or kind as that for which a license from RCA is applied for or granted under all claims of any domestic patent issued prior to the date of entry of this Final Judgment, owned or controlled, directly or indirectly, by such applicant, or under which such applicant has sublicensing rights, such license to be at reasonable royalty.

(iii) RCA shall not be required to grant to any applicant under the provisions of subsection (B) hereof a license under any of the domestic patents owned or controlled by RCA issued, or under which RCA may have sublicensing rights acquired pursuant to Section IX (B) of this Final Judgment, during the period of ten years subsequent to the date of entry of this Final Judgment or continue such a license in effect unless such applicant agrees upon written request made at the time of his application or at any time thereafter to grant to RCA, to the extent to which such applicant has the power to do so, a nonexclusive license to make, have made, use, lease or sell radio purpose apparatus of the same general character or kind as that for which a license from RCA is applied for or granted under all claims of any domestic patent issued during the period of ten years subsequent to the date of entry of this Final Judgment, owned or controlled, directly or indirectly, by such applicant, or under which such applicant has sublicensing rights, such license to be at reasonable royalty.

(iv) Each license to RCA granted pursuant to (i), (ii) or (iii) hereof shall be for the same term, or for the remainder of such term, as the case may be, (so far as the life of the patent or patents involved permits), for which the license to the applicant from RCA pursuant to which RCA requested such license from such applicant shall be in effect.

(v) An applicant shall be required to grant to RCA a license provided for in (i), (ii) or (iii) of this subsection (D) only under a patent (a) which is being licensed (or under which a license is being offered) to any manufacturer or user other than the applicant with respect to radio purpose apparatus of the same general character or kind as that for which a license from RCA is applied for or granted, or (b) the use of which by any other person than the applicant is being knowingly allowed or suffered in any way, including by failure to assert such patent against any person infringing it, with respect to radio purpose apparatus of the same general character or kind as that for which a license from RCA is applied for or granted, and (c) covering an invention which is being utilized by RCA with respect to radio purpose apparatus of the same general character or kind as that for which a license from RCA is applied for or granted.

(E) The patents subject to the provisions of subsections (C) and (D) hereof shall include any and all patents owned or controlled by any parent or subsidiary of, or by any person subject to the same control as: (1) RCA, (2) any person referred to in subsection (C) hereof, and (3) any applicant referred to in subsection (D) hereof, as the case may be.

(F) Upon receipt of a written request for a license pursuant to subsection (B) hereof, RCA shall advise the

applicant in writing of the royalties which RCA deems reasonable for the license requested of RCA. Upon receipt of a written request for a license pursuant to subsection (D) hereof, the applicant, or the licensee of RCA, as the case may be, shall advise RCA in writing of the royalties which it deems reasonable for the license requested by RCA. If the parties are unable to agree within ninety (90) days from the receipt of a written request for a license herein provided for upon reasonable royalties or any other terms, the applicant or RCA may apply to this Court for the determination of reasonable royalties and other terms, and RCA shall, upon filing or receipt of notice of the filing of such application to this Court, promptly give notice thereof to the plaintiff. In any such proceeding the burden of proof shall be on RCA to establish the reasonableness of royalties or other terms requested by it, and on the applicant to establish the reasonableness of royalties or other terms requested by the applicant. Pending final determination of the foregoing, the applicant or RCA may apply to this Court to fix interim royalty rates and other interim terms. If this Court fixes such interim rates or terms, the applicant or RCA, as the case may be, shall then tender and the applicant or RCA shall then accept an agreement under which licenses shall be granted in accordance with such interim determination, which shall provide that the royalty rates and other terms finally fixed by the Court shall supersede said interim rates and other terms retroactively as well as prospectively.

(G) RCA is enjoined and restrained from including any restriction whatsoever in any license granted by it pursuant to the provisions of this Section V except that

(1) the license may be nontransferable;

(2) a reasonable, non-discriminatory royalty may be charged except where the license is issued pursuant to subsections (A) or (C) hereof;

(3) reasonable provision may be made for periodic royalty reports by the licensee and inspection of the books and records of the licensee by an independent auditor or any person acceptable to both RCA and the licensee, who shall report to RCA only the amount of the royalty due and payable;

(4) reasonable provision may be made for cancellation of the license upon failure of the licensee to make the reports, pay the royalties or permit the inspection of books and records as hereinabove provided; and the license must provide that the licensee may cancel the license at any time after one year from the initial date thereof by giving thirty (30) days' notice in writing to RCA.

(5) the license must provide that the licensee may at any time after one year from the initial date thereof surrender its license under any specified patent or patents upon written notice to RCA; and shall further provide that upon such surrender the royalty rates shall be renegotiated if requested by the licensee in writing, and if there is a difference between the reasonable value of licenses granted to the licensee, including the patents affected by such surrender, and the reasonable value of such licenses without such patents, then such rates shall be reduced by an amount representing such difference, with access to the Court for determination of any dispute as to such difference as provided in subsection (F) above;

(6) the license must include (i) royalty-free grants of immunity, to the extent RCA has the power to do so, under all foreign patents owned or controlled by RCA corresponding to the patents licensed pursuant to this Section V for the sale and use of the apparatus manufactured under said license, (ii) in the case of foreign subsidiaries or divisions of corporate licensees, which are actually engaged in and remain, and intend in good faith to remain, in the business of manufacturing in the United States radio purpose apparatus of the same general character or kind as that for which the licenses

are sought, licenses for the manufacture, use, lease and sale of such apparatus under such foreign patents, such licenses to be royalty-free or at reasonable royalties to the same extent and subject to the same proceedings, terms and conditions with respect to foreign patents as the licenses provided for in subsections (A), (B), (D) and (F) hereof but without regard to subsection (C) hereof;

(7) the license must provide that the licensee is free to contest in any proceeding the validity and scope of any of the licensed patents.

(H) Any existing domestic licensee of RCA shall have the right to apply for and receive a license or licenses under this Final Judgment in substitution for its existing license or licenses from RCA in so far as future obligations and licenses are concerned, provided, however, that in that event the licensee shall agree that RCA shall have the option to continue in effect any license or licenses from such licensee to RCA, or to cancel any such license or licenses from such licensee to RCA in so far as future obligations and licenses are concerned; provided further that nothing in this Final Judgment shall affect any arbitration proceeding with respect to the use of RCA patents, which proceeding was instituted or agreed to prior to the date of entry of this Final Judgment, or any decision in any such arbitration proceeding.

## VI

RCA is enjoined and restrained from disposing of any patents, or rights thereunder, so as to deprive it of the power to grant or cause to be granted licenses as required under Section V of this Final Judgment unless it be a condition of such disposition that the transferee shall observe the provisions of said Section V with respect to the patents and rights so acquired and shall file with this Court, prior to such disposition, an undertaking to this effect; provided, however, that this Section VI shall not be deemed to apply to (i) any transfer of patents or rights thereunder to the plaintiff or any agency thereof, or (ii) a disclaimer, or a concession or other grant in interference proceedings.

## VII

(A) For so long as RCA offers the services of its Industry Service Laboratory to licensees under its domestic patents, such services shall be offered and furnished on a non-discriminatory basis to licensees and non-licensees; and any charge for such services shall be separate from, independent of, and unrelated to any other payments due RCA and shall be non-discriminatory between users of substantially the same type of service for substantially the same radio purpose apparatus.

(B) For a period of ten years subsequent to the entry of this Final Judgment RCA is ordered and directed to furnish to any licensee under its domestic patents under subsections (A), (B) or (C) of Section V of this Final Judgment requesting it, and for a reasonable and separate charge approximating cost, such of RCA's technical information as the licensee may reasonably need to enable him to utilize the invention or inventions of any domestic patent or patents licensed by RCA to such licensee in such licensee's manufacture of the apparatus licensed.

## VIII

RCA is ordered and directed (i) upon written request of any person, to furnish to such person a list, prepared as of January 1 of the year in which the request is made, of unexpired domestic patents owned by RCA and, to the extent RCA has knowledge thereof, a list of the unexpired domestic patents under which RCA has sublicensing rights, identified with the classification of the United States Patent Office and the date of issue of such patents, and, to the extent RCA does not have such knowledge, a list

of the persons the domestic patents of which RCA has the right to sublicense, (ii) upon written request of an applicant for a license, to give the same information with respect to the domestic patents covered by the license at the time of its issuance, and (iii) upon written request of any licensee of RCA under this Final Judgment to give the same information with respect to the domestic patents, and the patent number and date of issue as to foreign patents, licensed by or under which immunities are given by RCA to such licensee as of the date of such request; in each case within a reasonable time after receipt of such request.

## IX

(A) RCA is enjoined and restrained for a period of ten years from the date of entry of this Final Judgment from acquiring, directly or indirectly, title to any domestic patent on any invention other than an invention made by an employee of RCA or any of its subsidiaries, or by a person for RCA pursuant to a research, development or consulting contract, except where this Court, upon application by RCA and notice to the plaintiff, shall find that RCA could not obtain a nonexclusive license under the patent on reasonable terms.

(B) RCA is enjoined and restrained, except where this Court upon application and notice to the plaintiff shall find good cause therefor, from acquiring any exclusive license under, or any right to grant sublicenses under, any domestic patent owned or controlled by any other person, except such sublicensing rights obtained by RCA under agreements entered into prior to the date of entry of this Final Judgment.

## X

RCA is enjoined and restrained from making, performing, enforcing or adhering to any restriction or condition on any licenses or other rights under domestic or foreign patents granted by or to it that (i) imposes any quantity or dollar limitations, (ii) restricts sales to designated customers or classes of customers, (iii) restricts the price at which licensed apparatus may be sold, or (iv) divides fields of manufacture, sale or distribution of any apparatus or the licensing of domestic or foreign patents or other inventions with others.

## XI

RCA is ordered and directed to mail a copy of this Final Judgment to all its existing licensees under domestic patents for radio purpose apparatus within thirty (30) days from the date of entry of this Final Judgment.

## XII

For the purpose of securing compliance with this Final Judgment, duly authorized representatives of the Department of Justice shall, upon written request of the Attorney General, or the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to RCA made to its principal office, be permitted, subject to any legally recognized privilege, (i) reasonable access during the office hours of said defendant to all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of RCA relating to any matters contained in this Final Judgment, and (ii) subject to the reasonable convenience of RCA and without restraint or interference from it, to interview officers or employees of RCA, who may have counsel present, regarding any such matters. RCA, upon the written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, and upon reasonable notice made to its principal office, shall submit such written reports with respect to any of the matters contained in this Final Judgment as from time to

time may be necessary for the enforcement of this Final Judgment. No information obtained by the means provided in this Section shall be divulged by any representative of the Department of Justice to any person other than a duly authorized representative of such Department, except in the course of legal proceedings to which the United States is a party for the purpose of securing compliance with this Final Judgment or as otherwise required by law.

### XIII

Jurisdiction of this cause is retained for the purpose of enabling any of the parties to this Final Judgment to apply to this Court at any time for such further orders and directions as may be necessary or appropriate in relation to the construction of or carrying out of this Final Judgment, for the modification or termination of any of the provisions thereof, and for the purpose of the enforcement of compliance therewith and the punishment of violations thereof.

Dated: October 28, 1958

E. J. DIMOCK  
*United States District Judge*

We hereby consent to the making and entry of the foregoing Final Judgment:

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## Statement by Department of Justice Explaining RCA Consent Judgement

ATTORNEY GENERAL William P. Rogers announced today the successful conclusion of one of the Department's most important anti-trust cases by the entry of a consent judgment against Radio Corporation of America in the Federal District Court in New York City.

The Government's civil complaint filed November 19, 1954, charged that RCA had violated the Sherman Anti-trust Act in that it had monopolized the patent licensing business in radio purpose apparatus by means of various agreements which restrained both that licensing business and the manufacture, sale and distribution of radio purpose products and devices.

The complaint charged that RCA achieved its power by amassing ownership of, and rights to use and license others under, approximately 10,000 United States patents in the radio purpose field. With this mass of patents, it was alleged that RCA licensed almost all manufacturers of radio purpose apparatus under standard form agreements, called "package licenses." These licenses contained provisions requiring licensees to accept licenses under all of RCA patents; restricting the end use of the products manufactured under the license; providing for payment of the same royalties irrespective of whether any or all of RCA patents were used in the manufacture; and assessing royalties computed on the selling price of the completed products which included unpatented and unpatentable materials.

The format of the consent judgment entered today may be outlined as follows: (1) Compulsory licensing of patents: the terms under which *existing patents* must be licensed by RCA, the licensing of *100 listed patents* related to color television apparatus, and the licensing of *future patents* (those acquired by RCA within the next ten years); (2) prohibitions against various licensing and commercial practices; and (3) certain general provisions requiring RCA to furnish certain services or limiting its operations in certain respects.

Initially, it should be noted that the judgment defines "radio purpose apparatus" broadly to mean equipment which transmits or receives signals by way of electronic impulses (other than apparatus used for public service communication).

Existing patent rights as to radio purpose apparatus: Under the judgment RCA is required to license, on a royalty free basis, all of its existing patents relating to the manufacture, use or sale of radio purpose apparatus. It is estimated that approximately 12,000 patents and patent rights are affected by this requirement of the judgment. One hundred of these patents, listed in the judgment and relating to color television apparatus, must be licensed on special terms, described below.

These existing patents must be licensed to all persons on a basis which permits the applicant to choose among the patents and without restriction as to type of radio purpose apparatus which may be made or sold under the license. The license must be for the life of the patents unless the applicant requests a shorter term. If the applicant already has a license from RCA, he may substitute the new license under the judgment for the old one, thus obtaining all the benefits available to any new licensee. This right of substitution depends upon the applicant giving RCA the right of cancellation of its license from the applicant. Licenses issued by RCA under the judgment must provide a royalty free right of immunity for the domestic manufacturer to use and sell in foreign countries where RCA has patents corresponding to those domestic patents covered by the license.

As to the *100 listed patents relating to color television apparatus*, RCA must place these patents in a so-called "pool" and license them royalty free to all members of the pool. Membership in the pool is available to all concerns on the following terms: if the concern has an existing patent relating to color television apparatus and is willing to license it royalty-free to all members of the pool, that concern must file a statement to that effect with the Clerk of the United States District Court in New York City. A concern which does not have any color television apparatus patents, but which is desirous of joining the pool should file a statement with the clerk indicating those two facts. Under the terms of the judgment, only existing color television patents are required to be placed in the pool and the pool automatically terminates when the oldest patent placed in it expires. Any person not desiring to join the pool may, under the judgment, obtain a

license from RCA under any, some or all of the 100 listed color television patents at reasonable royalties.

Under the judgment, any *future patent* relating to radio purpose apparatus which RCA acquires within the next ten years, must be licensed to any applicant upon a reasonable royalty basis. These future patent licenses must contain the same terms relating to sales in foreign countries as those licenses under existing patents. Of particular significance is the requirement of the judgment that RCA must make it a term of any license, under existing and future patents, that the licensee may at any time contest the validity and scope of the patents licensed and may surrender the license under some of the patents, with the right to renegotiate the royalty rate, or cancel the license at any time after the first anniversary date of the license.

Because the Government's case was primarily aimed at an alleged illegal monopolization of the business of licensing radio purpose patents, and the research and development relating to this field rather than of manufacturing, the judgment permits RCA to require of any applicant for a license under the judgment a limited, reciprocal license back to RCA, on a reasonable royalty basis, under patents owned or controlled by the applicant. Before RCA may insist upon such a reciprocal license, however, (a) the applicant must have licensed, offered to license, or knowingly allowed others to use the patents to manufacture or sell radio purpose apparatus under the patent, (b) RCA must be using the invention covered by the patent, and (c) the apparatus which RCA desires to make or sell under the patent must be of the same general character or kind as that for which a license from RCA is sought by the applicant. RCA must pay a reasonable royalty for this reciprocal license, irrespective of whether the applicant seeks a royalty free or royalty bearing license from RCA.

**Injunctions as to licensing and other commercial practices of RCA:** The judgment contains a number of injunctions against RCA future patent licensing practices, all designed to prevent RCA in the future from engaging in those activities alleged in the complaint to have been used to achieve its dominant power in the patent licensing business in the radio purpose apparatus field. Thus, RCA is enjoined from conditioning the issuance of a patent license upon a grant back of a license to RCA, except those reciprocal licenses specifically permitted in connection with the compulsory licensing provisions of the judgment. RCA is enjoined from (a) licensing its foreign patents through any other person engaged in licensing patents owned by someone else; (b) conditioning the grant of a license under one patent upon an applicant taking a license under another patent; (c) having any

agreement or program under which any foreign or domestic patents are licensed upon the understanding that the licensee will limit imports into or exports from any country; and (d) restricting a licensee to the manufacture, use or sale of any particular product within the radio purpose field.

The judgment further requires, in effect, that in assessing royalties against the net selling price of an article RCA must permit deduction for services or unpatented parts. RCA is also prohibited from licensing a limited number of patents at the same royalty rate at which it licenses a larger number of patents if there is a reasonable difference in their value. There are other injunctive provisions against allocating territories or fields for the manufacture or sale of radio purpose apparatus.

**General Provisions:** The judgment contains provisions which require that RCA, so long as it offers its Industry Services Laboratories services to licensees, must offer such services on a non-discriminatory basis to licensees and non-licensees; make available for ten years, for a reasonable charge, approximating cost, such of its technical information as the licensee may reasonably need to enable him to utilize the inventions or patents under which he is licensed by RCA; and annually make up a list of its patents available for licensing under the judgment. In order to prevent any future amassing of patents by RCA, the judgment enjoins RCA for a period of ten years from acquiring title to patents from anyone not in its employment and, perpetually, from acquiring exclusive licenses under, or any right to grant sub-licenses under, any U. S. patent owned by someone else, without first securing court approval.

\* \* \* \*

Victor R. Hansen, Assistant Attorney General in charge of the Antitrust Division, commenting on the judgment, stated:

"The Government's complaint in this case alleged that RCA's practices gave it a monopoly of radio-television research, patents, patent rights and patent licensing—all having the result of discouraging other manufacturers from realizing their full research, manufacturing and profit potentialities. The judgment entered today, applying well established legal principles, cuts through the jungle of patents and patent rights and makes them available to the entire industry. The judgment assures that hereafter patent owners in this field will have a competitive market for their inventions or will be in a position to exploit the fruits of their own research.

"Our hope is that today's judgment, by assuring availability of existing and future patent rights, will signal a new era of development for radio purpose technology."

## Statement by RCA Chairman David Sarnoff and President John L. Burns

RCA WELCOMES the termination of this long and burdensome litigation.

The settlement comes at a time when the electronics industry is on the threshold of its greatest period of expansion—an era that calls for our fullest energies in fulfilling the extensive requirements of national defense in meeting the needs of our Government, the public and our customers.

Terms of the decree deal primarily with apparatus for radio purposes. They do not affect RCA's present activities in the important new industrial fields, such as automation, electronic computers, atomics, electronic tape recorders, Electrofax and medical electronics.

RCA has consistently maintained that its policies, practices and pioneering work have contributed greatly to the tremendous development of the electronics industry—the fastest growing major industry in the United States

—and the national security of the United States. The settlement expressly recognizes that no admission to the contrary is made.

In the promising field of color television, the decree provides for a patent pool in which any manufacturer may participate on a royalty-free licensing basis. The pool will include RCA's important color patents and the color patents of other pool participants. Those who do not join the pool can acquire use of these RCA patents by paying reasonable royalty rates.

Under terms of the decree, RCA is free to license all future inventions on an equitable royalty basis.

Ever since RCA was founded at the request of the United States Navy in 1919, the company's business has been built on the firm foundation of developing new and better products and services for the armed forces, industry and the home. RCA intends to continue this same vigorous research program.

**THE  
AUTHORITATIVE**

WEEKLY NEWS DIGEST  
FOR EXECUTIVES OF THE  
VISUAL BROADCASTING  
AND ASSOCIATED  
RADIO & ELECTRONICS  
ARTS AND INDUSTRIES  
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## SUMMARY-INDEX OF THE WEEK'S NEWS — November 8, 1958

**TURNING OF THE BUSINESS TIDE** seen by economists and bankers. McCann-Erickson study says 1959 will be most prosperous year in American history (pp. 1 & 6).

**ALLOCATIONS WORK OF FCC & TASO** in midstream, no conclusions yet apparent in FCC deliberations. TASO receiver panel compares uhf & vhf (pp. 3 & 15).

**CONGRESSIONAL ELECTIONS** and what they portend for TV-radio; Republicans, including arch-critic Sen. Bricker, swept off control committees (pp. 3 & 4).

**HOUSE PROBERS OF FCC** finally get down to real job—finding out what's wrong with administrative law. It's late, but panel of experts will be heard (p. 5).

**NBC LICENSEES SEEN UNAFFECTED** by RCA patent consent decree and "nolo contendere" plea—"public interest" performance tipping scales (p. 7).

**WHAT TAKES PLACE OF QUIZZES?** Revlon's George J. Abrams thinks another quiz idea may do it, also points to news shows as bright TV program hope (p. 8).

**3 NEW STATION STARTERS** in Nampa, Ida.; Garden City, Kan.; Gainesville, Fla. On-air total 538 with Nov. 15 demise of CBS's uhf WHCT, Hartford (p. 10).

**COWLES PAYING \$6,000,000** for Memphis TV-AM, Whitney \$4,500,000 for Sacramento TV. Also due for sale: TVs in Utica; Manchester, N.H.; Portland, Ore. (p. 11).

**NBC FAITH IN RADIO** stronger than ever, Chairman Sarnoff tells affiliates after they request special meeting to weigh effect of CBS Radio cutbacks (p. 11).

**HOSPITAL TV MARKET** growing beyond mere set rental, now includes closed-circuit TV & radio originations, child-parent viewing, remote control (p. 12).

### Manufacturing-Distribution-Finance

**PROJECTED MERGER OF SYLVANIA** into General Telephone Corp. means giant communications-electronics entity; combined assets exceed \$1.35 billion (pp. 2 & 16).

**TOO MANY TV MODELS** create customer confusion, sap industry profits, say critics (p. 13).

**THE TURNING OF THE BUSINESS TIDE:** It's in the air, it's on tongues and pens of most economic pundits, and it's certainly reflected in the perceptible improvement in TV-radio and related electronic amusement businesses. Things are better, not merely for sellers of time on the air for promoting the sale of goods & services but for makers and vendors of those goods. They're on the rise for such products as TVs, radios, phonographs, records. And curiously enough, even as the researchers claim more time devoted to TV viewing than ever before and more people than ever tuning in radio, the motion picture industry reports improving boxoffice!

Is it simply wishful thinking, boom before bust, or what? All we know is what the experts tell us -- and this week brought an exceptional crop of experting. Most striking report, and very well put together too, is one titled "The Turning of The Tide," published in 30 easy-to-read booklet pages by McCann-Erickson Inc., the second-ranking U.S. advertising agency in total billings (1957: \$262,000,000) and the No. 1 in combined TV-Radio billings (1957: TV \$91,000,000, radio \$12,000,000).

"The most prosperous year in American history," says the McCann-Erickson report, "lies just ahead -- 1959. We're on the way right now in an upswing that will carry us strongly and steadily toward new records in sales, production and income." Naturally, the report highly favors the TV medium (for details, see p. 6).

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Somewhat more cautious but also definitely bullish was consensus of economist group at U of Pittsburgh's Conference on Business Prospects, who foresaw better business next year for a broad range of major industries -- but no boom. And from a similar meeting of top economists at the U of Michigan came assurances that the economy

as a whole will achieve an all-time high in 1959, with Gross National Product going up some \$50 billion to \$455 or \$460 billion while prices hold firm within 1%.

Reasons cited by the Ann Arbor meeting: More govt. spending, rebuilding of inventories, more spending on plant & equipment, stronger sales of consumer durable goods, including automobiles.

Then there was the Wall Street Journal's roundup Nov. 5, its own survey of third quarter profits of 512 companies showing that these came within 9.2% of record 1957 third quarter earnings and opining that "profits in the current quarter seem sure to come even closer to last year's figures -- and may surpass them."

Ten TV & radio manufacturing companies, unnamed, were shown to have attained \$22,263,000 profits in third quarter vs. \$20,432,000 in same 1957 quarter, up 9%. Of the 31 other categories, the best showings were made by office equipment makers, up 57.8%; floor coverings, up 51.3%; farm equipment, up 29%; textiles, up 25.2%; railroads, up 20.7%; tobaccos, up 11.6%. The worst showings were by auto & equipment makers, down 87.6%; rail equipment, down 61.7%; tools & machinery, down 45%; steel, down 27%. Ten electrical equipment makers were up 4%.

National City Bank, studying profits of 700 corporations aggregating more than \$2.3 billion in third quarter, or more than half the profit of all U.S. corporations, generally bore out the Wall Street Journal's findings, its weighted average being 6% lower than same 1957 quarter. But it noted that these profits were 17% up from second quarter which, while not enough to offset the cumulative decline for preceding quarters, was significant "because more often than not in recent years profits have declined during the third quarter."

Twenty of 22 industries surveyed shared in the third quarter gain, attributed to increased sales and more efficiency. The manufacturing aspect was particularly encouraging. Reports of 525 companies showed third quarter 14% ahead of second, best gain for any third quarter in a dozen years. Over the last decade, says the bank, profits have dropped about 7% between second and third quarters. Thus, on a seasonally adjusted basis, manufacturing profits in this year's third quarter were up some 22% from their low in the April-June period.

**THE GENERAL TELEPHONE-SYLVANIA MERGER:** The trend to bigness, the need to diversify, the vital importance of top-hole research & development in today's burgeoning electronics-communications worlds are all apparent in plan to merge Sylvania Electric Products Inc. (assets nearly \$250,000,000) into General Telephone Corp. (assets over \$1.1 billion) -- forming firm to be called General Telephone & Electronics Corp.

Biggest corporate merger in recent years, aptly called one of Wall Street's best-kept secrets, wasn't even hinted until Nov. 6, despite fact Dept. of Justice anti-trust clearance had to be obtained first; it wasn't released until board meetings had been held by both companies, must yet be approved by their stockholders.

Both are listed on N.Y. Stock Exchange, and it's proposed their outstanding common stock (General Telephone's 18,617,817 as of Oct. 31, Sylvania's 3,532,012 as of Sept. 30) will simply be exchanged on 1-for-1 basis for that of new company.

Though not as big as AT&T, GE or Westinghouse, with whose diverse operations the huge new holding company's subsidiaries will compete in defense, research, consumer products and service fields, new General Telephone & Electronics Corp., on the basis of aggregate asset values, will be a giant entity in communications and electronics. It will actually have more assets than IBM, ITT, General Dynamics or RCA which are also prime competitors in certain large areas of its operations. (For detailed financial data on all major publicly traded electronics communications and broadcasting companies see our Special Report of May 10, 1958.)

General Telephone competes largely with the Bell System and ITT; Sylvania on many fronts (including manufacture and marketing of TV-radio sets & tubes) with GE, Westinghouse, RCA. An important aspect of the merger is the bringing together of strong research facilities, to say nothing of 2 powerful personalities highly

respected in their fields -- General Telephone's pres. Donald C. Power, 59, who will be chairman and chief executive officer of the new company, and Sylvania chairman-pres. Don G. Mitchell, 55, due to become its pres.

Merger may be harbinger of more big ones to come in the highly ramified electronics fields, where hardly a week passes without some relatively smaller amalgamations dictated by competitive and financial situations. That GTEC is destined to rank as one of the towering giants of industry, is apparent from the combined holdings, operations and balance sheets of the 2 companies. (More details on p. 16.)

**TV ALLOCATIONS STILL IN SPADE-WORK STAGE:** There's no direction apparent yet in the FCC's new analysis of TV allocations. Staff is still in process of preparing data showing commissioners what would happen if it sought to provide 4 competitive services in top 50-60 markets through alternative plans -- all-vhf, all-uhf or vhf-uhf (Vol. 14:37). Final FCC nose-counting is a long way off.

TV Allocation Study Organization, meanwhile, is getting its technical data into shape, most of it expected to be completed by year's end. FCC engineers have been sitting in on its panel discussions, so its findings will come as no surprise. Reaction of the Commission engineers varies considerably. Here are some:

"They'll give us some sharper 'tools' to work with -- but I haven't heard of anything yet that changes the picture much."

"They're doing a good job of gathering information. I think it will be as unbiased as you can get. Of course, there's always a little bias in industry data."

"A lot of preconceived notions -- that's what they're trying to prove. They emphasize uhf's faults and vhf's virtues. It's done in a lot of little ways."

One TASO panel nearly through with its work is Panel II, which collected comparative uhf-vhf reception data under leadership of Hazeltine's W.O. Swinyard. An engineer familiar with panel's work supplied us with some of figures compiled -- and they document one aspect of uhf problems (see p. 15).

**PORTENTS OF THE CONGRESSIONAL ELECTIONS:** You can dismiss as mere wishful thinking any idea that, simply because the voters this week retired from public life the TV-radio industry's most irksome gadfly, Senator Bricker (R-Ohio), everything is going to be hunkydory in the next Congress.

True, the broadcasters have more friends than enemies on Capitol Hill -- and even the otherwise conservative Bricker didn't turn upon them until he got to worrying about "too much power" in the hands of networks, stemming from criticism of his proposed constitutional amendment to curb the President's treaty-making powers and from Ed Murrow's handling of the McCarthy imbroglios. These really impelled him to chivvy so strenuously, demanding direct FCC regulation of networks.

Having spent millions using TV-radio as prime campaigning media -- defeated Sen. Knowland alone is reported to have paid some \$20,000 for a 20-hour telethon over a Los Angeles-San Francisco TV hookup last week end -- and fully aware that any criticism of TV is sure headline material, it's to be expected that new and old members of Congress will eye the much-regulated industry intently. They've done so ever since radio regulation by commission began in 1927, and certainly the unfavorable publicity about the FCC in recent months conduces to further probing.

What the hugely strengthened Democratic majorities in both Houses on Capitol Hill portend specifically, can only be conjectured at the moment. Only thing for sure, besides the retirement of Sen. Bricker, is that one of the industry's friends, Senator Potter (R-Mich.), keen student of its basic problems, also got the ax.

\* \* \* \*

Who will take up the cudgels for or against the broadcasters remains to be seen. Already, Senator Mike Monroney (D-Okla.), dissatisfied with current programming on TV, intends to resume his hearings on ratings (Vol. 14:26) shortly after

Congress convenes -- and with no less personages than ex-NBC chairman Pat Weaver, Edward R. Murrow and the network presidents called upon to testify.

Rep. Celler (D-N.Y.) will be back again pitching publicity from his vantage point as chairman of the important House Judiciary Committee, and Senator Langer (R-N.D.) will be back with his usual bill against the advertising of alcoholic beverages, including beer & wine, via any media in interstate commerce.

There will be no ripper legislation to displace or replace the present FCC -- suggested last session because of the low esteem to which it fell during oversight subcommittee's probes (see p. 5) and indictment of resigned Comr. Mack. It's fair to assume the Democrats will hardly want to let a Republican President name a new Commission or a new TV-Radio Authority. They'd rather wait until 1960.

Ramifications of the elections, involving so many diverse personalities and interests, are endless -- but we can at least detail the changes in key committees of Congress (below). One important factor that's perhaps being overlooked is expiration next June 30 of the term of FCC Comr. Rosel H. Hyde, a Republican career man who has sat 12 years on the Commission, rising from law clerk, and who was chairman for 18 months of 1953-54 -- displaced by ex-Chairman McConnaughey at the insistence of Sherman Adams with the presumed support of Sen. Bricker.

Mild-mannered, soft-spoken, experienced, knowledgeable Comr. Hyde would have been tossed out altogether had Adams not been stopped by the powerful bi-partisan backing that spontaneously arose for Hyde. His job was saved, though not his chairmanship, and the FCC fell on bad days consistently thereafter -- particularly with respect to the calibre of some appointments dictated by Adams.

Hyde is 58, needs 2 more years for full retirement benefits, will probably stay on if reappointed -- and we know no one in the industry who doesn't hope he'll be asked. Next vacancy thereafter, also Republican, will come in June 1960 -- the seat of Comr. Robert E. Lee. That will be on the eve of the national elections.

Note: Glancing again over TV-radio station stockholdings by members of Congress (detailed in Vol. 14:6,7,16), it's interesting to note that 3 outstanding beneficiaries weren't up for reelection: Majority leader Lyndon Johnson, whose wife has a string of Texas TV-radio stations; Sen. Kerr (D-Okla.), with large interests in stations in Ill. & Okla.; Sen. Magnuson (D-Wash.), with 4% interest in a Seattle TV-radio setup. Only sizeable TV-radio stockholder, among quite a few lesser ones on House side, is Rep. Alvin Bentley (D-Mich.), reelected; he holds one-third interest in stations in his home district of Saginaw-Bay City.

[Further report on Congressional elections will be found below.]

**The Changes on Capitol Hill:** Except for their chairmanships and majority memberships, key Senate and House committees in charge of legislation affecting TV & radio will undergo substantial changes in the next Congress as a result of this week's elections (above). For example, consider Senate Commerce Committee, membership on which is regarded as a prize and members of which can always garner headline attention on any subject pertaining to TV and/or radio:

All 8 Democrats return, with Senator Magnuson, Wash., as chairman; Pastore, R. I., ranking majority member; Mike Monroney, Okla.; Smathers, Fla.; Bible, Nev.; Thurmond, S. C.; Lausche, O.; Yarborough, Tex.—Pastore & Yarborough reelected, others not up this year.

Of 7 Republican members, 4 were defeated: Bricker, O.; Potter, Mich.; Purtell, Conn.; Payne, Me. It was off-year for Schoepfel, Kan., now ranking minority member; Butler, Md.; Cotton, N. H.

Thus 4 vacancies occur, not all of which will go to Republicans because over-all Democratic majority is so large its leadership won't now be constrained to rely on simple one-man margin.

It's noteworthy that Gov. McFarland (D-Ariz.), one-time chairman of the Committee, attempting a Senate comeback, lost out to Sen. Goldwater. And that new Sen. Keating (R-N.Y.) was ranking GOP member on the House Judiciary committee and as such obtained considerable familiarity with certain TV-radio hassles—anti-trust angles in networking, BMI, sportscasting, allocations, station sales, etc. He may seek assignment to one of the Commerce vacancies.

The man who carried Keating with him on the GOP ticket, Gov.-elect Rockefeller, while never directly identified with TV-radio (except perhaps as landlord of RCA-NBC in New York's Rockefeller Center) had as his campaign media advisor Sylvester L. (Pat) Weaver, ex-chairman of NBC, who was his 1930 classmate at Dartmouth. Weaver, 50, is likely to figure on the national scene if Rockefeller actually becomes a presidential candidate.

House Committee on Interstate Commerce loses 7 of



its 15 Republican members, while every one of the 18 Democratic members was reelected. And ratio of 18 Democrats to 15 Republicans undoubtedly will be increased next session to strengthen control of Chairman Oren Harris (D-Ark.) over this quarrelsome committee.

These are the Republicans who will not be seen in the next Congress: Reps. Wolverton, N. J., ex-chairman, retired; O'Hara, Minn., retired; Heselton, Mass., retired; Hale, Me., defeated last Sept.; Beamer, Ind., defeated; Carrigg, Pa., defeated; Neal, W. Va., defeated. That leaves Rep. Bennett, Mich., as ranking minority member; he was reelected as were Springer, Ill.; Bush, Pa.; Schenck, O.; Derounian, N. Y.; Younger, Cal.; Avery, Kan.; Alger, Tex.

All 18 Democrats were reelected, namely, Chairman Harris and Reps. Williams, Miss.; Mack, Ill.; Roberts, Ala.; Moulder, Mo.; Staggers, W. Va.; Dollinger, N. Y.; Rogers, Tex.; Friedel, Md.; Flynt, Ga.; Macdonald, Mass.; Rhodes, Pa.; Jarman, Okla.; O'Brien, N. Y.; Moss, Cal.; Dingell, Mich.; Loser, Tenn.; Kilgore, Tex.

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Chairman Harris' legislative oversight subcommittee of 11, which may not be revived next Congress (below), loses 4 of its 5 Republicans: Wolverton, O'Hara, Heselton, Hale—only Bennett surviving. Its Democratic members, besides Harris, are Williams, Mack, Moulder, Flynt, Moss.

Harris is also chairman of 13-man subcommittee on transportation & communications, whose TV-radio work in the 85th Congress was overshadowed by the oversight sub-

committee. It did little more than hold hearings on the Magnuson bill for \$51,000,000 Federal aid to ETV, which died before it could reach floor. Retiring GOP members are Wolverton, O'Hara, Hale; surviving are Springer, Derounian, Younger. All Democrats survived: Harris, Roberts, Staggers, Rogers, Friedel, Flynt, Macdonald.

As for Potter Resolution (S. Res. 106) providing for spectrum study, it could very well be revived despite its defeat last session, because it gained momentum independently of Potter in both Senate and House. Rep. Bray (R-Ind.), who introduced it on the House side, was reelected.

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Note: There are still quite a few Senators and Congressmen who have corporate connections, usually as relatively small stockholders and/or directors of individual TV & radio stations—and these, along with others in public life, past and present, were detailed with their interests in our Vol. 14:5, 6, 16. Our rundown of such holdings among newcomers reveals only one new name—Gov.-elect John Burroughs (D-N. M.). A peanut farmer, he also owns 50% of radio KENM, in his home town of Portales, N. M.; 30% of KZUM, Farmington, N. M.; 40% of KMUL, Muleshoe, Tex.

And since much to-do was made earlier this year about public figures having relatives identified with TV-radio, it's perhaps noteworthy that the Democratic Gov.-elect of Nevada, attorney Howard Cannon, is a second cousin of veteran RCA secy. John Q. Cannon.

**'Overseeing the Oversighters':** Last-minute attempt to rescue House Commerce legislative oversight subcommittee from reckless headline-chasing (Vol. 14:2 et seq.) and put it back on its intended course—sober study of faults in laws governing FCC & other Federal agencies—is being made by chief counsel Robert W. Lishman.

While hearings on "influence & bribery" rumors in FCC's Pittsburgh Ch. 4 case (Vol. 14:39) were in recess and subcommittee members were home tending to elections, Lishman quietly organized professional groups of experts on administrative laws & procedures to tell subcommittee—at long last—what should be done to make them work better.

When subcommitteemen begin trickling back to Washington—4 of 5 Republican members as lame ducks (see above)—Lishman is ready with agenda for unique panel hearings Nov. 18-19, and his plan was approved by Chairman Harris (D-Ark.). Participants in 4-part discussion of "administrative process & ethical questions" will include officials of agencies themselves, lawyers who practice before agencies, law school professors.

Panel hearings will follow reopening of Pittsburgh case Nov. 12 in hearings expected to run through Nov. 17, when ex-FCC Chairman George C. McConnaughey is tentatively scheduled to take stand. Along with principals in Ch. 4 proceedings, McConnaughey was "invited" by Harris to give his version of stories related in Sept. by subcommittee investigator Oliver Eastland in 2 of wildest sessions yet.

A professorial-looking, pipe-smoking Capitol Hill veteran who has exhibited distaste for some subcommittee

tactics, lawyer Lishman said he hopes panel discussions "will evoke some solid recommendations for our legislative report" after subcommittee's official life ends in Jan. "This is the kind of thing that ought to have been done at the outset of the investigation," he told us. "But the hearings got sidetracked into other things."

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Panel topics will be: (1) "Should the clearly judicial functions of the administrative agencies be divorced from them and lodged with the Federal courts?" (2) "Should the legislative functions of administrative agencies be restricted?" (3) "How much overseeing of the administrative process should be undertaken by the executive branch and the legislative branch?" (4) "How can improper pressures be dealt with?"

Subjects were touched on at recent convention of Federal Bar Assn., where Lishman & Harris were panel speakers (Vol. 14:39), and developed further at brief subcommittee hearing for Federal, American and District of Columbia Bar Assns. (Vol. 14:40). And ABA has scheduled special session of its administrative law section in Washington Dec. 11-12 for another go at rules for agency conduct. But Nov. 13-19 hearings will be first under subcommittee auspices in which opinions of those most directly involved with administrative laws & agency procedures will be sought directly.

Further spur to subcommittee's belated return to its original objectives was provided this week by Asst. Navy Secretary J. Sinclair Armstrong, 1955-57 SEC chairman who has tangled with House investigators. Lishman and lame-duck subcommitteeman Rep. Hale (R-Me.) listened at speaker's table as Armstrong assailed subcommittee's tactics in speech ("Who's Overseeing the Oversighters?") to administrative law section of D. C. Bar Assn.

The former SEC chairman pointed out that when the House investigative units was set up, Speaker Rayburn

(D-Tex.) said on floor that it was instructed "to see whether or not the law as we intended it is being carried out, or whether a great many of these laws are being repealed or revamped by those who administer them." Subcommittee has ignored its mission, he said.

Armstrong's speech was studded with such references to subcommittee as "very clear failure," "sorry record of lack of attention to serious problems," "grave disservice to the public," "only just beginning to deal with fundamental problems."

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Govt. participants in Lishman's Nov. 18-19 subcommittee panels will include: Charles E. Smoot, FCC asst. general counsel; Willard Gatchell, FPC general counsel; Robert W. Ginnane, ICC general counsel; Theodore H. Haas, chairman of Interior Dept.'s board of contract appeals; Thomas G. Meeker, SEC general counsel; Paul N. Pfeiffer, CAB hearing examiner; Ruth Smalley, NLRB; Joseph Zwerdling, FPC hearing examiner.

Washington communications lawyers on panels will include Donald C. Beeler (Kirkland, Ellis, Hodson, Chafetz & Masters), John W. Cragun (Wilkinson, Cragun &

Barker), F. Cleveland Hedrick Jr. (Hedrick & Lane), Mrs. Fanney N. Litvin (retired FCC examiner); James M. Landis (Skiatron counsel).

Law schools will be represented by Thomas F. Broden, Notre Dame; Clark M. Byse, Harvard; Kenneth Culp Davis, U of Minn.; Leo A. Huard, Georgetown U; Arthur S. Miller, Emory U; Frank C. Newman, U of Cal.

Subcommittee members will question panel members on legislative recommendations after presentation of 15-min. papers by each of 3 lead-off panelists on each topic, followed by discussion by all on panels.

Unresolved, meanwhile, was question of whether Harris and other Democratic leaders—who made political hay during campaign with some of subcommittee's disclosures—will try to get new House authorization and new appropriation for special unit after 86th Congress convenes Jan. 7. Subcommittee's staff was under notice that jobs will end first week of Jan. There's likelihood that continued investigations of agencies will be carried on next year by regular House Commerce subcommittees, FCC jurisdiction being resumed by transportation & communications subcommittee—also headed by Harris.

**The Facts of The Upturn:** Four major statistical barometers of American business, all of which fell sharply during the recession and all of which are rising now, are cited in McCann-Erickson's *The Turning of The Tide* (p. 1) to support its unequivocal forecast: "The most prosperous year in American history lies just ahead—1959. We're on the way right now in an upswing that will carry us strongly and steadily toward new records in sales, production and income."

The big advertising agency's affiliated Market Planning Corp., which made the study and calls it "A Report on the Business Outlook Through 1959 and Its Marketing Implications," found:

- (1) Gross national product—up in second quarter of 1958.
- (2) Industrial production—rising since May.
- (3) Non-agricultural employment—rising since May.
- (4) Personal income—rising since March.

"The upturn is further documented by significant changes in 5 basic areas of demand hardest hit by the recession: (1) **Inventory liquidation** has cleared excessive stocks of goods at the fastest rate on record. (2) **Housing starts** have returned to the highest level in almost 2 years. (3) **Defense spending** has turned upward and is expected to rise steadily throughout the next year. (4) **Retail sales of durable goods** have stopped falling. (5) **Plant and equipment spending** has slackened its rate of decline, and new orders have begun to increase.

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"The economic weathervanes which generally presage a change in business conditions have been pointing consistently upward for several months." For example, the National Industrial Conference Board's *Diffusion Index*, which summarizes the behavior of a dozen key business indicators, turned up sharply in the second quarter, continued its rise in third; and individual indicators selected for their reliability in forecasting business trends by the National Bureau of Economic Research agree that:

"Industrial stock prices began advancing in Feb. New orders for durable goods have begun increasing since Feb.

Raw materials prices have been rising since April. New business incorporations have been rising since April. Business failures have been declining, generally, since May." Therefore:

"All of the elements essential to a rapid recovery to high levels are now present. A simple projection of existing trends through the next 16 months [report came out in Sept.] indicates that the American people will have more money to spend—and will spend more—in 1959 than in any previous year. We can expect an increase, for 1959 over 1958, of at least 6% in personal income, and more than 6% in total retail spending.

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"The recovery will not, of course, proceed at the same pace in all industries . . . Spending for services and for non-durable goods has held up remarkably well throughout the recession. Food, beverages, clothing, drugs, and other non-durables are largely non-postponable expenditures. While these are not volatile industries, experience indicates spending in these areas tends to move upward as incomes rise.

"Unlike soft goods, the buying patterns in durable goods respond sharply to changes in personal income.

"A factor in the beginning of the 1957-58 recession was a moderate slack-off of demand for consumer durables in the face of high inventories and optimistic production schedules. But, as unemployment increased and take-home pay diminished, another factor bit into automobile and household goods sales—the individual's concern for his economic security. That concern was intensified by the continuing rise in the cost of living at a time when incomes were falling.

"By the end of 1957 a majority of consumers surveyed by the University of Michigan were of the opinion that the present was 'a bad time to buy'—and that feeling was reflected in the most drastic drop in hard-goods buying since the war.

"The same Michigan survey, when conducted through the earlier recession of 1953-54, showed just as clearly that the sense of 'a good time to buy' returned swiftly once employment improved and uncertainties for the future began to subside. There are indications that this change of attitude—an increasing sense of confidence—is occurring right now. For 1959, a sharp increase in durable goods sales is clearly in prospect.

"Another basis for confidence is that—barring an un-

expected and drastic change in the international picture—the price-income relationship in 1959 will be increasingly favorable to the consumer. A sharp two-year rise in the price of food has already come to a halt, and substantial recent additions to industrial capacity will act as a restraint on prices of manufactured goods.

“The 1959 market, like the 1958, will be a buyer’s market. Consumer demand, rather than any limitations of capacity, materials or manpower, will determine the level of business activity through next year—as it does now.”

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“How much seed money for your ’59 business?” the booklet’s 4th chapter is headed, going on to the inevitable question of marketing budgets. This chapter notes that since 1950 GNP has increased by 50%, total advertising expenditures by 78%, and that the spending of the 100 leading advertisers has climbed by 125%.

“One factor is inflation. The communications industry, like all others, must pay higher prices for the components of its services. For example, newsprint has risen . . . labor costs are higher . . . in TV production, wages of stagehands are up 18%, of technicians 38%. Part of the steep increase in TV programming (375% for half-hour evening shows) is represented by the increasing use of world-famous talent, but an important factor is the higher cost of all entertainment talent.

“Nevertheless, the increase in cost-per-thousand circulation of the major media has averaged less than these component increases; in fact, TV’s cost per thousand has declined . . . average evening TV program reached slightly more than 1,000,000 homes in 1950; today it goes to more than 7,000,000.”

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Tables then show evening network TV down 18% (1950-1958) in cost-per-1000, evening spot TV down 19%. All other media were up: Magazines 30%, newspapers 33%, business papers 37%, outdoor 7%, network radio 8%, spot radio (daytime) 34%.

“At the same time basic rates of media have advanced (with the exception of radio). They reflect, in part, higher cost per thousand, but also considerable improvement in product: Magazines have vastly expanded their use of color illustration; newspapers have added many new features; TV has given its nation-wide free-admission audience increasingly expensive entertainment.”

From 1950 to 1958, only network radio, down 43%, and daytime spot radio, down 13%, have decreased their basic rates. Other media are all up: Magazines 54%, newspapers 42%, business papers 65%, outdoor 53%, network TV (evening) 367%, spot TV (evening) 450%.

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“Videotape Center” will be new name of New York’s big Century Theatre, leased from Shubert enterprises by Videotape Productions of N. Y. Inc. this week and due to start taping commercials by Dec. 1. Majority owner and pres. of Videotape Productions is Howard S. Meighan, ex-CBS-TV v.p. for West Coast operations, minority held by Ampex Corp. (Vol. 14:13). The Century, one of largest legitimate houses in East, has been used as studio by NBC-TV for last 4 years. In connection with announcement, Ampex notes that Videotape foreign usage has spread to Germany, Mexico, Canada, Japan, Australia, England.

Ampex Videotape recorders have been adapted to 625-line, 7-mc system in Germany by Siemens & Halske, installed by Norddeutscher Rundfunk and Sudwestfunk.

**NBC’s Post-Decree Status:** Attorneys both in and out of FCC continued speculating this week about status of NBC’s station licenses, following last week’s consent decree and “nolo contendere” by RCA in patent anti-trust litigation (Vol. 14:44). Consensus is that Commission will affirm NBC’s retention of the stations. It has been renewing the licenses, as they mature, “without prejudice” to any action it might take following outcome of anti-trust litigation. Lawyers mention several factors:

(1) NBC’s stations weren’t involved in the 2 now-settled cases. NBC wasn’t a party to the suits, Justice Dept. hadn’t asked for any penalty against it, and the judges said nothing about NBC.

(2) Based on precedent of *Kansas City Star* case, FCC is most unlikely to revoke licenses, though it’s required to weigh last week’s settlements against NBC’s general performance. In battle which went all the way to U. S. Supreme Court, *Star* was held guilty of anti-trust violations. Judge ordered newspaper to sell WDAF-TV (Ch. 4) & WDAF, didn’t revoke licenses. FCC had power to revoke the licenses, but it declined to go further than judge did, and it approved sale of stations to National Theatres for \$7,600,000 (Vol. 13:47-48; 14:17).

NBC’s WRCV-TV, Philadelphia (Ch. 3) & WRCV are under attack in 2 other anti-trust cases—both now before U. S. Supreme Court. One is Justice Dept.’s suit asking revocation or forced sale of the stations—on grounds that NBC forced Westinghouse to swap the Philadelphia stations for NBC’s Cleveland stations (Vol. 13:18). Justice Dept. lost out in Philadelphia Federal Court when Judge Kirkpatrick dismissed case, holding that FCC had foreclosed Justice Dept. action by approving the station switch (Vol. 14:2). Justice has appealed this ruling directly to Supreme Court; if it wins there, case goes back to lower court for trial.

Other attack on the Philadelphia stations is the protest by Philco. It had asked FCC not to renew the licenses, charging that RCA used stations to promote itself and injure Philco as a set manufacturer. FCC denied protest, stating that Philco had no “standing” to protest because it didn’t show injury flowing from the license renewals. Court of Appeals disagreed with FCC—and NBC then went to Supreme Court, where case is now pending (Vol. 14:25, 39, 41).

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**TV ‘Firsts’ at Vatican:** Coronation of Pope John XXIII in Rome this week, first such event covered live by TV, brought massive mobilization of facilities of Eurovision network stretching from Sicily to Scandinavia. Italian state-owned RAI-TV (Radiotelevisione Italiana) used 200 technicians, 14 cameras, 5 trucks, 4-mi. of wires in & around St. Peter’s Basilica for ceremonies. Commentary was provided by 3 RAI-TV staffers and 8 special correspondents from other countries, estimated European audience running to 30,000,000 at 10,000,000 sets. European viewers had watched 3 other Eurovision “firsts” earlier—funeral of Pope Pius XII, election of new pope, speech-from-throne by Queen Elizabeth II at Parliament’s opening in London. Kines & video tape of coronation were flown by BOAC jet planes to N. Y. for same-day showings by U. S. networks. CBS-TV claimed “first,” going on air from Idlewild Airport with 7-min. film at 6:02 p.m. election night, Nov. 4.

**After TV Quizzes, What?** "New, fresh concept of an original show" is what TV viewers & sponsors need following "decline & fall of the quiz empire"—and maybe another quiz idea would fill bill, in the opinion of big sponsor Revlon's adv. v.p. George J. Abrams, radio-TV committee chairman of Assn. of National Advertisers.

Addressing ANA fall meeting this week at Hot Springs, Va. on "What's Ahead for Radio & TV," Abrams (whose company rode to success with \$64,000 *Question*) foresaw "our smart network programmers catering more & more to the tastes of the ice cream soda set rather than to the scotch-&-soda set."

He thought that westerns and *Father Knows Best*-type shows will continue as heavy favorites; that 60 & 90-min. documentary & classical dramas will increase; that musical & variety programming has good chance to survive; that big-name 60-min. specials will keep popularity; that comedians are "still in the grey area." But he also opined that "fresh, new quiz concept would be just as likely to win public acclaim today as any of the dear departed programs did several years ago."

As for TV programming "growth & improvement," Abrams pointed to news as big area "where great strides can be made with programming imagination—and better budgeting": "Think of the dramatic news programs one could develop with the kind of funds generally allocated to a prime evening show."

And as for radio: "Any prediction of network or local radio has to be pretty glum. What a wide open area for imaginative, creative program thinking in this vacuum tube world! But don't expect much change in 1959."

In another ANA speech, pres. Miles A. Wallach of M. A. Wallach Research Inc. said that TV advertisers don't always have the responsive audiences that high ratings lead them to think they have. He reported that special viewer survey by "personal in-home coincidental system of interviewing," conducted in Philadelphia, Chicago & Los Angeles for Revlon, Ford, Chrysler & other companies, showed that "TV receiver can be tuned in, but the viewer, if there is one, can be mentally tuned out."

**Isolation Booths Shuttered:** First—and last—of big-money TV quiz shows went off air this week, CBS-TV cancelling \$64,000 *Question*. Trend-setting show started June 7, 1955, had farewell performance Nov. 2—\$2,106,800 and 29 Cadillacs later. Like *Dotto*, \$64,000 *Challenge*, *Twenty-One*, it was casualty of "fix" scandals and falling ratings (Vol. 14:42), although \$64,000 *Question* hadn't been charged with any irregularities. Announcing that comedy panel show *Keep Talking* would replace \$64,000 *Question* Sun. 10-10:30 p.m., CBS-TV exec. v.p. Hubbell Robinson Jr. said, "Integrity of the first & best of the big quiz shows was not an issue in the replacement." Co-sponsor P. Lorillard of \$64,000 *Question* carries on with *Keep Talking*. Revlon, other sponsor, is reported signing for Edward R. Murrow's *Person to Person* on CBS-TV Fri. 10:30-11 p.m. Meanwhile, *Twenty-One* producer Albert Freedman, employed by packager Barry & Enright, was arrested on 2 perjury charges. Indictment by N. Y. grand jury investigating quiz "fix" reports alleged that Freedman denied he gave tips to participants on show, whereas he "in fact revealed questions & answers to contestants prior to their appearance" on NBC-TV. If he's convicted, Freedman faces possible 10 years in jail, \$10,000 fine. It was first arrest in probe by Dist. Attorney Frank Hogan.

Call letter change: KGEZ-TV, Kalispell, Mont. (Ch. 9) changes to KULR.

**Forecast for All Media:** Network & Spot TV will account this year for \$1,095,000,000 of an over-all advertising volume of \$10,145,000,000, reports *Printers' Ink* on basis of second-quarter data which it claims enables it to project 1958 volume. TV-radio thus will rise 7% over 1957 against all advertising's decline of 2%. Only other media that will also show gain are network & spot radio, which this year should account for volume of \$265,000,000, up 2%. The projections:

| Medium  | Expected 1958 total advertising revenue (millions) | 1957 final estimate (millions) | % change 1958 vs. 1957 |
|---|--|--------------------------------|------------------------|
| Newspapers (national)                               | \$ 740.0   | \$ 809.7                       | -9%                    |
| Magazines   | 765.0  | 814.3                          | -6                     |
| Television (network & spot)                         | 1,095.0  | 1,022.6                        | +7                     |
| Radio (network & spot)                              | 265.0  | 259.8                          | +2                     |
| Business papers                                     | 540.0  | 567.6                          | -5                     |
| Outdoor (national)                                  | 138.0  | 139.1                          | -1                     |
| Other investments by national advertisers           | 2,652.0  | 2,640.1                        | 0                      |
| Estimated total investments by national advertisers | 6,195.0  | 6,253.2                        | -1                     |
| Estimated total investments by local advertisers    | 3,950.0  | 4,057.4                        | -3                     |
| Grand total   | \$10,145.0   | \$10,310.6                     | -2%                    |


Rate increases: WGN-TV, Chicago, Nov. 1 raised base hour from \$1800 to \$2100, min. \$450 to \$500. KHVH-TV, Honolulu, Oct. 15 added Class AA hour (7:30-9:30 p.m. daily) at \$350, min. at \$75, Class A hour remaining \$300. WTIC-TV, Hartford, Oct. 15 raised base hour from \$1000 to \$1600, min. \$170 to \$400. WSB-TV, Atlanta, Oct. 1, raised hour from \$1000 to \$1100, min. \$250 to \$275. WBTW, Florence, S. C. Oct. 1 added Class AA hour (8-10 p.m. daily) at \$375, min. at \$85, Class A hour remaining \$300. KLIX-TV, Twin Falls, Ida. July 1 raised hour from \$150 to \$165, min. \$38 to \$49.50. Spot Increases: KMBC-TV, Kansas City, Nov. 1 raised base min. from \$250 to \$300. WAPA-TV, San Juan, raises min. from \$70 to \$90.

John E. Pearson Co., representing 14 TV stations [*TV Factbook* No. 27, p. 318] and large list of radio stations in national sales, on Nov. 3 absorbed John Palmer Co., West Coast regional TV-radio rep, Palmer becoming Pearson's West Coast mgr. at expanded offices in San Francisco while Mike Wurster returns to N. Y. Pearson also reports that Palmer salesman Norman Dunshee will join Clark Barnes' staff in L. A. and that Sue Masterson is being promoted to sales exec. in San Francisco.

NAB committee meetings: Washington headquarters—Nov. 10, hotel-motel radio placement; Nov. 13, community antenna; Nov. 18, FM radio; Dec. 2, broadcasting hall of fame; Dec. 4, TV film; Dec. 16, convention; Dec. 17, editorializing. Mayflower Hotel, Washington—Dec. 15, broadcast engineering conference. Waldorf-Astoria Hotel, N. Y.—Nov. 12, convention exhibitors; Nov. 20, radio transmission tariffs.

According to show biz's important journal, *Variety*: (1) Sam Goldwyn discussing possibility of releasing 55 of his usually top-rung pictures to TV, but asking price of \$10,000,000 seems to be stumbling block. (2) CBS's \$360,000 investment in *My Fair Lady* (40% interest) has yielded it \$1,200,000 to date out of smash hit's total profit of \$3,000,000.

National Television Week, Nov. 16-22, got staunch ally this week in American Automobile Assn., which memoed all chapters to salute TV in recognition of its cooperation with local motor clubs in safe driving campaigns and other AAA projects.

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|  <p><b>Television Digest</b><br/>— THE ELECTRONICS REPORTS<br/>WYATT BUILDING, WASHINGTON 5, D. C.</p>      | <p>MARTIN CODEL, Publisher<br/>ROBERT CADEL, Bus. Mgr.<br/>ALBERT WARREN, Senior Ed.<br/>WILLIAM WIGHT, Managing Ed.</p> |
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| <p>Weekly Newsletters Published Saturdays<br/>Television Factbooks Published in March &amp; September<br/>AM-FM Directory Published in January<br/>TV and AM-FM Addenda Published Weekly</p> |  |
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**Personal Notes:** William S. Paley, CBS chairman, will be presented special award of Broadcast Pioneers at Nov. 20 luncheon in New York's Hotel Ambassador . . . Herbert W. Hobler, TelePrompTer sales v.p., ex-NBC-TV & CBS-TV, has resigned to set up own sales consulting firm at 295 Mercer Rd., Princeton, N. J. . . . Wayne Kearn, gen. sales mgr. of KENS-TV, San Antonio, ex-KSL-TV, Salt Lake City and KGMB-TV, Honolulu, named KENS-TV station mgr. under gen. mgr. Albert D. Johnson . . . Michael J. Kane, CBS-TV director, elected pres. of Radio-TV Directors Guild International . . . Robert J. Steinle, ex-NBC-TV merchandising mgr., named asst. adv. mgr., U. S. Tobacco Co. . . . Arch Robb, ex-*Wide Wide World* administrative exec., named NBC-TV special programs mgr. . . . Jerry Baker promoted to program mgr. of KERP-TV, El Paso, succeeding Hillman Taylor, named station mgr. of upcoming KVKM-TV, Monahans, Tex. (Ch. 9) . . . Alfred L. Lewis, business mgr. of WNBQ & WMAQ, Chicago, adds duties of acting director of operations, succeeding John Whalley, resigned to join Needham, Louis & Brorby Adv. . . . George Carroll, ex-program director of WFBG-TV & WFBG, Altoona, promoted to station mgr. of Triangle's WNBK-TV & WNBK, Binghamton, N. Y.; Russ Baker has resigned as operations mgr. of WNBK-TV . . . Gil Martyn, public affairs & public service director of Paramount's KTLA, Los Angeles, named to new post of editorial policy

**ADVERTISING AGENCIES:** A. W. Lewin, chairman of Lewin, Williams & Saylor, will be chairman of new Mogul, Lewin, Williams & Saylor to be formed Jan. 1 by merger with Emil Mogul Co., whose pres. Emil Mogul will be pres. of new firm; Sidney M. Weiss, LW&S pres., will be exec. v.p. . . . Robert R. Newell named pres. of Cunningham & Walsh, succeeding John P. Cunningham, now chairman; Wm. W. Mulvey, senior v.p., promoted to exec. v.p.; Carl R. Giegerich, senior v.p., named exec. committee chairman . . . Arthur A. Bailey, mgr. of Foote, Cone & Belding's Los Angeles office, elected a v.p. . . . W. M. Starkey appointed mgr. of BBDO Los Angeles office, succeeding Thomas C. Dillon, named supervisor of all marketing, media & research . . . John D. Devaney promoted to v.p. of BBDO . . . Alfred J. Carter, mdsg. director of Bristol-Myers account, elected v.p., Doherty, Clifford, Steers & Shenfield . . . Donald E. Jones, v.p. of MacManus, John & Adams, named head of agency's Los Angeles office, succeeding Ralph Yambert, resigned . . . Jack Tarleton, ex-Eastman Kodak, ex-J. Sterling Getchell, named v.p. of Leo Burnett . . . Howard L. Davis, ex-director of Dave Garroway's *Today* on NBC, joins N. Y. Ayer as chief, information services, succeeding Richard Powell, author of best-selling novel *The Philadelphian*, retiring to devote time to his writing . . . Pat Connolly, ex-GE, joins Kenyon & Eckhardt, N. Y. to work on RCA Victrola and International Div. accounts . . . Al Meyer, ex-Leo Burnett, Chicago, named mdsg. & sales promotion v.p. of Erwin Wasey, Ruthrauff & Ryan, Los Angeles.

& community relations director . . . Howard T. Packer, ex-comptroller of Official Films, and Ernest Nives, ex-Allied Artists, head new TV audits dept. of CPA firm of Samuel Hacker & Co., N. Y. . . . Carlton Hence, ex-Headley-Reed, named sales mgr. of WBRE-TV, Wilkes-Barre . . . Bob Reynolds, sports director of WJR, Detroit, named to board of electors for 1958 Heisman Memorial Trophy to be given season's outstanding football player . . . Kermit Kahn resigns as adv. director, National Telefilm Assoc. . . . Alvin W. Outcalt, managing editor of *Sponsor*, ex-*Tide*, on Nov. 17 joins Popular Science Pub. Co., N. Y. as managing editor of *American Salesman* . . . Nelson H. Futch named merchandising services director of *TV Guide* in charge of new marketing services unit . . . Melvin E. Whitmire, inadvertently identified with Adam Young firm in this column last week, has been appointed mgr. of Weed TV-radio rep office, Glenn Bldg., Atlanta.

To list of West Pointers now in the broadcasting business, as published in article on naval & military academy graduates in the industry (Vol. 14:38), add names of William A. Ekberg, Class of '45, who is pres. & gen. mgr. of KFYZ-TV, Bismarck, N. D. with satellites in Minot & Williston, N. D.; Bruce Barnard, '45, mgr. of KROD, El Paso; George C. Lenfest, who was mgr. of operations of WBUF, recently closed NBC-owned uhf in Buffalo, newly appointed director of operations for network-owned WRCV & WRCV-TV, Philadelphia, where he succeeds Curtis D. Peck who has been transferred to KNBC, San Francisco.

### Obituary

Alexander B. Motenko, 44, Muzak v.p. in charge of all product functions—recording, programming, research & engineering—died of heart attack Nov. 3 at Larchmont, N. Y. Surviving are widow, son, daughter.

Jack R. Crutcher, 41, who had charge of RCA-NBC color TV production at recent Brussels Fair, died in Belgium Oct. 25 after a cerebral hemorrhage.

Latest to make hole-in-one is Kenneth W. Bilby, NBC exec. v.p.-public relations, playing Blind Brook Country Club course in Westchester County (one of President Eisenhower's favorites) with John L. Burns, pres. of RCA; Joe Culligan, NBC Radio v.p.; Howard Black, exec. v.p., Time Inc. He made it Sun., Nov. 2, with 130-yard drive on 15th hole—most "surprised guy in the world," he says, because course is uphill, day was cold, wind stiff, and he's only a week-end golfer with a 13 handicap who usually shoots in middle or high 80s. Only others in the industry reported to have made hole-in-one: Frank M. (Scoop) Russell, ex-NBC Washington v.p., with 165-yard drive at Kenwood Country Club, Washington, in May, 1956; and Merrill Lindsay, of the Decatur (Ill.) newspaper-radio family which owns part of WCIA, Champaign, Ill. (Ch. 3), who scored his last year at Bloomington (Ill.) Country Club, 143 yards (Vol. 14:15).

Recent additions to FCC staff: Broadcast Bureau engineers—Floyd Gonsoulin, ex-Tenn. Valley Authority; Joseph Kolkedy, ex-Jansky & Bailey, Washington consulting engineers; Edward D. Lewis, ex-Naval Gun Factory; Samuel H. Depew III, ex-Bryg Inc., Butler, Pa. Broadcast Bureau attorneys—Joseph D. Green, ex-private practice, Homestead, Fla.; Peter R. Cella Jr., ex-Veterans Administration. General counsel's office got Gerard M. Cahill, ex-Motion Picture Assn. attorney, while Office of Opinions & Review obtained Robert W. Geweke, ex-Justice Dept. attorney. New Common Carrier Bureau engineer is Wm. R. McCray, ex-National Scientific Labs.

**New & Upcoming Stations:** Current crop of 3 starters is largest number of new stations to get on air in any week since Oct. 1957. New starters are KCIX-TV, Nampa, Ida. (Ch. 6), which begins Nov. 9 as independent in Boise-Nampa area; satellite KGLD, Garden City, Kan. (Ch. 11), which began Nov. 5 repeating parent KCKT, Great Bend, Kan. (Ch. 2); WUFT, Gainesville, Fla. (Ch. 5), which begins Nov. 10 as state's 4th educational outlet.

With demise of CBS-owned WHCT, Hartford (Ch. 18), closing down Nov. 15 (Vol. 14:41) in favor of network affiliation with Travelers' WTIC-TV (Ch. 3), on-air total changes to 538 (84 uhf), of which 35 are non-commercial. Also reported this week was change to Dec. 1 of date of resumption of WWOR-TV, Worcester, Mass. (Ch. 14) as satellite of WWLP, Springfield (Ch. 22).

Nampa's KCIX-TV is negotiating for network for area served since 1953 by Boise stations KBOI-TV (Ch. 2) [CBS-TV] and KIDO-TV (Ch. 7) [NBC-TV & ABC-TV]. It has 5-kw GE transmitter, 2-bay RCA antenna on 310-ft. Blaw-Knox tower. Owner-gen. mgr. is Roger L. Hagadone, ex-owner of Boise radio KYME, now holding 50% interest in AM applicant for Sun Valley, Ida. Dave Jolly, ex-KVAL-TV, Eugene, Ore., is sales mgr.; Bert Godfrey, ex-radio KBRV, Soda Springs, Ida., program mgr.; Gilbert Rose, ex-KFXD, Nampa, Ida., chief engineer. Base hour is \$150. Rep is McGavren-Quinn.

Garden City's KGLD, near SW corner of Kansas, uses microwave to pick up NBC-TV programs of Great Bend's KCKT, 120 mi. away. It has GE transmitter, 12-bay antenna on 800-ft. Stainless tower. KCKT also holds CP for satellite KOMC, McCook, Neb. (Ch. 8), 150 mi. NW of Great Bend, target date not reported. O. D. Carmichael is KGLD mgr. KCKT has \$300 base hour. Rep is Bolling.

U of Florida's WUFT has 5-kw GE transmitter, 3-bay antenna on 425-ft. Stainless guyed tower. University has conducted closed-circuit teaching for 2 years, also operates radios WRUF & WRUF-FM. Rae O. Weimer, director of school of journalism & communications, is station mgr.; L. O. Franks, program director; G. W. Gilstrap, production director; Wm. F. Boehme, chief engineer.

\* \* \* \*

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

KNOP, North Platte, Neb. (Ch. 2) is negotiating for network affiliation, has tentative Dec. 1 programming target, writes operations director Howard W. Morgan Jr., ex-KOAT-TV, Albuquerque. Installation of 5-kw GE transmitter and 6-bay superturnstile antenna on 500-ft. Ideco tower has been completed. Base hourly rate will be \$150. Rep not chosen.

WGTE-TV, Toledo (Ch. 30, educational) has set Nov. 27 programming target, reports Murray W. Stahl, program & production director of grantee U of Toledo. It has 100-watt GE transmitter, with helical antenna on University Hall tower.

Ex-FCC Comr. Richard A. Mack pleaded innocent to charges of conspiracy in celebrated Miami Ch. 10 case when arraigned Nov. 7 in Miami before Federal District Court Judge Emmet Choate; bond was set at \$1000, and trial is due to start Jan. 6. Mack had been scheduled to appear before Washington judge same day but Govt. and defense attorneys told judge he was too ill to appear. He has been confined to private hospital in Miami, suffering from nervous collapse and 4 fractured ribs. Miami attorney Thurman A. Whiteside, indicted with Mack, previously pleaded "not guilty" (Vol. 14:40).

FCC's Boston Ch. 5 investigation is being "pursued actively," Commission told Court of Appeals this week, reporting as requested by Court. Said FCC: "The staff has questioned a number of persons who it believes may have information about the case. The steps have been taken to determine the availability of any possible further information in the files of the legislative oversight subcommittee. Further investigations in the field are planned this month with the hope that the matter can be designated for hearing in Dec. or Jan." Court had sent case back to Commission with orders that it look into charges of influence on final decision won by *Herald-Traveler's* WHDH-TV (Vol. 14:31).

FCC reversed itself, on petition of WKST-TV, New Castle, Pa. (Ch. 45), moved Ch. 73 back to Youngstown from Pittsburgh, took back its decision which modified CP-holder WXTV's grant from Ch. 73 to Ch. 33 in Youngstown, threw Ch. 33 open to application by all comers. It decided that Ch. 73 wasn't needed in Pittsburgh; that it would be more equitable to make Ch. 33 available for all applicants in Youngstown rather than give it to WXTV, which isn't on air.

CP granted: Ch. 40, Sacramento, Cal., formerly occupied by KCCC-TV, awarded by FCC to Capitol TV Co. which was organized by former employes of KCCC-TV: Melvyn E. Lucas, Clarence A. Holien, Harry Bartolomei. Largest stockholder, with 30%, is Lucas, now an auto salesman. Two translators were granted: Ch. 71, Boonville, Cal., to Anderson Valley TV Inc.; Ch. 71, Wallowa Valley, Ore., to Wallowa Valley TV Assn. (For details, see *TV Addenda 27-J.*)

Shift of Ch. 18, Hartford, to Waterbury, Conn, is sought by 5-year-old WATR-TV, Waterbury (Ch. 53), which informed FCC that it would be forced to suspend operations unless it's permitted to switch to the lower channel—which is being dropped by CBS's WHCT (Vol. 14:41). WATR-TV suggests that Ch. 53 be shifted to Hartford, if Commission deems it advisable.

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Morgan Murphy interests are selling WEBC, Duluth, Minn. (560 kc, 5-kw U) for \$250,000 to George Clinton, ex-gen. mgr. of WBOY-TV, Clarksburg, W. Va. (Ch. 12) and ex-owner of WCMI, Ashland, Ky. Publisher Murphy [*Superior* (Wis.) *Telegram*, *Virginia* (Minn.) *Mesabi News*, *Lafayette* (La.) *Advertiser*, etc.] recently sold WMFG, Hibbing & WHLB, Virginia (Vol. 14:30), also controls WEAU & WEAU-TV, Eau Claire, Wis. (Ch. 13); WMAM & WMBV-TV, Marinette, Wis. (Ch. 11); 50% of WISC & WISC-TV, Madison, Wis. (Ch. 3); and radio station KVOL, Lafayette, La. (TV applicant for Ch. 3). [For news about other radio station sales and transfers, see *AM-FM Addenda SS.*]

Sale of radio WCKR & WCKR-FM, Miami, still can't be approved, FCC informed sellers Cox-Knight-Trammell this week, stating that it must first complete study of charges of "influence" on final decision granting WCKT (Ch. 7) to Cox-Knight-Trammell. Proposed purchasers are Sun-Ray Drug Co. owners Wm. & Harry Sylk, who are paying \$800,000 (Vol. 14:21, 40).

Ex-baseball broadcaster I. Ed. Edwards (Kansas City Athletics) and A's 3rd baseman Preston Ward are buying radio WABR, Winter Park, Fla. (1440 kc, 5 kw D) from Orange County Bcstrs. (James H. & Idamae Sawyer) for \$225,000, according to broker Blackburn & Co. [For news about other radio station sales & transfers, see *AM-FM Addenda SS.*]

**More Station Transfer Deals:** Multi-million dollar deals have definitely been agreed upon for the sale of 2 more major stations, while apparently reliable but unverifiable reports were circulating that at least 3 others were definitely on their way into new hands. The now-definite deals: Cowles Broadcasting Co.'s purchase of Hoyt B. Wooten's WREC-TV, Memphis (Ch. 3), along with his pioneer radio WREC, for \$6,000,000. Corinthian Broadcasting Corp.'s \$4,500,000 purchase of KBET-TV, Sacramento, Cal. (Ch. 10), no radio adjunct (Vol. 14:43).

Also being sold, though owners won't divulge buyer or amount involved, is pre-freeze WKTV, Utica, N. Y. (Ch. 13), possibly with its 250-watt radio adjunct, WKAL, Rome, N. Y. Stations are controlled by principals in Kallet Theatres Inc. movie chain, one of few to venture into TV early. WKTV gets service from all 3 networks, is exceptionally well situated for coverage, probably will fetch sum well into 7 figures.

Others reputedly on the block, being negotiated for, are WMUR-TV, Manchester, N. H. (Ch. 9), owned by 80-year-old former Gov. Francis P. Murphy, and KPTV, Portland, Ore. (Ch. 12), controlled by George Haggarty, Detroit attorney with large Texas oil interests. Murray Carpenter, founder and onetime 50% owner of WABI-TV, Bangor, Me. (Ch. 5), which he sold 5 years ago to the Horace Hildreth interests, then of WLBZ-TV, Bangor (Ch. 2), formerly WTWO, which he sold early this year for \$600,000 to Wm. H. Rines group (Vol. 14:12, 16, 20), confirms that he's negotiating for the Manchester outlet,

says meeting of minds seems near. Price is said to be considerably under \$1,000,000, and Carpenter proposes to assume personal management.

The Portland station, which is losing its NBC affiliation to Mrs. Scott Bullitt's KGW-TV (Ch. 8) and switching to ABC (Vol. 14:42), was purchased by Haggarty last year after he had acquired its old uhf plant from George Storer (Vol. 13:10, 11, 16, 18). Who are its prospective buyers, and at what price, isn't divulged.

The \$6,000,000 Cowles deal with Wooten will be detailed with transfer papers about to be filed with FCC. He gets that amount for plant clear of all net quick assets, will stay on for 2 years at \$10,000 a year as supervisor while sales mgr. Charles Brakeford moves up to gen. mgr. It's a basic CBS outlet. Deal is biggest since last year's \$20,000,000 sale of WCAU-TV & WCAU by *Philadelphia Bulletin* to CBS (Vol. 13:51 & 14:1, 30); \$7,600,000 sale of WDAF-TV & WDAF by *Kansas City Star* to National Theatres Inc. (Vol. 13:47-48 & 14:17, 30); \$6,350,000 sale of Birmingham's WBRC-TV with WBRC by Storer to Taft group (Vol. 13:13-14, 19).

Cowles negotiations were conducted by *Des Moines Register & Tribune* publisher Luther L. Hill, who also handled last year's \$3,000,000 sale of its KVTM, Sioux City (Ch. 9) with radio WNAX, Yankton, S. D. to Peoples Broadcasting Corp. (Vol. 13:41, 44, 49). Cowles interests are considerably split, but FCC has regarded holdings of brothers Mike (*Look Magazine*) and John (*Minneapolis Star & Tribune*) as one entity. Memphis stations thus give them 5th vhf TV, 4th radio, others being 60% of KRNT-TV, Des Moines (Ch. 8) and 100% of radio KRNT; 100% of WHTN-TV, Huntington, W. Va. (Ch. 13) with WHTN; 80% of KTVH, Hutchinson-Wichita (Ch. 12); 47% of WCCO-TV, Minneapolis (Ch. 4) with interlocking WCCO.

**NBC Reacts to CBS Radio Cut:** Renewed strength for NBC Radio, enthusiastically expounded by pres. Matthew J. (Joe) Culligan at recent affiliates meeting (Vol. 14:43), is what NBC hierarchy sees resulting from CBS Radio's belt-tightening last week (Vol. 14:44).

NBC executives are most eager to make it quite clear that they don't share CBS's problems. To emphasize that this week, they released exchange of wires between NBC Radio affiliates chairman George W. Harvey (WFLA & WFLA-TV, Tampa-St. Petersburg) and NBC chairman Robert W. Sarnoff. Harvey had expressed concern lest CBS's action might hurt network radio generally, asked Sarnoff and aides to come to special affiliates meeting in New Orleans Nov. 21 or 22. Sarnoff replied, in effect, that NBC Radio is doing so well, that its progress was so well described recently at NBC affiliates meeting in N. Y. (Vol. 14:43)—that there is no need for any special meeting.

NBC Radio topkicks repeat assertions that their network is losing less money than CBS Radio; that losses are being cut constantly. They state they now serve their 201 affiliates (offered to sponsor as a group, no basics, no splitups unless a station won't clear for a particular program), with 76 hours of programming weekly. These include 11 five-min. on-the-hour newscasts daily and 14 hours of *Monitor* on week ends. They say 75% of schedule was sold in Oct., claim 48% of all sponsorships on NBC, CBS & ABC combined.

They contrast this with the approximately 41 hours to be offered by CBS under its new Program Consolidation Plan starting Jan. 1. To punctuate their claims, they say several major CBS Radio affiliates have already sounded

them out on possibilities of switching their affiliations.

Harvey's request for special meeting stated: "NBC Radio affiliates executive committee has discussed the latest CBS move of depreciating network radio in contrast to the revitalizing job NBC has done. The confidence engendered during the last 2 years as evidenced at our recent N. Y. meeting should serve notice to all the NBC affiliates [that we] believe network radio is on firm ground and improving. We do not want our position to be compromised and would like an expression of faith in network radio from NBC."

Sarnoff seized Harvey's wire as opportunity to make a progress report:

"We have been underwriting our faith in network radio by the development of new program & sales concepts which made it more productive and more rewarding for our listening audience, our affiliates and our advertisers. We intend to continue on this course on the basis of present methods of operation and to concentrate on further strengthening of the schedule along affirmative lines discussed at the Oct. meeting. This includes specifically the introduction of the NBC 'Image' features and the addition of the new 'Stardust' and 'Analysis' segments we have reviewed with the affiliates.

"It is, of course, too soon to gauge all the effects of the CBS program retrenchment or whether the plans will be acceptable to its affiliates and advertisers. But it is not too soon to assure you, the NBC Radio affiliates committee and all our affiliates, that we have no other plans than to continue building on the progress of the past in strengthening NBC's leadership position and we feel that we now have even greater opportunities to do so."

**Tapping Hospital Market:** Possibly most ambitious operator in business of supplying TV-radio service to hospital rooms is Dahlberg Inc., Golden Valley, Minneapolis (Harold E. Dahlberg, sales mgr.). It installs TV sets, master antenna systems, closed-circuit TV & radio "stations," nurses calling system—all operable by remote control from patients' beds.

Dahlberg has installed systems in more than 30 hospitals, though few have closed-circuit TV as yet. When hospital desires own radio "station," console is installed, including: 2 speed tape recorder, 4-speed record changer, AM-FM receiver, plus microphones at console and other origination points such as chapel. In addition, 3 local radio station signals are converted to unused TV channels, fed to TV receiver; screen goes dark when patient tunes to radio. Station call letters: WELL.

Since most hospitals don't permit young children to visit parent patients, vidicon camera is installed, usually on lobby floor, and parent may see child and talk to him. None has 2-way TV system so far—because systems would be much more expensive.

\* \* \* \*

Another company in hospital TV field is Jerrold Electronics, Philadelphia, which has installed "Televisit" booth at Bryn Mawr Hospital. In addition to children's appearances, system is programmed several hours daily—by hospital's ladies auxiliary—with bingo, cooking information, diet data, etc.

Patient usually is charged extra for TV service or charge is concealed in rates, and hospital keeps 5-20% of gross—average about 15%.

Also big in the "automated hospital" field is Minneapolis-Honeywell, Minneapolis, which offers very elaborate bedside control center which can do these things via dial-turning and switch-flicking:

(1) Raise & lower height of motorized bed. (2) Open & close motorized drapes. (3) Turn lights on & off. (4) Operate TV receiver, radio set and closed-circuit TV system. (5) Call and communicate with nurse. Also offered is unique telephone with dial section built into base.

Minneapolis-Honeywell's aim is to reduce cost of patient care, free nurse for more actual medical care—as opposed to "hotel-type" services pertaining only to physical comfort. Says B. C. Benson Honeywell's hospital sales mgr.:

"The most promising hope for getting hospital costs down is through the application of mechanical means to lighten the nurse's burden, so that she can take care of more patients than she does now and yet improve the quality of her nursing service."

Experimental TV applications: Ch. 10 on-channel booster, 500 watts, at No. Greenbush, N. Y., by WTEN, Albany (Ch. 10), to fill hole in coverage area; 1990-2110 mc, .15 watts, to test portable unit, at Decatur, Ill. and Michigan City, Ind., by Thompson Products Inc.

Herman Garlan, of FCC's office of chief engineer, will be Commission representative on U. S. delegation to international conference on interference at The Hague, Netherlands, Nov. 17-22; head of delegation is Dr. R. M. Showers, U of Pennsylvania.

New RCA 5-kw FM transmitter introduced this week, Model BTF-5B, features adaptability to stereo through addition of one or 2 subcarrier generators.

Vandivere & Cohen consulting engineers move to 617 Albee Bldg., 1426 G St. NW, Washington (Executive 3-4616) Nov. 10.

**FCC Reversed on FM Multiplex:** Functional music operations are "broadcasting," contrary to FCC's interpretation of Communications Act, Court of Appeals ruled this week in 2-1 decision in favor of FM operator WFMF, Chicago. FCC had insisted that FM stations could continue functional music operations only on a subsidiary multiplexed basis, shifting from conventional simplex service, because such service was a "point-to-point" operation—not what FM band was designed for. Court of Appeals Judges Edgerton & Bazelon stated, in decision written by latter: "Broadcasting remains broadcasting even though a segment of those capable of receiving the broadcast signal are equipped to delete a portion of the signal [removal of commercials via ultrasonic tone]. In contrast to the objectionable service in the cited cases, which by its very nature negates an intent for *public* distribution, functional programming can be, and is, of interest to the *general* radio audience. Petitioner, for example, has acquired a high degree of popularity with the Chicago free listening audience. Moreover, it receives substantial and growing revenues from advertisers specifically desiring to reach that audience. In this light, a finding that the programming of petitioner and broadcasters comparably situated is not directed to, and intended to be received by, the public generally is clearly erroneous. Transmitted with the intent contemplated by Sec. 3(o), such programming therefore has the requisite attributes of broadcasting." Judge Danaher dissented: "The Commission simply decided that the specialized simplex service was not to be permitted to pre-empt the valuable spectrum space allocated to FM frequencies intended to be devoted to broadcasting. This was a public interest determination required to be made by law. Thus the Commission's rule-making was entirely within the Commission's competence."

"Percival" stereo system of transmission, claimed to be compatible and producing less transmitter loss than that suffered with other multiplexed systems, is described in Oct. 18 *Wireless & Electrical Trader* by W. S. Percival, of Britain's Electric & Musical Industries Ltd. (EMI). He says system produces 2db power loss, compared with other systems' 6db, describes its principles as follows: "The difference between mono and stereo reproduction is that in stereo, in addition to the mono audio signal, a second signal is necessary containing information as to direction. . . . Thus, if the directional signal could be separated from the stereo signal (leaving only a normal audio signal) and then transmitted as a separate signal, a receiver that could handle the 2 components could recombine them appropriately and produce the original stereo signal. Only a single normal audio channel would be necessary for combination with the directional information, and that would provide an ordinary mono receiver with proper compatible mono signal." Intended initially for FM, system could be used in AM through addition of filter to AM sets to remove subcarrier, according to Percival.

"Can Boxing Survive TV?" asks Nov. 8 *TV Guide*—and gives yes-&-no answers by International Boxing Club pres. Truman K. Gibson and proprietor Lou Stillman of famed Stillman's Gym. "We're in the TV business for good," says Gibson. "There's no question but that TV has hurt the gate in boxing—just the way it has hurt the gate in the movies. Well, we decided that we couldn't lick TV. So we joined it." Stillman bemoans that 300-400 fighters used to work out in his establishment, but that since TV began to provide selected fights for fans free at home, his stable is down to 90. "Boxing's finished. Through. Washed up. Blame it on TV."



**TOO MANY MODELS—DO THEY SAP PROFITS?** Whether industry offers its distributors and dealers too many models, tries to create obsolescence with unwanted gimmicks & gadgets every 6 months, is question that plagues top merchandisers and keeps designers on tenterhooks. Issue was pointed up in Nov. 3 Time Magazine, which suggested too many models is problem shared by appliance, home entertainment & automobile industries, and result is higher prices, consumer confusion & dealer indignation.

Almost 2000 TV models now are on the market, we estimate from discussions we have had with marketing authorities, and noting particularly that current Photofacts (Howard W. Sams & Co.) lists total of 1850, including some carryovers from 1957 & 1958 lines. Total is significant in view of fact that number of TV manufacturers declined from 51 in 1952 to 26 in 1958, whereas number of models has increased more than 30%. Says Time Magazine:

"Men who complain most bitterly about wide variety of models are retailers. Most dealers agree business would be better if there were fewer models to handle, find that most customers tend to concentrate on a few popular models anyway...The buyer is often so baffled that she does not buy. Industry's own production experts complain that they operate less efficiently with so many models."

Philco marketing v.p. Henry Bowes said: We cut the number of basic TV models from 50-plus in 1956 to about 18 in 1957 and that's where we have held it. We try to go down the middle of the road -- not too many models but, certainly, not too few. We can't afford to have a short-short line; it leaves too many gaps. Also, a medium line forces you to do a good merchandising job because if one model flops, you're in for real trouble."

Motorola exec. v.p. Edward R. Taylor: "I feel that multiplicity affects profits. It shortens the margins for the wholesaler and retailer. We are offering some 15% fewer models in our 1959 line that we had last year."

RCA spokesman took exception to Time's statement that RCA now has 316 cabinet styles and models in radios, TVs & phonos. He reported 23 basic black-&-white TV models, 10 color models, 21 radios, 14 stereo phonos -- a total of 68 basic models. He agreed number would increase sharply if all color and finishes were included as separate models. "While distributors are continually asking for shorter lines, we must have a model for each competitive bracket," he said. "We have cut down on the number of basic models but there is a greater selection of finishes."

GE spokesman said there has been little change in number of TV models over the last few years and that he knows of no move to shorten the line drastically when new models are introduced in Jan. But, GE's Hotpoint div. is currently offering what is said to be the shortest line among the industry's majors-- 8 or 10 basic models.

Time also takes off on "phony price cutting", calls it threat to advertising confidence. It adds (Nov. 10): "Once only fly-by-nighters in dingy back streets offered fake bargains. Today, in trying to keep up with the discount houses, even old established merchants resort to price trickery. The problem is so bad that the Federal Trade Commission last month came out with a 9-point 'Guides Against Deceptive Pricing,' aimed at getting merchants and manufacturers to cooperate to force more honesty back into price advertising." Worst offenders were said to be dealers in refrigerators, stoves, TV sets, mattresses and other household goods. [For our full report on FTC's war against price fakers, see Vol. 14:41.]

**Retail Sales Mirror Business Upturn:** Revised & official EIA TV-radio retail sales figures for Sept. confirm our preliminary report of a business upsurge (Vol. 14:31) and clearly indicate home entertainment field is sharing in upturn in general business conditions (p. 1). Retail TV sales for Sept. were 605,638--best month

since Dec. 1957, and well above 405,790 sold in Aug. However, sales in Sept. were still far below same month a year ago, and year-to-date TV sales lagged behind last year -- 3,468,090 sets to 4,903,676 sets year ago.

Radio sales also hit year's peak in Sept., with sales soaring to 792,596 for the month vs. 658,247 in Aug., excluding sales of automobile radios. Cumulative home radio sales for first 9 months of 1958 were 4,903,676 vs. 5,840,372 in the same 1957 period. In addition to radios sold through retail outlets, 2,383,551 auto sets were produced in Jan.-Sept. period this year, of which 489,738 were made in Sept.

**TV-Radio Production:** TV output was 121,465 sets in week ended Oct. 31 vs. 121,267 preceding week and 169,806 same week last year. Year's 43rd week brought year's total production to 4,066,549 sets vs. 5,245,000 last year. Radio production was 306,977 for week ended Oct. 31 (56,071 auto) vs. 310,148 (75,073 auto) preceding week and 401,178 (125,813 auto) same week last year. Radio production for 43 weeks was 8,905,835 (2,682,537 auto) vs. 11,953,000 (4,380,000 auto) last year.

**Trade Personals:** Ray B. Cox, ex-gen. mgr. of Hoffman Sales Corp. of Cal., named v.p. & gen. mgr. of parent Hoffman consumer products div., succeeded by John B. Chadwell, ex-Hoffman asst. national sales mgr.; Paul E. Bryant continues as sales v.p. . . . Robert G. Farris, ex-O. A. Sutton Corp., named Motorola adv. & sales promotion mgr. . . . Maurice Kalen promoted to controller, Gordon R. Vance to sales coordination mgr., RCA electron tube div. . . . Avery Fisher, pres. of Fisher Radio Corp., named chairman of 1959 nominating committee of Institute of High-Fidelity Mfrs. . . . John Cantwell promoted to Sylvania's district sales mgr., Washington, D. C.; Richard C. Whiting to Southwest distributor sales mgr., electron tube div., Atlanta; Donald W. Moffett to materiel mgr., semiconductor div. . . . H. P. Murphy promoted to Hotpoint sales rep, Chicago; P. E. George promoted to same post, Cleveland; C. J. Miller to Minneapolis . . . W. G. Fee promoted to mgr., W. J. Hewitt to operating mgr., of Graybar's Lexington (Ky.) branch . . . Carmine J. Audiotore promoted to chief electronic engineer of Adler Electronics; Sheldon Newberger to chief mechanical engineer . . . Philip M. Pritchard, ex-Sylvania, named General Instrument marketing mgr. for electronic components . . . Jerry LaPeter succeeds Livingston Goddard as pres. of Pathecolor Inc., Bayonne, N. J., amateur color film processing, subsidiary of Chesapeake Industries Inc.

C. O. Stanley, chairman of Pye Ltd., big British TV-radio manufacturer, named a director of highly successful Associated Television Ltd., commercial TV contractor with ITV, following latter's acquisition of half interest in Pye Records Ltd.

John D. Ryle, former exec. v.p. of Federation for Railway Progress, Washington, joins Thomas J. Deegan Jr., Chrysler Bldg., N. Y. as exec. v.p.; Deegan, counsel to late railwayman Robert Young, is special consultant to RCA on public relations.

Maurice Clements, publisher of electronic journals for last 36 years, has sold his remaining 49% interest in *Electronic Technician* to magazine's employes headed by publisher Howard Reed & editor Al Forman.

### **Obituary**

Frank R. Deakins, 64, chairman of RCA Victor Ltd. of Canada, onetime pres. of RCA International, died Nov. 6 at home of his son in Wayne, Pa., after a long illness.

Dr. Wm. C. Taylor, 71, honorary v.p. & technical advisor of Corning Glass Works, died Nov. 2 at Corning, N. Y. Surviving are widow, son, daughter.

**ELECTRONICS PERSONALS:** M. J. Rafale, ex-chief of Sylvania chemistry section, is pres. of newly organized Materials for Electronics Inc., Continental Hotel, Jamaica, N. Y., suppliers of special-purpose chemicals, metals, ceramics, minerals & components imported from Europe & South America . . . Arnold Malkan, ex-chairman of General Transistor Corp., is chairman of new Silicon Transistor Corp., 565 Fifth Ave., N. Y.; Harold Sandler, head of Trans-Aire Inc., N. Y., is pres.; Donald Des Jardins, ex-RCA, is engineering v.p. . . . Dr. Nathaniel Korman named director, David Shore assoc. director, of new RCA Advanced Military Systems group, Princeton; S. W. Cochran promoted to marketing mgr., RCA defense electronics surface communications dept. . . . W. D. Lewis promoted to Bell Labs director of communications systems research; A. H. White promoted to director of physical sciences research . . . Eugene E. Broker promoted to mgr. of Sylvania's subminiature tube plant at Burlington, Ia., succeeded by Oscar W. Bierly as mgr. of receiving tube plant at Shawnee, Okla. . . . Bernard Corcoran promoted to mgr. of ITT's new Northern Services div., Anchorage, Alaska . . . Edward S. Barber promoted to personnel administrator of Sylvania electronic systems div., Waltham, Mass. . . . Worden G. Waring, ex-Raytheon, named to head new chemical research section of Fairchild Semiconductor Corp. . . . Roy C. Ritchart appointed asst. chief engineer of Stromberg-Carlson, San Diego branch; he formerly worked on Convair's Charactron project . . . Alfred B. Rossip, ex-General Transistor Corp., acquires 2/3 interest in Electronic Fabricators, N. Y., and is named pres.

"Soaring Sixties" lie ahead for electronic goods—and advertising agencies must gear themselves to sell devices "that will make the present American home as antiquated as an antimacassar in the living room," BBDO exec. v.p. J. Davis Danforth said this week in Toledo. Addressing annual east central meeting of AAAA, of which he's chairman, Danforth predicted: "We will be selling windows that close themselves when it rains, and food that will be practically non-perishable, irradiated by electronic rays to keep it fresh almost indefinitely. Perhaps you will shop by TV just sitting at home and dialing a number, color TV will hang in a picture frame on your wall, phones will come equipped with viewing screens . . ."

TV production in Japan topped 100,000 sets in Aug. for first time, according to Electric Communications Industry Assn. Seven out of 30 manufacturers account for bulk of production which is 95% in 14-in. sets selling from \$110-\$200.

**TV-Radio Production:** TV output in Sept. hit peak for year and radio production also was at year's high, but figures for both month and year-to-date were well below 1957 totals. EIA reports TV production in Sept. was 621,734 sets vs. 507,526 in Aug. and 832,631 in Sept. 1957. TV receivers with uhf tuners totaled 40,712 units vs. 38,166 in Aug. and 87,040 in Sept. 1957. Cumulative uhf receiver production declined to 311,809 this year vs. 585,905 for the first 9 months of 1957. Cumulative output of TV sets as of Sept. 30 this year was 3,572,189 vs. 4,589,164 in same 1957 period.

Radio production in Sept. was 1,567,135 compared with 1,028,852 in Aug., 1,610,748 in Sept. 1957. Jan.-Sept. radio total was 8,178,821 receivers vs. 10,376,354 in same 1957 period. FM receivers produced in Sept. totaled 41,408 vs. 21,335 in Aug. and 11,816 in July (Vol. 14:44). For first 9 months of 1958, total of 176,061 FM receivers was produced. Comparative figures on FM production last year are not available.

Picture tube factory sales paralleled TV output, rising to 891,803 tubes in Sept. vs. 713,458 in Aug. but well below the 1,071,662 sold in Sept. 1957. Jan.-Sept. picture tube sales were 5,844,665 vs. 7,308,552 sold during the same period last year. Revised Jan.-Sept. monthly figures follow:

| TV           | Auto Radio       |                  | Total            | Picture Tubes    |                    | Receiving Tubes |                    |
|--------------|------------------|------------------|------------------|------------------|--------------------|-----------------|--------------------|
|              | TV               | Auto Radio       |                  | Unlts            | \$ Value (Add 000) | Unlts (Add 000) | \$ Value (Add 000) |
| Jan. —       | 433,983          | 349,679          | 1,026,527        | 621,910          | \$12,342           | 26,805          | \$ 23,264          |
| Feb. —       | 370,413          | 268,445          | 876,891          | 556,136          | 11,211             | 29,661          | 25,650             |
| March —      | 416,903          | 234,911          | 931,341          | 634,779          | 12,643             | 28,548          | 25,716             |
| April —      | 302,559          | 190,435          | 697,307          | 590,357          | 11,592             | 32,582          | 28,788             |
| May —        | 266,982          | 185,616          | 654,803          | 560,559          | 11,237             | 36,540          | 31,406             |
| June —       | 377,090          | 235,433          | 774,424          | 725,846          | 14,203             | 36,270          | 31,445             |
| July —       | 274,999          | 186,379          | 621,541          | 549,817          | 11,109             | 30,795          | 26,927             |
| Aug. —       | 507,526          | 242,915          | 1,028,852        | 713,458          | 14,190             | 30,456          | 25,442             |
| Sept. —      | 627,734          | 489,738          | 1,567,135        | 891,803          | 17,704             | 40,061          | 33,951             |
| <b>Total</b> | <b>3,572,189</b> | <b>2,282,551</b> | <b>8,178,821</b> | <b>5,844,665</b> | <b>\$116,232</b>   | <b>291,718</b>  | <b>\$252,590</b>   |

**Stereo gimmick:** Scarcely scientific, but reportedly effective, is device by Blaupunkt Radio, West Germany, to achieve stereo sound by delaying a portion of monaural phono sound 1/20th second, simulating reflection of sound from concert hall walls & ceiling. Device consists of 17-yd. folded metal tube in back of set through which portion of sound is deflected. It can be used only when playing single-channel discs to give a stereo effect.

**OFFICER-&DIRECTOR** stock transactions as reported to SEC for Oct.:

- Admiral—Wallace C. Johnson exercised option to buy 800, holds 4800.
- Amphenol—Martin A. Donlan exercised option to buy 375, holds 725; Donald S. Hilliker bought 150, sold 49 through corporations, holds 500 personally, 327 in corporations; Edmund A. Stephan sold 250, holds 500.
- Avco—Curry W. Stoup exercised option to buy 2000, holds 2250.
- Beckman Instruments—Robert Erickson bought 500, holds 500.
- Belmont Instrument—Thomas F. Hanley sold 1000, holds 40,201.
- Clevite—C. Baldwin Sawyer bought 200, holds 29,166 personally, 340 for son.
- Corning Glass—John L. Hanigan sold 500, holds 1925.
- Decca Records—Milton R. Rackmil bought 100 through trust, holds 10,500 in trust, 1713 personally.
- DuMont Labs—Donovan H. Tyson sold 200, holds none.
- GE—Oscar L. Dunn bought 330, holds 2360; Wm. Rogers Herod sold 600, holds 8476; John D. Lockton exercised option to buy 1500, holds 8019; Francis K. McCune exercised option to buy 1125, holds 8361; Harold A. Olson bought 594, holds 2901; Gerald L. Phillippe exercised option to buy 3000, holds 7623 personally, 300 as custodian; Clarence C. Walker exercised option to buy 1125, holds 5808; Nathan L. Whitecotton bought 570, holds 2313.
- General Precision Equipment—George T. Link sold 400, holds 6972.
- Hazeltine—Laurence B. Dodds sold 100, holds 427
- International Resistance—Harry A. Ehle sold 600, holds 13,500.
- ITT—Frederick R. Furth bought 160, holds 203.

**UHF Receiver Performance:** Comparison of uhf & vhf reception—analyzing antennas, transmission lines & receivers—was job of TASO Panel II under Hazeltine's W. O. Swinyard (see p. 3)—and it's understood that panel is nearly through with its work.

Group analyzed what it believed was good cross section of manufacturer replies. Its figures are still subject to analysis by Panel V, headed by Sylvania's Robert M. Bowie. Among findings:

- (1) Under equal field strength conditions, average uhf antenna & transmission line delivers 16.4db less signal to receiver than Ch. 2-6 antenna & transmission line do. Ch. 7-13 equipment delivers 6.1db less.
- (2) Average uhf set is inferior to vhf in noise factor. Ch. 2-6 sets have 6.5db; Ch. 7-13, 8.5db; Ch. 14-40, 12.8db; Ch. 41-65, 13.2db; Ch. 66-83, 3.8db.
- (3) Image ratio performance: Ch. 2-6, 73db; Ch. 7-13, 68db; Ch. 14-40, 32db; Ch. 41-65, 29db; Ch. 66-83, 26db.
- (4) Tuner bandwidth, 3db down: Ch. 2-6, 7.5 mc; Ch. 7-13, 9.4 mc; Ch. 14-40, 17.5 mc; Ch. 41-65, 18.5 mc; Ch. 66-83, 25.4 mc.
- (5) Five-minute warmup drift: Ch. 2-6, .09 mc; Ch. 7-13, .14 mc; Ch. 14-40, .17 mc; Ch. 41-65, .22 mc; Ch. 66-83, .28 mc.

Panel II acknowledges that improvements in uhf are possible through use of more expensive amplifier tubes, etc.—but it doesn't speculate about economics.

Sequel to the Zenith report on record 9-mo. and 3rd quarter sales & earnings (Vol. 14:44): Oct. production and shipments were at new high record for third consecutive month, reports pres. Hugh Robertson, topping Sept. by 10% and Oct. 1957 by 25%. Daily shipments in Nov., he stated, will continue at same high rate as Oct. but won't match Oct. record because of fewer working days. But final quarter ending in Dec. will establish all-time high, Robertson stated, with all divisions showing gains.

Factory sales of transistors continued upward trend in Sept. and total for first 9 months of 1958 was 70% ahead of same 1957 period. EIA reports Sept. sales were 5,076,443 units vs. 3,231,000 last year. Sales in first 9 months totaled 30,387,277 units worth \$70,230,195 vs. 17,842,300 in same 1958 months.

- E. J. Korvette—Murray Bellenson sold 2000 and 2000 more through wife, holds 7240 personally, 5550 for wife, 110 in trust for children; Melvin Friedman sold 2000 through wife, holds 5500 personally, 2975 for wife.
- Litton Industries—Alfred B. Connable sold 200, holds 7800; Carl A. Spaatz sold 100, holds 3900.
- Loew's—George Killion amended Dec. 1957 report to show he bought 13,550 then, bought 250 in Jan. 1958 and 200 in May, holds 15,000.
- Magnavox—J. S. Sturgeon sold 1100, holds 90.
- P. R. Mallory—Harold C. Buell exercised option to buy 1000, holds 1911; Ray F. Sparrow sold 200, holds 21,166.
- National Theatres—B. Gerald Cantor bought 3500, acquired 5000 through transfer or accrual, bought 1000 through Cantor & Son, sold 5000 through Jay Stewart Inc. and 1500 through Kirk Douglas Foundation, holds 80,000 personally, 5000 in Cantor & Son, none in Jay Stewart Inc., none in Kirk Douglas Foundation, 15,000 in Cantor Fitzgerald & Co., 10,000 in Cantor & Douglas, 3000 in Cantor Fitzgerald Foundation, 1000 in First Nevada Corp.; E. C. Rhoden sold 1500, holds 34,300 personally, 55,525 in companies.
- Philips Electronics—James J. Colt bought 1000 through holding companies, holds 3834 personally, 48,936 in holding companies, 8827 for wife, 10,839 for daughter.
- Raytheon—Ivan A. Getting exercised option to buy 2500, holds 2743.
- Republic Pictures—Bernard E. Smith Jr. sold 5000 and 1000 more through partnership, holds 27,550 personally, none in partnership.
- Skiatron Electronics & TV—Arthur Levey sold 8000 and 20,500 more in private transactions, holds 284,831.
- Trav-Ler Radio—Joe Friedman bought 2000, holds 226,233.
- Westinghouse—Tomlinson Fort sold 300, holds 1051; John F. Myers bought 625, holds 1044.

## Financial Reports:

Merger of Amphenol Electronics (TV-radio parts & antennas, coaxial cables, connectors, etc.) with George W. Borg Corp., Delaven, Wis. (potentiometers, auto clocks, etc.) has been approved by directors on basis of 1½ shares of projected new Amphenol-Borg Electronics for each share of Borg now held. George W. Borg, who founded firm in 1935 and was a founder of Borg-Warner, will be chairman of exec. committee. Merged company will have more than 7500 shareholders, 3500 employes, with annual sales exceeding \$50,000,000, total assets more than \$37,000,000. Amphenol is listed on N. Y. Stock Exchange, and merged companies will have over 1,150,000 common shares outstanding.

General Instrument Corp. has sold Thermotron div. of its subsidiary, Radio Receptor Co., Brooklyn, acquired last year, to Willcox & Gibbs Sewing Machine Co.; Thermotron makes dielectric sealing & welding equipment.

Aircraft Radio Corp., Boonton, N. J. will merge with Cessna Aircraft Co., Wichita, subject to approval of stockholders of both.

\* \* \* \*

Beckman Instruments earned \$619,843 (45¢ per share) on sales of \$10,212,444 in first fiscal quarter ended Sept. 30 vs. \$290,712 (22¢) on \$10,487,043 in same period last year. Results for current year's period include non-recurring income of \$194,079 (14¢) from sales of Helipot Div. plant at Newport Beach, Cal.

Standard Coil Products earned \$187,924 (13¢ per share) on sales of \$16,191,801 in 3rd quarter ended Sept. 30 vs. \$257,634 (18¢) on \$14,651,158 in 1957 period, when no provision for income taxes was made because of loss carry-forward.

Daystrom earnings fell to \$369,000 (41¢ per share) on sales of \$35,800,000 in 6 months ended Sept. 30 from \$1,107,000 (\$1.22) on \$39,339,000 year earlier. For Sept. quarter net income was \$210,000 (23¢) on sales of \$16,989,000 vs. \$560,000 (61¢) on \$19,498,000 in same 1957 period.

Decca Records, 81.4% owner of Universal Pictures, reports sharp decline in earnings to \$394,353 (26¢ per share on 1,527,401 shares outstanding) in 9 months ended Sept. 30 from \$3,123,014 (\$1.95 on 1,602,501) in same 1957 period.

Oak Mfg. Co. earnings fell to \$359,736 (55¢ per share) on sales of \$11,029,766 in first 3 quarters of 1958 from \$831,964 (\$1.27) on \$16,487,797 in same 1957 period.

Davega Stores lost \$164,617 on sales of \$9,351,632 in 6 months ended Aug. 31 vs. loss of \$178,309 on \$9,953,864 year earlier.

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Reports & comments available: On Sylvania, brief by Oppenheimer, Vanden Broeck & Co., 120 Broadway, N. Y. On RCA, comment by Francis I. duPont & Co., 1 Wall St., N. Y. On Amphenol, analysis by Henry J. Low of Gude, Winmill & Co., 1 Wall St., N. Y. On Clevite, review by Freehling, Meyerhoff & Co., 120 S. La Salle St., Chicago. On General Dynamics, discussion by Thomson & McKinnon, 11 Wall St., N. Y. On electronics industry, appraisal in *Securities Review* (T-2) of Orvis Bros. & Co., 15 Broad St., N. Y.

Dividends: Television-Electronics Fund, 52½¢ payable Nov. 29 to stockholders of record Nov. 3 (8¾¢ from income, 43¾¢ from net capital gains); Erie Resistor, 10¢ plus 4¢ stock Dec. 15 to holders Nov. 28; General Telephone, 50¢ Dec. 31 to holders Dec. 2.

**'Corporate Wedding' of Giants:** It remains for the lawyers, financiers and accountants to work out details of the merger of Sylvania Electric Products Inc. with General Telephone Corp. (p. 2)—and then stockholders of both companies must approve plan to issue one share of new General Telephone & Electronics Corp. for each share of common stock in each of the merged companies. Basic reason for merger of the 2 highly successful companies is diversification, especially of GT into consumer products fields, but it's also evident each company's management has particular respect for the research & development assets of the other.

General Telephone is a holding company for 27 subsidiary operating telephone companies serving customers in 30 states—some 3,500,000 phones, or largest number outside of AT&T's Bell System. It has concomitant interests in telephone directory publishing businesses and in the manufacture & sale of telephones and related equipment. Most recent acquisitions were Peninsular Telephone Co., Florida independent, and Gary (Ind.) Telephone System.

Domestic manufacturing subsidiaries include Automatic Electric Co., Northlake, Ill.; Leich Electric Co., Genoa, Ill.; Electronic Secretary Industries Inc., Waukesha, Wis.; one-third of Lenkurt Electric Co., San Carlos, Cal. (microwave equipment). Elsewhere, it controls the telephone system of the Dominican Republic, has phone operating interests in the Philippines, owns the British Columbia Telephone Co. (Canada).

General Telephone's net earnings in 1957 were \$45,100,000 (\$3.03 per share) on telephone revenues of \$289,046,000 plus manufacturing & sales revenues of \$210,548,000—or gross revenues of \$499,594,000. In 1956, profits ran \$43,628,000 (\$2.91) on telephone revenues of \$259,306,000 plus manufacturing & sales revenues of \$188,558,000—total of \$447,864,000. In the 9 months ended Sept. 30, General Telephone's earnings were \$36,153,000 (\$2.33) vs. \$33,775,000 (\$2.26) in same 1956 period.

\* \* \* \*

Sylvania is one of the best known brand names in lighting (electric lamps), in TV-radio (sets & tubes), in electronics (semi-conductors, industrial applications, etc.)—holds highly important defense contracts (radar, missiles), and is a substantial factor in computers and in research & development. Last year it acquired Argus Camera Co., important producer of cameras and photographic equipment. It employs 25,000 persons in 45 plants and 21 labs in 38 communities in 13 states, has International div. with operations throughout the world. Latter include subsidiaries in Canada, Cuba, Mexico, Argentina, Brazil and associations with Great Britain's big Thorn Electrical Industries Ltd. and Japan's Nippon Electric Co.

In April 1957 Sylvania and Corning Glass set up Sylvania-Corning Nuclear Corp. (Sylcor) producing fuel elements for Atomic Energy Commission at plant in Hicksville, N. Y.; it also is researching and producing commercial fuel elements.

Reputed one of the best managed companies in electronics, Sylvania consolidated sales were \$342,957,061 in 1957, net income \$12,655,839 (\$3.48) vs. \$332,344,159 & \$14,835,389 (\$4.10) in 1956 (Vol. 14:8). In first 9 months of this year, sales fell to \$237,715,394 from record \$251,883,741 in same 1957 period; earnings for the 9 months slipped to \$6,362,257 (\$1.72) from \$8,642,240 (\$2.37) in 1957 period (Vol. 14:43). Firm was founded in 1901 as manufacturer of electric light bulbs.

THE  
AUTHORITATIVE

WEEKLY NEWS DIGEST  
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# Television Digest

with **ELECTRONICS REPORTS**

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## SUMMARY-INDEX OF THE WEEK'S NEWS — November 15, 1958

**SOLUTIONS TO 'INFLUENCE' SOUGHT** as Miami & Pittsburgh cases seize hot headlines. Codes of ethics, new administrative courts, etc. suggested (pp. 1, 4 & 7).

**NEW TRANSLATOR USE**, as combination station-relay, proposed in ambitious 140-mi. Minnesota systems. Costs running above \$100,000 (p. 3).

**VIDEOTOWN SURVEY FINDS** doubled morning radio listening by housewives, gains in TV viewing, slight declines in other activities, Westerns tops among men (p. 5).

**NETWORK TV BILLINGS** went up to 10.6% in Jan.-Sept. from same 9-mo. totals year ago, ABC setting percentage pace. CBS slipped 2.6% in Sept. (p. 6).

**STORER PURCHASE OF WITI-TV**, Milwaukee, wins FCC approval; must now dispose of WVUE, Philadelphia. Paul Harron & Gordon Gray buy WKTV, Utica (p. 6).

**HARTFORD UHF SOLD BY CBS** for \$250,000 to Edward Tadei of WNHC-TV, New Haven, who plans independent. NBC offers Buffalo uhf equipment to educators (p. 7).

**BIGGEST CANADIAN CITIES** may get second TV stations as CBC loses regulatory powers, becomes network-station operator only. New control board set up (p. 10).

**ETV RESEARCH GRANTS** by Govt. to schools, community groups, individuals available as \$18,000,000 Defense Education Act audio-visual program starts (p. 10).

**YEAR'S NEW STATIONS**, now 29, may total 40—good share of them educationals. WTOL-TV, Toledo (Ch. 11), WKBW-TV, Buffalo (Ch. 7) due on air soon (p. 11).

**RECORD REVENUES FOR CBS Inc.** again in first 3 quarters of 1958. Consolidated revenue exceeds \$300,000,000, profit \$16,500,000 (p. 16).

### Manufacturing-Distribution-Finance

**EDUCATIONAL TV MARKET** looms big for set & equipment makers, who study potentials closely (p. 2).

**HOTPOINT DROPS TV LINE** after 2½ years. Unable to exert leadership in "home entertainment field," it chooses to concentrate on major appliances (p. 12).

**FEUD OVER SERVICE & WARRANTIES** flares anew as servicemen organize to "end captive service." EIA names committee "to discuss mutual problems" (p. 12).

**TV RETAIL SALES DIP SLIGHTLY** in Oct. but drop is less than normal. Inventory position good. Leaders see continuing upswing for Christmas (p. 13).

**'INFLUENCE' TO-DO DRIVING TOWARD CLIMAX:** This whole "influence" business is rapidly coming to a head -- and when Congress returns in Jan. there undoubtedly will be huge flood of demands and bills aimed at "doing something about it." Big headlines this week in Miami Ch. 10 & Pittsburgh Ch. 4 cases (pp. 4 & 7) are further assurances of that. And the end isn't in sight; you'll hear plenty more -- not only in the cases where influence already has been charged publicly, but probably also in brand new cases waiting to be uncorked.

Preferred solutions to the problem generally take 2 forms: (1) Administrative agencies such as FCC should adopt codes & customs that make influence attempts impossible. (2) Congress should establish separate "courts" to handle agencies' judicial functions such as the selection of TV grantees in comparative hearings.

Just about every major public entity is in the picture now -- Congress, the courts, Dept. of Justice -- in addition to regulatory agencies themselves. Justice Dept. pulled a clever public relations stunt last week end by jumping the gun and filing its Miami Ch. 10 brief Nov. 8 instead of waiting until Nov. 10 deadline as is traditional among attorneys. Thus, it captured Sun. Nov. 9 headlines for itself, with its harsh judgments on ex-Comrs. Mack & McConnaughey, its insistence that 3 of the 4 Miami parties are disqualified for attempting influence (all except L.B. Wilson Inc.), its assertion that National Airlines' grant of WPST-TV is void, and its suggestion that FCC open Ch. 10 to new applicants. Justice Dept.'s gun-jumping burned up all other parties in case, including FCC which also filed a tough brief.

Attorney General Wm. Rogers put his position very simply, quoting numerous court decisions, notably Root Refining Co. v. Universal Oil Products Co., to this effect: If you try to influence a govt. official through the back door, you're automatically disqualified. He quoted Root decision: "From the moment [an applicant] ceases to depend upon the justice of his case and seeks discriminatory and favored treatment, he becomes a corrupter of the Govt. itself and is fortunate if he loses no more than the rights he seeks to obtain."

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All parties' views of Miami influence charges are digested on p. 4, and lawyers will argue their points before hearing examiner Judge Stern at 11 a.m. Nov. 17 in FCC room 7134. Meanwhile, we've also sampled some authorities on administrative law for their ideas about influence and how to curb it. Here they are:

Charles S. Rhyne, ex-pres. of American Bar Assn.: "I like the idea of applying the judiciary's code of ethics to adversary proceedings before administrative agencies. Many agencies already do it."

Donald C. Beelar, former chairman of the ABA's administrative law section: "I'd prefer giving the examiner more control. Perhaps there ought to be appeal from the examiner to a board of 3 examiners -- then to the Court of Appeals -- bypassing commissioners. There's no sense, for example, in routing Judge Stern's forthcoming decision through the FCC commissioners. Maybe there ought to be a separate court for such proceedings. ABA has recommended formation of a 'Trade Court' for the FTC and a 'Labor Court' for the NLRB, but hasn't said anything about the FCC."

Prof. Leo A. Huard, Georgetown U: "Agency laws should be amended to provide that agency members cannot discuss the merits of pending or actual litigation with any party thereto unless all parties are given notice and an opportunity to be present and be heard. This would permit informal conferences to expedite hearings and shorten records without opening the door to improper influence. No 10-point codes of ethics are required to do this." However, Prof. Huard is much concerned that attempts to eliminate improper influence may also insulate agencies from vital contact with industry, Congress and the Administration.

Foregoing ideas and others will be threshed out during Nov. 18-19 panel discussions called by Robert W. Lishman, chief counsel of Harris investigative subcommittee (Vol. 14:45). One lawyer's dry comment on the sessions: "Maybe the subcommittee wants to conclude on a high note."

Court of Appeals nagged FCC again this week on Boston Ch. 5 case. Although Commission gave it a progress report on investigation last week (Vol. 14:45), Court came up this week with demand that Commission, by Dec. 15, tell it whether a hearing has been begun or scheduled by them -- and if not, why not.

Commission is in process of "fumigating" all allegations of influence, as assoc. gen. counsel Edgar W. Holtz puts it -- and he's in charge of the process. He says he hopes to dispose of minor cases as quickly as possible, while continuing investigations and hearings on the big ones -- notably those remanded to it by courts.

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Departure of influence from TV-radio scene would bring sighs of relief from just about everyone. As a veteran attorney put it: "Maybe we can then go back to the practice of law." Another upshot most people would like to see: A muzzle on Congressmen, perhaps the most egregious influencers of them all (Vol. 14:25).

**EDUCATIONAL TV's BIG EQUIPMENT NEEDS:** Major manufacturers of TV receivers, transmitters, closed-circuit systems and concomitant equipment are currently surveying the potentials of ETV -- eyeing it not only for its immediate needs but for long-range prospects when more public money is directed into it. That the idea of education-by-TV is catching on, there can be no gainsaying, but it's still in formative stages -- backed largely by foundation money aiding local stations and some program projects.

Yet there's evidence an ETV boom is slowly building up, involving on-the-air telecasting, both vhf & uhf, and more closed-circuiting. No less an authority than

GE's equipment vendor Paul Chamberlain even went so far as to predict that "within 10 years there will be more ETV than commercial stations on the air" (Vol. 14:39).

Definitive figures are hard to come by, but consider that there are some 1,520,000 public school classrooms in the country, only about 60,000 as yet equipped with TV receivers -- and the market for sets alone looms large. Estimate is an off-cuff agreement of U.S. Office of Education and National Education Assn. There's no estimate for colleges, auditoriums, recreational centers.

A prime ETV enthusiast is Motorola, which introduced "Classroom 21" model at recent convention of National Assn. of Educational Broadcasters in Omaha. Set is easily switchable from off-air pickups to closed-circuit within the school -- a feature that's claimed as unique among sets now being made for classroom use.

Admiral TV sales mgr. Ross Siragusa Jr. tells us he expects 20-25% of receiver business to come from schoolroom market within next 3-5 years, though he's not planning a special school set yet. Admiral is also manufacturing closed-circuit systems designed especially for school uses.

Philco marketing mgr. H.E. Taylor thinks schoolroom market should build up to \$3-4,000,000 a year for his company "in very near future." He's particularly bullish about closed-circuit. Philco is said to be planning unit similar to Motorola's.

Like GE, RCA evidently foresees big ETV market, for it recently detailed one of its merchandising experts, v.p. P.B. (Pinky) Reed, to head new educational electronics dept. Reed wouldn't guesstimate size of anticipated ETV market, but he told us that "top management is keenly interested in prospects for growth in this field."

Govt. grants under National Defense Education Act, providing \$18,000,000 for research in audio-visual communications (p. 10), should prove big fillip to ETV for some of the money is expected to go for both broadcast and in-school systems. Also, new Congress will reconsider Magnuson Bill, which passed Senate but died in the House Commerce Committee, to provide \$1,000,000 for ETV to each state & territory.

**BURGEONING OF THE UHF 'TRANSLATOR-RELAYS':** Uhf translators are quietly developing into something quite substantial -- and quite unusual. Just this week, no less than 8 translators were sought by a single applicant, to serve as double string of combination stations-&-relays stretching from Duluth-Superior to International Falls, Minn. -- while FCC granted 6 for similar purpose between Duluth-Superior & Bemidji.

(Translators are simply small uhf stations employing any channel from Ch. 70 to Ch. 83. Viewer must have uhf receiver to get service. Stations' coverage pattern is generally directional, an oblong with average maximum length of 22 mi. They aren't allowed to originate programs, are confined to repeating signals of other stations, from which they must obtain rebroadcast permission.)

Some really substantial dollar figures are involved -- \$102,759 for International Falls group, \$72,000 for Bemidji -- compared with the \$5-15,000 usually associated with translators. What's even more remarkable is that it's all raised by public subscription through non-profit corporations formed by prospective viewers. According to Ben Adler, whose Adler Electronics Inc., New Rochelle, N.Y., has made virtually all translators, "they have absolutely no trouble raising money," despite fact viewers can pick up signals free if they don't choose to ante up.

Pres. of International Falls' Minneonto TV Inc. is LeRoy E. Phaklides, an employe of big Minn. & Ontario Paper Co. There are 2314 stockholders -- and they propose to spend their money as follows: transmitters, \$24,200; antennas, \$55,603; land, \$3000; buildings, \$6800; engineering & shipping charges, \$13,156.

Signals will be relayed some 140 mi. for both the International Falls and Bemidji systems. Former proposes 2 translators each at Virginia, Orr, Kabetogama & International Falls, to repeat signals of WDSM-TV & KDAL-TV, Duluth-Superior. Latter plans 2 each at Deer River, Cass Lake & Bemidji, relaying same stations. FCC rules state that primary purpose of translators must be to serve towns, not to relay -- and it insists that each unit really deliver adequate signal to intermediate towns.

This new development doesn't ease FCC's headaches any -- because it's quite

similar to the community antenna-microwave situation. Small-town telecasters are in position of competing with big-city signals hauled long distances. For example, International Falls has CP for KIFS (Ch. 11), Bemidji an application for Ch. 13. Possibilities of conflicts will increase, too, when FCC hikes translator power ceiling from 10 watts to 100, as it's expected to do soon.

Minnesota is becoming a real hotbed of translators. Redwood Falls has 5 of them repeating all Minneapolis-St. Paul stations. Olivia has 3 granted or pending. But Oregon is the big translator state, with 43 authorized, 4 applications pending (see TV Factbook No. 27, pp. 284-285, with Addenda to date). Last week, National Translator Assn. was formed, elected as pres. Harlow Speckhart, Box 317, La Grande, Ore., who heads 3-translator organization in La Grande.

Adler has made a very nice thing out of translators, reports he has shipped 210 to date (at about \$3000 for transmitter alone), including a dozen to foreign countries (Mexico, Cuba, Canada, Korea, South America) -- though only 145 are known to be operating, plus 40 CPs outstanding, 41 applications pending. He has encountered only one competitor -- a very modest one -- in Richard R. Hayes, 151 North St., San Antonio, who now has a few orders. Adler says he ships about 2 translators a week, could deliver 20 weekly if FCC turned out that many CPs.

A lively byproduct of Adler's translator work is a 2000-mc translator-type intercity relay system for station use. Adler says these are much cheaper than conventional microwaves, reports delivery of equipment for Los Angeles-Las Vegas and Casper, Wyo.-Rapid City, S.D. links, and "lots of demand for 4-5-hop systems." The 10-watt transmitter-receiver combination runs \$7500.

**Miami Ch. 10—What to Do:** All 4 applicants in Miami Ch. 10 case are tainted with attempting to sway FCC members improperly, according to one or another of the parties who filed briefs with special examiner Judge Horace Stern this week (see p. 1). It's up to Stern to weigh the arguments, and he'll hear lawyers expound orally Nov. 17; he said he hopes to have decision by Christmas. Then it's up to FCC.

Justice Dept., which has sat in on hearing as *amicus curiae*, got most attention with its brief—because it filed it early and because it was Dept.'s first major public statement on whole influence question since Harris subcommittee began its investigation.

The 30pp. brief analyzes record, cites contacts made with commissioners, concludes that National Airlines, WKAT & North Dade Video all sought to influence ex-Comrs. Mack and/or McConnaughey; that the 2 commissioners should have either disqualified themselves from voting or should have informed their colleagues and the parties of their *ex parte* conversations.

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Grant of WPST-TV to National Airlines should be cancelled, Justice said, and "appropriate steps taken to enable new parties to apply." It noted that FCC's final decision had concluded L. B. Wilson Inc. was "competitively weak" because of Mr. Wilson's death, suggested that L. B. Wilson be permitted to amend its application and compete with any new applicants. Signing brief, along with Attorney General Rogers, were anti-trust chief Victor Hansen, Hansen's asst. Robert Bicks, Wm. H. Crabtree, Henry Geller & Robert J. Levy. Geller is a former FCC attorney.

FCC attorneys, headed by assoc. gen. counsel Edgar

W. Holtz, also state that same 3 applicants should be disqualified and that Mack shouldn't have voted. However, they said there was no need to determine whether McConnaughey should have disqualified himself: "For, if Mack was disqualified, a new decision by the Commission will in any event be required. And since McConnaughey is no longer a member of the Commission, he will not be able to participate in such a new decision. On the other hand, it is clear that if Mack were found not to be disqualified on the evidence in the proceeding, no finding that McConnaughey should have been disqualified would be possible."

Nothing was said about L. B. Wilson Inc—for it's Commission attorneys' view that issues in hearing covered only qualifications of alleged influencers. They concluded only that other 3 must be excluded from further consideration or suffer black marks against their character if they are given another crack at Ch. 10. Joining Holtz on the brief were Richard A. Solomon, James T. Brennan & Upton K. Guthery.

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WKAT urged that WPST-TV grant be cancelled and National Airlines be excluded from further consideration. It offered no conclusions about North Dade Video or L. B. Wilson Inc. WKAT counsel Paul Porter freely admitted that WKAT principal A. Frank Katzentine approached commissioners directly & indirectly—but insisted he did it solely to urge them to vote on merits of case, never to urge them to vote for him. This, Porter said, is vastly different from "influence." He then went on to suggest that it might be a good idea to prohibit even Katzentine-type attempts in future—but he urged that it not be made retroactive. If it were, he said:

"The FCC would be faced with a manifest duty to review the proceedings of every comparative radio & TV case and to institute inquiries and investigations as to the nature and character of any *ex parte* representations that might have been made to them. Indeed, it might be the



duty of each individual Commissioner to search his own memory to report his recollections and to recommend the initiation of proceedings to revoke the license or authorization of every licensee whose representative had spoken to him about a pending matter. If such a process were adopted, it is safe to assume that a wholesale reorganization of the broadcast & TV industry might be in prospect." Porter's assistants in case are G. Duane Vieth & James O. Juntilla.

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National Airlines stuck to its main theme—that Mack's friend Thurman A. Whiteside was never retained by it to intercede with Mack; that anything Whiteside did was on his own. It agreed that Mack was disqualified to vote, urged Judge Stern to recommend that FCC take another vote on Ch. 10. Counsel Norman Jorgensen & Wm. I. Denning didn't suggest that other 3 applicants be disqualified, though they made clear their belief that each had made improper pitches. They didn't exclude L. B. Wilson Inc., called attention to visit of Sen. Smathers (D-Fla.) to Mack's office, which Smathers said was for purpose of merely urging a quick decision. Smathers was executor of L. B. Wilson's estate.

North Dade Video, through attorneys A. Harry Becker & Nathan H. David, said that WKAT and National Airlines should be disqualified; that L. B. Wilson and itself should not be. They defended the hiring of ex-Comr. Robert F. Jones by North Dade, saying that Jones' efforts to get Congress to investigate propriety of an airline holding TV grant can't be "tortured into a violation of any provision of the Communications Act or the Administrative Procedures Act, or any canon of ethics or generally accepted standard of proper conduct." Jones' presentation of North Dade's case to Comr. Craven, they said, was without significance because "Comr. Craven told Jones that he did not intend at any time to participate in the Miami Ch. 10 proceeding."

L. B. Wilson counsel Paul M. Segal & Robert A. Marmet stated: "It is our view that the decision should be set aside on a factual basis and in light of the remand by the U. S. Court of Appeals for the District of Columbia, and that this should be done whether the decision is void or merely voidable." Balance of brief was devoted to list of people involved in case, chronology, summary of representations made on behalf of other 3 parties.

Report of TASO (TV Allocation Study Organization) on vhf-uhf propagation, etc. is touch-&-go as far as completion by year's end is concerned. TASO board discussed prospects in Washington meeting this week, and exec. director Dr. George Town said he and top panel members will visit U of Texas in Austin next week to gauge progress of its propagation analysis. Pending Texas trip, board delayed authorization of directional antenna tests, planned for early next year. Members attending meeting: Harold Fellows & Thad Brown, NAB; Ralph Steetle, JCET; Wm. Reynolds, EIA; Ernest Jennes, Lester Lindow & Howard Head, AMST; Wm. Putnam, Committee for Competitive TV.

Vatican praised TV coverage of coronation of Pope John XXIII (Vol. 14:45) in letter this week to Bishop Martin O'Connor, pres. of pontifical committee on radio & TV. In Pope's behalf, Msgr. Domenico Tardini, Pro-Secy. of State, wrote that he wanted to thank TV, radio & movie organizations for dignity of coverage, that Pope hopes "such a high level" of performance by mass communications would be maintained during entire pontificate.

**Videotown—TV-Radio Rise:** Doubled housewife morning radio listening . . . Recovery of TV viewing from slight 2-year decline . . . Modest drop in all other non-work waking-hour activities . . . Westerns in great favor among men.

These are nubs of Cunningham & Walsh's 11th annual survey of "Videotown" (New Brunswick, N. J.)—a sampling of 1068 of city's estimated 11-12,000 families. Latest survey was conducted mid-May to mid-June of this year.

Report usually includes study of prospective set sales, second-set statistics, etc. (Vol. 13:49)—but C&W researchers found changes so slight that they didn't publish them. On inquiry, however, they noted that: (1) They predicted 1625 sets would be sold last year—and 1617 were. (2) 72% of purchases were for replacement or addition to existing set or sets. (3) Multiple-set homes comprise 11.2% of total vs. 10% in 1957, 8.7% in 1956. (4) Saturation is 94%. (5) Color-set ownership remains .4%.

"The biggest news in Videotown this year," said C&W research v.p. Gerald W. Tasker, "is the return of housewives to morning radio listening. On the 5 weekday mornings, the average housewife listened for a total of 5 hours & 48 min.—a 109% increase over 1957. We think this may partially be due to the recession and subsequent unemployment (last summer more than ¼ of housewives were home all morning, as opposed to 63% the year before), but there is no doubt that morning radio has made a significant gain." Other findings:

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(1) Viewing per person has increased overall, gains among adults offsetting losses among children. Per-person average: 15.8 hours weekdays vs. 13.55 hours in 1957; 22.12 hours for whole week (no comparison with 1957, because weekend viewing wasn't measured). During whole week, average person watched 1.59 hours in morning, 3.03 afternoon, 17.5 evening. Average housewife's viewing: 1.16 hours morning, 3.82 afternoon, 22.09 evening.

(2) Radio listening for average person (including men, women & children) is up slightly in weekday mornings: 1.45 hours vs. 1.25 in 1957. Afternoon & evening listening is down slightly, bringing total average listening to 2.45 hours weekdays vs. 2.71 in 1957.

(3) Slight declines were experienced in newspaper & magazine reading and attendance at movies & sports events—which "may have been caused in part by the recession."

(4) Other weekend activities were tabulated for first time, will be compared with next year's findings: 36% of husbands attended church, 45% of wives, 37% of children under 10, 47% of children 10-18; 11% went for ride, 3% to shore, 2% on picnics, 2% engaged in sports.

(5) Westerns were ranked best programs by 76% of men; variety was next with 41%, sports 30%. Women picked variety as tops with 46%, general drama next with 39%, situation comedy 36%, westerns 27%. Both men & women ranked quizzes as least-liked.

(6) For children, mothers considered TV of scarcely any educational value—but regarded it as excellent babysitter and discipline tool. They generally resented commercials directed at children, deplored killing & gunfire.

Copies of full report, including detailed viewing & listening tables, are available from Cunningham & Walsh Inc., 260 Madison Ave., N. Y. 16.

## Network Television Billings

September 1958 and January-September 1958

(For August report see *Television Digest*, Vol. 14:40)

**B**ILLINGS BY THE 3 TV networks rose 10.6% in first 9 months this year from same 1957 period, ABC leading Jan.-Sept. advance with 24% increase, according to TvB. Total billings for 9 months were \$408,150,593 vs. \$369,192,799 year earlier. NBC recorded 12.6% rise, CBS 4.4%. But for second time in recent months, CBS—although continuing as volume leader—slipped in Sept., billings declining 2.6% from Sept. 1957 (\$19,415,705 vs. \$19,935,115) while ABC went up 16.2%, NBC up 7.3% for average network gain of 3.7% for month. Complete TvB report for Sept.:

| NETWORK TELEVISION |                     |                     |              |                      |                      |              |
|--------------------|---------------------|---------------------|--------------|----------------------|----------------------|--------------|
|                    | Sept. 1958          | Sept. 1957          | % Change     | Jan.-Sept. 1958      | Jan.-Sept. 1957      | % Change     |
| ABC                | \$ 6,627,093        | \$ 5,704,888        | +16.2        | \$ 72,252,184        | \$ 58,282,982        | +24.0        |
| CBS                | 19,415,705          | 19,935,115          | - 2.6        | 181,179,782          | 173,475,494          | + 4.4        |
| NBC                | 16,408,345          | 15,286,270          | + 7.3        | 154,718,627          | 137,434,323          | +12.6        |
| <b>Total</b>       | <b>\$42,451,143</b> | <b>\$40,926,273</b> | <b>+ 3.7</b> | <b>\$408,150,593</b> | <b>\$369,192,799</b> | <b>+10.6</b> |

### 1958 NETWORK TELEVISION TOTALS BY MONTHS

|           | ABC         | CBS          | NBC          | Total        |
|-----------|-------------|--------------|--------------|--------------|
| January   | \$9,168,609 | \$22,094,015 | \$18,344,111 | \$49,606,735 |
| February  | 8,441,988   | 19,410,741   | 16,785,315   | 44,638,044   |
| March     | 9,402,407   | 21,211,070   | 18,874,597   | 49,488,074   |
| April     | 8,739,456   | 20,628,511   | 18,283,379   | 47,651,346   |
| May       | 8,477,755   | 20,970,022   | 18,470,368   | 47,918,145   |
| June      | 7,387,586   | 19,733,057   | 16,648,462   | 43,769,105   |
| July      | 7,083,555   | 18,332,925   | 15,702,029   | 41,118,509   |
| August    | 6,923,735   | 19,383,736   | 15,202,021   | 41,509,492   |
| September | 6,627,093   | 19,415,705   | 16,408,345   | 42,451,143   |

Note: These figures do not represent actual revenues to the networks which do not divulge their actual net dollar incomes. They're compiled by Broadcast Advertising Reports (BAR) and Leading National Advertisers (LNA) for TV Bureau of Advertising (TvB) on basis of one-time network rates, or before frequency or cash discounts.

Combined TV network & spot billings, totaling \$532,500,000 in first 6 months of this year, were led by food & grocery product classification, with cosmetics & toiletries next, says TvB in first of newly instituted 6-mo. reports on estimated expenditures on TV advertising by products. Food & grocery products accounted for \$53,200,000 on network TV, \$65,600,000 on spot—total of \$118,800,000. Cosmetics & toiletries ran \$40,500,000 on network, \$24,100,000 on spot—total of \$64,600,000. Copies of report with 32 classification breakdowns are available on request from Television Bureau of Advertising, 444 Madison Ave., N.Y.

Rate increases: WCAU-TV, Philadelphia, Oct. 1 added Class AAA hour (8-10:30 p.m. Mon.-Sat., 7-11 p.m. Sun.) at \$3500, 20 sec. at \$800, Class AA hour going from \$3250 to \$2750. WFLA-TV, Tampa, Nov. 9 added Class AA hour (8-10 p.m. daily) at \$950, min. at \$210, Class A remaining \$850. WTVT, Tampa, Oct. 19 added Class AA hour (8-10 p.m. daily) at \$950, Class A hour remaining \$850. KGW-TV, Portland, Ore. Dec. 1 raises base hour from \$800 to \$900, min. \$225 to \$250. KOB-TV, Albuquerque, has raised hour from \$410 to \$450. KFBC-TV, Cheyenne, Jan. 1 raises hour from \$200 to \$225.

Zenith Radio expanding its on-air sponsorships, buying stereo *Midday Symphony* on New York's WQXR, Wed. & Sat. 1:05-2 p.m., designed for dealer demonstrations and for stereo promotion at its own big display salon at 666 Fifth Ave. It will also feature FM line. Account is handled locally by Schank Adv. Nationally, Zenith's major use of TV recently has been as co-sponsor on NBC's *Steve Allen Show*, plugging whole line.

New call letters: KRBB, El Dorado, Ark. (Ch. 10) changed to KTVE.

**WITI-TV Sale Approved:** By okaying Storer's \$4,462,500 purchase of independent WITI-TV, Milwaukee-Whitefish Bay (Ch. 6) this week, FCC forces Storer to decide finally how to dispose of its off-air WVUE, Wilmington-Philadelphia (Ch. 12). Commission said purchase cannot be consummated until WVUE is relinquished—to keep Storer within 5-vhf ceiling. Storer has stated it must get close to \$2,000,000 for WVUE (Vol. 14:32, et seq) because at any much lower price, it would be better off simply turning in CP and taking tax loss.

Though many have looked over the property, Storer at week's end had no prospective purchaser, and there was one application for its channel—Rollins Broadcasting Co., operator of WPTZ, Plattsburgh, N. Y. (Ch. 5) and 7 radio stations. Joint Council on Educational TV and educational WHYY-TV, Philadelphia (Ch. 35) have asked FCC to reserve the channel for educators, are requesting more time to file comments.

Four commissioners acted on the WITI-TV transfer—Hyde, Craven & Cross voting for approval, Bartley for hearing. Approval had been withheld month ago when Commission voted 3-2 for more information (Vol. 14:42). Storer's detailed justification (Vol. 14:44) apparently satisfied all but Bartley.

Note: The man who sold WVUE (then WPFH) to Storer for some \$6,500,000 early in 1957—purchase including highly profitable radio WIBG, Philadelphia—was Paul F. Harron, veteran broadcaster and chief owner of World Broadcasting System. This week, it was revealed that Harron was purchaser of WKTV, Utica, N. Y. (Ch. 13, due to shift to Ch. 2) in association with Gordon Gray, ex-gen. mgr. of radio WIP, Philadelphia, formerly v.p.-gen. mgr. of WOR & WOR-TV, N. Y., still an executive of RKO Teleradio. Included in deal is radio WKAL, Rome, N. Y. Kallett group has agreed to sell (Vol. 14:45) for slightly more than \$2,800,000 without net quick assets, Harron to be controlling stockholder, Gray to have part ownership and to head the operations.

**WBC's New Radio Rep Setup:** As preliminary to setting up own TV rep organization as of next July 1 (Vol. 14:25), Westinghouse Broadcasting Co. has decided to place representation of all 6 of its radio stations as of that date in AM Radio Sales Corp., with offices in N. Y., Chicago, Los Angeles & San Francisco. AMRS gen. mgr. Wilmot M. (Bill) Losee, who heads N. Y. office at 415 Madison Ave., ex-Branham and ex-gen. mgr. of New York's WINS, will head new setup as WBC v.p. Present pres. is Ralph Atlass, who in 1956 sold WIND, Chicago to Westinghouse, making WBC, Atlass & KMPC, Los Angeles, co-owners of AMRS. WBC eventually may become full owner of the firm, but it's not stated whether it will also be used as office nucleus for its own projected TV rep firm. Moving to AMRS next July 1 are WBZ, Boston; WBZA, Springfield; KDKA, Pittsburgh; KYW, Cleveland; WOWO, Ft. Wayne; KEX, Portland, Ore.—all presently represented by Peters, Griffin, Woodward Inc. In addition to WIND & KMPC, the Losee rep setup now includes in its list: WMCA, N. Y.; WLOL, Minneapolis; KSFO, San Francisco; WCAR, Detroit; KOOL, Phoenix; KOLD, Tucson.

New reps: WJMR-TV, New Orleans, to Weed (from H-R Television); KVII, Amarillo, to Bolling (from Venard, Rintoul & McConnell).

Identification waivers granted: WSTV-TV, Steubenville, O. (Ch. 9) to add Wheeling; WBRE-TV, Scranton (Ch. 28), to add Wilkes-Barre.

**Hartford UHF Rescued:** A determined & experienced telecaster, gen. mgr. Edward D. Taddei, of Triangle stations' WNHC-TV, New Haven (Ch. 8), stepped into the Hartford uhf picture this week, bought CBS's WHCT (Ch. 18) for \$250,000, plans to get it back on air as fast as FCC will approve the transfer. Station was to be darkened Nov. 15, in line with CBS's announcement that "hard economic realities" forced it to abandon the station and to affiliate vhf WTIC-TV, Hartford (Ch. 3) [Vol. 14:41].

Taddei says there's need & demand for independent operation in Hartford, believes station is a good risk. He resigned from WNHC-TV immediately, succeeded by his asst., Howard W. Maschmeier. Taddei will own "at least 50%" of station, says he's not yet free to identify other stockholders. He hopes to retain as much of station staff as possible, though several have lined up other jobs, having been on notice for more than a month.

"I believe that I can get the support of the community," Taddei says, "and I'm particularly happy about the fact that 95% of the homes are uhf-equipped. I didn't want to see the station die by default." NBC operates its own WNBC (Ch. 30) there.

Taddei got idea of buying station several days after CBS announced plans to close it down, says he understands others were also dickering with CBS. CBS had bought it for \$650,000 from General Teleradio 2 years ago (Vol. 11:28, et seq). It's presumed that FCC will take exceptionally swift action to approve transfer, inasmuch as it was so disappointed by CBS's decision to close down.

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Hopes for resuscitation of another uhf developed this week when NBC offered part of equipment of its darkened WBUF, Buffalo (Ch. 17) to Western N. Y. Educational Assn. That organization hasn't yet applied for the channel, but chairman Harry C. Lautensack stated: "The offer from NBC will be most helpful to the efforts of our Assn. to establish an educational TV facility to serve Buffalo and Western N. Y. We are deeply grateful to NBC." When and if Assn. gets CP, NBC will give it "basic transmitting and film-slide facilities." Said NBC chairman Robert W. Sarnoff:

**Pittsburgh Ch. 4 Smog:** Thick fog of rumors, gossip, speculation—and hazy memories of events 17 months ago—closed in on House "influence" hunters this week as they tried to grope their way toward source of "bribery" allegations involving FCC's award of Pittsburgh Ch. 4 to WTAE (Vol. 14:45).

At week's end, House Commerce legislative oversight subcommittee seemed little nearer to catching any culprit in case than it was in Sept., when investigator Oliver Eastland first gave second-hand testimony that ex-FCC chairman George C. McConaughy was reported to have solicited \$50,000 from TV City Inc. for Ch. 4 vote (Vol. 14:39).

For 3 days running, subcommittee members & counsel took turns examining & cross-examining principals & lawyers in long-drawn proceedings which ended with TV City (KQV) and Hearst Publishing Co. (WCAE) as joint winners. All that they learned for sure was that rumors had been in circulation before & after award.

"I've heard a lot of things, but this goes beyond my comprehension," said subcommittee chairman Harris (D-Ark.) at one frustrating point in hearings.

"There is every reason to believe that a uhf educational station in Buffalo could make a substantial contribution to the life of the community, and would have the great advantage of starting with the existing high level of uhf-equipped homes in Buffalo." NBC closed down WBUF Sept. 30 after concluding there was no prospect of reducing losses in the intermixed market (Vol. 14:24, 30).

N. Y. Board of Regents holds CP for educational WTVF, Buffalo (Ch. 23) but has never obtained funds to activate it or its other uhf grants in Albany, Binghamton, Ithaca, New York City, Rochester & Syracuse; it also has application for uhf in Utica. There's no conflict between the 2 educational groups. Presumably, they'd ask FCC to shift educational reservation from Ch. 23 to Ch. 17 if funds are raised to build.

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Ohio publisher-brothers Dix—Albert, Raymond, Robert, Gordon—with gen. mgr. Robert W. Ferguson, organized as WTRF-TV Inc., are acquiring ownership of that Ch. 7 station in Wheeling, W. Va. in transfer deal reportedly involving payment of nearly \$2,000,000 to other stockholders of present licensee, Tri-City Broadcasting Co. The Dix brothers presently jointly own total of 30% of WTRF-TV, Ferguson 7.1%, and they're buying out the 30% interest of News Publishing Co. (*Wheeling Intelligencer* and *News-Register* & other W. Va. newspapers) and the varying holdings of the Bloch family & estate. Ferguson, who put radio WTRF on air in 1946 and founded WTRF-TV in 1953, remains as exec. v.p. & gen. mgr. Though operating as a corporate entity, each of Dix brothers publishes separate Ohio daily; *Martins Ferry-Bellaire Times-Leader* (Albert); *Wooster Record* (Raymond); *Ravenna-Kent Record* (Robert); *Defiance Crescent-News* (Gordon).

CATV legal status in Wyo. continues to rest on decision of Laramie County district court Judge Allen Pearson—that community antenna systems are not public utilities; that they are in interstate commerce (Vol. 14:39)—when Nov. 6 deadline for challenging the decision before state Supreme Court expired with no appeal by attorney general.

"I have never had presented to me a more forgetful memory," Rep. Wolverton (R-N.J.) told WTAE pres. Earl F. Reed, who testified somebody—he couldn't recall just who—told him McConaughy was looking for some side money. Wolverton said FCC ought to reopen case.

\* \* \* \*

As for McConaughy himself, now practicing law in Columbus, O., he was scheduled as windup witness in Ch. 4 investigation Nov. 17 in Room 1334 of New House Office Bldg., where hearings resume at 10 a.m. In statements to press he has vehemently denied ever soliciting any bribe in connection with any FCC case, but hasn't had chance yet to tell subcommittee his version of Ch. 4 story.

This week's testimony led into so many contradictions and so much confusion as to who said what—and when—that hearings may be extended, however. This would interfere with subcommittee counsel Robert W. Lishman's planned Nov. 18-19 panel hearings for experts on administrative law & procedures (Vol. 14:45).

As testimony piled rumor on rumor, with no substantiation offered for any, one impatient member of subcommittee—Rep. Williams (D-Miss.)—was led to suggest that maybe subcommittee should start looking for operators of a rumor factory instead of bribe solicitors.

Questions raised at hearings, according to Williams,

were: "Whether there was a manufactured rumor for the purpose of influencing the award of Ch. 4. Or whether it has substance to it."

Williams, acting subcommittee chairman at that point, had been listening to pres. Scott Fink of Wespen TV Inc., one of three Ch. 4 applicants who withdrew after they were paid \$50,000 each by TV City & Hearst for expenses. Among other reports recounted by him, Fink said he had heard rumors—source forgotten—that Hearst had offered McConnaughey \$20,000 per year in retainer fees.

"It sounded to me like the whole matter was up for public auction and I wanted no parts of it," said Fink, explaining that rumors were factor in Wespen's decision to take \$50,000 and get out of case.

\* \* \* \*

"The mysterious Mr. X" was the way subcommittee counsel Lishman dubbed original source of bribe reports, saying staff has been unable to run him down despite "diligent investigation and persistent work." Williams agreed that subcommittee was in dark, too, but added: "It appears that every rumor can be traced back to [TV City's] Mr. Reed."

It was Reed, as week's lead-off witness, who set pattern for rumor-mongering testimony. He told subcommittee that "rumors that Mr. McConnaughey wanted something were prevalent"—that they "were all over town" in Pittsburgh late in spring of 1957, when FCC was reported split 3-3 on Ch. 4 vote.

But Reed—counsel for National Steel and partner in big Pittsburgh law firm of Thorpe, Reed & Armstrong, in addition to heading TV City's forces—said he couldn't remember who was spreading rumors. In any event, he said, he "wasn't policing" FCC and didn't tell Commission about reports.

Wolverton reproached him: "I think there's a responsibility on a man as a member of the bar when matters of this kind become prevalent, as you say. I think there was a very grave duty to report it to the appropriate authorities."

Wolverton asked how Reed first reacted to rumored demand by McConnaughey on TV City for \$50,000 bribe. Reed said he was reluctant to tell subcommittee, but that: "Mr. McConnaughey had a reputation for drinking, and I just thought he'd been talking in his liquor."

But at no point did any witness link McConnaughey directly with any solicitation of any Ch. 4 applicant before or after he left FCC June 30, 1957—prior to final Ch. 4

vote. McConnaughey at that time went into private law practice with George O. Sutton, who had been one of Washington counsel for TV City.

Most direct evidence came from TV City secy. Lee W. Eckels, member of Reed's Pittsburgh law firm, but it was based on what he said was his recollection of telephoned instructions from Reed at 1:30 a.m. June 4, 1957, to rush to Washington "and put out the fire."

Eckels said he remembered that Reed told him: (1) Somebody had telephoned that McConnaughey wanted \$50,000 to swing his vote to TV City. (2) Sutton was forming law association with McConnaughey. (3) TV City wanted nothing to do with any "buying" of FCC votes. (4) Sutton's relations with TV City should be terminated.

Eckels said he flew to Washington that morning, had lunch with Sutton, confirmed Sutton's arrangement with McConnaughey, and carried out Reed's instruction to fire him.

Sutton subsequently testified that he had lunch with Eckels, but vehemently denied he had been dismissed. Nor, he said, had he heard of any rumors about any \$50,000 bribe until April or May this year.

"You were not the intermediary, this mysterious Mr. X?" counsel Lishman asked Sutton. "No sir, I was not," said Sutton, who was one of 4 founders of Federal Communications Bar Assn. in 1937.

\* \* \* \*

Other witnesses this week included W. Theodore Pierson & Nad A. Peterson, of law firm of Pierson, Ball & Dowd, principal Washington counsel for TV City, and Raoul Desvernine, Washington attorney for National Steel.

They were unable to help subcommittee identify any "intermediary" in any reported bribe attempt, although they said they had heard gossip about it. And Desvernine, who testified Reed told him about alleged attempt—"but not the \$50,000 amount"—brought another angle into case. He said he had been "letter carrier" to Leonard W. Hall, ex-Republican national chairman, in helping get ex-FCC general counsel Warren Baker appointed to his job.

Baker had flown from Washington to Pittsburgh with Reed & Desvernine in National Steel plane following luncheon meeting between McConnaughey & Reed in Washington's Mayflower Hotel June 3, 1957. But Reed said he hadn't discussed merits of Ch. 4 case with Baker. Subcommittee developed little more about Baker's relations with Reed or Desvernine—and no connection with "mysterious Mr. X."

**Supreme Court Scans Protest:** FCC's views of Philco protest against renewal of NBC's WRCV-TV, Philadelphia (Ch. 3), were sought by U. S. Supreme Court this week—in simple order inviting Commission comments through Solicitor General J. Lee Rankin. FCC had originally denied Philco's protest on ground it had no "standing" to protest (Vol. 13:37). Court of Appeals reversed Commission, whereupon NBC went to Supreme Court (Vol. 14:25, 39, 41-42). In original denial, FCC had stated: "The NBC Philadelphia station, to the extent profitable, will aid NBC financially, and thus indirectly increase the profits of NBC's parent RCA, with which Philco is in competition in another line of commerce. But certainly this is not enough to give Philco standing, any more than it would give standing to a manufacturer of washing machines—a product of another subsidiary of RCA." Court of Appeals disagreed, said that station's practices, such as referring to NBC as "a service of RCA," had "created a situation which gives rise to standing in Philco to file

its protest and, if the protest is found legally sufficient, to advance the alleged anti-trust and other practices for consideration by the Commission in passing upon the renewal applications." Also pending before Supreme Court, in separate proceeding, is Justice Dept.'s appeal of its anti-trust case against RCA-NBC on NBC-Westinghouse Cleveland-Philadelphia station swap (Vol. 14:45). Court has set Nov. 20 for argument.

■

Regular CP for Ch. 3, Harrisburg, Ill., was granted this week to WSIL-TV (Ch. 22), which has been working on Ch. 3 installation under temporary grant, planning to make shift Dec. 1. Ch. 3 had been dropped in by FCC and WSIL-TV was sole applicant for channel. Also granted this week was educational Ch. 16, Pittsburgh, to Metropolitan Pittsburgh Educational TV Station, which already operates WQED (Ch. 13), making Pittsburgh first city with 2 educational authorizations.

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**Personal Notes:** Mrs. A. K. Redmond succeeds her brother-in-law, Dick Redmond who died Oct. 16, as gen. mgr. of WHP-TV & WHP, Harrisburg, having been associated with her late husband and brother-in-law in station management for more than 26 years; Joseph Harper named TV program director; George Gottschalk, sales & promotion mgr.; E. Daniel Leibensperger, chief engineer . . . FCC Chairman & Mrs. Doerfer due in U. S. Nov. 15, flying back from international telephone & telegraph conference in Geneva, rest of delegation remaining until end of conference Nov. 29 . . . John Morgan Davis, who owns radio WALL, Middletown, N. Y. and was once NAB gen. counsel (1945), elected lieut. gov. of Pa., having resigned as Philadelphia County Common Pleas Court judge to run on Democratic ticket . . . James Aberle promoted to administrative asst. to CBS-TV network daytime sales mgr. Sam Maxwell . . . Wm. C. Dempsey, ex-WPIX, San Francisco, onetime Alameda County (Cal.) coordinator of school information and technical services, named gen. mgr. of educational WQED, Pittsburgh, succeeding John F. White, now pres. of Educational TV & Radio Center, Ann Arbor (Vol. 14:37) . . . James Robertson, ex-WTMJ-TV, Milwaukee, recently program director of educational WTTW, Chicago, named director of station relations, Educational TV & Radio Center, Ann Arbor . . . Richard Pryor promoted to program mgr. of LBJ Co.'s KTBC-TV & KTBC, Austin & KRGV-TV & KRGV, Weslaco; Dan

**ADVERTISING AGENCIES:** Sherwood Dodge resigns as exec. v.p. of Fletcher D. Richards Inc., his plans to be announced . . . John F. Whalley, operations chief of WNBQ & WMAQ, Chicago, joins Needham, Louis & Brorby as v.p.; Alfred Lewis, business mgr. of the stations, is acting director . . . John J. Derr, onetime CBS sports director, ex-asst. to Arthur Godfrey, joins Maxon Inc. as consultant on GE's *College Bowl* program . . . Richard McShane Kelly, ex-Sullivan, Stauffer, Colwell & Bayles, named v.p. of Kenyon & Eckhardt; also promoted to v.p. were John L. Baldwin, Chicago, and Dean Coords . . . E. George Cloutier, ex-Marschalk & Pratt v.p., named v.p. of Noyes & Co., Providence . . . Leo Bogart resigns from McCann-Erickson's affiliate Market Planning Corp. to join Revlon as market research director . . . Frank Barth, ex-Richard & Gunther v.p., forms Frank Barth Adv., 34 W. 46th St., N. Y. . . . Lee Garfield promoted to v.p. of Doner & Peck . . . Edward F. Baltz named v.p. of Compton Adv., Los Angeles . . . Edward J. Garvey promoted to v.p. of J. M. Mathes.

Assn. of National Advertisers elects: chairman, Henry Schachte, Lever Brothers v.p., succeeding Ralph Winslow of Koppers; vice-chairman, Donald S. Frost, Bristol Myers v.p.; Paul B. West continues as pres.

Peabody Awards custodians at U of Georgia School of Journalism are currently circulating entry forms, closing date Jan. 10.

Love, KTBC-TV sports director, adds duties of program director . . . Lincoln L. Hilbert promoted to merchandising mgr. of WLWT & WLW, Cincinnati, succeeding Fred Wilson now with Leo Burnett Adv. . . . Frank Atlass, WBBM-TV program director, and Irving Kupcinet, *Chicago Sun-Times* columnist, elected to represent Chicago chapter on Board of Academy of TV Arts & Sciences . . . Frank Ferrin, film producer, and Frank Mullen, ex-NBC exec. v.p. who also is partner in Mullen-Buckley Corp., Hollywood (Vol. 14:16), form Jungle Productions to produce TV series based on Kipling's *Jungle Book* . . . Edward Tisch, ex-Bankers Trust Co., named financial v.p. of Independent TV Corp. . . . Joseph Morton promoted to gen. mgr. of new Wilding Picture Productions TV div., Chicago film commercials; Jack Rheinstrom is sales v.p.; Mike Stehney, ex-Kling Film, is exec. v.p.; Carl Nelson, also ex-Kling, is editorial supervisor . . . Lee Savin, ex-California Studios, named director of Desilu commercial film div. . . . Herbert T. Schottenfeld named v.p. of United Artists TV Inc.; John J. Mulvihill named general sales executive . . . Milton Gordon, ex-pres. of TPA, recently sold to Jack Wrather's ITC, off on business-pleasure trip to Far East . . . Wm. Gilbert, ex-Granada TV Network Ltd., named asst. to managing director Vernon Burns of NTA Telefilms Assoc. Ltd., London . . . Charles E. Trainor, ex-Storer & ex-Forjoe, named mgr. of Adam Young rep office in Atlanta, succeeding Harold M. Parks, now Young TV eastern sales mgr., N. Y.

### Obituary

John Randolph Hearst, 49, third of the 5 sons of late Wm. Randolph Hearst, died suddenly of heart attack Nov. 13 in St. Thomas, Virgin Islands. He was gen. mgr. of Hearst radio operations, pres. of Harper's-Bazaar Cosmopolitan Corp., mgr. of International Magazine Corp. Surviving are widow, 4 children.

Harry Le Van, 63, TV clown known as Carny C. Carny and last featured on *Cartoon Theatre* on WCAU-TV, Philadelphia, died Nov. 11 in U of Pa. Hospital.

Four-year-old brown gelding Catpurse, which hasn't won a race in 14 starts and which in opinion of N. Y. *Times* sportswriter Wm. Conklin is likely to remain "a maiden," is disclosed as owned in 4 equal parts by Arlene Francis, the TV & stage actress; John Crosby, *Herald Tribune* TV critic; Leslie Midgely, CBS producer; Charles Collingwood, CBS London correspondent. Miss Francis says she owns "the part that eats." Really "hot horse" owned by TV-radio folk is 2-year-old filly Dark Vintage, which has won more than \$125,000 thus far for partners Ed Voynow, Chicago v.p., Edward Petry & Co., and Stanley Hubbard, owner of KSTP-TV, St. Paul; KOB-TV, Albuquerque & other stations (Vol. 14:33). This week, it was revealed after he had won the \$100,000 International at Laurel Nov. 11, that the Australian 6-year-old Sailor's Guide had been sold before the race (for reported \$50,000) to Dr. Leon Levy, CBS director and major stockholder, brother-in-law of CBS chairman Wm. S. Paley, onetime owner with his brother of Philadelphia's WCAU, now exec. v.p. of Atlantic City race track, whose hobby is his famed Jaelyn Stable.

Walter Damm, retired gen. mgr. of WTMJ-TV & WTMJ, Milwaukee, ex-NAB pres., recently chairman of NBC-TV affiliates board, got delivery this week of a 24-ft. Century Raven boat, with 165hp motor, all accessories—gift of fellow affiliates who pitched in \$7000 to buy it. He and Mrs. Damm live at 2470 Treasure Lane, Naples, Fla.

**The New Setup in Canada:** Canada's new Board of Broadcast Governors, appointed this week to take over the licensing & regulatory functions of Canadian Broadcasting Commission, which now becomes a network-station operating company only, is headed by Scottish-born Dr. Andrew Stewart, pres. of the U of Alberta, named permanent chairman. One of its early actions is expected to be the authorization of second TV stations, presumably privately-owned, in now CBC-monopolized one-station cities of Vancouver, Winnipeg, Toronto, Montreal & Halifax, as recommended in the Royal Commission (Fowler) Report on Broadcasting which creates the new CBBG.

The other 2 fulltime members of the Board of Broadcast Governors, both regarded as friendly to commercial broadcasting, are Roger Duhamel, 42, vice chairman, now editor of *Montreal LaPatrie*, a weekly newspaper, and Carlyle Allison, 51, editor of the *Winnipeg Tribune*. Salary of chairman is expected to be \$20,000, vice chairman \$17,000, third member \$14,000.

The old CBC goes out of existence, but is reconstituted as an operating company under name Canadian Broadcasting Corp.—with veteran gen. mgr. J. Alphonse Ouimet, 50, as pres. & gen. mgr. He joined CBC as an engineer on its formation in 1936, rose to chief engineer, then asst. gen. mgr., then gen. mgr. His v.p. & asst. gen. mgr. is Ernest L. Bushnell, 57, asst. gen. mgr. of old CBC; he's an ex-adman who managed Toronto radio stations CFRB & CKNC 1929-33 and joined CBC first as program

director for western Canada. There's apparently every intention of keeping CBC as a publicly-owned corporation, so that Canada's TV-radio system will continue as a dual one—more or less like TV in the British Isles.

New CBBG board, besides Dr. Stewart, Duhamel & Allison, will have following serving part-time in an advisory capacity: Joseph F. Brown, Vancouver businessman; Dr. Mabel G. Connell, Prince Albert, Sask., provincial director of Canadian Federation of University Women; Dr. Emlyn Davies, minister of Yorkminster Baptist Church, Toronto; Dr. Eugene Forsey, Ottawa, director of research, Canadian Labor Congress; Edward A. Dunlop, Toronto, blinded war veteran; Guy Hudon, Laval U, Quebec; Yvan Sabourin, Montreal attorney; Mrs. R. G. Gilbride, Montreal, active in women's organizations; Colin B. Mackay, pres. of U of New Brunswick; Roy Desbarres Duchemin, v.p.-managing director, *Sydney* (N.S.) *Post*; Lt. Col. J. David Stewart, Charlottetown, P.E.I., ex-pres. of Canadian Federation of Mayors & Municipalities; Robert S. Furlong, St. John's, Nfld., attorney.

Members of the new CBC board of directors, besides Messrs. Ouimet & Bushnell, are Gertrude Alexandra Carter, Salmon Arms, B.C., writer; Wm. L. Morton, U of Manitoba, history professor; Kate Aitken, Toronto writer & broadcaster; Charles W. Leeson, asst. gen. mgr., Fischer Bearings Mfg. Ltd., Stratford, Ont.; Raymond Dupuis, pres. of Dupuis Freres dept. store, Montreal; Robert L. Dunsmore, pres. of Montreal Board of Trade; Rendol Whidden Ganong, St. Stephen, N.B., pres. of Ganong Brothers Ltd.; Dr. C. B. Lumsden, Wolfville, N.S., ex-pres. of Canadian Legion.

**Federal Fillip for ETV:** Little-noticed educational TV machinery set up in National Defense Education Act enacted in closing days of 85th Congress (Vol. 14:33) is scheduled to start operating next week, providing first direct Federal help to under-financed ETV broadcasters.

Tucked away in \$178,000,000 Sputnik-age legislation, designed to aid states in stimulating science, mathematics & foreign language education, is 4-year authorization for \$18,000,000 in govt. funds for research in audio-visual communications.

Anybody who has ideas for developing ETV uses—school authorities, leaders in non-profit community organizations, individuals—is eligible to apply for Federal research grants. So far only 20-30 project applications—covering use of films & radio as well as TV—have trickled into Office of Education, which administers law.

Special audio-visual research program should get rolling next week, however, following expected appointment by Education Comr. Lawrence G. Derthick of 14-member advisory committee which will pass on applications for grants, for which Defense Education Act provides no ceilings.

Office of Education has only \$500,000 appropriation now to set up program. But Dr. Roy M. Hall, Asst. Comr. for Research, told us he looks for \$1,000,000 supplementary appropriation soon after 86th Congress convenes Jan. 7. Act authorizes \$3,000,000 for first year of operation, \$5,000,000 for each of 3 succeeding years.

Initial applications for grants have come from U of Tex., Fordham U, U of Cal. at Berkeley, Kansas State College, proposing research in TV and/or radio aids to teaching. Additional applications can be filed with Director, Communications Media Research Program, Office of Education, Dept. of Health, Education & Welfare.

Also looked for at upcoming session of Congress is

passage of Federal aid to educational TV bill such as sponsored at last session by Sen. Magnuson (D-Wash.) & Rep. Udall (D-Ariz.). Magnuson bill, providing \$51,000,000 to states & territories for ETV equipment, sped through Senate but got lost in adjournment after House Commerce Committee approved amended version (Vol. 14:33, 45).

"I think the new Congress—on both sides of the aisle—will be extremely friendly to this idea," said exec. director Ralph Steetle of Joint Council on Educational TV, who was in forefront of campaign for equipment legislation at last session.

Steetle also told us he was confident that any new legislation would permit non-profit community ETV groups—as well as colleges, universities, state & local school authorities—to share in up-to-\$1,000,000 govt. grants to each state & territory. House Commerce Committee struck private-group authorization from Magnuson bill, arguing that it should cover official ETV bodies only. But Steetle pointed out that much impetus for ETV comes from community organizations—and that they are in chronic need of financing for stations.

No round-the-clock operation, like Triangle's WFIL-TV, Philadelphia & WNBC-TV, Binghamton, N. Y. (Vol. 14:38), CHCT-TV, Calgary (Ch. 2) nevertheless carried longest telecast in Canadian history to celebrate Canada's National TV Week, total of 184 consecutive hours (equivalent to nearly 8 days)—enterprising mgr. Herbert S. Stewart reporting he added extra \$10,000 in spot billings for effort. He was also rewarded with writeup with his picture in Oct. 20 *Time*, Canadian edition.

CBC has sent film supervisor Ed Rollins and cameraman Bill Duncan to Middle East to film Christmas greetings from Canadian servicemen with UN forces.

**New & Upcoming Stations:** If all goes according to plan and promise, this year's crop of new stations will total 46—but it's a good guess there actually won't be more than the 40 new starters of last year (Vol. 14:1). The 1958 new starters thus far total 29, including 8 non-commercial educationals, 4 satellites. In addition to the scheduled Dec. 1 revival of uhf WWOR-TV, Worcester (Vol. 14:45), 16 CP holders have reported plans to start by Jan. 1 but it's pretty certain all won't make it.

Two new major outlets—CBS-affiliated WTOL-TV, Toledo (Ch. 11) and ABC-affiliated WKBW-TV, Buffalo (Ch. 7)—are definitely scheduled to start before year's end (Vol. 14:44). Of the 14 others, 7 are non-commercial educationals, one being Mich. State U's WMSB, Onondaga-Parma (Ch. 10) which will share time with WILX-TV (see below). Only Canadian newcomer due soon is CJDC-TV, Dawson Creek, B.C. (Ch. 5), which will be Dominion's 8th for year (see below).

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

WILX-TV, Onondaga-Parma, Mich. (Ch. 10), planned as share-time operation with Mich. State U's educational WMSB, expects to meet Jan. 1 NBC-TV programming target, writes pres.-gen. mgr. John C. Pomeroy, also pres. of radio WILS, Lansing. Both stations will use same GE transmitter, but will have separate studios. Construction of transmitter house and base for 1000-ft. Ideco tower has begun. Martin Giamio, ex-station & sales mgr. of radio WJEF, Grand Rapids, will be gen. sales mgr.; David Froh, station & program mgr. of WILS, will be program director. Base hour will be \$800. Rep will be Venard, Rintoul & McConnell.

KVIE, Sacramento (Ch. 6, educational) has 10-kw Standard Electronics transmitter due in mid-Nov., still plans mid-Dec. programming, reports gen. mgr. John C. Crabbe. Equipment will be installed in KBET-TV transmitter house, with GE 3-section helical antenna on KBET-TV 450-ft. Ideco tower. KVIE won't have own studios to start, will share space with KOVR.

WKBM-TV, Caguas, Puerto Rico (Ch. 11) has 5-kw DuMont transmitter installed, still expects to start programming Dec. 24, reports owner Ralph Perez Perry, also operator of WSUR-TV, Ponce (Ch. 9) and radio WKVM, San Juan. It's awaiting delivery of additional parts for 6-bay RCA antenna before proceeding with installation of 200-ft. Lehigh tower. Studios are being constructed in San Juan. Rates not reported, rep not chosen.

KDPS-TV, Des Moines (Ch. 11, educational), installing 6-bay antenna on roof of studio-transmitter building housing RCA 5-kw transmitter, has changed to Feb. target, writes C. F. Schropp, director of audio-visual education for grantee Des Moines School District.

WMUB-TV, Oxford, O. (Ch. 14, educational) will probably get on the air next March, reports Stephen Hathaway, director of broadcasting for grantee Miami U. RCA 1-kw transmitter is on hand and 6-section helical antenna has been installed on 320-ft. Truscon tower, but it now appears studio-transmitter building won't be finished by Dec. 1, as planned.

\* \* \* \*

CJDC-TV, Dawson Creek, B. C. (Ch. 5) had studio-transmitter house ready for 200-watt GE transmitter, which arrived Nov. 1, expects to meet Dec. 15 programming target, reports pres. H. L. Michaud. It will use 70-ft. tower with Alford antenna. Base hourly rate will be \$100. Reps will be Donald Cooke and TV Representatives.

Hialand Development Corp., buying Hawaii's big Consolidated Amusement Co. for \$8,000,000 in deal which includes 75% of KGMB-TV, Honolulu (Ch. 9) with TV satellites and radio affiliates (Vol. 14:40), in FCC transfer papers filed this week disclosed that ex-Gov. Roy Turner of Okla., pres. & 12½% stockholder in KWTW, Oklahoma City (Ch. 9), is 2½% stockholder. Only other stockholders with TV interests are the brothers Clare, Lloyd & Dale Miller, McPherson, Kan. businessmen, each 4.17%; they jointly have 1% of KARD-TV, Wichita (Ch. 3). Hialand pres. Arthur L. Wood, accountant, holds 7.5%; Felix Simmons, v.p.-treas., Ardmore banker, 5%; K. E. McAfee, v.p.-secy., attorney, 7.5%; John W. Nichols, oilman, 7.5%; Robert S. Bowers & Eugene Jordan (with daughter Julie Jordan Lucas), bus line operators, 12.5% each; A. C. Martin, oilman, 7.5%; W. E. Harber, banker, 6.25%—all of Oklahoma City. Among other stockholders are John A. Eagle, realtor, 3.75%; John H. Hughes, attorney, 7.5%; Prudential Investment Co., 3.75%—all of Honolulu. Assets purchased include 18 theatres, large realty holdings. FCC papers show TV-radio stations (with *Honolulu Star-Bulletin* owning 25% of KGMB-TV, which it isn't relinquishing) earned net of \$176,062 after taxes in 1957 and \$94,657 to Sept. 30, 1958. Its current assets total \$682,475, current liabilities \$141,609; investments and fixed assets, \$818,498; surplus account, \$188,999.

Red probe aftermath: Reinstatement by CBS-TV of floor mgr. Joseph Papp (*I've Got a Secret, duPont Show of the Month*), dismissed by network in June after he invoked 5th Amendment at House Un-American Activities Committee hearing (Vol. 14:28), was ordered this week by arbitrator Emanuel Stein, NYU economics professor. Stein held that "this is not a 5th Amendment case," finding that Papp was fired because his 1952 CBS employment application hadn't mentioned associations with Cal. Labor School & 2 other organizations. Arbitrator said CBS had known about associations before Papp was summoned as House witness but hadn't confronted him with them then. However, Papp won only half of back pay because he failed to notify CBS of hearing subpoena. Case was taken to arbitration by Radio & TV Directors Guild following membership referendum on issue.

Facility changes: KBAS-TV, Ephrata, Wash. switched Nov. 5 from Ch. 43 to Ch. 16, using new higher tower; KTVE, El Dorado, Ark. (Ch. 10) Nov. 2 boosted to 316-kw; WGBH-TV, Boston (Ch. 2) Nov. 9 boosted to 100-kw; WSIL-TV, Harrisburg, Ill. (Ch. 22) Dec. 1 plans shift to Ch. 3 with 100-kw; WCSC-TV, Charleston, S. C. (Ch. 5) Dec. 15 plans move to new 1000-ft tower at Rife Range Rd. WXYZ-TV, Detroit, Dec. 1-15 plans move to 1000-ft. tower near Ten Mile Rd. and Northwestern Hwy.

Allocations petitions: (1) By Henry B. Clay, exec. v.p. of KTHV, Little Rock (Ch. 11) & KTHS, and radio KWKH, Shreveport, to add Ch. 10 to Shreveport, substituting Ch. 11 for Ch. 10 in El Dorado, Ch. 9 for Ch. 11 in Little Rock, Ch. 64 for Ch. 9 in Hot Springs. Clay plans to organize new group to apply for Ch. 10 in Shreveport. (2) By Central Mich. College, Mt. Pleasant, Mich., to add Ch. 14 to Mt. Pleasant, substituting Ch. 27 for Ch. 21 in West Branch.

George Haggarty's KPTV, Portland, Ore., whose NBC affiliation is being shifted by network to Mrs. A. Scott Bullitt's KGW-TV there (Vol. 14:42), this week signed primary affiliation with ABC-TV, effective May 1, 1959.

Increase in British commercial TV hours from 50 to 71 weekly, requested by Independent TV Authority, is expected to be granted by Govt., effective Jan. 1.

**HOTPOINT DROPS OUT OF TV BUSINESS:** Because it has failed to become a major factor in the intensely competitive TV market and so would rather concentrate on kitchen-laundry equipment, GE's Hotpoint div. this week decided to end its 2½-year excursion into the marketing of own-brand TVs via its own distributors as of next Dec. 31. All Hotpoint sets have been made by GE since line was first introduced in June 1956 -- combined sales of GE & Hotpoint receivers catapulting them into second place among TV producers with an estimated 700,000-unit output this year (Vol. 14:31).

Hotpoint's inherent strength, says Nov. 12 letter to distributors announcing the discontinuance, lies in major appliances where it has been a dominant factor for 54 years. Letter noted that only other time Hotpoint has ever dropped a line was in 1932 when it abandoned toasters, fans and other small appliances.

"Hotpoint is not in position to make major contribution or exert leadership in the field of home entertainment," said letter. "Because of this, Hotpoint cannot become a major factor in the TV business. Hotpoint is a 'kitchen-laundry specialist' -- and this is where its strength, its leadership, its profits lie."

**SERVICE-WARRANTY FEUD FLARES ANEW:** Peaceful co-existence between oft-feuding manufacturers' service operations and independent TV servicemen is objective of a new Service Industry Relations Committee set up within EIA. Its aim is to meet head-on the challenge tossed out last month by new servicemen's organization -- Independent Dealers' Electronics Activities Committee -- to cut down, or put an end to, all TV servicing by manufacturers. There's big business at stake -- EIA estimating public spends about \$2.7 billion annually for TV installation and service.

Head of new EIA group, which is a subcommittee of its Service Committee, is Steven Mahalic, product service mgr. of GE's TV dept. Other members are Dan Creato, v.p.-gen. counsel, RCA Service Co., and Albert Merriam, Sylvania's mgr. of customer service. Over-all Service Committee is chairmanned by Kenneth Brown, service mgr. of Westinghouse's TV-radio div.

Mahalic and EIA spokesman won't admit they have a "quarrel with independent servicemen." Hope of new subcommittee, says Mahalic, is "to determine how manufacturers can best work with independent servicemen and their associations. We're seeking a better understanding of mutual problems. However, we do feel we have an inherent obligation to our customers to see they get adequate service. We can't ignore our obligations nor abdicate our responsibilities. We think the servicemen have exaggerated the problem. For sure, we have no design on their business. And, for example, while there are 2000 independent TV servicemen in Detroit area alone, GE is performing its warranty and other service obligations with just 7 servicemen. We feel independent service is an important function and want to live with it."

Not as conciliatory was IDEAC member Karl W. Heinzman, also pres. of TV Service Assn. of Michigan, Detroit: "The service dealer must be recognized as an important small businessman and as such he should have a voice in the very things that affect his destiny. Mushrooming set manufacturer service facilities across the country, together with parts warranties and 'free service policies,' and in many cases open attacks against local independents by set manufacturers, are producing near irreparable harm to the business of the independent service dealer.

"With rapid growth of service industry, it is now essential to have better communications between manufacturer and independent service dealers. More than ever before, the independent service dealer is in need of a spokesman to present his side of the picture to manufacturers, public and legislatures, both state & Federal."



IDEAC has no chairman, its spokesman stating that it will merely represent existing independent servicemen's organizations with about 6000 members.

Resolution to "sell service, not sets" was adopted by Federation of Radio-TV Service Associations in Philadelphia last week, a move interpreted in some industry quarters as a boycott against companies which maintain servicing facilities.

Service Industry Relations subcommittee will report Dec. 16 at EIA's regular winter meeting in Roosevelt Hotel, N.Y. on ways & means of working out cooperative arrangement mutually satisfactory to set makers and independent servicemen.

**TV Retail Sales Slip in October:** Less than normal drop in October retail TV sales from year's peak in Sept. was new evidence of general business upswing and harbinger of good Christmas trade. Steady month-by-month trend to catch up with 1957, which started in June, continued. Preliminary EIA figures, released to us at presstime, showed Oct. retail sales were 540,000 sets vs. 605,600 in Sept. (Vol. 14:45) and were only 9% behind Oct. of last year. Despite slackening sales, industry situation was generally regarded as showing continued improvement.

Year's sales to date still lagged behind 1957 by about 20% but spread each month since May has narrowed: June was 34% behind same 1957 month; July, 33%; Aug., 23%; Sept., 14%. Cumulative retail sales at end of Oct. were about 4,066,000 sets vs. 5,245,000 a year ago.

Factory production in Oct. was estimated by EIA at about 495,000 sets. Retail sales exceeded factory production so there was slight decline in inventories during the month. Total stocks at end of Oct. were 2,100,000 sets vs. 2,600,000 last year.

Improving TV picture, general business upturn, made industry leaders cautious about predicting year's total retail sales. With 2 good selling months ahead, best "guesstimates" we could get were that total sales would be between 5,400,000 and 5,700,000 sets as against 6,400,000 in 1957.

Radio sales also slipped slightly in Oct. to 725,000 from year's peak sales of about 770,000 in Sept. (figures do not include radio-phono combinations) and Oct. was about 15% below the sales figure for the same 1957 month. Cumulative radio sales to Oct. 30 were 5,346,000 vs. 6,382,000 for same period last year.

**TV-Radio Production:** TV output was 111,554 sets in week ended Nov. 7 vs. 121,465 preceding week and 152,306 same week last year. Year's 44th week brought year's total production to 4,178,103 sets vs. 5,397,000 last year. Radio production was 344,204 for week ended Nov. 7 (117,585 auto) vs. 306,977 (56,071 auto) preceding week and 399,196 (131,327 auto) same week last year. Radio production for 44 weeks was 9,250,057 (2,800,122 auto) vs. 12,352,000 (4,511,000 auto) last year.

**Trade Personals:** Martin J. Caserio, ex-AC Spark Plug, named mgr. of GM's Delco Radio div., Kokomo, Ind. . . . John R. Howland rejoins Philco, with which he was associated when it was Philadelphia Storage Battery Co., as sales mgr. of closed-circuit TV and product control equipment, after 3 years as gen. sales mgr. of Dage TV div. . . . John L. Utz named mgr. of new Philco dept. to sell TV and appliances to mobile home manufacturers . . . Joseph P. Gordon promoted to DuMont gen. mgr. of tube operations where he has been acting mgr. since resignation of v.p. Stanley J. Koch (Vol. 14:41) . . . Kenneth R. Stephanz named mgr. of new ITT electronic tube plant, Roanoke, Va., which plans Jan. 1 start . . . Dr. Rudolf G. E. Hutter promoted to chief engineer of Sylvania's special tube operations, Mountain View, Cal. . . . Wm. C. Black, ex-Sperry Gyroscope of Canada, named personnel director of RCA Victor Ltd., Montreal . . . Harry A. Mayer promoted to GE receiving tube district sales mgr. for So. Cal., Ariz., Nev. . . . Rudolf W. Selbmann, ex-Oak Mfg., named chief engineer of Blonder-Tongue Electronics.

**DISTRIBUTOR NOTES:** Sylvania appoints Boyd Distributing, Denver, and Southern Appliance Inc., Charlotte, N. C., for TV, radio, hi-fi . . . Olympic appoints D. E. Lindsay, Portland, Ore.; Major Appliance, Burlington, Vt., for TV, radio . . . Emerson appoints Biehl's Inc., Pottsville, Pa., for DuMont TV, phono . . . Erie Resistor appoints Michael Scott Co., Wellesley Hills, Mass., for components . . . Paramount Enterprises, for Hallmark line of hi-fi, records, appoints Tru-Tone Distributing, Miami; Hoosier Record Distributing, Indianapolis; Flemington Distributors, Kansas City . . . Bergman-Rochester Corp. (Philco) names Charles R. Breckheimer v.p. & gen. mgr.

### Obituary

Kenneth Walter McKim, 72, retired ITT asst. v.p., died Nov. 12 at Veterans Hospital, East Orange, N. J., after a long illness.

Ray W. Turnbull, 68, retired GE western regional v.p., died of a heart attack Nov. 8 in San Francisco.

**H**OWARD W. SAMS & CO., Indianapolis publishing house specializing in TV-radio-electronics publications and research, which with its associated printing firm Waldemar Press Inc. is one of the phenomenal successes of the TV era, this week purchased controlling interest in the 120-year-old book publishing firm Bobbs-Merrill Co., Indianapolis. Sams has acquired 61.7% of outstanding capital stock of Bobbs-Merrill from 3 major stockholders, has offered to buy remaining stock at \$30 per share up to Dec. 15, 1958. Deal involved close to \$1,000,000 cash.

Serving largely the TV-radio-hi fi manufacturing, distributing & servicing industries with its manuals and its monthly magazine *PF Reporter*, Sams now diversifies into popular as well as technical publications, next year will integrate all operations under big new plant for which land has been acquired—and becomes a major factor in the nation's publishing industry. It will expand technical and educational publications, print more of them in own Waldemar Press plant.

Organized and headed by the onetime sales mgr. of P. R. Mallory Co., Howard Sams, chairman, with ex-RCA executive J. A. (Shine) Milling as pres. & chief executive officer, the Sams organization expects to do business exceeding \$10,000,000 in 1959 fiscal year. In 1958 fiscal year ended last June 30, the Sams Co. had net sales of \$4,455,716, net profit of \$210,171 (\$1.67 per share on 120,000

shares outstanding) as against \$3,984,324 sales and \$192,636 profit (\$1.52) in preceding fiscal year—representing 13th straight year of rising sales and earnings since its \$431,953 gross and \$18,551 net in 1946. The rise was largely due to the upsurge of TV. Waldemar Press, founded in 1952, had revenues of \$1,669,982 in 1957, after-tax profit of \$62,086. Both firms currently are running well ahead, monthly gross profit going to more than \$100,000 in Oct.

Sams' plan is to expand and diversify still further, and especially to take advantage of Bobbs-Merrill's long-established distribution through bookstores and libraries for technical and educational books. Bobbs-Merrill is famed for its textbooks and legal books, but more notably for its "stables" of popular authors through the years. It currently has 1250 active titles, including Nov. Book-of-The-Month Club choice, *Mistress to An Age*.

It's credited with ushering the era of best-sellers with *When Knighthood Was in Flower*, which sold more than 1,000,000 copies at the turn of the century. Its *Wizard of Oz* was perhaps the most popular of all children's books, and its authors included such names as James Oliver Curwood, George Ade, Ring Lardner, Bruce Barton, Irving Bacheller, Gelett Burgess, Mary Roberts Rinehart, Kenneth Roberts, Earl Derr Biggers, John Erskine, Irvin S. Cobb, Henry Steel Commager, et al.

**ELECTRONICS PERSONALS:** Raymond F. Kelley, since 1952 v.p. of Dynamics Corp. of America, named chairman-pres., succeeding late David T. Bonner; he's also chairman-pres. of subsidiary Reeves Instrument . . . John D. Campbell promoted to exec. v.p. of Canadian Westinghouse Ltd., Hamilton . . . Robert W. Hughes promoted to engineering v.p. of ITT's International Electric Corp.; Charles G. Sherwood promoted to v.p.-manufacturing; John E. Kaehlin, to v.p.-customer relations . . . Dr. Charles H. Sutcliffe named mgr. of component development, Philco's solid state electronics research dept.; Dr. James B. Angell named mgr. of circuit research; Dr. Marvin E. Lasser, mgr. of applied physics research; Edmundo Gonzales-Correa, mgr. of research planning . . . Donald G. Busher resigns as v.p. & gen. mgr. of Avionics Corp., Horsham, Pa. . . Robert H. Howard, ex-Victor Adding Machine Co., named mgr. of commercial contract sales of Avco's Crosley div. . . Wm. H. Heflin promoted to gen. mgr. of Lenkurt's commercial products div., succeeded as v.p. & gen. mgr. of Lenkurt of Canada by C. W. Hunter . . . James Vrungos promoted to marketing mgr. of Stromberg-Carlson's electronic controls systems dept., Los Angeles . . . James H. Murphy promoted to technical liaison engineer for Buffalo operations of Sylvania Electronic Systems, office at 175 Great Arrow Ave.

Sales of hi-fi units & components will exceed \$850,000,000 in 1959, says Ray B. Cox, v.p.-gen. mgr. of Hoffman consumer products div., who also predicts all home hi-fi units will be equipped for stereo within 2 years. "There can no longer be any doubt that stereo already has created within the electronics industry a wholly new industry, just as TV did," he said.

J. L. Singleton, Allis-Chalmers v.p., elected pres. of National Electrical Manufacturers Assn. at Atlantic City convention. GE chairman Ralph J. Cordiner wins NEMA McGraw Award for distinguished service.

Memorial to late Raymond Rosen, Philadelphia RCA distributor, will be dedicated by family and associates Nov. 23—a research lab in new Albert Einstein Medical Center. RCA chairman David Sarnoff will be guest of honor.

Add Hole-in-One Club (Vol. 14:45): Asher J. Cole, pres. of National Video Corp., Chicago (tubes), his secretary Virginia J. Shumack reports, has made not one but 2 holes-in-one—first in 1956 at Bay Shore Country Club in Florida (176 yards), second this year at his own Bryn Mawr Country Club, Chicago (145 yards). We've now had 3 reports on broadcasters, only this one from manufacturing phase of the electronics amusements industries; know any others?

Uhf receiver oscillator radiation limit set by FCC will maintained at 1000 uv/m until Dec. 31, 1960, rather than reduced to 500 uv/m Dec. 31, 1958 as originally scheduled, under new proposed rule-making initiated this week. Commission action was based on petition of EIA to effect that manufacturers couldn't reach the lower limit by end of this year (Vol. 14:37).

ITT's newly consolidated Federal and Farnsworth divs. now called ITT Federal Div., with headquarters in Clifton, N. J. These are officers: Delbert M. Mills, pres.; George A. Banino, v.p.-comptroller; Robert E. Chasen, v.p.-administration; Theodore M. Douglas, div. v.p.; Walter W. Hawk, v.p.-engineering; Wm. B. Levett, secy. & counsel.

Stereo record definition, as adopted by board of Record Industry Assn.: "A true stereophonic disc record has 2 distinct orthogonal modulations derived from an original live recording in which a minimum of 2 separate channels were employed."

DuMont Labs, which gave up production of TV picture tubes in Sept. (Vol. 14:37), will design and produce yokes, shields & other accessories for industrial, military & special cathode ray tubes, according to tube mgr. Joseph P. Gordon.

Pacific Mercury TV Mfg. Corp., which makes Silver-tone brand TVs for Sears Roebuck, electronic organs and military equipment, changes name to Pacific Mercury Electronics to reflect product diversification.

Two new lab manuals for TV-radio technicians, prepared by EIA's Paul B. Zbar & Sid Schildkraut—*Basic Electricity* (97pp.) and *Basic Electronics* (147pp.), both 2nd editions—published by McGraw-Hill (\$2.25 each).

## Financial Reports:

**A**MERICAN BROADCASTING-Paramount, sustaining upbeat note sounded in semi-annual report July 30 (Vol. 14:31), this week estimated consolidated earnings for 9 months at \$4,392,000 (\$1 per share) vs. \$4,082,000 (92¢) in first 3 quarters year ago. In 3rd 1958 quarter, however, consolidated earnings were \$1,127,000 (25¢) vs. \$1,289,000 (29¢) in same 1957 period, pres. Leonard H. Goldenson explaining that while ABC results in final period of 1957-58 broadcast season "compared favorably" theatre revenue was not up to the level of business for the same quarter of 1957. He added that with start of 1958-59 season ABC-TV network "is showing improvement over last year—not only in gross time billings reflecting greater expenditures by advertisers, but in audiences as well." Goldenson also said theatre business should improve with upcoming release of major pictures based on best-selling novels & plays. Earnings for 9 months included 6¢ capital gains; for 3rd quarter, 1¢.

Paramount Pictures consolidated earnings were \$4,197,000 (\$2.33 per share on 1,799,116 shares outstanding) in 3rd quarter vs. \$1,378,000 (94¢ on 1,988,416) in same 1957 period. Profit for quarter included \$2,955,000 from liquidation of investments in British theatre companies. For 9 months ended Sept. 30, net income was \$14,460,000 (\$8.04)—including \$10,662,000 from installment sales of film, principally to TV, and profit from investment liquidations—vs. \$4,237,000 (\$2.13) in 3 quarters last year, when there were no special items.

20th Century-Fox gross revenues from TV rentals of pre-1948 movies and sales of films produced for TV totaled \$5,800,000 in 39 weeks ended Sept. 27 vs. \$6,000,000 for same 1957 period, according to *Wall St. Journal*. Net income from all sources—including TV & movie studio—was estimated at about \$6,600,000 on total gross of \$94,000,000 in 1958 period vs. \$5,623,858 on \$96,500,000 year earlier. In 3rd quarter, however, earnings were reported down to about \$1,400,000 (about 55¢ per share) from \$1,553,993 (59¢) in same 1957 quarter.

Desilu Productions has filed registration statement with SEC proposing sale of 525,000 shares to the public including 250,000 by the company, 275,000 for the account of Desi Arnaz and his wife, Lucille Ball. Underwriters group is headed by Bache & Co. Out of proceeds, \$1,915,000 would be paid RKO Teleradio, representing amount due on purchase of Hollywood & Culver studios last Jan.

Reports & comments available: On Magnavox, review by Ira Haupt & Co., 111 Broadway, N. Y. On Westinghouse, study by Montgomery Scott & Co., 123 S. Broad St., Philadelphia, and discussion by Ralph E. Samuel & Co., 115 Broadway, N. Y. On Hoffman, review by Walston & Co., 120 Broadway, N. Y. On RCA and 20th Century-Fox, briefs by Joseph D. Goodman & Co., 1526 Chestnut St., Philadelphia. On 20th Century-Fox, analysis by Edwards & Hanly, 100 N. Franklin St., Hempstead, N. Y. On United Artists, study by Mitchell, Hutchins & Co., 231 S. La Salle St., Chicago.

Dividends: CBS Inc. "A" & "B," 25¢ payable Dec. 12 to stockholders of record Nov. 21, plus 3% stock Jan. 16 to holders Dec. 19; AB-PT, 25¢ Dec. 15 to holders Nov. 21; Paramount Pictures, 50¢ Dec. 22 to holders Dec. 5; 20th Century-Fox, 40¢ Dec. 27 to holders Dec. 10; Canadian Westinghouse, 25¢ Jan. 2 to holders Dec. 15; Famous Players Canadian, 37½¢ Dec. 11 to holders Nov. 20; WJR The Goodwill Station, 20¢ plus 5% stock Dec. 10.

Still more diversification: Paramount Pictures, which is a major stockholder (28%) in DuMont Laboratories Inc. and its spun-off Metropolitan Broadcasting Co., (WNEW-TV & WNEW, N. Y.; WTTG, Washington; WHK, Cleveland), and which also operates own pre-freeze TV station KTLA in Los Angeles, was revealed this week as one of 3 principals in syndicate formed by Bache & Co. to buy stock of General Aniline & Film Corp., owned by Govt. which seized it from Germans during the war. Paramount wants to take over its Ansco div., maker of film, cameras, etc.; Daystrom would acquire Ozalid div., which makes office copying machines and paper for reproductions; W. R. Grace Co. would get Dye & Chemical div. *Wall Street Journal* reports that at least 2 other banking groups are also interested in purchase, one headed by Blyth & Co. & First Boston Corp., other by Lehman Bros., Glore Forgan & Co. & Kuhn, Loeb—and that Bell & Howell is interested in acquiring Ansco.

Jerrold Electronics Corp. brought net income for first half of current fiscal year, ended Aug. 31, to \$57,182 (5¢ per share) from net loss of \$77,798 in same period year ago—and pres. Milton J. Shapp has informed stockholders that accelerated seasonal increase is now evident, sales & service revenues amounting to \$720,000 in Sept. The 1958 profit figure includes non-recurring credit of \$22,825. Revenues for the 6 months were \$3,213,642 vs. \$2,638,920 for 1957 fiscal period. In his report, Shapp noted "the basic stability" of community antenna systems generally. Jerrold installs such systems, besides contracting for master antennas and closed-circuit TV systems, and operates 10 of its own, all said to be profitable, located in Ventnor, N. J.; Dubuque, Ia.; Pocatello, Ida.; Flagstaff, Ariz.; Key West, Fla.; Ukiah, Cal.; Richland, Walla Walla & Wenatchee, Wash.; Muscle Shoals, Ala. (recently acquired). They serve total of about 30,000 subscribers.

Webcor earned \$135,964 (21¢ per share) on sales of \$8,070,368 in 3rd quarter ended Sept. 30 vs. \$603,502 (93¢) on \$12,910,115 in same 1957 period. In report to stockholders, pres. Nick Malz said he's "not satisfied" with quarter's results, but noted "upswing in the national economy and in our own sales trends" since first half this year, when net & sales dropped sharply (Vol. 14:37).

National Union Electric Corp. (C. Russell Feldmann, pres.-chairman), now principally in oil heating equipment with electronic div. now integrated at Bloomington, Ill., earned \$280,936 (16¢ per share) on sales of \$8,157,202 in first 3 quarters of 1958 vs. \$197,249 (11¢) on \$7,708,944 in same 1957 period.

Sperry Rand Corp., with Sept. 30 military backlog of \$515,000,000, principally electronic equipment, reports \$439,482,393 sales, \$10,892,916 (38¢ per share) profit for 6 months ended that date vs. \$422,926,789 & \$17,872,448 (62¢) profit in same 1957 period.

Amphenol Electronics earnings declined to \$954,011 (\$1.36 per share) on sales of \$21,981,795 in first 9 months of 1958 from \$1,335,154 (\$1.91) on \$23,388,172 for same 1957 period. Third quarter earnings were \$323,392 (46¢) vs. \$390,899 (56¢).

Herold Radio & Electronics reports sales increase to \$3,721,391 in 6 months ended Aug. 31 from \$2,732,927 year earlier, but loss of \$20,134 for 1958 fiscal period vs. earnings of \$1859 (before promotional expenses of nearly \$60,000) in 1957 half.

General Precision Equipment earnings dropped to \$915,612 (5¢ per share) in 9 months ended Sept. 30 from \$3,616,978 (\$2.70) in same 1957 period. Third quarter net this year was \$160,678 vs. \$954,725 (60¢).

**CBS Inc. Still Riding High:** Even the summer lull in TV and the threatened fall-winter recession in network TV billings, to say nothing of continued losses on its radio network operations, did not preclude the now highly diversified CBS Inc. from achieving new records in sales & earnings for first 9 months of this year, revealed in report to board of directors Nov. 12 by chairman Wm. S. Paley & pres. Frank Stanton.

Net sales and revenues for the 9 months (40 weeks) amounted to \$300,738,926 vs. \$275,276,269 for comparable 1957 period (39 weeks). Consolidated net income was \$16,522,462 (\$2.10 per share) vs. \$13,898,171 (\$1.82). Per share earnings were calculated on average of 7,881,400 shares outstanding in 1958 and 7,651,697 in 1957.

Net profit for 3rd quarter ended Oct. 4 was \$4,000,906 (51¢) on sales & revenues of \$99,305,548 vs. \$3,698,978 (49¢) \$88,477,455 in comparable 1957 period. The 1958 quarter ran 14 weeks, 1957 quarter 13 weeks.

There was no breakdown of revenues or profits as between the various subsidiaries and divisions—but it's no secret that CBS Inc. has been doing well with TV networking & station operation, radio station operation, phonographs & records, and even such special investments as its 40% interest in the smash hit play *My Fair Lady* (Vol. 14:45), its 10% ownership of the Mike Todd film *Around the World in 80 Days*, its co-ownership with the Los Angeles Turf Club of Pacific Ocean Park, Santa Monica, Cal. (Vol. 14:34).

Usual 25¢ dividend was declared, plus 3% stock to be paid Jan. 16, and it was announced that at special

stockholders meeting Dec. 22 a proposal will be considered to change all Class A & B stock into single class for non-cumulative voting. Presently, Class A holders elect half the directors, while Class B vote by a majority of quorum to elect other half. New plan is designed to simplify procedure.

CBS Inc., traded on N. Y. Stock Exchange and listed by many financial services as a blue chip, had 4,342,598 shares of Class A and 3,538,802 shares of B stock outstanding as of Oct. 29, 1958—out of 6,000,000 of each authorized at \$2.50 par. Among largest beneficial stockholders on that date were Chairman Paley, 126,285 shares of A, 707,108 B, representing respectively 2.91% & 19.98% of outstanding shares; Pres. Stanton, 111,517 A & 32,877 B, or 2.57% & .93%. Top management thus will vote slightly more than 25% of outstanding stock.

Earnings have mounted steadily despite slippage of sales in 1955, net profits now running more than 5 times those of 1950 largely because of the advent of TV. The record:

|              | Sales         | Pre-tax Earnings | Net Profit   | Net Per Share | Dividends | Total Assets  |
|--------------|---------------|------------------|--------------|---------------|-----------|---------------|
| 1950—        | \$124,105,408 | \$ 9,555,329     | \$ 4,105,329 | \$ .80        | \$ .53    | \$ 53,833,265 |
| 1951—        | 192,384,608   | 13,618,942       | 6,360,097    | .91           | .53       | 101,481,809   |
| 1952—        | 251,594,490   | 15,938,724       | 6,445,506    | .92           | .53       | 111,720,900   |
| 1953—        | 313,908,771   | 22,687,288       | 8,894,642    | 1.27          | .62       | 136,040,997   |
| 1954—        | 373,380,139   | 23,214,645       | 11,414,645   | 1.62          | .63       | 169,298,915   |
| 1955—        | 316,572,766   | 29,897,427       | 13,397,427   | 1.83          | .77*      | 180,089,502   |
| 1956—        | 354,779,843   | 35,083,462       | 16,283,462   | 2.17          | .90*      | 196,097,774   |
| 1957—        | 385,409,018   | 48,593,367       | 22,193,367   | 2.90          | 1.00†     | 222,870,272   |
| 1958 (9 mo.) | \$300,738,926 | \$36,200,462     | \$16,522,462 | 2.10          | \$1.00††  | —             |

\* Plus 2% stock. † Plus 3% stock. †† Plus 3% stock payable Jan. 16, 1959.

**NTA Merger Into NTI Near:** Merger of National Telefilm Associates Inc. (NTA) into National Theatres Inc. (Vol. 14:34), was virtually assured this week when latter's board approved purchase of common stockholdings of NTA's 3 top officers, who will remain in their present posts: Ely A. Landau, chairman (80,250 shares); Oliver A. Unger, pres. (40,125); Harold Goldman, exec. v.p. (40,125). For each share of NTA, now traded on American Stock Exchange, they will receive \$11 principal amount of 5½% subordinated sinking fund debentures of National Theatres, due March 1, 1974, plus a warrant for purchase of ¼-share of National Theatres common, traded on N.Y. Stock Exchange. Same offer will be extended to other holders of NTA's more than 1,000,000 shares outstanding at special stockholders' meeting next month. Merger brings into expanding National Theatres' orbit one of biggest TV feature film distributors, with tieups with 20th Century-Fox, J. Arthur Rank & Korda, and a co-producer of TV films with 20th Century, Desilu, BBC. NTA also owns WNTA-TV, Newark-N. Y. (Ch. 13) with WNTA & KMSP-TV, Minneapolis (Ch. 9). National owns about 300 theatres in Midwest, Rocky Mountain & Pacific Coast towns, last year acquired *Kansas City Star's* WDAF-TV & WDAF for \$7,600,000 (Vol. 14:17). Its TV-radio chief is ex-CBS & Don Lee v.p. Charles L. Glett. Note: NTA is currently reported negotiating for 55 Sam Goldwyn pictures, asking price said to be \$10,000,000. This would mean more than \$185,000 per picture, highest price yet and comparing with NTA's deal for 11 David Selznick pictures at \$100,000 each and for the pre-1948 20th Century-Fox backlog at about \$75,000 each.

**No Recession Here:** Operating revenues of Gross Telecasting Inc. (WJIM & WJIM-TV, Lansing, Mich.), traded over-the-counter, rose to \$1,994,496 for 9 months ended Sept. 30 from \$1,970,767 in same 1957 period, profit rising to \$529,246 (\$1.32 per share) from \$502,003 (\$1.27).

All-network TV-radio strike by AFTRA, supported by other entertainment unions, was threatened at midnight Nov. 15. Big issue in 18,000-member union's contract negotiations with CBS, NBC & ABC starting in Sept.—and continuing at our presstime—was scale of fees paid performers & announcers in commercials recorded on video tape. Networks were in squeeze, advertisers reported putting pressure on to hold line on rates since they ultimately will pay for any increases. In preparation for deadline for walkout, 3 networks recorded major upcoming programs such as CBS-TV's *Ed Sullivan Show*, NBC-TV's *Steve Allen Show*, ABC-TV's *Voice of Firestone*.

It's okay now for Jack Benny to satirize MGM's movie "Gaslight" on TV. J&M Productions Inc., which produces Benny shows for CBS-TV, has bought 7-year license from Metro to present long-suppressed TV film parody of feature, which was subject of celebrated copyright suit carried to Supreme Court (Vol. 14:5). CBS said "air date will be announced shortly" for showing of Benny's satirization, which also stars Barbara Stanwyck, Bob Crosby, Eddie (Rochester) Anderson, Don Wilson.

Vandals blacked out WSFA-TV, Montgomery, Ala. (Ch. 12), just before *Steve Allen Show* Nov. 9, on which Negro star Harry Belafonte was to appear, by throwing heavy chain across power lines. Station engineers restored power an hour later. Earlier in year, WSFA-TV was knocked off air just before scheduled telecast of interview with the Rev. Martin Luther King, Negro integration leader.

Primary ABC-TV affiliates meet Nov. 19 in N. Y.'s Sheraton East Hotel for regular one-day fall session. More than 100 executives of stations are expected to participate, AB-PT pres. Leonard H. Goldenson heading network contingent.

Walt Disney named pageantry committee chairman of Winter Olympic Games to be held in Squaw Valley, Cal., Feb. 18-28, 1960.

**THE  
AUTHORITATIVE**

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

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# Television Digest

with **ELECTRONICS** REPORTS

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## SUMMARY-INDEX OF THE WEEK'S NEWS — November 22, 1958

**CODE OF ETHICS BACKED BY LAW** strongly urged on Harris subcommittee by top lawyers. Pittsburgh Ch. 4 "bribery" charges still foggy (pp. 1, 5 & 6).

**SPECTRUM STUDY COMMITTEE** appointed by President, headed by Victor E. Cooley, ex-Bell System, to report by year's end. Short life puzzles industry (p. 2).

**TELEVISION DIGEST SOLD** to Triangle Publications Inc., publisher of TV Guide, etc. Statement by Martin Codel, who becomes associate publisher (p. 3).

**\$3,000,000 DEAL FOR FRESNO VHF** with 50-kw radio station follows \$4,550,000 purchase of Sacramento vhf. Status of Providence and other deals (p. 4).

**ALL QUIET ON LIQUOR FRONT** as rebel Wisconsin radio station abandons campaign for whiskey ads. TV-radio-distillery forces maintain ban without struggle (p. 7).

**TV IS ONLY GAINER** among all ad media in Sept. vs. Sept. 1957, network volume rising 4% while general average sinks 19% in *Printers' Ink* Index (p. 7).

**VHF SATELLITE STARTS** in Hawaii as uhf in Kennewick, Wash. gives up after only 10 months on air. Reports on other new & upcoming stations (p. 11).

**STORER ABANDONMENT LOSS** on Ch. 12 WVUE \$4,709,063, with \$2,448,712 tax recapture, writeoffs included in 3rd quarter report. Channel now free (p. 15).

**NBC STANDING BY RADIO** networking, rich or poor, Sarnoff asserts again; chairman foresees "useful and reasonably prosperous future" for it (p. 16).

### **Manufacturing-Distribution-Finance**

**SHAKEOUT IN TV INDUSTRY** cuts number of set makers at same time hi-fi boom is attracting new interests and money into audio products (p. 12).

**MOTOROLA RAISES TV PRICES**, indicating industry-wide surge to catch up with rising costs (p. 12).

**STEREO BROADCAST STANDARDS** to be set by EIA committee after exhaustive panel study of current developments. Findings must have FCC approval (p. 13).

**INFLUENCE Rx: 'PUNCTILIO OF JUDICIALITY':** Probably most salutary effect of the vast volume of influence charges & countercharges, headline hunting, buck-passing by the Congressmen who are brashest pressurers extant -- is the arousing of the hitherto latent consciences of practitioners before the regulatory agencies, including FCC.

What has long been mere common teacup talk -- "something ought to be done about it" -- congealed into action this week as attorneys came forward with their ideas in the special Nov. 18-19 panel sessions conducted by Rep. Harris' committee. The sessions marked a new high in Harris' free-wheeling activities after they had hit new low earlier in week during hearings on Pittsburgh "bribery" charges (p. 5).

"Anti-influence" laws seem almost certain upshot of it all -- as battery of top-notch attorneys from industry, Govt. and universities gave Harris group a lot of free and sometimes long-winded advice. There was considerable agreement among lawyers that there's got to be a law with teeth in it before agency ethics are much improved. Lawyers also agreed on one simple truth: The best way to get good administration is to appoint good officials.

One of most important presentations was that of David W. Peck, former N.Y. Supreme Court judge, who is chairman of American Bar Assn. committee to draft a code of agency conduct. He recommended establishment of a code for govt. officials, private attorneys and parties, to attain the "punctilio of judiciality." He said:

"As a code of this character will gain standing and force through the Congressional imprimatur, it should be an enactment of Congress rather than a declaration of the agencies themselves" (for his further recommendations, see p. 6).

James M. Landis, wily old wheelhorse of the New Deal, who once headed both

CAB & SEC and now practices law in New York, got off a lot of suggestions. He was particularly critical of law which requires President to have last word on CAB and Tariff Commission rulings, said this puts a "premium on lobbying in its worst characteristics." He attacked the "very casual" way President appoints men to agencies, "generally on the basis of political considerations."

Landis suggested that members of agencies elect their chairmen, said that annual rotation of chairmanship is "the worst practice of all," recommended that the agency member who drafts a decision put his name on it -- as substitute for the general practice of issuing decisions anonymously.

Landis also slipped in a commercial for pay TV -- since he's counsel for Skiatron. He aimed a crack at Rep. Harris himself by saying that Congressional committees should stick to legislation, not "interfere in the shaping of policy by the administrative agencies." One of most "patent" cases of such interference, he said, "is the recent action of the House Committee on Interstate & Foreign Commerce in the setting aside of a carefully worked out program of the FCC in the field of subscription TV. True, Congress as a whole can change and alter laws that it has enacted but for a committee of the Congress to threaten reprisals in the event that its conceptions and predilections are not carried out is to attempt to destroy the very concept of the independent commission." Harris didn't comment.

\* \* \* \*

Govt. and non-govt. lawyers seemed divided on concept of taking "judicial" jobs away from agencies and giving them to special courts. Govt. attorneys see little advantage in it. Robert W. Ginnane, ICC gen. counsel, went so far as to say: "Since 1930, there have been more cases of outright purchase and sale of justice in the courts than in administrative agencies." Private practitioners, individually and through ABA, argued for special courts, claimed parties will feel they're getting better break that way. Donald Beelar asserted that "you don't get a fair decision in a political environment." John Cragun said present practice makes agencies "judge, jury & executioner." Retired FCC examiner Fanney Litvin argued for the setting up of special courts for such things as comparative TV decisions.

We asked one FCC commissioner for his views: "Let's look at the motives," he said. "What would produce more litigation and delays -- and more business for the outside lawyers? Courts, of course. It's the same motivation that produced the McFarland amendments to the Communications Act. Outside lawyers forced them through over our protests." He couldn't agree that govt. lawyers, on other hand, might be loath to see their agencies shorn of their major functions.

**PUZZLING PRESIDENTIAL COMMUNICATIONS GROUP:** A study leading to another study -- that's how just about everyone characterizes President's new Special Advisory Committee on Telecommunications, the long-awaited "spectrum study" group appointed this week by Leo A. Hoegh, director of Office of Civil & Defense Mobilization.

SACT has such a short life -- must report by end of this year -- that no one sees how it can do any more than recommend how further studies should be conducted. Matter of fact, a lot of people are asking: "Why was it appointed?" Best guess is that President's advisors wanted to have a bolstered "position" when Congress convenes and reconsiders question of military-civilian division of the spectrum.

What started it all was Sen. Potter's (R-Mich.) doubts that military is making best use of its vhf spectrum, and his belief it might readily transfer some of it to TV. To find out the score, he introduced bill (S. Res. 106) to establish a spectrum study commission but it was defeated by industry pressure (Vol. 14:30).

SACT is a high-level and experienced group, all right, though it doesn't give TV-radio industry much of a shake, albeit the member most closely associated with TV-radio is one of the best -- Dr. Frank Kear, Washington consulting engineer.

Chairman of 5-man group is Victor E. Cooley, retired chairman of Southwestern Bell, until early this year the deputy director of OCDM's predecessor Office of

Defense Mobilization, second in command to Gordon Gray. The other members are: Dr. Irvin Stewart, FCC member 1934-1937, ex-pres. of W.Va. U, now on fellowship in Hawaii. He's noted for distinguished work as chairman of President Truman's Communications Policy Board, which issued 238pp. report "Telecommunications -- A Program for Progress" after a year's study (Vol. 7:13). Wm. G. Thompson, retired AT&T asst. v.p. in charge of overseas radio & cable communications. Maj. Gen. W. Preston Corderman (USA, ret.), 1955-1957 Deputy Chief Signal Officer, now a v.p. of Litton Industries, major manufacturer of military electronics equipment. Committee met Nov. 18-19, meets again in about 2 weeks.

\* \* \* \*

Ever since Congress killed Potter Resolution to establish a study commission, after broadcasters lobbied against it for fear it would be stacked against them (Vol. 14:32), there's been speculation the President would appoint his own -- but he delayed it so long that it was assumed he'd leave next, move up to Congress.

Hoegh said the main task of SACT "is to recommend methods to bring about improvements in the use of telecommunications resources. It will examine the existing governmental policies, use of facilities, and administrative arrangements and procedures for the allocation, management and control of telecommunications including the radio frequency spectrum for govt. & non-govt. use."

Committee won't be concerned with FCC's powers & procedures, said Hoegh, nor will it make studies of detailed problems such as radio frequency usage.

Both industry and FCC are puzzled by Hoegh's statement. One commissioner asks: "How can it study non-govt. spectrum use without concerning itself with the 'powers & procedures of the FCC'? I think it's just a gesture."

EIA was obviously disappointed. H. Leslie Hoffman, chairman of its spectrum study committee, wrote to Cooley, expressing hope that this week's move is "the first step toward a long-range study of the military & civilian uses of the radio spectrum and its administration," designed to promote more efficient use of radio. He again offered industry's help in any such study.

Placement of 2 former AT&T men on SACT irks manufacturers no end, for several are now feuding with AT&T over mobile radio, which they claim AT&T is trying to monopolize. They wouldn't have cavilled at one ex-AT&T man -- but 2 is "too many."

Note: FCC meets again on its own vhf-uhf allocations problems Nov. 24. Again at full strength with return of Chairman Doerfer from Europe and with considerable staff-prepared material before it, Commission may make decisive moves.

**TELEVISION DIGEST SOLD—Statement by Marlin Codel:** "It is with pride and confidence that I announce the sale of Television Digest Inc. to Triangle Publications Inc., newspaper & magazine publishers and operators of a group of TV-radio stations.

"Television Digest will join TV Guide in Triangle's TV Publications Div. As most of you know, TV Guide is one of the current phenomena of the publishing industry, having achieved in little more than 5 years a circulation exceeding 6,500,000 for its 51 regional editions -- largest circulation of any weekly in America.

"The new publishers of The Digest, with their greater resources, will be able not only to continue the authoritative & objective editorial approach of The Digest but will be able to insure improved and expanded service to its readers, who generally are the top executives of the TV-radio broadcasting and related amusement-electronic arts and industries.

"These factors, plus my own need to slacken my working pace after some 40 years of strenuous journalistic activities, 32 of them as a specialist in radio and television, prompted my decision to sell The Digest.

"I shall remain as an associate publisher -- and it goes without saying that I'm proud to be associated with Triangle and with Mr. Walter H. Annenberg, its president, who was good enough to say that, as a reader of The Digest almost from its

inception, he has always been impressed by its record of service to the industry and by its high reputation for originality, accuracy and integrity. As our readers know, these have been The Digest's motivating force from the time it was founded in 1945 after my return from wartime service overseas with the American Red Cross. In 1944, as many will recall, I sold Broadcasting Magazine, which I also founded and which I published for 15 years, to its present owners.

"The staff of Television Digest will be retained. Triangle takes over as of the end of this month. After a vacation, I shall have my own private office in Washington to continue some writing and to handle my personal business affairs."

**TV OWNERSHIP—THE OLD ORDER CHANGING:** Still more of TV's "founding generation" are stepping aside in favor of new capital and sometimes younger operators confident of the present profitability and future potential of telecasting. This week, another multi-million dollar station sale deal was disclosed, about the 200th since we began keeping track of them in 1949 (see TV Factbook No. 27, pp. 323-329).

KFRE-TV, Fresno, Cal. (Ch. 12), only vhf in pioneer uhf-saturated area, has been sold by founder-pres. Paul R. Bartlett & associates for \$3,000,000, purchase price including their 50-kw radio KFRE (940 kc). Both are CBS-affiliated. Buyer is Walter Annenberg's Triangle Publications Inc., Philadelphia (Philadelphia Inquirer, TV Guide, et al), which already operates 4 vhf's, one uhf, 4 AMs (Factbook, p. 387). Triangle's TV-radio v.p. Roger Clipp said no changes in Fresno personnel or policies are contemplated. Broker in deal was Howard Stark.

Formally announced this week, too, was sale of KBET-TV, Sacramento, Cal. (Ch. 10), without any radio adjunct, to John Hay Whitney's Corinthian group, operator of 3 vhf's, one uhf, 2 radios; like Triangle, it wants to acquire full allowable limit of 5 vhf's, 2 uhf's, 7 radios (for present holding, see Factbook, p. 385). As previously reported (Vol. 14:43), price is \$4,550,000 cash. Corinthian is headed by 40-year-old Whitney partner C. Wrede Petersmeyer, himself a Californian.

Definitely on the block is WJAR-TV, Providence (Ch. 10) with its radio WJAR (5-kw, 920 kc) -- but they're so inextricably intertwined in their banker-controlled parent Outlet Co., dept. store operator, that few want to tackle job of separating the package, said to be acquirable for around \$12,000,000. N.Y. realtor Roger L. Stevens, best known as backer of Broadway shows who was once identified with ownership of Empire State Bldg., has option on Outlet (traded on N.Y. Stock Exchange) and is trying to develop 2 purchasers -- one for TV-radio, other for store. Broker Allen Kander has purchased some stock, has indicated deal may be near, but buyers and valuation allocated for the stations aren't revealed.

\* \* \* \*

These big projected deals come in wake of \$6,000,000 cash purchase by Cowles TV-radio-publishing group (Factbook, p. 386) of Hoyt Wooten's WREC-TV, Memphis (Ch. 3) with radio WREC (5-kw, 600 kc), which pends FCC filing (Vol. 14:45); \$2,800,000 purchase of pre-freeze WKTV, Utica, N.Y. (Ch. 13, shifting to Ch. 2) and radio WKAL, Rome, N.Y. (250-w, 1450 kc) by Paul Harron & associates (Vol. 14:46); transfer of WITI-TV, Whitefish Bay-Milwaukee (Ch. 6), with no radio adjunct, purchased by Storer for \$4,462,500 (Vol. 14:46) and approved by FCC last week.

Scarcely a TV station owner has not had offers to buy, and more deals are in the making secretly as entrepreneurs scour the hustings in quest of properties -- apparently with more buyers than sellers. Only ones revealed as being negotiated, but nothing definite yet, are KPTV, Portland, Ore. (Ch. 12) and WMUR-TV, Manchester, N.H. (Ch. 9) and it won't be surprising if they change hands soon (Vol. 14:45). And many overtures have been made to acquire San Francisco Chronicle's KRON-TV (Ch. 4), most notably by NBC which wants TV outlet in that city so badly (it already has AM) that it would willingly dispose of WRC-TV, Washington (Ch. 4) under 5-limit; but any prospective buyer is told KRON-TV cannot be had without also buying the newspaper.



**Pittsburgh Smog (Cont.):** Ex-FCC chairman George C. McConnaughey had his delayed day in House "influence" subcommittee's court this week, testifying under oath to what he did & didn't do in much-befogged 1957 Pittsburgh Ch. 4 "bribery" case (Vol. 14:46). He tried to dispel ugly rumors involving him, left investigators still mired in gossip & innuendoes they themselves had spread publicly.

Unsubstantiated reports that his Ch. 4 vote had been up for sale were "the most unbelievable, inconceivable, vicious things I ever heard of," said McConnaughey, who now is in private law practice with son in Columbus, O. "Nothing ever hurt me or my family like this."

McConnaughey acknowledged that he had lunched privately in Washington's Mayflower Hotel in spring of 1957—while Pittsburgh award was pending—with pres. Earl F. Reed of applicant TV City, which subsequently joined with Hearst's WCAE to win WTAE grant. But if anything irregular occurred, McConnaughey told Commerce legislative oversight subcommittee, it was this:

"Mr. Reed said he represented some clients in Ohio, National Steel & other clients, and that he might be in a position to throw my son some law business. When he made that statement it was a shocking thing to me. I changed the subject as rapidly as I could."

\* \* \* \*

But former FCC chief swore that there was nothing to vague allegations of wrongdoing by him which the headline-happy subcommittee obtained in Sept. from investigator Oliver Eastland and again last week from Reed and assorted other principals & lawyers in Ch. 4 proceedings. Specifically—and vehemently—McConnaughey denied that:

(1) He had let it be known, directly or indirectly, that he would switch his vote from Hearst to TV City for \$50,000 fees from latter. (2) He had received offer from Hearst of \$20,000 per year for 5-10 years as legal retainer.

**Miami Case in Stern's Hands:** Judge Horace Stern's initial decision in Miami Ch. 10 "influence" case, which he expects to issue by Dec. 1 following this week's oral argument, is expected to be endorsed by FCC with almost no change. That won't end the case, of course. It's bound to get back to Court of Appeals, sooner or later, either under pending appeals or new ones—no matter which way FCC votes. Grand finale is still months off—though Stern's forthcoming recommendations may well foreshadow it.

Attorneys for parties elaborated and punctuated the briefs they filed last week (Vol. 14:45)—generally using stronger language orally than they were willing to commit to the cold type of legal documents.

FCC assoc. gen. counsel Edgar Holtz led off with demand National Airlines' CP be cancelled; that 3 of the 4 applicants be disqualified, or that black marks be put on their escutcheons in any further comparative consideration—National Airlines, WKAT & North Dade Video. He

(3) He was source of Commission "leak" to Reed & other principals that FCC had been tied 3-3 in case. (4) He has been paid any money or given any law business by any Ch. 4 principal since he left FCC June 30, 1957.

When McConnaughey's testimony was over, Rep. Wolverton (R-N.J.), ranking minority subcommitteeman, observed: "I have sympathy for someone charged with an offense who can only say 'I am not guilty.'" Wolverton said that so far as he had been able to find out, all "bribery" talk in Ch. 4 case "comes down to an alleged telephone call [to Reed] by an unknown person."

Subcommittee planned one more try Nov. 24 to rescue itself from tangle of testimony before giving up on Pittsburgh. Reed and George A. Sutton, Washington attorney for TV City who teamed up briefly for law business with McConnaughey after he left FCC, were recalled for more questions. Also called was Wm. G. Matta, of Matta Enterprises, one of Ch. 4 applicants who withdrew to leave field to TV City & Hearst.

Best that acting subcommittee Chairman Williams (D-Miss.) could think of to do next was to toss rumors to Justice Dept. to see if it could make anything actionable out of them. Williams thought that maybe Justice could start "criminal libel" proceedings against yet-unidentified originators of rumors if it found no basis for bribery case.

But Justice Dept. spokesman told reporters later: "No testimony was given at the subcommittee hearings which had not previously been given to the grand jury [which recessed without any action in Pittsburgh case]. Unless some new evidence is developed there is no reason or intention to resubmit it to the grand jury."

Note: Scoring subcommittee's "boobery" and "hunger for cheap notoriety," *Washington Post* said editorially that McConnaughey committed "gross impropriety" by meeting privately with Reed—but as for "bribery":

"The most logical next stop for the free-wheeling subcommittee would be some sort of wailing wall where it could repent of its indiscretion. It ought to take a candid look at the ridiculous spectacle it has made of itself." *St. Louis Post-Dispatch* said McConnaughey "offended the proprieties" by having lunch with Reed, but that: "If the investigators had no evidence or no prospect of evidence to support a charge so scandalous, they should have heard the reports in executive session only."

made no attack on L. B. Wilson Inc., though he asserted Justice Dept. had no right to suggest that FCC accept L. B. Wilson's and new applications in a new proceeding for Ch. 10. He insisted examiner can't recommend that.

Holtz also noted that his brief hadn't mentioned Congressional pressures, but he urged that "your decision make clear they're no different from anyone else." With a wry smile, Stern said: "You mean that the courtesy you extend them doesn't apply to the examiner?"—bringing gleeful snickers from hearing room audience. Holtz ended with declaration that Stern's decision could be a "landmark, a touchstone."

\* \* \* \*

WKAT counsel Paul Porter insisted that pres. A. Frank Katzentine did everything he could "to protect FCC processes" when he and his friends contacted ex-Comr. Mack and Congressmen in effort to persuade Mack "to vote on the merits." Porter's plea was a climate-of-the-times approach, saying in effect that Katzentine did what the "mores of the community" demanded in attempting to nullify efforts being made on behalf of National Airlines. "If he'd gone to the Justice Dept.," Porter said, "he prob-

ably wouldn't have got past the front door." He said it would be "unrealistic" to apply an "ex post facto" condemnation to Katzentine.

L. B. Wilson counsel Paul Segal, agreeing that National's CP should be declared dead, went on to say that WKAT's argument seems to be this: "It may be wrong to fix a case, but it's not wrong to unfix a case." Such argument, he said, "is adolescent." As for North Dade Video, he lambasted "the intrinsically incredible testimony of Bob Jones." He was referring to pro-North Dade document which ex-FCC Comr. Robert Jones said he had given Comr. T. A. M. Craven after Ch. 10 final decision was rendered. Segal claimed the document just didn't have the appearance of one tendered for "academic" purposes, as Jones said it was.

Judge Stern appeared quite dubious about Segal's claims, stating that there was no evidence that Jones' document was presented before the decision. Regarding Jones' efforts to get Congress to block grants of TV franchises to airlines, Stern said there was nothing "clandestine" about the efforts; that "suspicion doesn't take the place of facts."

Nathan David, arguing for North Dade, emphasized that none of his principals attempted to contact commissioners; that Jones' efforts on Capitol Hill "didn't try to focus the attention of Congress on the case, as such"; that Craven couldn't have voted because he'd served as engineering consultant to Storer Bestg. Co., which had been involved in case at one time.

\* \* \* \*

National Airlines counsel Norman Jorgensen went further than ever to disassociate his principals from Thurman Whiteside, the attorney who had interceded with Mack. He admitted that National sought to hire Whiteside. However, he said, when Whiteside declined to become counsel, he went on to play several sides of the fence. Jorgensen asserted that Whiteside not only made a pitch for National but at same time sought to persuade Katzentine that he was "unpledging" Mack from National. Jorgensen said Whiteside did this to get insurance business from National and to get Katzentine to grant concessions in a certain "Foster Trust case," in which Whiteside and Katzentine were opposing counsel.

Jorgensen wrapped up his argument with a big blast at Justice Dept. "The Justice Dept.," he stated, "was in haste to get an Administration face-scrubbing before the public and to restore its prestige." Justice Dept. attorney Robert Bicks said Dept. would rest on its brief, and he offered no oral statement.

Reporters asked Judge Stern if he would preside at any more "influence" hearings such as upcoming Boston Ch. 5, which presumably FCC will designate for hearing by Dec. 15. Stern declined to answer either way, leaving distinct impression he may well handle more. Until end of year, however, he expects to be heavily occupied as vice chairman of a special Pa. committee considering revision of State's constitution. He's retired chief justice of State Supreme Court.

TV Prober Praises It: Chairman Harris (D-Ark.) of House Commerce Committee and its legislative oversight subcommittee (see pp. 1 & 5) thinks American TV system is "best & freest yet devised." In National TV Week statement released by NAB he pointed to TV's "potential for the future welfare of this nation and other nations," predicted that "more & more TV will become a medium not only of entertainment but of information & education."

**Laws For a Code of Ethics:** New legislation, providing penalties for violations, are a "must" if influence-peddling is to be curbed, according to David W. Peck, former presiding justice of N. Y. Supreme Court appellate div., representing American Bar Assn. Participating in Nov. 18-19 panel discussions before Rep. Harris' investigative subcommittee (p. 1), he stated:

"The only problem really is in defining the type of proceedings in which a code should apply. In their legislative and executive operations the members and staffs of the agencies should be approachable by citizens and by public officials. The difficulty of definition is that there is not always a sharp line between a legislative or executive function on the one side and a judicial function on the other. But the possible nicety of distinction is no excuse for failing to reach a definition of the area in which a code should be applicable."

He suggested that code apply to all proceedings "where the agency is determining, as between contending parties, public or private, any right, privilege, license, obligation, liability, sanction or status of a person or persons."

Written *ex parte* communications, Peck said, should be returned to senders "with due reference to the code" and copies placed in public file. In case of oral pitches: "The speaker should be advised at the outset of the violation involved and the conversation should be quickly terminated. If the speaker should persist, the agency official addressed should make a fair written summary of the conversation and place it in the public file, with notice to all interested parties."

Thereafter, Peck said, "an adequate opportunity should be afforded all interested persons to make seasonable reply to any *ex parte* communications. But all such communications should be ignored in considering a case."

Punishment: "Violations could well be made a crime with appropriate penalties; lawyers could be barred from practicing before the agency; and sanctions such as a denial of standing or recognition of any asserted claim or interest might be invoked against any principal in whose behalf the code was violated."

**Indianapolis Retake:** New FCC vote on Indianapolis' Ch. 13, now occupied by Crosley's WLWI, will be made without Comr. Craven, who bowed out of case as Commission scheduled oral argument (with Crosley & WIBC as competitors) in compliance with Court of Appeals order (Vol. 14:39, 42). Commission also granted Crosley's request for authority to continue operating pending new decision, turned down WIBC's petition for joint operation by the 2 contestants. Court had vacated CP on grounds Craven shouldn't have voted to break 3-3 tie because he hadn't heard oral argument. Court didn't rule on charge that Craven was further disqualified from voting because he had been engineering consultant for WIRE (now out of the case) before joining FCC. This week, Craven stated flatly that he won't participate again, not even if there's another deadlock—unless courts say he can. Originally, gen. counsel Warren Baker had advised him it was his legal duty to vote. In one of this week's orders in the proceeding, Craven's colleagues stated: "The Commission desires to express the high regard which it holds for Comr. Craven's irreproachable character and unimpeachable integrity." With Craven out of picture, Comr. Doerfer remains sole member who voted for Crosley. Mack & McConnaughey are gone; Hyde, Bartley & Lee voted against Crosley. Ford & Cross will be able to vote after hearing oral argument—date not yet set.

**Retreat in Manitowoc:** A forlorn rebel surrendered—and all was quiet again this week on the rarely-breached broadcasting-liquor industry front set up voluntarily at Prohibition's end to guard the air against whisky commercials.

In Manitowoc, Wis. owner-mgr. Francis M. Kadow of 250-watt radio WOMT pulled down his liquor rate-card flag. He had hoisted it last month, stirring up some excitement in industry but winning no radio or TV recruits for his revolt against broadcasting tradition—and no liquor accounts, either (Vol. 14:43-44).

Kadow signaled his retreat in WOMT's *Station Breaks* house organ, proclaiming in "Notice to Interested Parties" that:

"We have reversed our position on the acceptance and the broadcast of 'HARD LIQUOR' advertising on WOMT.

"I can give you any one of 60 or more reasons for the change of our position in this matter. However, the one re-occurring argument advanced by interested parties who are not in radio broadcasting industry but who were interested in what we proposed to do and that was—

"Such advertising as we proposed to carry is all right in magazines & newspapers, as these mediums do not have the absorption, persuasiveness or the impact of radio."

"Re-evaluating our medium, it maybe is for the best interests of all that the great force of radio be kept in restriction.

"It's unfortunate that the 5 words in our rate card No. 25 ['All alcoholic beverage advertising accepted'] were blown to the proportions they were."

\* \* \* \*

Kadow put it more succinctly to us. Just before he publicly conceded defeat he said: "If I give this thing up, it will be for only one reason. It will be because liquor

advertisers aren't interested. And if they're not interested, why should we be?"

He told us that station boycott voted by group of local clergymen in protest against his bid for whisky sponsors "didn't amount to a hill of beans," that WOMT had lost no accounts or known listeners because of it. He also said he has no intention of making peace with NAB, from which he resigned after pres. Harold E. Fellows accused him of "selling his birthright for a \$20 bill." But he admitted unhappily that his liquor-revenue cause got nowhere.

NAB's TV & radio code committees haven't deigned to acknowledge that any threat to their self-regulating rules against whisky commercials had been raised by the minor furor caused by Kadow. They called no emergency meetings, didn't even bother to reaffirm codes. And—as expected—Distilled Spirits Institute board, meeting in regular session this week in N. Y., acted to keep its own TV-radio liquor ad ban intact in revised voluntary regulations, which were relaxed to permit illustrations of women in ads.

At week's end, the quiet on the liquor front nationally was disturbed anew only by a fringe movement. Bottlers of Schweppes soda, thru Ogilvy, Benson & Mather, were proposing radio commercials which would suggest that Schweppes goes good in such combinations as gin-&-tonic. Agency said it had had "heavy" response from stations willing to accept such commercials. But no final decision on campaign was reported.

\* \* \* \*

Note: FCC sentiment—both at high & low echelons—on TV-radio acceptance of liquor commercials, which has been agitated by only one trade paper, is epitomized by FCC Comr. Hyde's remark: "I think the broadcasters have more sense than that" (Vol. 14:44). However, Comr. Lee said Nov. 15 on *Closeup* panel program on KMOX-TV, St. Louis, that he'd have no objection to such commercials so long as they're presented at "suitable time" and "in good taste." Lee emphasized this was his opinion, not FCC's.

**TV—Only Bright Spot:** All national media except network TV dropped in Sept. from Sept. 1957 levels, general decrease of 19% for month being offset only by TV's 4% gain, according to *Printer's Ink's* National Advertising Index. For 9 months of 1958, while cumulative index for all media was down 4% from same period last year, network TV gained 11%, only other medium in plus column being direct mail, up 4% for first 8 months, Sept. figures not available. Network radio was off 18% in Sept. from Sept. 1957, magazines 12%, newspapers 17%, business papers 11%. PI Index doesn't include estimates of TV or radio spot. These are figures for Sept. & Jan.-Sept.:

| Medium             | Index Sept. 1958 | Sept. 1957 | % change from 1 month ago | % change from 1 year ago | % cumulative change |
|--------------------|------------------|------------|---------------------------|--------------------------|---------------------|
| General Index      | 175              | 215        | -12                       | -19                      | -4                  |
| Total Magazines    | 145              | 165        | -4                        | -12                      | -7                  |
| Weekly             | 163              | 189        | -6                        | -14                      | -8                  |
| Women's            | 107              | 131        | -4                        | -18                      | -8                  |
| General Monthly    | 175              | 176        | +2                        | -1                       | -4                  |
| Farm               | 87               | 108        | 0                         | -19                      | -19                 |
| Newspapers         | 182              | 220        | -1                        | -17                      | -10                 |
| Network Television | 399              | 383        | -2                        | +4                       | +11                 |
| Network Radio      | 27               | 33         | +13                       | -18                      | -6                  |
| Business Papers    | 199              | 224        | +5                        | -11                      | -7                  |
| Outdoor            | 150              | 154        | -8                        | -3                       | -2                  |

All indexes have been seasonally adjusted. The index shown for each medium is based on estimated total advertising investments in the medium, including talent, production and media costs. For each medium, the base (100) is an average of total investments in the years 1947-49 except for the TV base which covers the years 1950-52. "Cumulative change" in the last column refers to the change, from same period last year, of the index average from Jan. through Sept. 1958. Direct mail index for Sept. is not available.

'ABC-TV Has Come of Age': Network maturity has been reached by ABC-TV, pres. Oliver Treyz assured 125 executives of primary affiliates at fall meeting this week in N. Y. He and other network officials, developing "ABC-TV Has Come of Age" theme, boasted that: (1) "Average evening commercial program" this season has 1,500,000 more homes in viewing audience than last season. (2) Commercial hours sold this year total 48 vs. 27 in 1957-58 season. (3) More sponsors are on ABC-TV—63 now vs. 50 year ago—than ever before. (4) "Operation Daybreak" is 95% sold. (5) More evening programs lead in their time periods. (6) New shows will be added to schedule in spring. Participants in presentation of ABC-TV success story included John Daly, v.p.-news; Thomas W. Moore, v.p.-programming; Wm. P. Mullen, v.p.-sales; Donald W. Coyle, v.p.-gen. sales mgr.; Alfred R. Beckman, v.p.-station relations.

TV Critics Hit Again: CBS-TV pres. Louis G. Cowan, who recently lit into newspaper derogators of TV in speech to Pittsburgh Ad Club (Vol. 14:38), resumed his counterattack this week. He told Minneapolis Ad Club that columnists who sneer that TV is geared to 12-year-old mentalities don't know what they're talking about. He said he welcomes "responsible criticism" by press of TV programming, but that he knew of "no feeling on the part of anybody" in industry that presumes viewers have low mentalities.

**Valuable Marketing Guide:** Vital statistics on 7 major media—newspapers, magazines, farm papers, network TV, spot TV, business papers, outdoor—with analyses of their respective status and trends are provided in 346pp. *Advertisers' Guide to Marketing for 1959* released by *Printers' Ink* as Section 2 of its Oct. 31 edition (635 Madison Ave., N. Y. \$2.50). It's the most comprehensive such compilation yet produced, valuable alike for evaluating respective media and charting media use trends. Unlike the monthly *Printers' Ink Index*, prepared in collaboration with McCann-Erickson Research Dept., the media covered do not include huge direct mail (1957 volume estimated at nearly \$1.5 billion). Breakdowns for radio (total SRA-estimated 1958 volume \$576,000,000) also aren't carried.

Figures are devoted to the all-important \$1,000,000-or-higher national advertisers, for main part, and the top 10 for all media in 1957 are shown as: General Motors, \$104,066,030; Procter & Gamble, \$90,511,850; Ford Motor, \$68,652,181; Chrysler, \$58,725,019; Lever Bros., \$43,482,670; General Foods, \$41,759,576; Colgate-Palmolive, \$40,558,614; American Home Products, \$28,564,219; General Electric, \$27,761,387; R. J. Reynolds, \$25,748,112. The "100 top" are further tabulated, total as well as by media, as are the 383 "millionaires" which in 1957 invested a record total of \$1,970,728,000, up 8.1% from 1956 and representing 63% of all the advertising in the measured media.

Listed, too, are the leading network TV, spot TV and radio advertisers—all figures previously released by their respective trade associations and generally published in the trade press but here put together in one volume and ready-reference format for first time.

Wm. S. Paley, CBS chairman, Wm. S. Hedges, NBC v.p. for general services & Carl Haverlin, BMI pres., given special awards Nov. 20 by N. Y. chapter of Broadcast Pioneers for contributions to radio & TV.

**Fabulous British TV Growth:** As if to underline our analysis of commercial TV development in Britain—which showed that it now reaps 47% as many advertising dollars as whole newspaper-magazine field, compared with 27% in U. S. (Vol. 14:42)—one of the 10 commercial contractors has issued report showing what the increase has meant to individual investors. Associated TV Ltd., releasing plan covering conversion of stock, showed that chairman Prince Littler's \$2500 investment increased in value to \$560,000; deputy chairman (ex-BBC program chief) Norman Collins' \$6300 to \$1,404,900; managing director Val Parnell's \$2800 to \$624,000. Firm lost money first year, achieved \$560,000 profit second year, \$10,262,000 last year, is expected to exceed \$14,000,000 in 1958. Independent TV Authority, which oversees commercial operations, is seeking a second commercial channel to cover the country; if it's authorized, additional contractors will be selected. [For directory of the 10 contractors, with officers, addresses, etc., see *TV Factbook No. 27*, p. 310.]

Network TV evening audience increased 8% in first 10 months of 1958 compared with same 1957 period and the gain in daytime viewers was 9%, TvB reports on basis of Nielsen ratings. Evening programs in Jan.-Oct. this year reached average of 620,000 more homes than in Jan.-Oct. 1957, weekday daytime programs reached 276,000 more homes, according to TvB.


ITC has contracted with *Saturday Evening Post* for 39 half-hour film shows; producer is Robert J. Enders.

**ADVERTISING AGENCIES:** J. R. Pearshall becomes pres., Charles Dallas Reach is chairman of Reach, McClinton & Pearshall, formed from merger of Reach, McClinton, N. Y. & J. R. Pearshall Co., Chicago . . . Edward L. Bond, Young & Rubicam v.p., promoted to head of contact dept., succeeding Harry Harding, recently named exec. v.p. . . . Howard Shank, ex-Benton & Bowles v.p., named v.p. of Grey Adv., succeeding Arkady Leokum, retired . . . Harry Wayne McMahan resigns as v.p. of Leo Burnett Co. to set up Cupid Inc., production firm, with producer Jerry Fairbanks . . . Christy Walsh, ex-Ted Bates, joins Ogilvy, Benson & Mather to head new Hollywood office to be opened in Feb. . . . Henry L. Hayden, ex-Buchanan & Co. exec. v.p., joins Norman, Craig & Kummell, N. Y. . . . Paul E. Mathias resigns as BBDO v.p. to join F. L. Bradflure & Sons as v.p. . . . Herb Zeltner promoted to v.p. & asst. media director, Lennen & Newell . . . Harold Davis, Grey Adv. v.p., named asst. to pres. Arthur F. Fatt . . . Alfred C. Gary heads new Dallas office of Kenyon & Eckhardt (Meadows Bldg.) . . . Edward W. Karthaus promoted to v.p. of Erwin Wasey, Ruthrauff & Ryan . . . Shelley Hull, ex-Henry Jaffe Enterprises, joins Ted Bates Hollywood office as a production supervisor . . . Paul Keller named research director of Reach, McClinton & Co., succeeding Edward Stover, now handling special national research projects . . . Peter A. Cavallo Jr., resigns as v.p. of TV-radio dept. of D'Arcy Adv., Chicago, planning to go into radio station operation . . . Walter O. Wegner, ex-A. C. Nielsen Co., named marketing-research director, Cortez F. Enloe Inc.

Lee H. Bristol, chairman of Bristol-Myers, and Lewis Gruber, pres. of Lorillard, both pioneers in radio & TV advertising, will be honored for outstanding contributions to American advertising at testimonial dinner by adv., publishing & communications divs. of Federation of Jewish Philanthropies Dec. 4 in the Waldorf-Astoria, N. Y.

Instantaneous TV rating systems such as American Research Bureau's "Arbitron" and Nielsen's upcoming "Audimeter" (Vol. 14:44) are mixed blessings to programmers & sponsors, NBC research director Dr. Thomas E. Coffin told 3rd annual seminar of Broadcasters' Promotion Assn. in St. Louis this week. In slide-illustrated address on "By the Numbers" at 3-day session, Dr. Coffin showed how varied rating techniques operate to provide "a yardstick—and only one yardstick" of program values. And new instant ratings, he said, share with older systems "both the promise of new understandings and the danger of new confusions. The very fact of their immediacy & excitement tempts people to jump on their horse and ride off in all directions." In another key speech to 225 station promotion executives attending BPA meeting, Westinghouse stations pres. Don McGannon warned that "broadcasting, as the branch of show business that reaches most people most often, lives in a world of criticism"—with newspaper competitors as chief critics. He urged broadcasters to use own promotional facilities to build "corporate image" of TV & radio as the "dynamic sales media [which] can market products more efficiently & more economically than any other media."

Rate increases: WRGB, Schenectady, Sept. 1 added Class AA hour (7:30-10:30 p.m. daily) at \$1250, min. at \$225 (no discount on spots), Class A hour remaining \$1100. KUTV, Salt Lake City, Nov. 1 added Class AA hour (6:30-10 p.m. daily) at \$650, min. at \$180, Class A hour going from \$600 to \$450.

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|  <p><b>Television Digest</b><br/>— THE ELECTRONICS REPORTS</p>  | <p>MARTIN CODEL, Publisher<br/>ROBERT CADEL, Bus. Mgr.<br/>ALBERT WARREN, Senior Ed.<br/>WILLIAM WIGHT, Managing Ed.</p> |
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**Personal Notes:** Harvey Struthers, recently gen. mgr. of CBS's discontinued uhf WHCT, Hartford, soon to be revived by ex-WNHC-TV gen. mgr. Edward D. Taddei (Vol. 14:46), named director of station services for CBS-TV stations div., effective Dec. 8, serving as liaison between stations and that div., headed by v.p. Craig Lawrence, also between stations and CBS network, engineering, building & construction, labor relations, etc. . . . Lamont L. (Tommy) Thompson, onetime FBI agent, ex-CBS-TV Spot Sales in Chicago & N. Y., recently sales mgr. of WHCT, Hartford, named director of newly established client relations dept. of Spot Sales in N. Y.; Sherman Adler, onetime WMCT, Memphis, promoted from account exec. to Chicago director of same dept. . . . Davidson Taylor, who has been public affairs v.p. of both NBC & CBS, has been appointed consultant to the Lincoln Center Committee of the N. Y. Public Library to work on plans for a Library Museum of the Performing Arts . . . Leonard H. Goldenson, AB-PT pres., reelected chairman of United Cerebral Palsy Assns., which he helped found in 1950 and served as pres. for 5 years . . . Patricia Ann Lee, daughter of FCC Comr. Robert E. Lee, married Nov. 22 to Army Lt. Martin C. Fisher, Yorktown, Va., stationed at Ft. Belvoir, Va. . . . Halsey V. Barrett, ex-TvB director of national sales, named TV business development mgr. of rep Katz . . . Harold A. Dorschug, ex-WHCT, Hartford, named engineering director of WTIC-TV & WTIC, also Hartford . . . John Esau, ex-gen. mgr. of KWWL-TV, Cedar Rapids, named eastern sales mgr., Norman J. Ostby, ex-MBS, west coast sales mgr., of Jack Wrather's Programmatic Bestg. Service Inc. (automation programming system) . . . Warren L. Braun,

Broadcasters' Promotion Assn. at St. Louis convention (see p. 8) elected: Charles A. Wilson, adv. & sales promotion mgr. of WGN-TV, Chicago, as pres. to succeed Elliott W. Henry Jr., ABC western div. publicity & promotion director; Gene Godt, WCCO-TV, Minneapolis, first v.p.; Burt Toppan, WTVJ, Miami, 2nd v.p. New directors for 3-year terms: Janet Byers, radio KYW, Cleveland; Harvey Clarke, radio CFPL, London, Ont.; L. Walton Smith, WROC-TV, Rochester, N. Y.; Austin Heywood, KNXT, Los Angeles. BPA board named Don B. Curran, KTVI, St. Louis, as director to fill out 2 years of term of Ed. M. Morrissey, KIMA-TV & KIMA, Yakima, Wash., resigned.

More electees to public office from the broadcasting industry (Vol. 14:45): J. B. Fuqua, owner of WJBF, Augusta, Ga. (Ch. 6), elected in field of 4 candidates to full 2-year term in Georgia House of Representatives, where last term (he was first elected in 1957 to fill an unexpired term) he was actively identified with administration of Gov.-elect Ernest Vandiver. Ray T. Miller Jr., pres. of radio WERE, Cleveland, elected State Senator. Raymond Motley, commercial mgr., WMOH, Hamilton, O., elected to Ohio General Assembly.

asst. gen. mgr. of Transcontinent's WSVA-TV & WSVA, Harrisonburg, Va., adds duties of engineering director . . . Hal Chase, onetime gen. sales mgr. of KNTV, San Jose, also ex-MCA-TV Ltd., promoted to San Francisco office mgr. of H-R Representatives, succeeding James Alspaugh, now H-R radio sales mgr., N. Y. . . . F. Greer Parkinson, ex-program chief of WBNS, Columbus, named mgr. of Hearst's radio WCAE, Pittsburgh . . . Mitchell S. Cutler, 1958 George Washington U Law School graduate, joins Washington firm of Welch, Mott & Morgan . . . Charles F. Holden, ex-Hollywood CBS-TV, named production mgr., Videotape Productions of N. Y. . . . Albert S. Goustin, ex-Ziv, named director of sales of Paramount TV Productions and Paramount Sunset Corp., TV subsidiaries of Paramount Pictures . . . John P. Rohrs, ex-Gross-Krasne, MCA-TV & Pearson reps, appointed central div. mgr. of Telestar Films . . . Sidney G. Deneau, western sales mgr. of Paramount Film Distributing, named also a v.p. . . . Dan Chamberlain, ex-MGM-TV, named special public relations projects coordinator of Colgate & Co. . . . Walt Plant resigns as eastern div. mgr. of Independent Television Corp. to form own Hollywood production firm . . . Burton I. Lippman promoted to NTA comptroller, succeeding Leonard S. Holstad, resigned . . . Carl A. Russell, ex-Ziv & WBKB-TV, Chicago, named ITC mgr. of regional sales, headquartering in Chicago but reporting directly to pres. Walter A. Kingsley.

### Obituary

Edward Harvey Long, 60, treas. of Huntington Publishing Co. (*Huntington Herald-Dispatch* and *Advertiser*) and its subsidiary WSAZ Inc. (WSAZ-TV & WSAZ), died Nov. 18 of cancer. His brother Walker is secy. of the firm and father-in-law of Lawrence H. (Bud) Rogers II, pres. & gen. mgr. of the stations and active in TV industry affairs. Among survivors are widow and father, Col. J. H. Long, latter now over 95.

Sydney B. Loewenberg, 47, until a few months ago v.p. of Joseph Katz Adv., died Nov. 18 at Phelps Memorial Hospital, Croton-on-Hudson, N. Y. Surviving are widow, 2 sons.

M. L. Nelson, 49, managing news editor of WHO-TV & WHO, Des Moines, died of a heart attack Nov. 16.

FCC chairman John C. Doerfer, just returned from international conference in Geneva, is so full of information about European TV that he couldn't help telling colleagues about it in meeting this week, finally leading Comr. Robert E. Lee to josh: "John, we're going to have to set aside an afternoon for you to talk. Until then, please hold off." Doerfer will participate in "First Institute on Practical Problems Before Administrative Agencies" Dec. 11-12 at Mayflower Hotel, Washington, as member of panel on "Conduct of Administrative Proceedings—Pre-Trial Discovery Role of the Examiner." On Feb. 4, he addresses Radio & TV Executives Society of N. Y.

Freeman F. Gosden, the "Amos" of radio's famed *Amos 'n' Andy* team, now living in Beverly Hills, Cal., has been named by President Eisenhower, along with Secy. of State Dulles, Milton Eisenhower and 6 other delegates, as U. S. representatives attending Nov. 28 inauguration of Mexico's new President Adolfo Lopez Mateos in Mexico City.

TvB board of directors upped 1959 budget to \$940,000 from this year's \$860,000; elected as v.p.'s: George Huntington, gen. mgr.; John Sheehan, sales; Howard Abrams, retail sales; Leon Arons, research.

**Drumbeatnicks and Hucksters:** Latest of the crop of novels relating to advertising (Vol. 14:41), *The Insider*, by Ellington & Co. v.p. James Kelly, published by Holt, has drawn critical acclaim from *Time*, which says it's "several grades better [than] other ad fictioneers" and from *Saturday Review*, which says it's "by a wide margin, the best of the current crop of Madison Avenue exposes." It's about an adv. agency heel on a drug account, married to the client's daughter, who gets caught up in the huckstering maelstrom, cheats on his wife, is written off by his father-in-law, is found expendable by the agency. And add to the TV-background novels previously reported on—*The Hot Half Hour* by BBDO's Robert Foreman (Criterion Books) and *The Merger*, by ABC Chicago v.p. Sterling Quinlan (Doubleday)—these other new stories about admen, stimulated perhaps by Frederick Wakeman's 1946 hit *The Hucksters: The Detroiters*, by Harold Livingston ex-D.P. Brothers Co., about frenzied admen for the auto industry (Houghton Mifflin); *A Twist of Lemon*, by Edward Stephens, of Dancer-Fitzgerald-Sample, about what *Time* calls "drumbeatnicks" (Doubleday); *The Admen*, by Shepherd Mead, ex-Benton & Bowles (Simon & Schuster). The public relations field is setting for 2 other new novels: *Pax*, by Middleton Keifer, ex-Charles Pfizer & Co. (Random House) and *A Really Sincere Guy*, by Robert Van Riper, of N. W. Ayer & Son (McKay). Note: Both the Foreman and Quinlan novels have been purchased for Broadway production, with movie plans under way also. Hollywood writer-producer Alex Gottlieb has been engaged to do a play of *The Hot Half Hour*, and producer John Wildberg has taken over *The Merger*. Wildberg reports that a play with similar theme to Quinlan's, titled *Any Other Business*, is a current hit in London.

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Andrew G. Haley, Washington TV-radio attorney who has pursued rocketry as a hobby and sideline business for some 20 years, is author of *Rocketry and Space Exploration: The International Story*, being published Dec. 18 by Van Nostrand (288 pp., \$6.75). It's history of rocketry from beginnings in medieval China to present-day missiles, forecasts rockets eventually propelled by ions, also manned satellites. Onetime pres. of American Rocket Society, Haley is currently serving second term as pres. of International Astronautical Federation.

Another starter on booklists is *So Early in the Morning* by Jack Sterling (with Wm. C. Vance), who runs 5:30-9 a.m. show on CBS's N. Y. radio WCBS (Crowell). No fictional expose, it's engagingly-written story of Sterling's life (and sometimes tough times) in broadcasting, starting in 1939 at WMBD, Peoria.

Lee Cooley, exec. director of programming, KTLA, Los Angeles, ex-producer of *Perry Como Show*, has written a first novel, *The Run for Home*, based on his experiences in the merchant marine; published by Doubleday.

Attack on XETV, Tijuana, Mex. (Ch. 6) for advertising itself as identified with San Diego area was made by KFMB-TV, San Diego (Ch. 8) in letter to FCC, asking that Commission start action to revoke ABC-TV's permission to "locate, use or maintain a broadcast studio or other place or apparatus in the U. S. for the production of programs to be transmitted or delivered" to XETV.

Alfred I. DuPont Awards nominations, to be announced in March, must be submitted by Dec. 31 to O. W. Riegel, Washington & Lee U, Lexington, Va. Peabody Awards nominations close Jan. 10, must be made to U of Georgia School of Journalism.

**CBS Inc.'s European Setup:** New foreign units of CBS Inc., CBS (Europe) SA, with headquarters in Zurich, and CBS Ltd., London, will be headed by Michael Burke as managing director, with Anthony C. Bartley as director of sales for CBS Ltd. Burke is the onetime U of Pa. All-America football player, who as a naval officer assigned to OSS during the war won both the Navy Cross and Silver Star for his exploits in German-occupied Italy & France. He has been director of CBS-TV network programs in London for last year. Both he and Bartley will sit on board of directors of CBS Ltd., other directors being Merle S. Jones, Richard S. Salant & Samuel Dean. Jones, pres. of CBS-TV stations div., will sit on board of CBS (Europe) SA with Dr. Paul Gmur, Swiss attorney, and Robert H. Lutz, of Swiss Credit Bank. Said Jones: "We have great faith in the growth and development of TV program sales in the British Isles and on the continent of Europe. These companies will be engaged in the licensing and distribution of CBS Films and other TV properties." The Swiss firm will also be interested in production of films for TV.

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Sweeping court ban on all news pictures or sound recordings of principals in Atlanta embezzlement trial—even on sidewalks & streets adjoining courthouse—has been protested by NAB pres. Harold E. Fellows. In telegram to Judge Durwood Pye, who imposed rule for trial of Ga. Revenue Comr. T. V. Williams on charges he stole \$46,928 in state funds, Fellows said: "Unreasonable limitations upon media of communications are inconsistent with the basic right of the people to full information." Protests also were filed with judge by Ga. Press Assn. & Sigma Delta Chi, while Atlanta Newspapers Inc. (WSB-TV) challenged rule in county appeals court. Earlier, NAB chief attorney Douglas A. Anello told Maine Radio & TV Broadcasters Assn. in speech on issue that "if the people demand a change" restrictions on TV-radio coverage of trials will be lifted. Anello said "giant steps towards this goal of equality" of broadcasters with press already are being taken by American Bar Assn. (Vol. 14:44) and some judges.

Is TV 'Gossip' News? Marie Torre, *N. Y. Herald Tribune* TV-radio columnist, is not a newspaper reporter but the conductor of a "gossip" department which doesn't qualify for "freedom of the press" privileges, U. S. Supreme Court was told this week. Asking dismissal of appeal by Miss Torre from contempt of court conviction arising out of \$1,000,000 defamation suit by Judy Garland against CBS (Vol. 14:44), singer's lawyer Lionel S. Popkin maintained in brief filed with Court that Miss Torre can't withhold source of derogatory comment about Miss Garland which was quoted in column. Popkin argued: "The press is in no danger because the writer of a 'gossip' column is required to state the name of the person who made libelous statements to her, which she in turn repeated." Moreover, said Popkin, such a columnist has no more "freedom of the press" protection from "testifying to a matter in litigation" than such other newspaper employes as linotypists or engineers.

Start of \$18,000,000 audio-visual research program set up by last Congress in National Defense Education Act (Vol. 14:46) was postponed this week pending appointment of 14-member advisory board. Office of Education had been scheduled to announce makeup of group representing National Science Foundation, public, teachers, communications technicians, etc., but selection of members wasn't completed.

**New & Upcoming Stations:** Week's status reports on new starters were highlighted by unexpected debut of satellite KALA, Wailuku, Maui, Hawaii (Ch. 7), which began Nov. 19 picking up NBC-TV from parent KONA, Honolulu (Ch. 2), 90 mi. distant. Also reported, belatedly, was demise of 10-month-old KTRX, Kennewick-Pesco, Wash. (Ch. 31), which left air Nov. 5. Dropout of latter leaves only 83 uhf stations still on air, less than half of those starting since freeze was lifted—but over-all on-air total remains 538.

KALA is named after Haleakala crater on which transmitter is located, has 2-kw RCA transmitter and GE antenna. Hitherto KMVI-TV, Wailuku (Ch. 12), owned by Walter Cameron, has been rebroadcasting KONA. KONA-KALA owners are *Honolulu Advertiser* (50%) and John D. Keating & J. Elroy McCaw (50%). KALA is sold as bonus to KONA, which has \$350 base hour. Rep is NBC Spot Sales.

KTRX left air after equipment failure, and present majority stockholder Dr. Phillip Berman states that financial problems and need for new transmitter "necessitated rushing through the proposed sale of the majority of the stock" to new owners, names withheld. Ben W. Roscoe is agent for buyers.

Next new starter is expected to be WGTE-TV, Toledo (Ch. 30, educational), with Nov. 27 target; also revived WWOR-TV, Worcester, Mass. (Ch. 14) is definitely scheduled to begin Dec. 1 (Vol. 14:45) as satellite of Wm. Putnam's highly successful uhf WWLP, Springfield (Ch. 22). Others with Dec. 1 dates are WKBW-TV, Buffalo (Ch. 7); WTOL-TV, Toledo (Ch. 11); KNOP, North Platte, Neb. (Ch. 2); KVKM-TV, Monahans, Tex. (Ch. 9); KOED-TV, Tulsa (Ch. 11, educational).

Pittsburgh's 2nd educational outlet on Ch. 16, granted to operator of WQED (Ch. 13, educational), has Jan.-Feb. target, writes gen. mgr. William C. Dempsey. GE transmitter has been ordered and 500-ft. Blaw-Knox tower will be used.

CHAB-TV, Moose Jaw, Sask. (Ch. 4) has ordered 6-kw RCA transmitter for delivery by end of year, plans programming "early in 1959," writes mgr. Sid Boyling for owner J. D. Moffat. Bids have been asked on studio-transmitter building and 440-ft. tower with 12-slot antenna will be used. Base hour will be \$200. Rep will be Television Representatives.

Single application for TV station filed with FCC this week was for Ch. 8, Greensboro-High Point-Winston-Salem, N. C. by Southern Bcstrs. Inc., owned by principals of WTOB, Winston-Salem (who also own 80% of WAPA-TV, San Juan, P. R.; off-air uhf WTOB-TV, Winston-Salem; WSGN, Birmingham, Ala. and 50% of Ch. 42 grantee there) and by owners of off-air uhf WNAO-TV, Raleigh, N. C. Both groups would dispose of their present TV holdings upon grant of this application. Applications for new TV stations pending now total 90 (23 uhf). [For details, see *TV Addenda 27-L*.]

Experimental vhf booster, sought by WTEN, Albany (Ch. 10) for No. Greenbush, N. Y. (Vol. 14:45), shouldn't be granted until FCC finishes its inquiry on boosters, translators, etc., Assn. of Maximum Service Telecasters urged in statement to Commission this week. However, AMST said, if FCC doesn't want to defer granting the 500-watt co-channel booster, it should require WTEN to provide a "firm safeguard against interference" and get permission of co-channel WJAR-TV, Providence (Ch. 10).

Indifference to Conelrad exercises, displayed by some broadcasters who are "annoyed" by national defense demands on their stations, was scored by FCC Comr. Lee in speech to Missouri Broadcasters Assn. in St. Louis. He said he's "pessimistically confident" that many station operators haven't read Communications Act, don't know that "public interest" requirement carries obligation to cooperate with Govt. in national defense. "With their licenses safe for 3 years," Lee said, "they turn their full attention and resources to the making of as much money as they can in the shortest time possible consistent with minimal public interest standards." He warned that license renewals are "contingent upon their operating in the public interest [including] cooperation with duly constituted authorities in responsible defense planning."

Translator power ceiling was raised from 10 to 100 watts this week effective Dec. 26, FCC finalizing rule-making as expected—no opposition having been raised (Vol. 14:46). Large number of applications is expected from both existing translators and new applicants. Commission also granted 2 new translator CPs: Ch. 80, Spirit Lake, Ia., to Spencer Area TV Inc.; Ch. 83, Palmerton, Pa., to Upper Lehigh Translator Service Corp. Palmerton grant is conditioned on termination of operations in event regular station begins on any channel too close from engineering standpoint.

St. Louis Ch. 4 & Ch. 11 status remained unchanged this week, as U. S. Supreme Court denied writ of *certiorari* to St. Louis Amusement Co., one of original 5 Ch. 11 applicants. FCC had ruled applicant had defaulted by failing to participate in hearing; Court of Appeals agreed—and so does Supreme Court. St. Louis Amusement still has pending before FCC its charges that CBS engaged in attempted "influence" when Tex McCrary asked Commission members about status of case before decision was reached (Vol. 14:42). CBS won Ch. 11, transferred it to 220 TV Inc., bought KWK-TV (Ch. 4), now KMOX-TV.

Martha Rountree is selling her 50% interest in WKTF, Warrenton, Va. (5-kw D, 1420 kc) for \$30,000 to Dr. Fred J. Crescente, Paterson, N. J. physician and real estate investor, according to application filed with FCC this week. Sportcaster Harry Wismer recently acquired other 50% (Vol. 14:27), Rountree Productions Inc. and columnist Ruth Montgomery each selling Wismer 25%. [For week's other radio station sales & transfers, see *AM-FM Addenda UU*.]

Ted Oberfelder, ex-WCAU & WFIL, Philadelphia and WJZ & WABC-TV, N. Y. has sold his 25% interest in WKIX, Raleigh, N. C. (850 kc, 10-kw D, 5-kw N, ABC), along with holdings of Norman Glenn, publisher of *Sponsor*, and Louis Randell, N. Y. theatrical attorney; purchasers, for reported \$125,000 plus assumption of indebtedness, are gen. mgr. Hugh Holder, owner James Stephenson of WFVG, Fuquay Springs, N. C., et al.

FCC belatedly amended rules to comply with an old agreement with Canada providing that no U.S. uhf station be permitted to operate with more than 1000 kw within 250 mi. of border. FCC had inadvertently authorized several stations in Pa. to go to slightly more than 1000 kw—but they all reduced voluntarily upon informal notification by Commission staff. Ceiling is 5000 kw elsewhere in U. S.

Radio coordination procedures during national emergency, covering govt. users, are spelled out in new order IX-4 issued by Office of Civil & Defense Mobilization, which emphasizes that they don't affect private frequency users controlled by FCC. Text of new order is contained in Nov. 20 *Federal Register*.

**FEWER MAKING TVs, MORE MAKING RADIOS-PHONOS:** Time was -- and not so long ago -- when there were more than 90 U.S. companies in the business of making TV sets. Our Television Factbook No. 16, issued in Jan. 1953, listed 93, although admittedly some were merely assemblers who scarcely merited the name of manufacturer. There's been a steady attrition since, until the current TV Factbook No. 27, off the press last Sept., lists but 38 in the U.S., 15 in Canada (p. 461).

TV industry may never get down to "Big Three" -- like automobiles -- nor does there seem to be any serious threat yet of TV receiver imports, but there's no denying that a few big makers will soon dominate the market. In "guesstimating" 1958 TV production by the major manufacturers for us last Aug. (Vol. 14:31), TV-electronics financial consultant Edgar N. Greenebaum, of Chicago, figured that 11 companies will account for about 90% of TV production this year.

Trend toward concentration was highlighted last week by Hotpoint's withdrawal from highly competitive, low profit TV business after a 2½-year effort to make dent in the market (Vol. 14:46). Recent demise that also comes to mind was pioneer set & tube manufacturer DuMont Labs, which gave up its lines of consumer products last July (Vol. 14:27), selling its TV & hi-fi business to Emerson where they are now the "Cadillacs" of the Emerson lines and reportedly doing right well. And Magnavox just a few months ago abandoned its Sentinel & Spartan lines (Vol. 14:10).

Among other onetime big names that have gone out of TV are Arvin, Capehart-Farnsworth, Fada, CBS-Columbia, Crosley, Hallicrafters, Kaye-Halbert, Raytheon, Sparton, Stewart-Warner, Stromberg-Carlson, Tele-Tone.

Bucking TV trend toward fewer companies are both radio & phonos. Our TV Factbook No. 27 (p. 473) lists 49 radio set makers (many of them overlapping with TV), 57 makers of hi-fi & standard phonos (p. 471), as complete a list as we know of. Yet we're sure there are many in burgeoning hi-fi field about whom we haven't heard yet. There's heavy foreign competition, too, in the phono field.

Two major diversification moves stand out prominently in news of the radio & phono trade this week. Delmonico International Corp. (Adolphe Juviler, chairman), big importer of West German and Japanese hi-fi sets and radios, which also does some assembling in this country, was acquired by the prominent engineering-architectural firm of Thompson-Starrett, N.Y. As an autonomous div. of Thompson-Starrett, we're told, Delmonico is in for major expansion, may add importantly to its already long lines of imported West German hi-fi brands.

Also branching out is Blonder-Tongue Labs, Newark (Isaac S. Blonder, pres.), big closed-circuit TV & equipment manufacturer, which announced it is entering the audio field for first time with a new FM-AM radio priced at \$64.50 to be offered through 100 franchised wholesalers with full line of tuners, amplifiers & speakers.

**Motorola Breaks Price Barrier:** First to raise prices this year, Motorola took the critical step Friday of this week by boosting prices on four basic models by \$10 & \$20. Said exec. v.p. Edward R. Taylor: "We are committed to high standards of quality in our lines. In recent months there has been increasing pressure from rising costs of materials and labor. An increase in prices was necessary to maintain our standards of performance and dependability."

Price increase has been long anticipated but nobody, apparently, was ready to take the initial step. Now, with the barrier broken, industry leaders we were able to reach at presstime expressed the opinion most major manufacturers would follow Motorola's lead promptly. Only one willing to be quoted, Philco v.p.-marketing Henry E. Bowes, said: "We're looking at the cost situation and studying possibility of an increase. I don't see how we can hold the price line much longer."



**Latest Stirrings in Stereo:** New EIA National Stereophonic Radio Committee, set up to recommend stereo broadcast standards to FCC -- just as did the National TV System Committee for both black-&-white and color TV -- is slated for formal organization at EIA's winter meeting in N.Y., Hotel Roosevelt, Dec. 4. It will be headed, as was NTSC, by ex-EIA pres., retired GE v.p. Dr. W.R.G. Baker, now research v.p. of Syracuse U. Chairman of all-important Systems Analysis Panel has not yet been found. This group will assign jobs to specific task forces.

"We will study all stereo systems including those which have been tried to date and several still in development stage," said Dr. Baker. "The best one may now be in existence or it may be a combination of several. After it has been approved by industry, we will present our choice to the FCC for approval."

Requisites of a suitable stereo system, according to Baker: (1) Compatibility so receiver can receive regular FM broadcasts as well as stereo. (2) Easy for the public to buy. (3) Not too expensive to operate.

Comprehensive industry representation is being sought for all panels. Every company which has a major interest in stereo will be invited to be represented on one or more panels. It's too early to tell who will be guiding lights on important panels and Dr. Baker says few acceptances have been received to date. EIA engineering dept. mgr. Virgil M. Graham will serve as secretary. Also, Murray Crosby, pres. of Crosby Labs, Syosset, N.Y., developer of a multiplex system, and Peter C. Goldmark, pres. of CBS Labs, have agreed to serve on the Systems Analysis Panel, along with Wm. J. Morlock, gen. mgr. of GE's technical products dept.

\* \* \* \*

Good examples of laymen's introduction to stereo are ad-laden 20pp. special section in Nov. 16 N.Y. Times, and 16pp. section in N.Y. Herald Tribune same Sunday. Former includes articles with headlines such as these: "Stereo: Eventually 90 Per Cent," "All at Once or Bit by Bit," "Battle of Decibels & Decor." Latter features: "The Stereo Story: Hi-Fi Hits a New High," "Stereo Tunes in to the Customer," "Q & A -- What Stereo Is, What It Does, How It Works," "For Wives Whose Husbands Are Married to Stereo." This is pattern of news (and advertising) coverage in other major dailies throughout country, stimulated by local hi-fi & stereo shows.

**TV-Radio Production:** TV output was 112,202 sets in week ended Nov. 15 vs. 111,554 preceding week and 138,831 same week last year. Year's 45th week brought year's total production to 4,290,305 sets vs. 5,549,641 last year. Radio production was 364,943 for week ended Nov. 15 (113,309 auto) vs. 344,204 (117,585 auto) preceding week and 390,435 (120,234 auto) same week last year. Radio production for 45 weeks was 9,614,982 (2,912,431 auto) vs. 12,033,125 (4,613,652 auto) last year.

**DISTRIBUTOR NOTES:** R. C. Hawley heads new Hotpoint distribution dept., Bellwood, Ill., under GE v.p. & Hotpoint gen. mgr. Wm. C. Wichman; it will run all 21 Hotpoint distributorships, staff including A. L. Lacey as mgr. of distributor sales administration; E. E. Pile, mgr., employe relations; J. M. Whelan, mgr., finance & operations; D. E. Bamford, counsel . . . Norton Spitzer, ex-Admiral Distributors, Chicago, named adv. & sales promotion mgr., RCA Victor Distributing Corp. there . . . Hamburg Bros., Pittsburgh (RCA), elects Lester A. Hamburg pres., succeeding his father, Elmore A. Hamburg, now chairman . . . Admiral appoints Stratton & Terstegge, Louisville, for all consumer products, replacing Peaslee-Gaulbert Corp. . . Hoffman appoints Cumberland Distributing Co., Nashville; Lolyngo Appliances, Jacksonville, for TV-radio-phonos . . . Hitachi (Japanese transistor radios) appoints Corwin Hall Distributing, Los Angeles . . . Charles Hakimian, ex-mgr. of Philco's Chicago factory branch, named gen. mgr. of Philco Distributors Inc., succeeded in Chicago by George R. Hickmon, promoted from district representative.

EIA formally protested to Labor Dept.'s wage & hour div. this week against a proposal by aircraft manufacturers and their unions to blanket missile workers in with aircraft workers under definitions of the Walsh-Healy Act. (Vol. 14:44). Reclassification of missile workers in electronics plants as aircraft workers just because they are working on missile guidance systems would substantially boost manufacturing costs of equipment for the defense program as well as civilian goods such as TVs, radios, etc. Said EIA: "The objective sought by Aircraft Industries Assn. and the unions, if attained, could add without any reasonable justification an estimated billion dollars a year to the cost of the national defense program. What they are asking the Dept. to do is to render a wage determination which would disrupt the wage structures in the manufacturing establishments of an industry wholly unrelated to aircraft production, but which is the prime source of guidance systems and other electronic equipment intended for govt. and commercial application. The net result of this scheme would be to increase tremendously the cost of making such systems and equipment."

**Trade Personals:** Charles P. Baxter, former v.p. & gen. mgr. of RCA Victor TV div., has established management consultant business as Charles P. Baxter Associates, 457 Derwyn Rd., Drexel Hill, Pa. . . . Bond Geddes, who retired in 1951 as RMA exec. v.p. and is still advisory counsel for EIA, has been discharged from Georgetown Hospital, Washington, where he was gravely ill for 3 weeks; now 75, he's confined to his home, 20 Grafton St., Chevy Chase, Md. . . . G. K. Bryant, marketing mgr. of RCA Victor TV div., promoted to special projects mgr., reporting to exec. v.p. P. J. Casella; A. Robert Baggs, ex-marketing mgr. of radio & Victrola div., named merchandising mgr., succeeding Justin L. Albers, now on special assignments . . . A. B. Pollock, ex-RCA Bloomington (Ind.) plant mgr., named gen. mgr. of all RCA TV & radio-Victrola div. plants; F. R. Demmerly promoted to controller, P. R. Slaninka to personnel mgr., RCA consumer products administrative services units . . . Gordon G. Hoit, Stromberg-Carlson exec. v.p., elected director at large of Empire State Chamber of Commerce . . . Clark Lambert promoted to sales administration mgr., Olympic Radio, succeeding Sy Lipper, resigned . . . Michael J. James promoted to sales mgr.-entertainment products, Philco's Lansdale Tube div. . . . J. E. Schoner, ex-Easy Laundry, named Admiral regional mgr. at Atlanta . . . E. H. Hayes, chief engineer of Northern Electric Co.'s communications equipment div., Montreal, named director of planning, being succeeded by C. B. Woodley, ex-communications systems supt.

Max F. Balcom, retired chairman of Sylvania Electric Products, ex-EIA pres., named chairman of EIA legislative policy committee. Other members: Ben Adler, Adler Electronics; E. C. Anderson, RCA; Wm. F. Ballhaus, Northrop Aircraft Notronics div.; Roland M. Bixler, J-B-T Instruments; Sidney R. Curtis, Stromberg-Carlson; L. Berkley Davis, GE electronic components div.; Philip Dechert, Philco gen. counsel; J. B. Elliott, Tele-Dynamics Corp.; Robert W. Galvin, Motorola; H. Leslie Hoffman, Hoffman Electronics; W. F. Joyce, Texas Instruments; Robert C. Sprague, Sprague Electric.

**ELECTRONICS PERSONALS:** Rear Adm. Carl F. Stillman (USN ret.) joins General Instruments Corp. as head of new value engineering dept., overseeing defense production at its 7 plants from Brooklyn headquarters . . . Dr. Wm. L. Everitt, U of Ill. engineering dean, elected pres. of Engineers Council for Professional Development, embracing the 8 major professional engineering societies . . . Harry B. Henshell, director of Bulova research & development labs, named also exec. v.p. of parent Bulova Watch Co. . . . Henry F. Schoemehl, chief sales engineer, promoted to gen. sales mgr. of Hoffman Electronics Corp.'s semiconductor div., Evanston, Ill., Roy J. Herter becoming asst. director of marketing . . . Albert E. Keleher promoted by Raytheon to new post of mgr. of marketing planning, govt. equipment div.; replacing him as product sales mgr., communications systems, is Raymond Kendall, ex-Motorola . . . Richard D. Evans, ex-govt. sales mgr. for Sylvania's special tube operations at Woburn, Mass., named asst. technical liaison mgr. for Sylvania's Waltham Labs . . . F. X. Rettenmeyer promoted to mgr. of Philco's new Space Communication Systems lab . . . Frank S. Greene promoted to RCA market mgr., airborne systems dept. . . . E. S. Willis promoted to gen. mgr. of Erie Resistor's electro-mechanical div.

**Obituary**

George A. Long, 89, telephone pioneer, holder of many patents and inventor of first pay telephone, died Nov. 20 at his home in Bloomfield, N. J. He was founder-pres. of Gray Telephone Pay Station Co., which in 1939 became Gray Mfg. Co., Hartford (electronic equipment).

Dr. Ernst Weber, pres. of Polytechnic Institute of Brooklyn, elected 1959 pres. of Institute of Radio Engineers, succeeding Donald G. Fink, Philco research director. Donald B. Sinclair, v.p. & chief engineer of General Radio, West Concord, Mass., named v.p., succeeding Carl-Eric Granqvist, director of Svenska Aktiebolaget Gasaccumulator, Stockholm, New directors elected: Prof. Ferdinand Hamburger Jr., Johns Hopkins U, and Bernard M. Oliver, research & development v.p. of Hewlett-Packard.

**TV & Radio Shipments:** TV shipments to dealers in Sept. were ahead of Aug. but continued to lag behind the same month a year ago. EIA reports that Sept. shipments jumped to 663,073 sets vs. 499,857 in Aug. and 789,675 in Sept. 1957. First 9 months shipments totaled 3,498,118 sets vs. 4,249,775 for the same 1957 period. Radio shipments for first 39 weeks of 1958, ending Oct. 3, were 5,182,851 vs. 5,844,280 in same 1957 period. First 9-mo. TV-radio shipments by States:

| State      | TV      | Radio   | State       | TV        | Radio     |
|------------|---------|---------|-------------|-----------|-----------|
| Ala. ....  | 46,582  | 59,913  | N. J. ....  | 126,799   | 214,058   |
| Ariz. .... | 24,661  | 30,341  | N. M. ....  | 14,863    | 14,596    |
| Ark. ....  | 28,319  | 27,162  | N. Y. ....  | 389,155   | 762,909   |
| Cal. ....  | 349,243 | 399,721 | N. C. ....  | 71,173    | 85,983    |
| Col. ....  | 30,865  | 38,250  | N. D. ....  | 10,071    | 16,120    |
| Conn. .... | 57,243  | 70,453  | Ohio ....   | 187,795   | 293,804   |
| Del. ....  | 10,025  | 10,933  | Okla. ....  | 45,745    | 49,569    |
| D. C. .... | 38,455  | 61,691  | Ore. ....   | 35,594    | 65,748    |
| Fla. ....  | 123,089 | 132,045 | Pa. ....    | 252,497   | 384,553   |
| Ga. ....   | 66,580  | 92,041  | R. I. ....  | 19,897    | 34,814    |
| Ida. ....  | 10,648  | 17,665  | S. C. ....  | 28,271    | 37,935    |
| Ill. ....  | 208,971 | 407,756 | S. D. ....  | 10,847    | 11,735    |
| Ind. ....  | 87,890  | 89,087  | Tenn. ....  | 54,378    | 70,466    |
| Ia. ....   | 43,131  | 59,299  | Tex. ....   | 174,728   | 242,710   |
| Kan. ....  | 41,469  | 59,264  | Utah ....   | 16,626    | 20,949    |
| Ky. ....   | 53,187  | 67,891  | Vt. ....    | 6,865     | 11,108    |
| La. ....   | 57,557  | 64,187  | Va. ....    | 60,082    | 81,990    |
| Me. ....   | 17,764  | 31,431  | Wash. ....  | 55,906    | 73,577    |
| Md. ....   | 52,183  | 107,347 | W. Va. .... | 32,724    | 31,003    |
| Mass. .... | 119,973 | 192,191 | Wis. ....   | 62,071    | 100,377   |
| Mich. .... | 125,442 | 188,059 | Wyo. ....   | 8,749     | 6,187     |
| Minn. .... | 53,881  | 87,150  |             |           |           |
| Miss. .... | 27,568  | 32,018  | U. S. TOTAL | 3,486,550 | 5,165,548 |
| Mo. ....   | 84,830  | 154,154 | Alaska      | 1,925     | 4,232     |
| Mont. .... | 15,456  | 16,560  | Hawaii      | 9,643     | 13,071    |
| Neb. ....  | 29,728  | 30,957  |             |           |           |
| Nev. ....  | 5,473   | 9,523   | GRAND       |           |           |
| N. H. .... | 11,501  | 18,241  | TOTAL       | 3,498,118 | 5,182,851 |

Also Made 2 Holes-in-One: National Video's Asher Cole isn't the only industry notable who has made the magical hole-in-one twice (Vol. 14:46). There's also J. A. (Shine) Milling, pres. of Howard Sams & Co. Playing at Tavistock Country Club, Haddonfield, N. J. in 1948, he made it with a No. 7 iron on the 134-yard eighth hole, witnesses being several of his ex-colleagues at RCA—LeRoy A. Goodwin Jr., tube & equipment sales div., and Herbert C. Edgar, in charge of RCA instrument advertising. On same course 2 years ago, Milling scored a 185-yard hole-in-one. Though he's a graduate engineer, Milling avers: "This is one time that lightning struck twice."

Reorganized Muntz TV Inc. chairman & chief exec. officer Floyd G. Dana reports firm has pulled itself into profit position (\$23,467 for fiscal year ended Aug. 31) from loss of \$1,024,842 preceding year. Its 1958 sales were \$4,057,890, of which \$3,634,193 were TVs, \$318,689 radios & phonos, as against \$6,034,849 in 1957. Earned surplus deficit has been reduced to \$5,091,899, and back taxes of \$1,531,000 owed after reorganization in Jan. 1956 have been reduced to \$371,000. Report states new dealership program has increased number from 600 to 1200 in year.

RCA will start production Dec. 1 of its magazine-loading stereo tape player recorder first announced at RCA's annual stockholder meeting in May (Vol. 14:19). It promised shipments to dealers in time for Christmas.

## Financial Reports:

**STORER'S REPORT** to stockholders on 3rd quarter earnings (sales volume is reported annually only) cites an "abandonment loss" of \$4,709,063 on now-dark WVUE, Wilmington-Philadelphia (Ch. 13) which resulted in over-all net operating loss of \$1,464,837 (59¢ per share) for quarter as against profit of \$820,008 (33¢) for same 1957 quarter. For 9 months ended Sept. 30, Storer profit was \$264,782 (11¢) vs. \$5,249,492 (\$2.12) for same 1957 period. Dec. 15 dividends are being paid as usual (see Dividends), and 4th quarter revenues, running higher than last year, indicate earnings of about \$1,300,000 vs. \$1,146,671 for same 1957 quarter.

The WVUE "abandonment loss" includes loss on original purchase price in May, 1957 (\$7,159,000, including retained radio WIBG), losses on film contracts and write-down of physical assets to their salvage value. "However," report adds, "the company's future earnings will not be subject to the drain of WVUE losses, and we have been able to recapture \$2,448,712 of the reserve for Federal income taxes which had previously been established." Pres. George B. Storer goes on to say company now is in "the best financial condition in its history," with cash, govt. income tax notes and bonds on hand amounting to \$6,259,120, net working capital \$6,110,086 as of Sept. 20, 1958.

Looking to future, Storer tells stockholders about deal to acquire WITI-TV, Whitefish Bay-Milwaukee (Ch. 6) for \$4,462,500, for which no borrowing was needed and which FCC has approved conditional on disposal of WVUE (Vol. 14:46). Though CP for the Wilmington-Philadelphia Ch. 13 is still nominally in Storer's name, fact that station has been written off means it's now open to all comers—with Rollins the only formal applicant to date but with others known to be waiting for proper time to file.

Storer's letter makes particular point of the value of radio WIBG, which "has become the largest and fastest-growing station among the 7 Storer radio stations." He claims No. 1 rating in Philadelphia area, reports new plant will soon increase its daytime power to 50 kw. He concludes by stating:

"It now appears that, even after abandonment of the TV station, the Philadelphia-Wilmington purchase will turn out to be a sound, long-range investment. With the national picture improving, with added power, increased advertising revenues and No. 1 ranking in the nation's 4th biggest market, radio WIBG bids fair to become one of the company's more profitable acquisitions."

International Resistance, which lost \$71,248 in first 25 weeks this year (Vol. 14:30), reports sharp upturn in 17 weeks ended Oct. 19, earnings of company & domestic subsidiaries totaling \$381,073 (28¢ per share) vs. \$275,444 (20¢) in same 1957 period. For 42 weeks to Oct. 19 net income was \$309,825 (22¢) on \$10,642,998 vs. \$531,424 (39¢) on \$12,965,896 in same period last year.

Texas Instruments achieved record sales & earnings in 3rd quarter, reporting net income of \$1,448,000 (44¢ per share) on sales of \$21,867,000 vs. \$953,000 (29¢) on \$17,284,000 year earlier. For 9 months ended Sept. 30, earnings were \$3,591,000 (\$1.10) on \$64,056,000 vs. \$2,672,000 (78¢) on \$48,114,000.

Varian Associates, Palo Alto, Cal. (klystrons, microwave components, etc.) reports net income of \$1,225,364 (90¢ per share) for 9 months to Sept. 30 vs. \$763,280 (56¢) in same 1957 period.

A. C. Nielsen Co. asked SEC this week to register 126,780 of \$1 par common stock shares—64,500 to be issued & sold by TV rating & market research firm, 62,280 outstanding shares to be offered by present holders. Principal underwriter is Smith, Barney & Co., 20 Broad St., N. Y., price & terms to be supplied to SEC by amendment. Proceeds would be used by Nielsen for general corporate purposes determined by management—including possible further investments in "Audimeter" instantaneous rating system (Vol. 14:44), foreign expansion, purchases of additional land & buildings. SEC statement listed 505,500 common shares and 480,000 Class B special shares outstanding, all of latter held by chairman Arthur C. Nielsen. Selling holders of common shares include Nielsen, owning 178,080, offering 18,000; Richard F. Knott, 57,540 (12,000); Frederick K. Keisch, 24,000 (6000); Bertha K. Pritzlaff, 9000 (4500); Edward L. Lloyd, 14,040 (3000); Philip D. Reed, 13,500 (2700); Helen Douglass, 5340 (2040). Other blocks offered range from 60 to 1980 shares.

United Artists, movie distributor whose subsidiary United Artists Associated has completed \$30,000,000 acquisition of Associated Artists Productions and its big Warner Bros. film library for TV (Vol. 14:44), set 9-mo. record—\$61,591,000 gross revenues vs. \$52,553,000 year earlier, \$2,623,000 earnings (\$2.06 per share) vs. \$2,364,000 (\$1.85).

Allied Artists, which lost \$1,189,688 in fiscal year ended June 28 (Vol. 14:42), earned \$120,200 (12¢ per share) in 15 weeks ended Sept. 27 vs. \$90,800 (8¢) in same 1957 period.

TelePrompTer Corp., now traded over-the-counter, is due to be listed on N. Y. Stock Exchange before year's end.

Reports & comments available: On General Telephone-Sylvania merger, appraisal by Schweickhardt & Co., Hibernia Bldg., New Orleans. On AT&T's current rise, Nov. 17 report by United Business Service, 210 Newbury St., Boston. On Raytheon and Standard Coil, reports by Shields & Co., 44 Wall St., N. Y. On Motorola, brief by Francis I. duPont & Co., 1 Wall St., N. Y. On Herold Radio, analysis by Gregory & Sons, 72 Wall St., N. Y. On General Precision Equipment, review by Filor, Bullard & Smyth, 26 Broadway, N. Y. On Thompson Ramo Wooldridge, pamphlet by Orvis Bros. & Co., 15 Broad St., N. Y. On Walt Disney Productions, comment by T. L. Watson & Co., 25 Broad St., N. Y. On Meredith Publishing, report by Wm. R. Staats & Co., 640 S. Spring St., Los Angeles. On United Artists, special report by Standard & Poor's, 345 Hudson St., N. Y. On Seeburg, report by Frederic S. Greenwald of Hayden, Stone & Co., 25 Broad St., N. Y. On Jerrold, analysis by Singer, Bean & Mackie, 40 Exchange Pl., N. Y.

Dividends: Storer, 45¢ and 6¢ on "B," both payable Dec. 15 to stockholders of record Nov. 28; Hazeltine, 35¢ plus 2½% stock, both Dec. 15 to holders Dec. 1; AT&T, \$2.25 Jan. 10 to holders Dec. 10; Collins Radio, 50¢ Jan. 2 to holders Dec. 19; Meredith Publishing, 45¢ Dec. 10 to holders Nov. 28; Globe-Union, 20¢ Dec. 10 to holders Nov. 28; Cornell-Dubilier, 20¢ Dec. 31 to holders Dec. 16; Time Inc., \$1 Dec. 10 to holders Nov. 28; Litton, 2½% stock Jan. 23 to holders Jan. 9; Indiana Steel Products, 30¢ Dec. 10 to holders Nov. 25; Consolidated Electrodynamics, 10¢ Dec. 15 to holders Nov. 28; Canadian GE, \$2 plus \$4 extra, both Jan. 2 to holders Dec. 15; GE, 50¢ Jan. 26 to holders Dec. 19; Warner Bros., 30¢ Feb. 5 to holders Jan. 10.

**Rich or Poor, NBC 'Loves' Radio:** Reaffirming NBC's determination to keep its radio network alive, in the face of the recently announced cutback by CBS Radio (Vol. 14:44-45) and previous curtailments by ABC Radio, NBC chairman Robert W. Sarnoff devotes his latest letter-to-editors to some sideswipes at "other networks" and to this disquisition on the problems & prospects of still-unprofitable radio networking:

"The problem facing NBC Radio now is not ratings or current level of sponsorship, which represents 48% of all measured network radio sponsored time. The problem is one of general industry psychology. With one network's cutback following another's, the temptation to write off all network radio can become more acute. In a military operation or in a cattle drive or in an uncertain business climate, one defection can precipitate a stampede and this is plainly what we must guard against today . . .

"Because of its importance to the nation—and its values to the audience and to advertisers—I'm certain that radio networking will continue as an active enterprise. And the key to its survival, I think, lies in its ability to do things differently than TV. For 2 years now, we have been forging sales and programming patterns attuned to modern network radio's potentials and capabilities . . . a widely diversified service, keyed to news, *Monitor* and entertainment. For the advertiser, it has meant novel merchandising and marketing opportunities and greater cumulative advertising impact. We are selling cost-per-thousand economy in large bottles. We are furnishing flexibility, frequency and mobility, the reach-where-TV-can't principle. We have talked more about the beaches and hills than Churchill and MacArthur combined."

So far, young Sarnoff goes on, this effort has increased commercial business 20% over a year ago, station clear-

ances to 86%, rate of compensation to 201 affiliates. He obviously gloats over CBS's retrenchment: "A year ago, I believe this would have produced naked panic in all radio circles. This time it caused some uneasy rumblings within the trade, but it made no dent in our station phalanx . . . [We will] continue to underwrite our faith in the medium by seeking ever more effective new services within the framework of present programming and sales methods.

"So network radio still lives and breathes. To paraphrase Joe E. Lewis, it has been rich and it has been poor. It likes being rich much better, but it probably never will be again. It can, however, look forward to a useful and reasonably prosperous future if all those who have 'faith' will hold to it."

Note: NBC executives have repeatedly stated, and Sarnoff avows again, that affiliates of other networks are now trying to get on NBC—but their identity has been withheld and no new affiliations yet revealed. This week, 50-kw radio WJR, Detroit, announced it would disaffiliate with CBS Radio next spring, after 23 years, unwilling to go along with its new PCP plan which goes into effect Jan. 1, 1959 (Vol. 14:44). CBS Radio sales v.p. John Karol immediately responded that, while others have voiced objections, they have been satisfied that the CBS plan is the only one that can pull radio networking back to profitability; that WJR is the only affiliate that has actually defected; and that CBS is unworried about getting another Detroit affiliate.

Among shows being dropped by CBS radio network in the curtailment, reducing feeds to affiliates from about 65 hours per week at present to around 50 hours, only 30 "musts," are *Indictment, City Hospital, Sez Who?, FBI in Peace & War, Nora Drake, Our Gal Sunday, Road to Life, Backstage Wife*—mostly N.Y. originations.

**TV Settles in West:** Hollywood's TV film industry is settling down to a stable \$155,000,000-per-year business, no matter what "fluctuating fortunes" movies may suffer, reports *Variety*. Show biz weekly cites 2 big factors in Hollywood's development as TV center: (1) Network programming now is 55-60% filmed. (2) Syndicated production on West Coast has reached 40 new series per year and output is expected to be sustained "indefinitely." Concomitant decline of N. Y. as TV capital was illustrated meanwhile at N. Y. chapter meeting of TV Academy of Arts & Sciences, where N. Y. Film Producers Assn. presented city Commerce Dept. figures showing live TV location permits in first 10 months this year totaled 238 vs. 310 in same 1957 period. MPO TV Productions v.p. Marvin Rothenberg maintained, however, that N. Y. remains filmed-commercial center, estimating 85% of business stays there vs. 10% in Hollywood, 5% in rest of country. But even this N. Y. claim to TV preeminence was disputed by West Coast director John Cole, of Sullivan, Stauffer, Colwell & Bayles. He told Hollywood Adv. Club that Hollywood produced 40% of \$50,000,000 worth of TV commercials made in 1957—and that its share of business still is growing. Note of warning to N. Y. producers of TV commercials came at same time TV-radio director Rollo Hunter of Erwin Wasey, Ruthrauff & Ryan, who told *Variety* they are inviting "filmicide" by resorting to undercutting & kickbacks to agencies in bidding for sponsor business. "At the rate the system is working, in from 3 to 5 years there will be no more than 20 producers in N. Y.," said Hunter.

**It Had To Happen:** Russians plan 1677-ft. TV tower in Moscow next year. It would be world's tallest, exceeding 1610-ft. structure of KSWs-TV, Roswell, N. M. (Ch. 8).

**Strike Threat Eases:** "Stop-the-clock" negotiations between AFTRA and CBS, NBC, ABC & MBS to avert all-network TV-radio strike (Vol. 14:46) continued on-&-off this week, union & networks agreeing Nov. 21 to put off further talks until Nov. 24. Walkout over such issues as contract rates for performers & announcers in videotape commercials had been set for midnight Nov. 15. But AFTRA extended deadline 72 hours, then ordered further postponements as parleys progressed. Meanwhile, 14 IBEW engineers went on strike at radio WINS, N. Y., protesting management failure to negotiate higher pay. Picket line was respected by 9 AFTRA members at station, but 25 supervisory employees kept WINS on air.

AB-PT Pictures Corp., production subsidiary of American Broadcasting-Paramount (Vol. 14:13), is being abandoned Jan. 1 along with AB-PT Distributing Co. which supplemented film supply from Hollywood sources. Stock & assets of 2 AB-PT adjuncts are being acquired by pres. Irving H. Levin, terms not disclosed. Assets include 4 completed pictures, 8 story properties. Yet-unnamed new production organization will be headed by Levin with Harry L. Mandell as v.p.-gen. mgr., AB-PT asst. treas.-controller Larry Clement as secy.-treas.

**Casualty of The TV Era:** *Metropolitan Auditions of the Air*, carried on New York's radio WABC since 1935 but unsponsored since 1950, has been dropped—and instead Met's Rudolf Bing and staff will audition new talent on its stage. When Sat. afternoon live opera broadcasts were transferred to WCBS, *Auditions* show was included but station decided not to continue it. The 23-year-old tryout show, open to all comers, has produced such famous stars as Rise Stevens, Patrice Munsel, Roberta Peters, Robert Merrill, Leonard Warren.

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

with **ELECTRONICS** REPORTS

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## SUMMARY-INDEX OF THE WEEK'S NEWS — November 29, 1958

RASH OF CRITICISM BREAKING OUT against programming, much of it from intra-industry sources. An appraisal and digests of what they're saying (pp. 1 & 4).

NEW BIG SCREEN COLOR PROJECTORS, imported by pharmaceutical firms, claimed superior to U. S. units. GE reported working on "Super-Eidophor" (p. 2).

ILLEGAL VHF BOOSTERS' days numbered as FCC votes tentatively against legalizing them. Gradual substitution by translators expected (p. 3).

3 NEW STATION STARTERS in Buffalo, Monahans, Tex., Aberdeen, S. D. Delay in Toledo. On-air total 542 (84 uhf) with return of WWOR-TV, Worcester, Mass. (p. 6).

'DIVERSIFICATION' DOESN'T OUTWEIGH other factors automatically, Court of Appeals rules in sustaining FCC grant of Ch. 10, Knoxville, to WBIR-TV (p. 6).

FORTUNE MAGAZINE SHOWN UP as "The Prophet That Failed" in 1951 and now tries again to derogate rival TV medium; text of CBS inter-office memo (p. 7).

FCC PROGRAMMING 'GUIDE'—license renewal forms—proposed in "more realistic" form. Industry generally pleased with suggested changes (p. 10).

50,000,000 FOREIGN TV SETS-IN-USE in 4 years predicted by USIA's Romney Wheeler. Quarterly report shows 1,400,000 set increase, 79 in stations (p. 12).

HARRIS PROBERS GIVE UP, leaving mystery of Pittsburgh Ch. 4 "bribery" rumors unsolved as public hearings on Federal agencies are officially ended (p. 16).

### Manufacturing-Distribution-Finance

HIGHER TV PRICES NEXT YEAR now certain as more set makers plan introduction of higher priced lines during Dec. (p. 13).

FM RADIO PRODUCTION MOUNTS as manufacturers gear for surging interest in stereo hi-fi (p. 13).

GE & WESTINGHOUSE ANTI-TRUST SUIT poses problem of maintaining friendly business relations with Canada while enforcing U. S. laws (pp. 13 & 14).

**A TIME TO HEED AND A TIME TO PONDER:** When no less a personage than Edward R. Murrow, who helped make both TV and radio great and was made great by them, takes occasion to lambast certain of TV's current program trends so unmercifully that Time Magazine could chortlingly headline its report on his speech, "Decadence & Escapism"....

When Fortune Magazine scathingly berates TV for the "mediocrity" of its programs ("the staples of TV today are pap") and for what it calls the "jerry-built" nature of its economic structure -- in an article with just enough appeal to peeves and prejudices against TV to make many nod approval, yet so replete with misstatements & specious conclusions (p. 7) as to make you wonder about its real motivation. A queer sort of article, too, in light of fact that the Luce publications co-exist under the same corporate roof as Time Inc.'s own 5 TV & 5 AM stations -- all of them network-affiliated, all profitably run, each no better than most other stations....

When Reader's Digest, most widely circulated of all American magazines, comes out unequivocally for pay TV, mainly on the basis of dissatisfaction with present programming -- indicating that perhaps the industry didn't do as good job of unselling that pie-in-the-sky idea as thought after last spring's Congressional forays....

When critic John Crosby -- even granting that his emotions and his penchant for neat turns of phrase sometimes get the better of sound judgment -- echoes the editors of Reader's Digest and Fortune in suggesting maybe pay TV's the thing....

When the president of Cunningham & Walsh, 17th ranking advertising agency in TV-radio billings, remarks on TV's "current plethora of pallid and repetitive programming" after some recent vigorous swiping at the industry generally....

When the head of the Mogul agency, 40th ranking, tells a timebuying seminar

that he's moving more of his clients' money from TV to other media because of mediocre network programming and because of what he calls "ratingitis"....

When a handful of quick-buck radio station operators, ignoring the industry's own long-established and seldom-breached code, loudly declaim their intention of going after hard-liquor advertising, prompted and abetted by interests notorious for their bad taste if not downright venality -- a "crusade" that came a cropper rather dismally, mainly because the liquor industry is rigidly maintaining its own code....

\* \* \*

Then a time for sober stock-taking would seem to be at hand -- a time when holders of the precious broadcast franchises must recognize that perhaps something is indeed amiss and that the current rash of criticisms isn't all merely pratings of irresponsible fault-finders or headline seekers.

It's not enough to reply testily to the printed media, "Oh, well, you're just jealous of our success in attracting advertising dollars; you're worse offenders than we are." Or to retort, as do the industry-can-do-no-wrong coterie, that only TV can make the claim that it came through the recession with improved billings.

Are those adequate answers? Can Ed Murrow and Henry Luce and John Cunningham and Emil Mogul be accused of ulterior motives or dismissed for mere eggheadedness?

We don't think so. Nor do we profess to know the answers. All we can do now is point out that the complaints have been too many of late and are coming from too many important sources to be ignored; and warn that criticism from within, from the industry's own people and well wishers, will probably beget more and perhaps less valid criticism from those who always carp and cavil.

The simplest sort of self-interest would seem to dictate that those who run the TV-radio media might very well take their minds off balance sheets long enough to reappraise their programming structures -- with the classes as well as masses in mind -- instead of following the easy path of retreat into old formulas that may actually turn out to be less safe for the long pull.

And if broadcasters can't stand criticism from their own ranks, won't take time out for sober self-appraisal, they can blame none but themselves for whatever may befall. For digests of the more important recent critiques, see p. 4.

**GROWING COMPETITION IN THEATRE-SIZE COLOR:** Big-screen color-TV picture is getting brighter, literally -- and the intensifying competition may well stimulate the still-small market for such expensive equipment.

Pharmaceutical houses, with their plush promotional budgets, have given a lift to the expensive science of color projection development, should eventually bring equipment within price range of its greatest market potential -- the producers of closed-circuit business meetings & sports events and the not-to-be-underestimated educators (Vol. 14:40). Here are the latest developments:

(1) Swiss-made Eidophor color projector is finally here, imported by CIBA Pharmaceutical Products Inc., Summit, N.J. (Vol. 14:40), installed in GE mobile unit and undergoing tests preparatory to first public showing in Washington Dec. 27 at meeting of American Assn. for Advancement of Science.

(2) Dutch-made (Philips) conventional 3-tube color projector, claimed to be many times brighter than RCA's, has been shipped to Smith, Kline & French pharmaceutical house in Philadelphia, and is due for first use at American Medical Assn. clinical meeting in Minneapolis Dec. 2-5, then 10 demonstrations next year.

(3) GE is working quietly on a "Super-Eidophor," may show black-&-white version next spring, color some time in indeterminable future.

CIBA principals are quite excited by their Eidophor, project director Dr. R. H. Roberts telling us "we're putting out mighty pretty pictures." There were some delays in preparation, due to death a few weeks ago of Dr. Edgar Gretener, the Swiss genius whose firm is wholly-owned subsidiary of CIBA.

Dr. Roberts says his organization is ready to go at AAAS meeting, with pro-

duction being handled by Teletalent, new N.Y. closed-circuit TV firm (Vol. 14:40). Demonstrations will cover physics, chemistry, geology, etc. System uses field-sequential system, rotating disc.

The Philips unit is something brand new. Principles are conventional -- NTSC system, 3 projection tubes, Schmidt optics. What's different are the tubes; they're 7-in., compared with 2½-in. for RCA units. According to Robert Reath & Lewis Crist, section head & chief engineer, respectively, of the Smith, Kline & French public relations unit handling color TV, they estimate the highlight brightness of 12x9-ft. screen will run 5 ft.-lamberts -- vs. 1.2 for RCA's 6x4½-ft. Model TLS-50.

SKF was once hot about CBS field-sequential system, used it for medical demonstrations, employing ordinary disc-type receivers -- but company is whole hog for NTSC system now, has 3 TK-41 RCA color cameras. Reath says that as far as he knows there are only 2 other units like the one it's getting -- one in Marseilles, other in "breadboard" stage at Philips plant in Eindhoven.

GE principals won't disclose their progress on Eidophor-type equipment, but well-informed sources claim they're trying some new physical principles which appear to be sound but need to be proved out. To get NTSC color from Eidophor, using no disc of course, GE apparently is employing a "variable diffraction" technique. Big advantage of Eidophor is brightness -- because it can use any kind of light source, such as arc, whereas conventional projectors depend on CR tubes. Big disadvantage is great complexity -- but Eidophor boosters claim problems are licked.

CIBA and SKF are most active in closed-circuit medical demonstration field. Upjohn has conducted several nationwide clinics, but other pharmaceutical majors seem content to eat the promotional dust of the foregoing -- who are delighted with their harvest of publicity and physician good will at innumerable meetings, clinics, etc. The others: Merck, Parke-Davis, Schering, Pfizer, Lederle, Eli Lilly.

**FCC FORESHADOWS DEMISE OF ILLEGAL BOOSTERS:** Looks like the illegal vhf booster's goose is finally cooked -- after several years of rather silly political folderol -- for FCC majority this week instructed staff to draft final decision throwing out its rule-making proposal to legalize the troublesome repeaters. There may yet be a slip -- because official last word is still to come -- but it's unlikely.

Here's brief history of it all: For several years, citizens here and there, mostly in Northwest, had installed little jerry-built amplifiers on mountain-tops, picked up distant stations, beamed them into valley towns on same channel or on a different vhf channel. FCC ruled that these operations were illegal and dangerous.

Booster operators took FCC to court, got a delay, persuaded Commission to take another look. Last year, one month after deciding boosters were illegal, FCC reversed itself, started rule-making looking toward legalizing them (Vol. 13:31).

This week's action indicates end is about at hand -- Commission again deciding against the boosters primarily on these counts: (1) Danger to safety & special services such as aircraft navigation signals. (2) Destruction of TV service itself.

It was always felt that FCC gave in too easily to political pressures when Colo. Gov. McNichols urged it to try to find a home for boosters (Vol. 13:28). However, McNichols was sat on pretty hard by his neighboring western governors when he sought to give the impression that he spoke for them -- and it's believed politics are largely out of the picture now.

Another factor stimulating proposed denial is success of uhf translators (Vol. 14:46), which are perfect substitute for illegal boosters, though more expensive. There are some 1000-1500 boosters operating, and it's presumed FCC will be quite lenient in giving operators time to quit & convert to translators if they choose.

Translator manufacturers should be preparing for a roaring business in the hamlets of the Northwest. Interestingly, principal translator manufacturer Adler Electronics first supported the FCC's booster-legalizing proposal, thought adequate protective techniques could be devised. It later changed mind completely.

**Criticism Is Snowballing:** Tongue-lashings from important people within the industry, not just from professional critics or headline-hunting politicians, seem to be the order of the day—and they range from Edward R. Murrow's recent critique of TV-radio news trends, to explosions by advertising agency bigwigs who themselves haven't contributed much to TV's stature as a social force, to scornful appraisals of current programming like those in the Nov. *Reader's Digest* and Dec. *Fortune*. Mere fact that there have been so many such outbursts lately underscores the importance of taking sombre note of them (p. 1).

Former CBS v.p. & director Ed Murrow, who still isn't doing too badly with his *Person to Person* and *Small World* but is smarting, so they say, because CBS dropped his pet *See It Now* for lack of sponsorship, let loose at the recent convention of the Radio & Television News Directors Assn. He undoubtedly reflected his own news colleagues' bitterness over the demise of such expert "think shows" and documentaries as *Wide Wide World*, Eric Sevareid's *World News Roundup*, Charles Collingwood's *Adventure*, Martin Agronsky's *Look Here*—to mention a few mortalities of the recent recession and concomitant network economy waves.

"One of the basic troubles with radio and TV news," said Murrow, "is that both instruments have grown up as an incompatible combination of show business, advertising and news. Each of the 3 is a rather bizarre and demanding profession. And when you get all 3 under one roof, the dust never settles. [We must] get off our fat surpluses and recognize that TV in the main is being used to distract, delude and insulate us from the realities of the world we live in. If this state of affairs continues, we may alter an advertising slogan to read: 'Look Now, Pay Later.'

"For surely we shall pay for using this most powerful instrument of communication to insulate the citizenry from the hard and demanding realities which must be faced if we are to survive. I mean the word 'survive' literally.

"If there were to be a competition in indifference, or perhaps an insulation from reality, then Nero and his fiddle, Chamberlain and his umbrella, could not find a place on an early-afternoon sustaining show. If Hollywood were to run out of Indians, the program schedules would be mangled beyond all recognition . . ."

\* \* \* \*

Murrow's primary gripe: The fear of management to treat controversial and unpleasant subjects on the air. His remedy: Let each sponsor contribute a few of his prime time periods each year to alerting and informing the citizenry. And let the heads of the networks ("who have better taste than their schedules would suggest") prove that they're not merely what *N. Y. Times* critic Jack Gould calls "captives of a corporate complex that dictates that they present shows that will sell goods and achieve maximum audiences [or] frightened rabbits when anyone in Washington raises an eyebrow."

Obvious flaw in Murrow's suggestion: Why ask the advertisers to donate the time? Why relinquish control over that time, when the broadcasters are better qualified to evaluate news and program balance? Don't the broadcasters now clear time for transcendental programs, like

Presidential speeches, or for superior sponsored shows, like the spectaculars?

But the main point is that a distinguished "member of the family" made such a speech at all. Its text was carried by no trade paper, so far as we know, nor was it very fully reported; it does appear in *The Reporter* of Nov. 13. And it triggered a lot of other sometimes nasty criticisms in subsequent weeks.

\* \* \* \*

Said adman Emil Mogul, speaking before a timebuying seminar in N. Y. last week: "I can't see what is gained by pretending a serious problem does not exist. I consider the current crop of new shows, by and large, inane, puerile and alarmingly empty of real content or meaning for our present society. What's more, most of the new shows commit the one unpardonable sin—they're dull.

"How an advertiser can be expected to invest anywhere from \$2,500,000 to \$5,000,000 a year in the kind of program now available is utterly beyond my comprehension. And it's precisely this paucity of good programs which leads me to make the flat prediction that pay TV will be here in 2 or 3 years . . . if TV continues to slide.

"The networks will have no one to blame but themselves. [They] are sowing the seeds of their own destruction . . ." Then, in a later question period, he was quoted as adding, "Advertisers are just as much at fault for buying the garbage, and so are the agencies." He lashed out against ratings, against station rate practices, and he indicated his agency's TV-radio billings, which dropped 5% this year, will drop another 5% next year as printed media are recommended instead.

Cunningham & Walsh's pres. John P. Cunningham, who recently drew the ire of one of the industry's trade journals by criticizing radio programs, replied in a letter to the editor last week to thank him for playing up that agency's latest "Videotown" report (Vol. 14:46) and observing politely: "May I add that it was not a wholly unpalatable operation to eat my own words [about programming] because it was so reassuring to find that TV, despite the current plethora of pallid and repetitive programming, is maintaining and even increasing its vigor as an advertising medium."

\* \* \* \*

The magazine *Fortune* looks with jaundiced eyes at today's program trends, asserts "that TV has reached a kind of ceiling, that mediocrity is increasing and that only through some drastic change will the excitement and aspiration of, say, 1954, return to our TV screens." It eyes the economics of TV askance, says it tends to perpetuate mediocrity, remarks on today's offerings: "By and large, the 1958-59 season is compounded of bathos from *Boot Hill*, counterfeit cerebration via quiz shows, barbarism from the police blotter, inanity from outer space, monstrophilia from Hollywood's celluloid cemeteries . . ."

"TV's exotic economics have reached a stage where they cannot be depended upon to improve the product (the program). On the contrary, TV economics tend to establish and perpetuate mediocrity . . ." And, rather less positively than the *Nov. Reader's Digest* (Vol. 14:44), *Fortune* suggests pay TV as the possible "curative force":

"One thing for sure, a potentially magnificent medium is not going to be kept in a state of continual adolescence on the notion that because the public can get shoddy merchandise free, it won't pay to get quality merchandise elsewhere.

"As for commercial TV's counter-argument that it would collapse under the competition, pay TV is not going to come overnight. Commercial TV will have plenty of



opportunity to make a solid structure of its jerry-built establishment and do it for the first time under the influence of competition, a force that has worked miracles for quality improvement throughout our system."

Article is dated, uses "recession statistics" and slips up on the facts like the demise of quiz shows (see also p. 7); but its importance lies in fact that *Fortune's* editors sensed enough dissidence to warrant so critical an examination of a medium in which Time Inc. has invested millions (it bought all its 5 TV & 5 radio stations) and in which it profits enormously from station operations and network affiliations. The article also states:

"Whatever remained of radio's old willingness to risk new formats and get along on modest ratings has all but vanished from TV. The mounting pressure of costs on sponsors and networks alike has weakened the will to experiment. TV, to borrow the phrase of one of its most distinguished producers, Fred Coe (*Playhouse 90*), is now imprisoned in the 'bland norm' of mediocrity. Yet as the medium loses its capacity to excite, to create and to lead, its audiences will inevitably shrink. And as audiences shrink, more pressure to stick to 'successful' formats and eschew the unknown may well follow, resulting in the disastrous cycle of economic pressure making for shoddy programs, shoddy programs reducing the TV audience, smaller audiences increasing the economic pressure . . ."

\* \* \* \*

John Crosby's most recent criticism arose from what he called "the most aggravatingly sponsored election in my memory," complaining about over-commercialism of the recent election returns. That cued some uncomplimentary remarks on the commercials on *Today* and the *Jack Paar Show*, then on the sponsorship of "parlor games."

"Back when TV had no money at all," he wrote in his syndicated column, "it put on Toscanini, 12 hour-long live dramatic programs and the Metropolitan Opera. Now that it's rich, it can only afford *Concentration*, a variation of a child's card game. If we get any richer, TV will be able to afford to turn the station on long enough to give the soap commercial and turn it right off again."

**Bricker Bill Revival?** Direct FCC regulation of TV & radio networks—pet legislative project of Sen. Bricker (R-O.), defeated this month for reelection (Vol. 14:45)—may become lively issue in upcoming Congress, reports Robert D. Novak in Nov. 28 *Wall St. Journal*. In p. 1 story he says it's "likely" that unnamed "liberal" Democrat will take up where Bricker left off with Bricker's now-dead S-376 (Vol. 14:23)—"with much better prospects for passage." Much will depend on whether "networks show up badly" in scheduled Jan. hearings by Senate Commerce Committee in one-man crusade by Sen. Monroney (D-Okla.) against rating systems (Vol. 14:43), according to Novak. If CBS, NBC & ABC don't put up good defense for their rating practices, "the movement for network regulation will be strengthened and probably will gain adherents" including now-neutral Monroney.

CBS pres. Dr. Frank Stanton, who resigned several years ago from his college social fraternity (Phi Delta Theta) in protest against its national office's policy of religious discrimination, participates Dec. 6 in panel on another subject close to his heart: Anti-Defamation League's forum at N. Y.'s Temple Emanu-El on "Communicating the Idea: Mass Media in a Democracy." Also on the panel are Turner Catledge, managing editor, *N. Y. Times*; Dan Milch, editorial chief, *Look*.

Then, obviously enjoying his cuteness in avowing he's not against sponsored TV "except that the advertising message is supposed to pay for the program, not to be the entire program," Crosby quotes *Reader's Digest's* roughest passage:

"If sometimes you complain about the quality of programs you see on your TV set, if you wonder why so many of them are dull or tawdry and constantly interrupted by commercials, remember this: you are not allowed to pay to see what you really want. Instead you may look at only what it is to someone else's interest to let you see. The miracle is that TV is as good as it often is."

"Why Can't We Have Pay TV?" titles the *Reader's Digest* article, and Crosby warns that "if TV gets to be more of an uninterrupted commercial, there are going to be more and more people asking that question."

\* \* \* \*

The bony finger of competitive jealousy certainly cannot be attributed to the critique of Prof. Edward Stasheff, of the U of Michigan speech dept., speaking before a conference of social security administrators. He counted 40 "adult" westerns scheduled by networks and film syndicators, up from 26 last year, while live dramatic presentations have shrunken to "less than a handful." He blames the "apathy of the American public—apparently for its predilection for the highly-rated westerns and filmed dramatic shows.

"So long as the only evidence of popularity available—the ratings—indicates that viewers want more of the same, TV will keep on grinding out slightly disguised imitations of last year's successes. The networks have all but turned the control of programming over to the sponsors and advertising agencies, because they have been unable to prove the American people want better TV, will watch it, and will support the sponsors and products that make fine programs available."

Prof. Stasheff's remedy: "Postcards can be potent weapons in getting better programs. The voice of the viewer can be heard in the land if he will take the trouble to make his wishes known . . ."

Pro-liquor-advertising position of Francis M. Kadow's radio WOMT, Manitowoc, Wis. (Vol. 14:47) might have got Kadow into trouble with FCC had he not dropped it—for Commission renewed his license this week only after he announced he had backed out. Questions were about to be raised, might have precipitated fight within Commission. Commissioners aren't of one mind on subject—for example, Comr. Hyde opposes liquor commercials, Comr. Lee is in favor—and there's substantial doubt whether Commission has any right to raise question, anyway. In Tucson last week, Ariz. Bcstrs. Assn. voted unanimously to keep ban on liquor commercials. Pres. Tom Wallace, of KTKT, Tucson, stated: "What this resolution means is simply to reaffirm what has always been our position [and] to demonstrate that the broadcasting media recognize their responsibilities in the public interest."

"By the dawn's early light," 270,000 viewers across country sit in on NBC-TV's unique *Continental Classroom* (Vol. 14:43) with AEC consultant Dr. Harvey E. White of U of Cal. to learn about Sputnik-era physics. Network placed full-page newspaper ads this week to make this boast: "World's largest class" 6:15-6:45 a.m. Mon.-thru-Fri. is carried by 144 stations; 243 colleges & universities offer full academic credit for course; 27,000 students have mailed in 50¢ each for syllabus; total audience is estimated at 270,000 now.

**New & Upcoming Stations:** Two new starters were due on the air Nov. 30 & Dec. 1 and a 3rd began Nov. 27. The stations: WKBW-TV, Buffalo (Ch. 7), city's 3rd vhf, which begins Nov. 30 as ABC-TV basic; KVKM-TV, Monahans, Tex. (Ch. 9), due Dec. 1 as ABC-TV affiliate. On Nov. 27 KXAB-TV, Aberdeen, S. D. (Ch. 9) went on the air with CBS-TV & NBC-TV. These, plus the slated Dec. 1 resumption of WWOR-TV, Worcester, Mass. (Ch. 14) as satellite of Wm. Putnam's WWLP, Springfield, Mass. (Ch. 22) brings on-air total to 542 (84 uhf). WTOL-TV, Toledo (Ch. 11) reported at week's end that it has been delayed about week from meeting Dec. 1 target as CBS-TV basic. Also delayed from announced Nov. 27 start is Toledo's educational WGTE-TV (Ch. 30), now reporting Jan. 27 target.

Buffalo's WKBW-TV has 10-kw RCA transmitter and 1000-ft. Stainless tower with 12-section superturnstile antenna at 1420 Main St., in new building adjacent to radio WKBW. Principal owners are Clinton H. Churchill, pres.-gen. mgr., 51%, onetime pastor of Buffalo's Churchill Tabernacle; attorney Edward Kavinovsky, treas.-secy., 24%; Buffalo Waste Paper Co., 15%. John H. Norton Jr., onetime ABC v.p., recently gen. mgr. of WMTW-TV, Poland Spring, Me., is asst. to pres.; Alfred E. Anscombe, v.p. & 5% owner, station mgr.; Thomas E. Martin, sales mgr.; Floyd A. (Tim) Timberlake, ex-ABC-TV & RCA, chief engineer. Base hour is \$1000. Rep is Avery-Knodel.

KVKM-TV, Monahans, which is 30 mi. SW of Odessa, has 10-kw GE transmitter and 12-bay batwing antenna on 780-ft. Stainless tower. One-third owners are pres.-gen. mgr. J. Ross Rucker and J. B. Walton & wife Helen W. Walton, latter 2 also having ranching & oil interests. Hillman Taylor is station mgr.; Rubin Masters, ex-KNAC-TV, Ft. Smith, Ark., chief engineer. Base hour is \$250. Reps are Everett-McKinney and Clyde Melville.

Aberdeen's KXAB-TV is 4th in string of TV stations operated by John Boler as Market Maker group. Located in NE corner of state, 30 mi. from N. D. border, it has 10-kw RCA transmitter and 340-ft. Stainless tower with 6-bay antenna. KXAB-TV is picking up CBS-TV from Boler's KXJB-TV, Valley City, N. D. (Ch. 4) and NBC-TV from E. C. Reineke's WDAY-TV, Fargo, N. D. (Ch. 6), each about 120 mi. away. Other Boler stations are KXMC-TV, Minot (Ch. 13) & KBMB-TV, Bismarck (Ch. 12), latter operating in affiliation with KXJB-TV. Henry Benchler, ex-commercial mgr. of KXMC-TV, is KXAB-TV resident mgr. Base hour is \$150. Rep is Weed.

Texas Tall Tower Corp., joint enterprise of San Antonio's WOAI-TV (Ch. 4) & KENS-TV (Ch. 5), inaugurates use of 1531-ft. tower near Elmendorf Dec. 7 after 15 months of construction. With transmitters and associated equipment, project represents \$1,000,000 investment. It's 3rd tallest structure in the world, topped only by 1610-ft. spire of KSWS-TV, Roswell, N. M. (Ch. 8) and 1572-ft. tower of KWTW, Oklahoma City (Ch. 9). Stations will retain their downtown facilities as auxiliaries. Radio WOAI moved to the Elmendorf "antenna farm" Nov. 21, using new tower about 1/2-mi. from TV structure; previously, it operated near Selma, Tex., 3 3/4-mi. from Randolph Field, shifted because of hazard to jet aircraft.

E. M. Hoge, ex-NBC-TV network sales mgr., ex-mgr. of KOA, Denver, recently gen. mgr. of KSJB, Jamestown, N. D., has purchased KENA, Mena, Ark. (250 watts, 1450 kc) for \$42,500 from licensee R. B. Bell, subject to FCC approval. Broker was Blackburn & Co.

**Court Upholds Knoxville CP:** Experience does count, Court of Appeals ruled this week in sustaining FCC's grant of Knoxville's Ch. 10 to WBIR-TV, turning down appeal by Tennessee TV Inc. (Guilford Glazer, pres.). Other loser, Scripps-Howard's WNOX, didn't appeal. Judges Fahy, Burger & Bazelon delivered decision, Bazelon dissenting. Tennessee TV had argued that it should have won because of "diversification" factor, because it owns no communications media, but court held: "The diversification of media of communication that would result were the permit granted to appellant does not on the record so clearly warrant selection of appellant in the public interest as to outweigh other public benefits of the award to intervenor, at least to a degree that requires substitution of our judgment for that of the Commission. The Commission weighed all competing considerations, stating it was apparent appellant was superior not only with regard to diversification but also in local ownership and civic participation; however, the Commission added, 'We cannot conceive that the ownership by WBIR in Knoxville of a TV station can be of such grave concern as to outweigh WBIR's marked superiority in most other respects.' This was a conclusion we must recognize as one the Commission could reasonably reach on the record." Bazelon disagreed, said "the Commission has effectively nullified the diversification and anti-monopoly policy long since recognized as 'one of the basic underlying considerations in the enactment of the Communications Act,' quoting from a 1953 FCC report on multiple ownership. All 3 judges agreed on another point, that Tennessee TV had no "standing" to protest FCC's modification of WBIR-TV's CP in minor technical respects.

Anti-trust questions still worry FCC in connection with *Mansfield (O.) Journal*, which seeks to purchase local WCLW for \$45,000. In battle which went to U. S. Supreme Court in 1951, *Journal* was enjoined from certain practices—such as refusing to carry ads from advertisers using radio WMAN. WMAN and *Journal* have been battling ever since, WMAN asking Commission not to approve WCLW sale. *Journal* asserts that its ownership has changed completely, is now owned by estate of S. A. Horvitz, who had run the newspaper prior to and during anti-trust litigation. WMAN maintains that present owners still engage in monopolistic practices. Commission wrote to *Journal* this week, saying proposed purchase must go to hearing because "substantial question still exists as to whether the *Mansfield Journal* engages and will continue to engage in activities which are inconsistent with the FCC policy in the treatment of controversial issues and in business practices tending toward suppression of competition and attainment of monopoly in advertising and news dissemination."

CPs granted: Ch. 31, Huntsville, Ala., to Rocket City TV Inc. (John S. Gregory Jr., pres.); Ch. 70 & 76 translators in Quitaque & Turkey, Tex., to Valley Translator System; Ch. 82 translator in Laramie, Wyo., to Albany Electronics Inc. [For details, see *TV Addenda 27-M.*]

Final decision awarding Ch. 11, Houma, La. to St. Anthony TV Corp. (Frank Conwell, pres.) was issued by FCC this week, making effective immediately the initial decision issued Nov. 5—St. Anthony being sole applicant.

Facility changes: KVII, Amarillo (Ch. 7) Nov. 9 boosted power to 316-kw; KNAC-TV, Ft. Smith, Ark. (Ch. 5) Nov. 1 went to 100-kw; WMBD-TV, Peoria (Ch. 31) Nov. 23 went to 1000-kw.

# Fortune Magazine—The Prophet That Failed

Refutations of Arguments, First Advanced 7 Years Ago, That TV Is Going to the Dogs

*CBS researchers and economic planners, than whom there are none finer in the business, come forth with a cogent dissection of the much-discussed article "TV: The Light That Failed" in the Dec. Fortune Magazine. Their memorandum of reply, written for CBS's own executives and not designed for publication, alleges the article is based on unwarranted preconceptions, as was a similar aberrant essay in the same magazine in 1951, when commercial TV was only about 3 years old; is guilty of errors of fact and unsupported conclusions, notably in its economic appraisals; doesn't give the industry due credit for the superior things it has done and is doing, program-wise; omits even to mention the duress of Washington (the option time issue) which could really tend to degrade program quality. This document is not intended to prove that all's well with TV, whose critics seem to be increasing lately (pp. 1 & 4). It was not written for publication, and its replies to the Fortune article seem to us to be irrefutable, and certainly show Fortune up for some rather thin researching.*

**T**HIS IS NOT basically an original article. Much the same points were made in the same publication, *Fortune*, 7 years ago. In the Aug. 1951 *Fortune*, under nobody's by-line, appeared an essay entitled "TV's Time of Trouble." It may be illuminating to compare various conclusions of that 1951 anonymous article with the 1958 model as by-lined by Richard Austin Smith:

1951—"TV's Time of Trouble"

"Ownership figures reveal that an important percentage of the major TV market areas are already close to saturation."

"TV's novelty is no longer glittering enough to mesmerize just any advertiser into continuing a \$100,000 program, the size of whose audience is so much a matter of conjecture."

"Under the pressure of costs, many public-service and educational features have been squeezed from the scheduling . . ."

"Potentially subscription TV can open up a whole new world for movies and education, providing one with as many 'theaters' as there are homes, the other with the means of financing a university of the air."

1958—"TV: The Light That Failed"

"Third, the television 'audience' is almost at the saturation point."

". . . evidence is mounting that television is something less than all things to all advertisers."

No reference to public service other than a passing mention of *Continental Classroom*.

"The outcome, however, could very well be history repeating itself: the restraints imposed on television by its own commercial interests will simply result in the raising of a new empire, the competing one of Pay TV, and the crowning of a new set of kings."

Our purpose in pointing up the above comparison of the two *Fortune* articles is to establish a certain obvious historical context. In 1951, *Fortune* ran a summary of its piece which read: "The big story about TV today is no longer one of irresistible power. It lies rather in the unexpectedly strong bargaining position of TV's competitors heretofore given up for lost, and in the equally unexpected weaknesses of the new medium." That same summary might apply with complete accuracy to the "new" article in the Dec. 1958 issue.

Having adduced certain evidence that neither Time (Inc., of course), tide, rain, sleet, storm, black of night nor the passage of a full 7 years can alter the preconceived notions with which *Fortune* magazine views a competing medium, let us proceed to an ad seriatim bill of particulars about the 1958 presentation:

## Not a Word About Achievements in News

The Smith article leads off with an allusion to an Orson Wells TV program, *Fountain of Youth*. In describing the program a bit later on, Smith says, "Few TV dramas have ever received such nationwide acclaim." Among the quotations from reviews he adduces in support of this statement, none can be found from *Time*, *Broadcasting* or the *New York Times*. *Variety* did review the presentation, saying that it was "a mess of plottage . . . What Wells called a 'wacky comedy' actually

wasn't." *Broadcasting* and the *Times* didn't review it at all. Yet this one-shot drama, rather than any of the string of *Playhouse 90's* recent hits, or CBS-TV Network's unanimously praised election night coverage, or any of the excellent special programs presented by all 3 of the networks so far this year, becomes Mr. Smith's example of commercial TV at optimum.

It is worth noting that nowhere in the *Fortune* article is the TV medium's news and informational power even mentioned. And this cannot be an excusable omission. *Douglas Edwards with the News* is a commercially sponsored weekday evening show just as surely as *Your Hit Parade*. While it may not serve the purposes of Time Inc. to accept the fact that this single news vehicle has the largest audience of any such vehicle in the entire world, an article which presumes to call TV "The Light That Failed" might logically be expected to give the whole story of what TV's light is.

"The sad state of another year's programming has all but obscured a critical development that the public very much needs to understand. That development is simply this: TV's exotic economics have reached a stage where they cannot be depended upon to improve the product (the program). On the contrary, TV economics tend to establish and perpetuate mediocrity." The foregoing quotation from the *Fortune* video exegesis sets the stage for a series of false syllogisms. The first phrase of the quotation is prophetic not about TV but about the Smith article.

## Cannot See the Good for the Bad

"The sad state of another year's programming" is a fact only to *Fortune*, Mr. Smith and those other observers who cannot see the good for the bad. This, after all, is the year when Edward R. Murrow, himself no mean critic of the medium, has come up with another humdinger of a show, *Small World*, which has already furnished an exciting forum for stimulating scholars from Nehru to Muggeridge. This is the year when *Playhouse 90* has won such accolades as "sheer wizardry" (*Des Moines Register*) and daytime TV has been described, in the case of Arthur Godfrey's sessions with Jackie Gleason, as "the most entertaining, most stimulating daytime sessions in this viewer's memory." (*Boston Evening American*).

As a matter of fact, the best evidence of the inaccuracy of Mr. Smith's opening gambit is the testimony of Mr. Smith himself. In his article he lists shows he likes, "such as" *Playhouse 90*, the *Dinah Shore Chevy Show*, *Gunsmoke*, et al. Since he uses the word "such as," there presumably are other shows extant which he also finds attractive. Let it be noted, therefore, that 10 hours or more of prime program time per week are specifically commended in his article. This alone, without the addition of

any of the unnamed "such as" shows, and without any reference to the news and informational programs which Mr. Smith ignores completely is a pretty good batting average for the indicted medium.

"Television's exotic economics have reached a stage where they cannot be depended upon to improve the product (the program)," Mr. Smith goes on. This is presented as a verdict, but it is basically a forecast. As such, it deserves to be stacked against the 1951 *Fortune* comment that "some advertisers . . . are beginning to show grave concern about the muddled economics of the new marvel." In 1951, *Fortune* cited a cutback in TV expenditures by Chevrolet to prove the point. In 1958, with Chevrolet a bigger TV advertiser than ever, *Fortune* happily cites a couple of other automobiles, with even more glaring fallacies as noted later in this memo.

### A Look at the TV Ledger

Having begun the attack with some ancient history, Mr. Smith and *Fortune* next proceed to take a long hard look at TV's ledger. "For the first time in its history," says Mr. Smith, "the industry suffered a profit slump last year." He compares this to the fact that the 500 largest industrial corporations were "skinning through the year with a modest increase in earnings." He does *not*, repeat not, compare TV to its logical competitors—the press, the newspapers, the magazines, the book publishers, the motion picture industry, the stage, the spectator amusements. While he is not at all hesitant to cite debatable findings as to the relative advertising worth of video and printed media, he somehow neglects this comparison in the case of the press. He neglects, for example, to discuss the number of magazines that have been forced by economic crisis to merge or simply to go out of existence. He made no mention of decline in magazine advertising revenues. Nor does he make any mention of the fact that last year's income slump in TV was due very largely to one company's troubles and that CBS has just posted the largest nine month earnings in its history.

Some CBS figures which are pertinent to the Smith mention of "a cost-price squeeze" deserve notation: CBS Inc. revenues for the first 9 months of 1958 indicated a 9.2% increase over 1957. Profits reflected a 20% increase. TV network and station operations were the primary contributors to this increase. The CBS-TV Network during this period spent nearly 10% more for programs than in 1957.

The newsletter *Space and Time*, in its November 24th issue, reports that "network TV is up about 11%; spot TV is highest it's ever been. Direct mail has jumped because of higher postal rates, newspaper and magazine income is down."

### Joins the Wolf Pack vs. Option Time

*Fortune* and Mr. Smith are correct in stating that the FCC's consideration of proposals to abolish option time threaten the strength of network programming; unfortunately, the magazine does not follow this point through to its logical conclusion and sound the tocsin. Instead, it chooses apparently to join the wolf pack. *Fortune's* in-the-red colored glasses look at the TV "audience" (and why they put that word in quotes is beyond us) and find that it is "almost at the saturation point." They had said much the same thing back in 1951, long before we came even close to the present (*Fortune's* figures) 90% of all homes and a total of 47,500,000 TV receivers. The cute hitch here is that, as *Fortune* puts it, the audience will increase from here on "only as the population grows." The total number

of U. S. families is increasing at a rate of close to a million a year; within 10 years the total American TV audience can therefore be expected to be at least 20% higher than it is today.

"The audience," says *Fortune*, "is getting choosier. The fact that a growing sector of the audience is not disposed to sit in stupefaction before shoddy programs portends nothing but greater strain on TV's economic system." Going at this one from the latter obiter dictum, it seems only fair to observe that if an audience were to be found dissatisfied with existing programs the basic conclusion would be that TV's programming creativity, rather than its economic system, would be the aspect summoned to battle.

More important, however, is the basic misstatement that the audience is getting "choosier," if that implies that there is less viewing. The Jan.-Sept. average hours per day spent in viewing TV have gone up steadily—from 4.69 for the average viewer in 1955 to a peak of 4.98 hours in 1958.

*Fortune* reports that "television is something less than all things to all advertisers." This somewhat less than earthshaking revelation becomes the jumping off point for citation of "the classic instance" of Philip Morris dropping *I Love Lucy* in 1955 "because it wasn't selling cigarettes." Notably absent from *Fortune's* report of this incident is (a) the fact that other advertisers picked up *I Love Lucy* immediately, and (b) Philip Morris, like every other cigarette company, is a major TV advertiser today.

Citing Cadillac and Pontiac as auto companies which are disenchanted with TV as the major advertising medium, *Fortune* indulges in a syntactic to imply that the parent corporation agrees with this viewpoint. "Both General Motors divisions appear to have accepted the conclusion of their advertising agency," says Mr. Smith, without the slightest indication that many other General Motors divisions, notably Chevrolet, Buick, Oldsmobile & United Motors, are among the leading network TV advertisers today, or that Pontiac itself is the sponsor of such CBS-TV Network special shows as the *Victor Borge* program, *The Ginger Rogers Show* in October and the upcoming *Phil Silvers Revue*.

### Fallacious Sponsorship Statistics

The most incredible and at the same time unexpectedly impressive testimonial to the strength of TV comes in Mr. Smith's citing of Sindlinger statistics in an effort to prove that the Edsel spectacular with Bing Crosby and Frank Sinatra cut the market for the car from 191,000 potential sales to 88,000. Mr. Smith is here postulating that TV had such penetration that a single show was able to change the minds of half of Edsel's supposed customers. No mention is made, of course, of visits to dealers' showrooms, announcements of price or even of the general slump in car sales of which Edsel was a hapless part. Nor is any mention made of the fact that the very same company which marketed the Edsel is not only still sponsoring the *Ed Sullivan Show* and the *Ernie Ford* program but has also recently bought still another big program, the televised concerts of the New York Philharmonic.

Another example of the never-never land in which *Fortune* seems to be operating is a single paragraph which first says that Hazel Bishop was ruined by television and then, a couple of sentences lower down—in the very same paragraph—quotes Sindlinger saying television "is spectacularly good for such items as cosmetics, coffee and soap." Hazel Bishop, of course, is a cosmetics company. It is a far more convenient example of a cosmetics-in-televi-

sion, from *Fortune's* point of view, than Revlon. Revlon is a far bigger company and was made as big as it is by its brilliant use of television (which, of course, makes it a poor proof of *Fortune's* pudding).

We now arrive at the "have you stopped beating your wife?" phase of *Fortune's* disquisition. "As the medium loses its capacity to excite, to create, and to lead, its audiences will inevitably shrink." Up to this point, *Fortune* has not even mentioned any of the shows that have TV's prime "capacity to excite, to create, and to lead," any more than the magazine has been able to show a shrinkage of audience. It is here that the omission of the specials, the coverage of the Papal Coronation and the election, the Miss America Pageant, the presentation of "The Ruble War" etc. certainly deserve to be at least cited. But *Fortune* seems to be looking the other way, just as it has done with so many other worthwhile video presentations.

#### Effect of the Washington Attacks

There is no point in arguing *Fortune's* criticism of the weaknesses of current TV programming. In any year, programs range from superb to bad. It is of course pertinent to observe that *Fortune's* decrying of the lack of more network creativity is not accompanied—in its constant repetition throughout the piece—by any reiteration of the fact that Washington attacks on network practices, option time and the whole idea of network-created programs have set up roadblocks. *Fortune* would apparently rather prosecute than set things right.

The synthetic "problem" of TV's "light that failed" is no problem to *Fortune*. They have a solution. It happens to be the same solution they had 7 years ago. "The

curative force," says Mr. Smith, is Pay TV, which is sure to be brought into being "sooner rather than later."

Nor is *Fortune* handicapped by any need to state both sides of this fiery hot potato. It has conveniently at hand Skiatron's "initial poll" of California television set owners which purported to show that the viewer's only reaction about Pay TV was that 90 percent wanted it as soon as possible. There have been far more polls with reverse findings, such as those conducted by *TV Guide*, Elmo Roper, *Minneapolis Tribune*, *Cincinnati Post*, etc.—and directly antithetical expressions by the American Legion, the AFL-CIO, VFW, etc. None of these, curiously, finds space in *Fortune's* article.

As a closing observation, it is the seeming belief of *Fortune* that the function of network is to provide minority communication at the expense of the general public. This is certainly true of Pay TV, which would—as its advocates frankly have admitted—outbid free TV for all free TV's most popular offerings. It is a state of mind revealed in *Fortune's* characterization of *Wyatt Earp* as one of TV's puerilities, with no cognizance of the fact that this program has a rating more than 50% higher than its network's average.

Quality of reporting on major public issues by TV, radio, newspapers & magazines will be explored in new Fund for The Republic-financed 13-week educational TV series starting Dec. 18 on 40 commercial & ETV stations. Produced by WGBH-TV, Boston, filmed shows featuring discussions by specialists in top news fields are moderated by curator Louis M. Lyons of Nieman Fellowships at Harvard U.

**Gen. Sarnoff Lashes 'Fortune':** Irked by out-of-context quote in the Dec. *Fortune* article titled "TV: The Light That Failed," RCA chairman David Sarnoff this week wrote editor-in-chief Henry R. Luce to deny he had ever been interviewed for the article, that he had ever made the statement attributed to him, or that it represented his convictions. Seeking to make the point that networks are relinquishing control to sponsors of what's going on the air, *Fortune* quoted Gen. Sarnoff as saying: "We're in the same position as a plumber laying a pipe. We're not responsible for what goes through the pipe." He had, said Gen. Sarnoff, on various occasions compared the transmission facilities of wireless communications to a system of pipes laid by a plumber. But he has never disclaimed the broadcaster's responsibility for the programs he transmits; quite the contrary, he has urged that it be regarded "as a public trust, not merely another business." That's why, he continued in contradiction to the article's thesis, he brought to NBC in its early days Dr. Walter Damrosch's *Music Appreciation Hour*, Toscanini, Metropolitan Opera, ex-pres. James Rowland Angell of Yale to direct NBC's educational programs—"NBC assumes full responsibility for programs broadcast over its facilities," he stated. "This responsibility encompasses maintenance of a balanced schedule, consisting not only of broad appeal entertainment programs, but also presentations designed for specialized intellectual and cultural interests." Among the latter carried currently, he listed *Continental Classroom*, NBC Operas in English, *Meet the Press* and "a wide range of special presentations embracing great music, the classics of literature, science, news and public affairs. This is the kind of programming that 'goes through the pipe,' and NBC is responsible for it." Note: Network managements are convinced that the *Fortune* article, like *Time's* frequent sideswipes at TV, are

part of the "pattern of derogation" of TV as a competitive advertising medium against which then NBC pres. Robert W. Sarnoff took off quite vigorously in a widely quoted speech last June (Vol. 14:21 & Special Supplement).

**Network Study Up Again:** FCC's investigation of network practices is moving toward another climax, now that staff has concluded digest of hearings in 100pp. "findings" which commissioners are studying in preparation for meeting Dec. 8. Commission has been planning to submit findings to Justice Dept. so that latter could give its formal opinion on legality of option-time, must-buy, etc. Informally, Justice's anti-trust chief Victor Hansen and first asst. Robert Bicks have made flat assertions that option-time & must-buy are illegal (Vol. 14:18, 25). It's understood that staff's findings lean generally toward support of its original conclusions in Barrow Report, and some commissioners don't believe it should be sent to Justice without industry comments. Dec. 8 meeting may result in agreement to invite analysis by industry.

CBS Foundation Inc. will close applications Feb. 2 for 3rd group of 8 Columbia U news & public affairs fellowships, worth about \$8000 each, for study in academic year opening Sept. 1959. Fellowship plan is open to employes of CBS News, CBS stations & affiliates, staff employes of educational TV & radio stations and teachers of broadcast news techniques at colleges & universities.

Pasadena Tournament of Roses on New Year's Day, carried in color on NBC-TV last few years, will be broadcast over ABC-TV 11:30 a.m.-1:45 p.m. EST Jan. 1 under Quaker Oats sponsorship.

Roy E. Larsen, Time Inc. pres., named recipient of *Printers' Ink* 1958 Advertising Award, selected by group headed by J. Walter Thompson pres. Norman Strouse.

**Renewal-Form Changes Welcomed:** FCC's programming "guide" for stations—its license renewal form, in which licensee describes his schedule—is finally up for revision, as Commission starts rule-making which invites industry's comments on proposed changes. By-&-large, it's an industry-drafted document, and station operators are likely to find changes welcome.

"More realistic" is term commonly used to describe proposed changes. For example, present forms ask operators to list "talks" and "discussions" without describing substance of programs—such as agriculture, public affairs, etc. More accurate reporting of spots is provided, so that Commission can have clearer picture of "commercialization," which may be good for some stations, bad for others. New system would ask for length of spots. Old form asked for number, ignored length.

Another important change is definition of "commercial program" in 14-min. segments rather than 14½-min.; this permits 1-min. spot before or after a sustaining program, yet allows it to remain classified as "sustaining." Also, non-paid-for spots needn't be counted.

Schedules will look "more live," too, for FCC proposes that programs more than "half live" may be classified as "live." Separate category for "sporting events" is set up. Among other changes:

(1) Separate category for "education" is established, for description of programs "prepared by, or in behalf of, or in cooperation with educational organizations, exclusive of sporting events."

(2) Need for filing information on "wire" programs is eliminated.

(3) Exact copy of program log for the 7 days of composite week must be filed.

(4) Licensees are invited to describe schedules further, if they believe that renewal form alone doesn't reflect programs adequately.

(5) Less detail on employees is required.

Vote was 5-1, Craven dissenting, Bartley not participating. Craven spread himself in long, well-written statement reiterating his long-held conviction that renewal forms should be dispensed with altogether; that they're a form of censorship forbidden by law. He stated:

"The establishment of program categories, the Commission has long insisted, falls entirely within its regulatory powers since these categories serve merely as guideposts for the applicants and need not be followed. Such argument sounds quite reasonable to anyone not familiar with the practical application of these 'guideposts,' or the 'lifted eyebrow' technique used by this administrative

agency. But to one whose broadcast experience has been more practical than theoretical, it is obvious that no licensee is free to program according to his personal opinion as to what constitutes the best public service when he knows full well that his views are destined to be evaluated in the light of preconceived and pre-stated opinions of the regulating agency."

Craven maintains that Congress & courts intend that FCC supervise programming only to determine whether stations are violating the laws governing lotteries, obscenity, monopoly, etc.

Comr. Hyde came to defense of the renewal-form procedure in speech prepared for delivery at meeting of National Assn. of TV & Radio Farm Directors in Chicago Nov. 29. "It has even been suggested," he said, "that FCC renewal license application forms which require a report of past service by classification of program material operate as some kind of obstacle to the broadcaster. It seems to me that if a form which has been designed through the assistance of govt.-industry committees, essentially for assistance in reporting information, were employed in fact as a limiting factor and as a broadcaster's guide in lieu of applying his own imagination, initiative, interest in the community, creative ability and a desire to serve, the situation would be sad indeed. Any broadcaster, regardless of how diligent his efforts may be, must know that filling in application forms is not the purpose and goal of broadcasting . . .


"In brief, it becomes the FCC's responsibility to see that radio frequencies are made available for use as the law prescribes only by those who show in the first instance that they will satisfy the public trust required by law. At renewal time, it becomes a question of whether or not the licensee has kept faith with the public trust. In reviewing these basic principles, I am sure we must all be impressed with the idealism and high purpose of the objectives of the law as well as the breadth and scope of the challenge to the broadcaster and the grave responsibility imposed upon the Commission."

Since renewal forms must be approved by Budget Bureau, which has jurisdiction over all govt. forms, the new proposal was drafted by Bureau and FCC with help of an industry committee headed by Ben Strouse, pres. of WWDC, Washington & WMBR, Jacksonville. Strouse said that committee was "delighted" with proposal; that "we are sure that broadcast industry will greet the proposed new forms with enthusiasm." Rule-making is Docket No. 12673, with comments due Jan. 19, and document is Public Notice 58-1098 (Mimeo. 65861), copies available from Commission.

**Westinghouse TV Rep Plans:** When Westinghouse sets up its own TV representation firm next July 1, to be known as TV Advertising Representatives Inc., it will be headed by Larry H. Israel, presently gen. mgr. of its WJZ-TV, Baltimore, who will become a v.p. Firm starts with the 5 Westinghouse TV stations (Vol. 14:25), will be operated entirely separately from WBC's AM Radio Sales Corp., representing its 6 radio stations headed by Wilmot M. Losee (Vol. 14:46) and will also have offices in N. Y., Chicago, Detroit, Los Angeles & San Francisco. Until July 1, most of the Westinghouse stations (WBZ-TV & WBZ, Boston-Springfield; KYW-TV & KYW, Cleveland; KDKA-TV & KDKA, Pittsburgh; radio WOWO, Ft. Wayne; radio KEX, Portland) continue to be represented by Peters, Griffin, Woodward Inc.; WJZ-TV, Baltimore, by Blair; KPIX, San Francisco, by Katz. Successor to Israel in Baltimore remains to be appointed.

**Microwave to serve CATV systems in Pennsylvania** with signal of WRCA-TV, N. Y., sought by Penn Microwave, should not be granted, FCC was told this week by WNEP-TV, Scranton (Ch. 16). It urged that application be held up pending Commission's conclusion of its "small-town TV" inquiry (Vol. 14:28) or that application be designated for hearing. WNEP-TV asserted that Penn Microwave doesn't have WRCA-TV's permission to relay signal; that microwave isn't needed to bring service to an unserved area. Microwave would bring WRCA-TV signal to CATV systems in Bloomsburg, Williamsport, Sunbury, Shamokin & Mt. Carmel.

U. S. Census Bureau, now interviewing 36,500 households in 330 sampling areas to determine number of radios—and Radio Advertising Bureau, cooperating with Advertising Research Foundation—will publish new count of households with radios, including auto sets.



**Television Digest**  
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| Weekly Newsletters Published Saturdays<br>Television Factbooks Published in March & September<br>AM-FM Directory Published in January<br>TV and AM-FM Addenda Published Weekly | MARTIN CODEL, Publisher<br>ROBERT CADEL, Bus. Mgr.<br>ALBERT WARREN, Senior Ed.<br>WILLIAM WIGHT, Managing Ed.<br><br>Associate Editors:<br>WILBUR H. BALDINGER<br>PAUL STONE<br>WM. J. McMAHON Jr.<br>ANNE G. BJARBU |
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**Personal Notes:** Thomas B. McFadden, NBC-TV spot sales v.p., promoted as of Dec. 1 to new post of gen. sales exec. of NBC-TV network with responsibility for Eastern, Detroit, Los Angeles & San Francisco offices, reporting to Don Durgin, v.p. & national sales mgr.; Charles Abry, Eastern sales mgr., promoted to gen. sales exec. for Eastern & Detroit areas, reporting to McFadden; Richard H. Close, director, represented stations, takes over McFadden's former post as head of spot sales . . . C. Richard Evans' new Star Valley Electronics Inc., Thayne, Wyo., formed to manufacture and license an electronic guitar he invented, along with other advanced musical devices (Vol. 14:34), has been incorporated in Utah, will shortly be in production; an outstanding TV-radio engineer, he's ex-gen. mgr. of KSL-TV, Salt Lake City & KGMB-TV, Honolulu . . . Charles P. Manship Jr., who with brother Douglas L. Manship, pres. of WBRZ, Baton Rouge (Ch. 2), controls *Baton Rouge Advocate* and *State-Times*, last week took office as pres. of So. Newspaper Publishers Assn.; he's publisher of the newspaper . . . Roger Clipp, gen. mgr. of Triangle's WFIL-TV & WFIL, Philadelphia, elected chairman of TvB, succeeding Lawrence H. Rogers II, pres. & gen. mgr. of WSAZ-TV, Huntington, W. Va.; Norman E. Cash re-elected pres.; Otto Brandt, v.p. of KING-TV & KING, Seattle, elected secy.; Payson Hall, gen. mgr. of Meredith stations, treas. . . . David C. Adams, NBC exec. v.p., named TV-radio chairman of Muscular Dystrophy Assns. . . . Hubbell Robinson, exec. v.p. for programs of CBS-TV, named chairman of TV-radio div. of 1959 March of Dimes in N. Y. . . . Roger Garrett, ex-WSTV-TV sales mgr., named gen. mgr. of Friendly Group's WBOY-TV &

**ADVERTISING AGENCIES:** Paul L. Bradley resigns as N. Y. v.p. & gen. mgr. of Grant Adv.; agency now under direction of 3-man executive committee comprising v.p.'s John H. Pinto, Abbott Kimball, Lawrence D. Reedy . . . Rudy Behlmer promoted to TV-radio director of Grant Adv., Hollywood . . . Wm. J. Lyons, ex-Dowd, Redfield & Johnstone, named TV-radio supervisor of Ted Bates Adv. . . . Merlin E. Carlock, ex-vice chairman of Calkins & Holden, named chairman of Burke Dowling Adams . . . Reginald F. Pierce Jr. and Jerome H. Gordon promoted to v.p.'s of Kenyon & Eckhardt . . . Norman F. Best, ex-Erwin Wasey, Ruthrauff & Ryan, named v.p. of Campbell-Mithun Inc., Minneapolis . . . G. Douglas Morris promoted to senior v.p. of Lambert & Feasley, N. Y. . . . Harold Platt promoted to v.p. of Edward Weiss Adv., Chicago . . . C. Gilbert Sellman promoted to v.p. of McCann-Erickson affiliate Sales Communications Inc. . . . Robert Swanson, ex-BBDO and Cunningham & Walsh, author of Piel's and other jingles, has formed Robert Swanson Productions, 1 E. 54th St., N. Y. . . . Fred Nahas, ex-pres. of KXYZ, Houston, is now v.p. of Kamin-Nahas-Blumberg Adv., Houston, changed from Kamin Adv. to reflect new co-ownership with v.p. B. L. Blumberg & pres. Lester Kamin.

WBOY, Clarksburg, W. Va. . . . Chalmers H. Marquis Jr. promoted to program director of educational WTTW, Chicago, succeeding James Robertson, who joins Educational TV & Radio Center, Ann Arbor, as station relations director . . . Harold Ross, ex-NAB, recently on special project for AMST in Washington, joins NBC research dept. Dec. 1 . . . Edwin L. Dennis promoted to v.p. of KMBC-TV & KMBC, Kansas City . . . Nuel Pazdral named sales operations mgr. of KGO-TV, San Francisco, succeeding Chandler R. Meloy, now national spot sales mgr. . . . Wm. T. Lane, ex-gen. mgr. of WAGE, Syracuse, founder of old WLTV, Atlanta, now WLWA (Ch. 12), recently operating own public relations firm in Syracuse, has joined Carrier Corp., air-conditioner and heater manufacturer, as v.p. . . . Edwin C. Metcalfe promoted to v.p. of rep Weed in charge of Los Angeles office . . . Bill Hargan promoted to technical operations director of KSBW-TV, Salinas-Monterey, Cal. & satellite KSBY-TV, San Luis Obispo, succeeded as chief engineer by Wes Chaney . . . Ed Voynow, Chicago partner of Edward Petry & Co., who breeds and races horses (Vol. 14:46), named to Illinois state racing commission . . . Wm. B. Rohn, assisted by LeGrand Redfield Jr., heads new Petry marketing dept. . . . Roch Demers, chief engineer of CFCL-TV, Timmins, Ont., elected chairman of Central Canada Bestrs. Assn. . . . Hugh F. Gage promoted to v.p. of Wilding Picture Productions in charge of N. Y. office, succeeded as mid-west sales mgr., Chicago, by Clifford F. Weake . . . James R. Van de Velde, ex-production mgr. of WISN-TV, Milwaukee, named to newly created post of supervisor of program production for Triangle stations under John D. Scheuer Jr., director of programming & public relations.

**Obituary**

H. M. Dancer, 60, chairman of Dancer-Fitzgerald-Sample, died of a heart attack Nov. 21 while on vacation at Antigua, B. W. I.

Radio comedian Harry Einstein, 54, "Parkyakarkus" of Eddie Cantor show in the 1930s, died of a heart attack Nov. 24 in Beverly Hills.

John P. Jefferson, 38, CBS News asst. director, died of a heart attack Nov. 27 at Hartsdale, N. Y.

C. C. Duncan, asst. operations director, AT&T long lines dept., promoted to operating staff director; Paul W. Gaillard promoted to marketing director; James R. Rae, to chief engineer. Ernest H. Crabb, ex-division commercial mgr. in Washington, promoted to gen. marketing mgr., and Harold S. Salzman, ex-commercial mgr. in San Francisco, promoted to gen. sales mgr.

Mallyck & Bernton is new Washington TV-radio law firm, formed by Eugene T. Mallyck, ex-FCC Broadcast Bureau attorney, and Wm. P. Bernton, TV-radio specialist in firm of Sher, Oppenheimer & Harris. Partners are seeking office space, meanwhile have temporary quarters at Bernton's old firm—Woodward Bldg. (Republic 7-3028).

Simon H. Fabian, pres. of Stanley Warner Corp., elected temporary chairman of 6-man exec. committee organizing American Congress of Exhibitors to act for exhibitors in same way Eric Johnston's Motion Picture Assn. of America acts for producers & distributors.

**One More Hole-in-One:** To the list of industry folk who have made it (Vol. 14:46-47), add the name of W. R. (Bill) Roberson Jr., pres. & gen. mgr. of WITN, Washington, N. C. (Ch. 7). He scored his on a 146-yard hole on the Washington Yacht & Country Club course in 1950.

**USIA's Overseas TV Sizeup:** Foreign TV sets-in-use will total 50,000,000 within 4 years, more than doubling, in opinion of Romney Wheeler, ex-NBC London, new director of U. S. Information Agency's TV Service. In speech prepared for delivery before Birmingham Kiwanis Club Dec. 2, he speaks of "promise" of inter-American and transatlantic live transmissions by 1962, says foreign TV growth "will provide the U. S. with a chance to tell something about America and Americans to upwards of 200,000,000 persons."

"This is not hard sell," Wheeler asserts. "We only want them to get to know us—to understand us a little better—and to see for themselves that we don't resemble, even remotely, the Communist-inspired image of America."

USIA this week released its quarterly summary of foreign TV developments, estimates 21,585,200 sets-in-use outside U. S. & its territories, excluding Canada, as of Sept. 30—an increase of 1,400,000 in the quarter.

New station starters during the period numbered 79, USIA says, bringing total to 639, and it estimates total will reach 706 by end of year. Western Europe added 56, Latin America 7, Far East 5, Middle East, South Asia 2. USSR increased by 5, Czechoslovakia 2, East Germany 1, Red China 1.

Our own compilation of foreign TV data as of Aug. 1 is included in Foreign TV Directory section of *TV Factbook No. 27*, pp. 299-310. Copies of USIA's full 26pp. report may be obtained from the agency, at Washington 25, D.C. It's titled: *Overseas TV Developments—Quarterly Report, July 1-Sept. 30, 1958.*

**Baseball TV Cut Demanded:** Major baseball league player representatives are talking "drastic action" if owners don't agree at meeting in Washington next month to give them slice of regular-season TV-radio income, Associated Press reports. Players now get 60% of \$3,250,000 paid to clubs for broadcasting rights to World Series & All-Star Games, but don't share in big revenues from regular games. Size of TV-radio melon was indicated in report by players' attorney J. Norman Lewis, who had accounting team go over club records. Gross income of majors was \$32,035,481 in 1950—and \$42,836,327 in 1956, Lewis pointing out most of \$10,000,000 increase came from regular broadcasting fees. He had no figures for 1950 & 1951, but said TV-radio receipts in 1952 were \$4,164,939; 1953, \$4,746,206; 1954, \$5,755,683; 1955, \$6,122,303; 1956, \$7,306,259.

Russia will have TV network next year, reports 5-man U. S. delegation sent to Soviet Union last month by State Dept. to study broadcasting-recording techniques under East-West cultural exchange agreement (Vol. 14:43). Group was told by officials of State Committee for Broadcasting & Telecasting that initial network plan is to set up Moscow-Leningrad & Moscow-Kiev links. Delegation (Jerry Danzig, NBC; Ralph Harmon, Westinghouse; Mike Wallace, ABC; Ralph Cohn, Screen Gems; Burton Paulu, U of Minn.) spent 19 days in Russia, now is writing formal report for State Dept.

Philadelphia's WTEL (250 watts D, 860 kc) is being sold for \$500,000 by Foulkrod Radio Engineering Co. after more than 33 years of ownership to brothers John E. & George D. Hopkinson and Quentin C. Sturm. Hopkinson brothers are partners in Chicago radio rep firm Dwight & Assoc. Inc., also partners in a mail order business, and each owns 1/3 of WKAB, Mobile, Ala. Mr. Sturm owns other 1/3 of WKAB as well as 6.35% of WLOI, La Porte, Ind.

**Love That Radio Networking:** Interesting turn in current efforts to rehabilitate network radio (Vol. 14:44-46) came this week when *Oklahoma City Oklahoman's* WKY, an NBC radio affiliate, whose counterpart WKY-TV is basic on NBC-TV, announced the Nov. 27 termination of its longtime affiliation with NBC Radio, whereupon Todd Storz's recently acquired KOMA there immediately assumed the affiliation. Storz stations (others are WHB, Kansas City; WDGY, Minneapolis; WTIK, New Orleans; WQAM, Miami) have been prime examples of highly successful independent local operation. The WKY defection came in wake of refusal of WJR, Detroit, to go along with CBS's new PCP plan of radio network operation (Vol. 14:46), effective next Jan. 1, which CBS says is the only disaffiliation yet. Meanwhile, MBS did a bit of gloating, took full-page trade paper ads captioned, "We have a feeling we're being followed . . . by CBS"—and going on to say it pioneered CBS's new programming concept more than 16 months ago. "It works," said MBS, reporting clearances up, sales up, good results for sponsors (listing 28 "blue chip" advertisers using Mutual). The ad then carries this gleeful tag-line: "The feeling of confidence is Mutual!"

Fire gutted the home-office of United Broadcasting Co. pres. Richard Eaton in uptown Washington Nov. 25, causing \$30,000 damage and injuring 9 firemen. His 6-year-old daughter Francoise was rescued in the flames by a hired hand, 6 other children having made their escape earlier. Eaton has built up string of 7 radio stations (WOOK, Washington: WSID, Baltimore; WARK, Hagerstown, Md.; WINX, Rockville, Md.; WANT, Richmond; WYOU, Newport News; WJMO, Cleveland) since he fled France, where he published several rural weeklies, just ahead of the Nazi invasion. Five of his 7 children are adopted French orphans.

In filing transfer papers for WTRF-TV, Wheeling W. Va. (Ch. 7), it's revealed purchase price to new WTRF-TV Inc. (Vol. 14:46) is \$1,856,000. The brothers Albert, Raymond, Robert & Gordon Dix, Ohio newspaper publishers, boost holdings from 30% to 92.8% (23.2% each), with gen. mgr. Robert W. Ferguson owning remaining 7.2%. Oct. 1 profit & loss statement lists \$294,795 profit before taxes for year to that date vs. \$229,429 for same 1957 period. Oct. 31 balance sheet shows \$374,773 current assets, \$125,862 current liabilities, \$339,194 fixed assets, \$578,767 surplus.

Professional collegiate journalism fraternity Sigma Delta Chi elects: pres. James A. Byron, news editor of WBAP-TV & WBAP, Ft. Worth, first broadcaster so honored; honorary pres. Eugene C. Pulliam, pres. & publisher of Indianapolis *Star and News* (radio WIRE); v.p.-professional affairs V. M. Newton Jr., *Tampa Tribune* (WFLA-TV & WFLA); v.p.-undergraduate affairs Robert Root, Syracuse U; v.p.-expansion E. W. (Ted) Scripps, *Rocky Mountain News*, Denver; secy. Buren McCormack, *Wall St. Journal*; treas. Robert M. White II, *Mexico (Mo.) Ledger*.

Sylk brothers' Sun Ray Drug Co., Philadelphia area drugstore chain of 140 stores (total assets, \$12,800,000), which also owns radio WPEN there and has application pending before FCC to purchase WCKR, Miami, plans merger with Consolidated Retail Stores Co., A. H. Sonnabend-controlled N. Y. chain of 29 apparel stores.

NBC-TV primary affiliation was signed this week by WFRV-TV, Green Bay, Wis., effective May 23, 1959, replacing WMBV-TV, Marinette-Green Bay.



**MORE TV SET PRICES GOING UP:** It's now certain TV prices will be higher next year, for several more major set makers this week boosted prices or indicated plans to do so, most others deciding to wait for introduction of new lines later in Dec. Hard on heels of last week's Motorola price announcement (Vol. 14:47), RCA revealed it has increased suggested list prices on 16 of 28 basic models by \$10 to \$25 (color models not included), while GE market mgr. Jack S. Beldon said that "it may be necessary to boost prices on some models before the end of the year."

A 5% across-the-board price boost on new 1959 models is minimum expected by industry sources who say exact amount won't be known until one or 2 major set makers fix the pattern at upcoming distributor conventions. Distributor showings so far announced are: Motorola in Chicago, Dec. 5; Sylvania in Hollywood, Fla., Dec. 8-10; Zenith in Chicago, Dec. 16; Philco in Philadelphia, Jan. 2-4.

Once-a-year model changes for TV, like automobiles, may be presaged by RCA's plan to make practically no changes in its fall line this year. Spokesman said that there might be one or 2 drop-ins but no important changes in styling or engineering features. RCA's entire sales force, including field reps & regional managers, will attend sales sessions this week starting Mon. Dec. 1 at the Chalfont-Haddon Hall, Atlantic City, where 4 new radios will be shown and merchandising plans revealed.

**The Swing to FM Continues:** Pace of FM radio output continues to accelerate under the impetus of surging interest in stereo hi-fi. EIA, which began keeping industry figures on FM set production in July after a 4-year lapse, reports Oct. production was 59,586 sets vs. 14,408 in Sept., 21,335 in Aug., 11,816 in July.

Though only drop in the bucket compared with 9-month total (about 6,224,000 sets), Oct. FMs represented 4.6% of home radio production vs. 2.7% in Sept.

Rapid expansion of interest in FM indicates our earlier guess (Vol. 14:44) -- that about 300,000 FM radios will be built in U.S. in 1958 -- was a good one. It will be the best output since 1953 but still far behind FM heyday in late 1940s when there were 700 FM stations and set makers sold more than 1,000,000 sets annually.

**TV-Radio Production:** TV output was 116,530 sets in week ended Nov. 22 vs. 112,202 preceding week and 137,263 same week last year. Year's 46th week brought production to 4,408,092 sets vs. 5,690,275 same period last year. Radio output was 390,019 (137,678 auto) for week ended Nov. 22 vs. 364,943 (113,309 auto) preceding week and 442,416 (152,541 auto) same week last year. Radio production for the 46 weeks was 10,003,938 (3,048,190 auto) vs. 12,441,038 (4,766,193 auto) last year.

**GE & WESTINGHOUSE LATEST ANTI-TRUST TARGETS:** A curious foray into friendly U.S.-Canadian business relations was undertaken this week by the Justice Dept's perhaps over-zealous trust-busters -- and it could have just as important diplomatic as business implications. Complaint filed in the U.S. District Court for Southern N.Y. District charged GE & Westinghouse with manipulating their subsidiaries in Canada and the Canadian patent pool (Canadian Radio Patents Ltd.) so as to prevent export of radios & TVs from U.S. into rich Canadian market. Big N.V. Philips Gloeilampenfabrieken was also named defendant in the civil anti-trust suit, the complaint saying it comes within jurisdiction of Court because its subsidiaries do business in N.Y. Twelve other U.S. & Canadian companies, including RCA & Hazeltine, are named "co-conspirators" but not defendants.

GE & Westinghouse promptly replied that their Canadian subsidiaries are operated by Canadian managements and that parent companies do not "dictate or regulate" their affairs. Said GE v.p. & gen. counsel Ray H. Luebbe: "The proceeding is unfounded in fact, unwarranted in law and ill advised in terms of public policy. [It]

raises a serious question as to the extent to which the Justice Dept. should try to interfere with the legitimate attempts by friendly countries, particularly Canada, to foster and maintain essential industries within their own borders."

Said Westinghouse v.p. E. V. Huggins: "We don't run the Canadian company from the U.S. and don't intend to. Our patent operations never kept anyone out of Canada. Presently, 26% of Canadian Westinghouse is owned outside of Westinghouse and we only obtained majority control 3 years ago. So, when the Govt. talks about what happened 30 years ago, we can't be held responsible."

Canadian press erupted indignantly over what one paper termed another attempt by U.S. to dictate economic policy in Canada. Nov. 25 Toronto Globe & Mail called the Justice Dept.'s suit "an amazing piece of effrontery," and said "Justice Dept. in Washington now is trying to tell Canadians that they must stop promoting development of manufacturing in Canada and should buy their goods from U.S. instead."

Nov. 28 Wall Street Journal calls the suit an "Anti-trust Dilemma," opines that the "Justice Dept. should recognize the difficulties of trying to do business by U.S. laws and U.S. standards in lands of other laws and standards."

Impression among industry lawyers is that basis of civil suit was found in 1957 N.Y. grand jury proceeding out of which grew criminal anti-trust suit against RCA, settled only 4 weeks ago (Vol. 14:44) by a nolo contendere plea and imposition of \$25,000 fines on each of 4 counts. Some small manufacturers, they say, may have been hurt years ago by the Canadian patent pool, which, it is alleged, successfully stifled importation of U.S. radios & TVs, but most companies have long since solved problem by establishing plant facilities in Canada or by licensing agreements. [For additional details and comment on the suit, see below.]

**Intrigue in Canada?** Just how far U. S. can go in controlling the activities of foreign subsidiaries of American firms, is fine legal point raised by civil anti-trust suit filed this week against GE & Westinghouse (above), which alleges they conspired with their Canadian subsidiaries to operate a patent pool against the interests of U. S. foreign trade with Canada. Gist of the complaint, which also names as defendant Philips of Holland because it does business in N. Y. (North American Philips), is that both GE and Westinghouse Canadian subsidiaries were instrumental in setting up Canadian Radio Patents Ltd. which, in turn, was manipulated so as to make it virtually impossible for U. S. manufacturers to ship radios & TV receivers into Canada.

Result of the alleged conspiracy, complaint states, was to force U. S. firms to establish manufacturing facilities in Canada against their wishes and best interests. Complaint goes back to 1927 when, it alleges, Canadian patent pool began licensing all manufacturers of home entertainment apparatus in Canada under package licenses and using its resources in such a manner as to make it impractical for U. S. manufacturers to export to Canada. Canadian Radio Patents Ltd., it says, is owned in 5 equal shares by Canadian subsidiaries or affiliates of GE, Westinghouse, Philips, Western Electric, English Electric Co.

Suit names 12 co-conspirators, but does not include them as defendants, namely: Canadian Radio Patents Ltd., Canadian GE, Canadian Westinghouse, Canadian Radio Manufacturing Corp. Ltd., Rogers Majestic Electronics Ltd., Canadian Marconi Co., Northern Electric Co., RCA, RCA Victor Ltd., Western Electric, North American Philips Co., Hazeltine Corp.

Complaint alleges that defendants and co-conspirators

entered into agreements to "prevent, hinder & preclude the importation into Canada from the U. S. of home entertainment apparatus which could compete in the Canadian market with home entertainment apparatus manufactured in Canada by Canadian companies, including the Canadian subsidiaries or affiliates of each of the defendants."

This is accomplished in part, it states, by issuance of package licenses which require the licensee to manufacture only in Canada and "to refrain from importing" radios and TV sets manufactured in the U. S. Also, CRPL is said to have refused to license imports of radios & TV sets made in the U. S.; "threatened to institute, and has instituted, patent infringement suits against dealers undertaking to sell in Canada home entertainment apparatus manufactured in the U. S.;" and has "persuaded and induced Canadian Standards Assn. to refuse to approve, as unsafe, home entertainment apparatus not manufactured under license from CRPL."

Effects of this alleged conspiracy and combination, the complaint says, are that "trade between the U. S. and Canada in home entertainment apparatus has been unreasonably restrained"; that the Canadian market "has been virtually closed" to TV and radio sets made in U. S.; and that U. S. companies which otherwise would have exported home entertainment apparatus to Canada "have been compelled to manufacture such apparatus in Canada."

Zenith has purchased Central Electronics Inc., Chicago, manufacturer of single sideband equipment for radio amateurs and other electronic devices, will operate it as wholly owned subsidiary. Wesley R. Schum, founder of Central Electronics, was named Zenith v.p.

Motorola says production of 12,000,000 home & clock radios in its Quincy, Ill. plant over last 10 years entitles that town to call itself "Radio Capital of the World." They represented \$250,000,000 in sales, \$20,000,000 in payroll.

**Trade Personals:** Fred A. Martin promoted to gen. sales mgr. of Sylvania parts div.; W. H. Hendricks, ex-Meier Electric & Machine Co., named district sales mgr., Indianapolis . . . Thomas D. Fuller promoted to Sylvania special tube operations marketing mgr. . . Henry R. Pongetti promoted to purchasing agent, Motorola consumer products div. . . Albert E. Keleher promoted to market planning mgr., Raytheon govt. equipment div., succeeded as product sales mgr., communications systems dept., by Raymond Kendall, ex-Motorola . . . J. Seddon Allen, ex-King Allen Inc., named Admiral mid-South sales mgr. with headquarters in Memphis . . . E. K. Rogers promoted to Packard-Bell district sales mgr., Seattle . . . Wm. S. Nielsen, ex-Columbia Records, named sales director of Urania Records, succeeding David Rothfield, now with E. J. Korvette . . . Samuel Olchak resigns as sales mgr. of Paramount Enterprises Hallmark div.

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**ELECTRONICS PERSONALS:** Dr. Robert Huntoon named Bureau of Standards deputy director, continuing as assoc. director for physics . . . Dr. Carl E. Barnes promoted to research v.p. of Minnesota Mining & Mfg. . . Dr. Edward E. Davis, Bell Labs director of visual & acoustics research, named 1958 "outstanding alumnus" of Ga. Institute of Technology . . . Dr. Harry G. Romig, ex-Summers Gyroscope, named reliability director of Hoffman Labs . . . Malbon H. Jennings promoted to military requirements director of Ramo-Wooldridge with headquarters in Washington . . . Herbert Rosen, ex-Washington editor of *Electronic Week*, named deputy public information officer of National Aeronautics & Space Administration.

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Richard D. Thornton, MIT asst. prof. of electrical engineering, receives IRE's 1959 W. R. G. Baker Award for best paper published in *Transactions of the IRE Professional Groups*, for "Active RC Networks." Franklin H. Blecher, Bell Labs, gets 1959 Browder J. Thompson Memorial Prize Award for paper "Design Principles for Single Loop Transistor Feedback Amplifiers."

Robert G. Hufford, Eastman Kodak, named 1959-60 chairman of Hollywood Section, SMPTE; Carl W. Hauge, Consolidated Film, is secy.-treas. Board now includes Ralph E. Lowell, NBC-TV; Wm. E. Gephart, General Film; James P. Corcoran, 20th Century-Fox; with holdovers Theodore Grenier, ABC; James T. Pettus, RCA.

Add U. S. Naval Academy graduates in the broadcasting industry (Vol. 14:38): George F. Rester, Class of '44, then for 5 years in submarine service, latterly as lieut. comdr. He served awhile with NBC engineering, then with RCA broadcast marketing group in Camden, now is TV field sales rep for RCA, in Pa., Del., N. J.

William White resigns as member of Sylvania board due to conflict of interests resulting from proposed merger of Sylvania with General Telephone Corp. (Vol. 14:45); he's also a director of AT&T.

Marconi's Wireless Telegraph Co. has elevated gen. mgr. F. N. Sutherland to managing director and member of board.

Frank M. Folsom, ex-pres. of RCA, now chairman of its exec. committee, elected a director of Crown Cork & Seal Co.

**Obituary**

Harvey W. Harper, 80, founder-chairman of Tung-Sol Electric, Newark, died Nov. 23 at his home in Belleair, Fla.

**GE's Color Studio-on-Wheels:** One of most elaborate mobile TV units ever put together, GE's new 18-ton, \$250,000 aluminum trailer was turned over this week to Army Pictorial Center, Long Island City, N. Y. after being shown off in Washington to military & other govt. officials at studios of WTOP-TV. The 3-camera setup was bought by Army "to determine the degree of importance of color TV in military applications," according to Lt. Col. Hollis Dakin, TV chief of Pictorial Center. GE suggests that it may be used for "covering maneuvers, missile launchings, atomic problems and medical training programs." Wm. J. Morlock, gen. mgr. of GE technical products dept., says that the highly transistorized equipment, under ordinary studio conditions, would take up 4-5 times as much space as that provided by the 35x8-ft. aluminum trailer. In addition to TV gear, it has complete audio recording equipment. Though it doesn't have own power-generating equipment, it has built-in 9-ton air-conditioning & heating unit. It will take crew of 12-14. GE engineers are particularly proud of their compact color cameras, report 8-9 have been sold to stations since introduction at NAB convention this year.

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Hi-fi enthusiasts may now join Institute of High Fidelity, 125 E. 23rd St., N. Y., adjunct of Institute of High Fidelity Mfrs., by paying \$10 annual dues, and will receive 12-mo. hi-fi package including: Choice of special test tape or disc; free 6-mo. subscription to one of 5 popular hi-fi magazines; book on high fidelity, regular issues of newsletter reporting advance data on new equipment and latest developments in field, free admission to hi-fi shows in various cities.

RCA announces transfer of radio & hi-fi production from Canonsburg, Pa. to Indianapolis & Cambridge, O., temporarily curtailing operations at Canonsburg plant until machinery is set up for manufacture of "another type of electronic equipment." Also announced was expansion of Bloomington, Ind. plant, which makes black-&white and color TV sets, and transfer of Findlay, O. plant to RCA semiconductor & materials div. for production of transistors and other semiconductors.

An improved Cuban market for U. S. TVs & radios may be expected in near future, reports Commerce Dept. *Foreign Commerce Weekly*. It estimated 95% of TV and 70% of radio imports are from U. S., balance from West Germany, Netherlands, Japan. Report states that "trade sources do not anticipate Cuban market in foreseeable future will justify establishment of TV and radio production facilities on the island."

IRE's 1959 Directory, listing names and addresses of all its 70,000 members, with half of more than 1000pp. volume being an alphabetical directory of manufacturers by product groups, with advertising, is being distributed this month to members. Also out is 620pp. *IRE Purchasing Directory* listing all vendors.

American TV & Radio Co., St. Paul, manufacturer of ATR brand TV sets, has acquired Eckstein Radio & TV, Minneapolis, where it plans to establish its radio receiver branch and continue production of private label sets for Gamble-Skogmo and Western Auto Supply.

New microwave system (MCR-1000) in 5925-8500-mc band, designed for voice, teleprinter, facsimile, supervisory control telemetering, etc., has been introduced by Raytheon, due for Oct. 1959 delivery.

Emerson introduces combination stereo hi-fi, TV & radio priced at \$348—said to be "most complete home entertainment unit on market today."

**FCC Probe—End of The Line:** Oft-headlined life of House Commerce legislative oversight subcommittee came to a frustrated, inglorious end this week, Chairman Harris (D-Ark.) winding up 11-month "influence" manhunt through Federal agencies with his last big case—mystery of Pittsburgh Ch. 4 phantoms (Vol. 14:47)—still unsolved.

After 2 days of hearings in which Ch. 4 case witnesses managed to compound—instead of clarify—confusion about "bribery" rumors involving ex-FCC chairman George C. McConnaughey, Harris—his face flushed—gave up. He adjourned subcommittee, set final executive session for Dec. 10, said no more public hearings will be held. At the Dec. meeting, his special House investigating unit, whose official life closes at end of year, is expected to decide whether to ask incoming Congress to revive it. Members are split on question.

One positive development came at end of hearings. Into voluminous record of this year's subcommittee hearings went letter to Harris from FCC Chairman Doerfer. Result of Nov. 20 conference between Harris, Doerfer & Comr. Hyde, it promised "affirmative action" by Commission in 2 areas in which "influence" investigation has been centered.

Doerfer wrote that FCC's recommendations to 86th Congress for legislation would include these Communications Act changes: (1) Amendment of Sec. 409(c) on *ex parte* pressures to "prohibit any person (except as authorized by law) from making a presentation to the Commissioners except on the record." Prohibition presumably would apply to members of Congress as well as principals & lawyers in FCC cases. (2) Deletion of Sec. 4(b) permitting payment of "honorariums" by outsiders to Commissioners for speeches, etc.

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Traveling in circles as it attempted to trace gossip that McConnaughey's vote on Pittsburgh Ch. 4 in 1957 was for sale, subcommittee otherwise accomplished nothing. It developed neither substantiation nor refutation of hearsay allegations which were called "inconceivable" by McConnaughey himself on stand last week. "It's perfectly ridiculous," said Harris angrily. "It's a strange situation," agreed Rep. O'Hara (R-Minn.)

Ch. 4 principal who seemed to be chief spreader of rumors about McConnaughey—pres. Earl F. Reed of TV

City, which combined with Hearst's WCAE to win Pittsburgh grant—was recalled as one of last unproductive witnesses. He was put—impatiently—through repetitious questioning about his earlier story (Vol. 14:46) that somebody told him McConnaughey sought \$50,000 from TV City.

Reed blandly assured subcommittee: "I have no idea where I got the information. I have no recollection." He was equally vague in his memory of who leaked fact to him that at one point FCC was tied 3-3 on Ch. 4 award. Nor could he recall, he insisted, who tipped him off that TV City's Washington counsel George O. Sutton planned law association with McConnaughey after latter left Commission June 30, 1957. Harris waved him off stand after 55 fruitless minutes.

Another Ch. 4 principal summoned for return appearance before the subcommittee—Reed's law partner & TV City secy. Lee W. Eckels—was no more helpful in identifying sources of gossip he said he'd heard. "I can't recall," he said repeatedly. He was on stand 20 minutes.

Earlier Wm. G. Matta of Matta Enterprises, one of 3 Ch. 4 applicants which withdrew from Pittsburgh case after TV City & Hearst paid them \$50,000 each for "out-of-pocket" expenses, added another to many contradictions in case. He swore that he didn't start the 1957 report—as Reed had testified—that Hearst offered McConnaughey \$20,000 per year. "I heard it on the telephone from Mr. Reed," said Matta.

Harris started out in subcommittee's windup week to try to develop his own theory that maybe Ch. 4 rumors—which subcommittee itself first spread on the public record in Sept. without any attempt to sift them (Vol. 14:39)—"were created with a design to influence proceedings before the FCC." But he got nowhere with this thesis, either.

This week, subcommittee staff attorney Stephen J. Angland, anticipating end of his job when unit shuts shop, sent letters to subcommittee members saying he wouldn't continue as aide even if Congress renews its life. He said subcommitteemen "have done a very excellent job in handling what at times were almost completely intolerable situations." But he also expressed hope that "a more professional approach" would be made by any such investigating subcommittee next session.

Composition of U. S. families—size, number of children, ages, urban or rural, white or non-white, etc.—is described by Bureau of Census in new 15pp. *Household and Family Characteristics: March 1958*, available for 25¢ from the Bureau or Commerce Dept. field offices.

## Financial Reports:

Dividends: Zenith, 50¢ plus \$2 extra, both payable Dec. 29 to stockholders of record Dec. 12, plus \$2 special Jan. 30 to holders Jan. 9 . . . Hoffman Electronics, 25¢ Dec. 31 to holders Dec. 17 . . . Sprague Electric, 30¢ Dec. 13 to holders Dec. 1 . . . Arvin Industries, 25¢ Dec. 27 to holders Dec. 8 . . . Television-Electronics Fund, 45¢ Nov. 29 to holders Nov. 3 . . . Philco, 2% stock Dec. 26 to holders Dec. 8 . . . Decca Records, 25¢ Dec. 29 to holders Dec. 15.

Reports & comments available: On improved business prospects for 1959 as seen by presidents of 109 major corporations in poll reported in Dec. *Review & Modern Industry* of Dun & Bradstreet, 99 Church St., N. Y. . . AB-PT, brief by Auchincloss, Parker & Redpath, 729 15th St., Washington, D. C. . . On west coast electronic companies, special survey by Shearson, Hammil & Co., 14 Wall St., N. Y.

Loew's theatre-radio spinoff, complying with 6-year-old govt. anti-trust consent decree divorcing movie houses from film production & distribution (Vol. 14:44), was approved this week by N. Y. Federal District Judge Palmieri. When plan is worked out in 2-4 months, Loew's 102 U. S. & Canadian theatres and N. Y. radio WMGM will be placed in separate company. Still under parent Loew's will be MGM, 49 overseas theatres, TV interests (25% of KTTV, Los Angeles and \$33,000,000 in contracts for pre-1948 film), record & music publishing companies.

Music Corp. of America holdings in Republic Pictures, big distributor of films to TV, have been bought by syndicate organized by Republic directors Herbert J. Yates & Victor N. Carter, price undisclosed. MCA had held about 85,000 of 2,004,190 outstanding Republic shares.

ORRadio Industries, which lost \$41,000 in first fiscal half ended Aug. 31 (Vol. 14:43), reports loss of \$36,700 for 8 months ended Oct. 31.