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

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N.Y. J.

## SUMMARY-INDEX OF WEEK'S NEWS

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**SPECIAL SURVEY REPORT:**

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**VHF DROP-INS SET STAGE** for Senate hearing; Providence & Grand Rapids favored in close FCC vote. Rule-making deadline extended to April 19 (p. 1).

**FCC POWER & POLICY**—industry view, as offered by highest-level spokesmen at Commission hearings; Stanton, Sarnoff, McGannon, Fellows are heard (pp. 2 & 4).

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**TV-RADIO PROFITS UP:** 6 TV-radio-phono companies announce increased sales & profits in latest financial reports. Philco & Emerson report major gains, GT&E, Westinghouse, Siegler, Packard Bell also upbeat (p. 24).

**Technology**

**STEREO COMMITTEE STYMIED** by FCC's rejection of move to woo RCA & CBS into fold. Committee may be disbanded (pp. 2 & 21).

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**VHF DROP-INS SET STAGE FOR SENATE HEARING:** Sen. Pastore (D-R.I.) ought to be happy when he starts his TV allocations hearing Feb. 2, for FCC has finally proposed to satisfy his yearning for a 3rd vhf channel in Providence. Last week, Commission moved to implement its proposed short-spacing vhf drop-in plan, by proposing to shift Ch. 6 from New Bedford, Mass. to Providence. It also proposed to add either Ch. 13 or Ch. 11 to Grand Rapids-Kalamazoo area via mileage cuts.

Vote was close, 4-3, on Grand Rapids—Hyde, Bartley & Lee dissenting. Lee was absent during Providence vote, undoubtedly would have joined Hyde & Bartley in dissenting.

Pastore has said he wants to determine FCC allocation policy once & for all, and his Communications Subcommittee has set aside whole of Feb. 2 through Feb. 5 for job—may even sit Wed., FCC's regular meeting day. At week's end, in addition to FCC, testimony was expected from ABC vp Alfred Beckman, Rep. Ayres (D-O.) of Akron, Akron school supt. Martin Essex, William Putnam, pres. of uhf WWLP Springfield, Mass.

Bartley & Lee were brusque in their dissents. They couldn't find sense in proposing drop-ins using proposed standards—and tending to make the "interim" drop-in plan the "long-range" plan before a "long-range" decision has been made. Industry got a slight breather, meanwhile, when Commission extended from Feb. 19 to April 19 its deadline for comments on the drop-in proposal. FCC also finalized addition of Ch. 3 to Corpus Christi; this is a normally-spaced assignment.

**FCC POWER & POLICY—INDUSTRY'S VIEW:** With one brilliantly-presented exception, recommendations given to FCC last week by industry's very top spokesmen, boiled down to this: The Commission has some obligation to judge whether a licensee is doing anything to determine & meet his community's needs. The best way to do this is to ask the licensee to tell the Commission, in "narrative" form, what he has done & plans to do. Then, if he is caught in a lie, he should be punished—because of his unreliable character, but not because of the nature of his programming.

That was the advice given by NBC Pres. Robert W. Sarnoff, NAB Pres. Harold E. Fellows, NAB constitutional lawyer Whitney North Seymour and Westinghouse Bcstg. Pres. Donald H. McGannon. ABC Pres. Leonard H. Goldenson testifies Feb. 1. (For details of last week's testimony, see p. 4.)

The sharp exception was CBS Pres. Frank Stanton. His position: Any FCC examination of an applicant's "character" would inevitably lead to evaluation of his programs as the most significant measure of character—starting an unstoppable march to strict govt. control of programming. Stanton could see no reason for asking an applicant to tell what he has done to seek out a community's programming needs unless the Commission intends to judge whether the needs were subsequently-filled. Otherwise, he said, the procedure would be merely "a field day for lawyers."

The "narrative" & "search out needs" idea could be termed the "Ford concept" because it was Comr. Ford who first broached it, in exactly the terms advocated by industry last week, in his Aug. 28, 1959, speech before W. Va. Bcstrs. Assn. (Vol. 15:35 p5).

Surprising result of industry's recommendations is that FCC Chmn. Doerfer found himself without major industry support (Stanton excepted) in his position that Commission has absolutely no power to touch programming in any manner. So disturbed was he that he told Fellows that he noted inconsistencies in his testimony and wondered whether he fully represented position of NAB membership & boards.

"Self-regulation" was theme of the week, generally, with witnesses asserting that quiz-rigging & payola were eradicated as soon as industry learned about them. Some spokesmen, however, had no objection to forbidding such practices by criminal statute.

Strong testimony against licensing of networks was offered by Sarnoff & Stanton. They could see no purpose in it unless it would be to put a finger on network programming—which, of course, would be anathema.

The "narrative-on-needs" concept has a lot of support, now that the tremendous hearing is almost over. It may be adopted eventually. What isn't clear yet, even from Comr. Ford, is what FCC would or could do if it found the narratives dull.

**FCC REBUFF STYMIES STEREO COMMITTEE:** The woe-beset National Stereophonic Radio Committee last week took a body blow which may prove fatal: FCC rejected its request to sponsor its reorganization into a truly representative all-industry group. At week's end, the EIA-sponsored NSRC—behind in its work of evaluating & testing FM stereo systems—seemed to be on the verge of disbanding. The answer may come this week.

FCC ended NSRC's hopes of regaining the right to be called an "all-industry group" when it rejected the committee's request to be reorganized under FCC supervision along the lines of the recent TV Allocations Study Organization (Vol. 15:49 p5). This would have carried reasonable assurance of immunity from anti-trust charges, permitting RCA & CBS to rejoin the fold. Those important companies backed out last year on advice of their attorneys against participating in such an unofficial intra-industry group.

Behind the scenes, FCC's reason for rejecting the request—made last Oct.—was understood to be based on a lack of personnel. Under the proposed reorganization, an FCC attorney would have been required to chair every subcommittee & panel meeting. The Commission did say it would reconsider its turndown after FM stereo proceedings are over, before AM stereo deliberations.

The Commission's letter also nudged NSRC to meet March 15 deadline for comments on FM stereo, for which FCC said it had established a "high priority." It added it would not consider AM or TV stereo until after the conclusion of the FM stereo proceeding. (Text of FCC's letter to EIA is on p. 21.)

Adding to NSRC's troubles, it was learned last week that its chairman, GE's C. Graydon Lloyd, has submitted his resignation because he will be required to devote all of his time to an intensive management course to which his company has assigned him.



It's possible that NSRC will file some sort of comments with FCC on FM—but no complete report. Field testing hasn't yet been started, and won't by the March 15 deadline—a deadline which the FCC seems determined not to extend. Report of the systems-specifications panel is nearly complete, and this will probably compose the bulk of any NSRC filing with FCC. The panel has established specifications of 5 basic systems (8 systems, including different variations). It's still possible that some NSRC field testing could be carried on after the filing of the original comments, if NSRC is still in existence. The field test results could be submitted to FCC in the form of comments on the rule-making proposal which the Commission says it will issue "shortly after March 15."

What is the significance of NSRC's trouble? It probably means still more delay in establishment of FM & AM stereo radio standards. The industry group, composed of top engineers, was designed to assist FCC in comparing & evaluating systems and equipment, field testing, studying stereophonic effect, etc. Now it's likely that much of this work will be left to FCC engineers & to individual manufacturers acting on their own.

Commission hopes to put out notice of rule-making on FM stereo soon after March 16 comments deadline. From then on, best guess is it will allow 90 days for comments on rule-making proposal, another 30 days for reply comments, follow up with oral argument. While one optimistic FCC source expressed view that FM stereo rules could be promulgated next fall, other Washington realists said "next year."

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Interest in AM stereo systems continues to run high, even though the FCC says it won't look at them until after FM deliberations are over. RCA has just completed 60 days of tests over NBC's WRCA N.Y. and is preparing a report to FCC on its findings.

Kahn Research Labs last week petitioned FCC for approval of its AM stereo system, which uses left sideband for one channel, right sideband for the other, and can be received stereophonically with 2 conventional receivers or monaurally with a single set. Kahn's petition notes that 4 foreign stations have already purchased equipment for its stereo system and that it has received orders from 3 U.S. stations for its gear "contingent upon FCC authorization of experimental licenses." The Commission has been reluctant to authorize experimental authorization, its understood, on grounds that Kahn hasn't provided enough technical data. Kahn's application is 3rd for AM stereo now on file. Others are by RCA & Philco. Commission consideration of AM stereo this year now seems unlikely.

**IT'S COMEDY FOR NEXT SEASON:** The laugh, relegated to stepchild status when Westerns took over TV, will make a strong comeback to dominate TV next season. Our check of virtually every production company in Hollywood reveals that at least 70 comedy pilots are being groomed for sale (see p. 7).

Comedies are far & away the most popular form of pilot in the approximately 200 now being planned or filmed. Telefilm production executives believe swing to comedy is reaction to preponderance of Westerns and public criticism of too much violence, and that this is last season for horse-opera saturation.

Western is down, but not out. About 30 such pilots are being planned, their producers believing that while there will never again be such a rash of sagebrush sagas, there will always be room for the quality Western, such as Gunsmoke or Wagon Train.

Other information from our survey: Aside from that striking emphasis on comedy, there is healthy balance in other types of pilot programming—about 25 action and 20 adventure pilots, 5 anthologies, 11 dramatic series, 4 mysteries, only 3 private eyes, 2 melodramas. Our last year's survey led us to predict that Westerns would dominate TV (Vol. 15:13 p2)—which they did. This despite the fact there were only 25 Western pilots planned, as compared with the 70 comedies of this year. (Complete tabulation of our survey accompanies this issue as a special supplement.)

**TELEPROMPTER UNDER ATTACK:** Drastic action to dissolve TelePrompTer Corp. and Floyd Patterson Enterprises was taken by N.Y. State Attorney General Louis J. Lefkowitz last week. Both are charged with "attempting to dominate control of lucrative ancillary rights" to heavyweight bouts.

"Master monopoly plan" to enable TPT Pres. Irving Kahn & Patterson's manager Cus D'Amato to exercise complete control over management, gate and TV-radio-film rights, was also charged.

Kahn promptly declared his firm's innocence (see p. 14), adding via a spokesman that Lefkowitz "could never make his case stand up" and that the N.Y. state official had "dusted off a 60-year-old law to grab some investigation headlines."



## The FCC

### More about

**FIRST TEAM TESTIFIES:** FCC members were clearly impressed with the skill & candor of the industry's leading spokesmen as they testified in the programming hearing last week (see p. 2). The reverse was true, too—for the Commissioners have become very well educated during the long hours of testimony, probably the best educated on the subject in the history of the agency. Herewith is a summary of the witnesses:

Frank Stanton, CBS pres., termed the FCC hearing "the most important & critical in my quarter of a century in broadcasting." He analyzed the role of TV and stated: "We must face the fact that it is a major part of our function to try to appeal to most of the people most of the time." Examining CBS's schedule, however, he asserted that it has "a considerable range & variety."

Stanton cited the advantages of the Doerfer public-service plan but stated: "Our acceptance of the principles of the plan, of course, was in no way a concession that it is proper for the govt. to impose such a requirement." CBS, he said, has chosen Mon. & Fri. for its half-hour programs under the plan, and its affiliates will take every 3rd Fri. CBS will leave unchanged its plans for *CBS Reports*.

There has been "legitimate criticism" of commercials, Stanton said, and CBS is tightening its principles on "personal products & remedies." Beyond that, CBS is intensifying efforts to verify claims, actually witnessing demonstrations whenever practicable.

#### **CBS Will Call Tune on TV Dramas**

Stanton said advertisers may have had too large a role in programming, so CBS is tightening its own control of serious drama as follows: "If the advertiser's objection on grounds of detriment to his product or good will is well founded, either: (a) The network will cure the objection, if in its judgment, it can do so by making changes which do not impair the program. Or (b) if the objection can be cured only by changes impairing the program, the network will broadcast the program without change, and without obligation to the advertiser for the program. If the advertiser's objection on grounds of detriment to his product or good will is not well founded, the CBS-TV network will not change the program or the element involved, will proceed with the broadcast, and will hold the advertiser to his contractual commitment."

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

Robert W. Sarnoff, NBC chmn., stating that FCC does have a certain limited role in program review, suggested that the Commission require applicants to describe in narrative form their evaluations of their communities' needs and their plans to meet them. Then, he said, the Commission should form a judgment, using a "standard of reason-

ableness." This standard, he said, should be applied as follows: "In each case, the Commission would review the application to determine whether it reflected a service unreasonable on its face. Disregard by a licensee of his own program projections without reasonable justification could be . . . a departure from the standard I have proposed."

Counsel for NBC—the firm of Cahill, Gordon, Reindel & Ohl, along with NBC vp-gen. attorney Thomas E. Ervin—submitted a legal memo backing Sarnoff's concept and stating that FCC has no authority to prescribe or proscribe any specific program. The memo concludes:

"An application for renewal may be denied where it appears that an applicant's representations as to what his programming would be were not honestly made, or where he fails to make a reasonable effort to meet the goals which he has described for himself in his application. Such a procedure aimed at holding the applicant to a responsibility which he has himself defined again avoids the imposition by the Commission of its own standards of taste & social value.

"An application for renewal may also be denied where an applicant's persistent participation in fraudulent or deceptive practices demonstrates that his character does not qualify him for the holding of a license."

Sarnoff's testimony covered just about every major topic currently debated.

"The primary public-interest role of broadcasting for the majority of viewers & listeners," he said, "is to satisfy their needs for relaxation & diversion . . . what interests the public is an important measure of the public interest . . .

#### **NBC Seeks to Serve All TV Tastes**

"NBC's concept of a TV service in the public interest is one that gives reasonable satisfaction to the varying interests of the main audience elements; which does so by proportioning its program structure in general to the relative weights of these varying elements; which does not allow majority tastes to suppress a fair reflection of minority interests and does not frustrate majority interests by converting a mass medium into a specialized one.

"Beyond these balancing factors, we believe that broadcasters in a democracy have an obligation to lead the audience by providing information that will equip them for better citizenship, and by offering opportunities to enjoy the arts so as to broaden & cultivate taste."

He said that TV stations, because of their relative scarcity, must offer balanced schedules individually, whereas the plentiful radio stations may properly specialize—abandoning old concepts of "balance."

Answering critics, Sarnoff analyzed NBC's Dec. 1959 schedule and asserted that there was a great deal of news, public affairs, information and cultural programming "that might tempt a selective viewer." He also alluded to the Doerfer-sponsored public-service plan (Vol. 16:4 p2) and stated: "We at NBC are presenting far more of these programs [that the plan provided] but we welcome govt. permission to get together with the other networks on a scheduling pattern that will spread . . . the networks' programs in these areas across the weekly calendar."

Against the charges of "mediocrity," he quoted similar allegations against current drama & fiction and concluded: "In terms of the sheer volume of creative effort to fill more than the waking day, every day of the year, TV undertakes a challenge unparalleled in the history of human expression . . . No broadcaster tries to put on a poor show or even an ordinary show . . . In spite of this dedication and its frequently successful results, the ordinary TV show—like the ordinary play, book or movie—will always be with us."



Westerns & mysteries, Sarnoff said, comprise only 6% & 7%, respectively, of NBC's hours—less than NBC's news & interview shows, comedy-variety and audience participation output. He acknowledged that all Westerns & mysteries combined—from all networks & other sources—seem like a lot. "But," he concluded, "I do not know what standard of taste can be established & enforced to reduce the number of these programs in the total TV output, short of inviting Big Brother to plan & coordinate all the TV schedules in the land."

Sarnoff denied that there is much adverse advertiser influence. "In the largest sense," he asserted, "the influence of advertising on broadcasting is expansive & not restrictive, because it makes possible the resources for all we do, sponsored or unsponsored."

Ratings, he said, are misunderstood, comprising "only one of the factors in program planning, and as our schedule makes clear, our program judgments & decisions involve considerations other than the size of audience alone." He said NBC is trying to discourage the abuse of ratings by refusing to publicize them—particularly the "flagrant myth" of the "Top 10."

TV commercials can stand comparison with advertising in any other medium, Sarnoff said.

He opposed the licensing of networks for many reasons, including: (1) Networks don't use spectrum. (2) The logical extension would require licensing of other program suppliers. (3) Stations, which use network's output, are already licensed. (4) Confusing divisions of legal responsibility between stations & networks. (5) "To give effect to its review of a network's program service, the Commission would have to assure that the affiliated stations carried the full network schedule . . . This is an example of how ill-conceived, unnecessary regulation can beget still more regulation.

Harold E. Fellows, NAB pres. reiterated his theses: that self-regulation is the answer to programming abuses and that the Constitution guarantees freedom of speech to broadcasting just as it does to printed media. Herewith is the nub of his presentation, stating how far he believes the FCC can go in seeing to it that licensees use the airwaves for the "public interest, convenience, and necessity."

#### Favors 'Narrative' Over Statistical Report

"The present requirement for a broadcaster to submit to the Commission a statistical breakdown of his programming activity is unrealistic & unnecessary. We believe it would be far more useful to the Commission and responsive to the public interest if the broadcaster, in applying for renewal, recited in narrative form the steps he had been taking in the preceding 3 years to determine the public interest, at the same time relating the changes that had taken place in his programming pattern and the local manifestations that impelled those changes . . .

"If in its review of such narrative reports, the Commission should find no evidence of a *bona fide* effort on the licensee's part to respond 'to the wants of a responsible element of the community' or should find, for example, that deceptive advertisements were knowingly broadcast, then there would arise such question concerning the licensee's character that the Commission should investigate the matter further . . .

"The Commission has the right to expect that a licensee will program according to public wants and not for purely private whim. In the determination of this obligation, a narrative recital would be much more meaningful than any statistical or mechanical comparison of 'promise vs. performance.'"

To illustrate what NAB is doing to improve industry self-regulation, Fellows listed these Code Board plans:

(1) "An increase in monitoring directed in a qualitative sense to program content over & beyond the monitoring of quantitative & qualitative commercial performance."

(2) Liaison, in N.Y., with advertisers, agencies and producers of film commercials, so that questions regarding commercials "might be hammered out to the greater satisfaction of the public . . . FCC . . . FTC and . . . TV industry."

(3) An expanded Code budget, to be discussed at a special Feb. 28 meeting, with the recommendations to be considered by the full TV Board in March.

(4) Consideration of "every possible means of making the Seal & Code subscription by a station a more important factor in the public's mind, and therefore a more important asset to a station."

(5) Meetings with AAAA & ANA "looking toward the inclusion of language in both agency & advertiser contracts meeting the point that the commercials supplied to the broadcaster are produced in compliance with provisions of the TV Code."

(6) Inform Code members of methods to curb payola.

(7) Invitations to the White House, FCC & FTC to relay to the Code Board all complaints they receive—these to be given the same treatment they'd get if they were received directly by the Board.

(8) Work with networks to increase affiliates' information about future network programs.

#### McGannon For Over-All Performance Review

Donald H. McGannon, pres. of Westinghouse Bestg. Co., made it clear that he believes the FCC has the duty to examine a licensee's over-all performance—and should get more statutory authority to do so if it doesn't believe it has enough. His 64-page statement ended with 7 recommendations:

(1) FCC shouldn't license networks but should make sure affiliates have sufficient knowledge of upcoming network programs to be able to judge whether they should be carried.

(2) Support of FCC Chmn. Doerfer's network public-service suggestions.

(3) Enact anti-payola "commercial bribery" law.

(4) Federal financial support of ETV stations.

(5) Recognition that FCC has "ample" power to review licensee performance at renewal time.

(6) Enactment of law giving FCC punitive powers less severe than revocation—"such as fining the licensee."

(7) FCC "continue to give active support & recognition" to the TV Code & other self-regulatory activities, and ask licensees to state whether they subscribe to Codes.

E. V. Huggins, chmn. of Westinghouse Bestg. Co., testified to the policy of parent Westinghouse Electric Co.—giving the TV-radio subsidiary much autonomy.

Other witnesses of the week included W. D. (Dub) Rogers, pres. of KDUB-TV Lubbock, Tex. and the West Texas TV Network (KDUB-TV, KPAR-TV Sweetwater, KEDY-TV Big Spring, KVER-TV Clovis, N.M.); Whitney North Seymour, pres.-elect of American Bar Assn., who was retained by NAB for the proceedings to explore constitutional issues in govt. controls of programming; Theodore S. Repplier, Advertising Council pres; Pres. Novice G. Fawcett of Ohio State U., TV & radio chmn. of the American Assn. of Land Grant Colleges & State Universities; J. Jeffery Auer, exec. vp of the Speech Assn. of America, representing 7,500 college teachers; Sydney M. Kaye, BMI chmn. & gen. counsel; and Robert F. Hurleigh, MBS pres.



Record was closed on St. Louis Ch. 2 "influence" hearing last week by special FCC examiner Horace Stern, following a day in Philadelphia spent clearing up previous testimony by ex-FCC Comr. Robert F. Jones (Vol. 16:4 p7). Retained for \$55,000 by Signal Hill Telecasting Corp. (KTVI) as special counsel in its winning fight for the grant, Jones had first testified he had made no ex-parte approaches to FCC members. But while Comr. Craven was in Geneva at last year's International Telecommunications Union conference, FCC attorneys found a letter, an engineering map and a procedural time table from Jones in Craven's personal files. The St. Louis case documents had been marked "confidential" by Jones. Recalled to the stand, Jones said he still couldn't recall the off-the-record communications to Craven, who abstained from the final vote on Ch. 2. But he conceded he must have sent them. At one point in the hearing, examiner Stern asked Jones "what your views are in regard to the ethics or the propriety of that kind of a communication." Jones replied that in his 1947-52 experience as an FCC member, "I believe that Congressmen & Commissioners & practitioners did make ex-parte representations to the Commission or Commissioners." He recalled that the late Sen. Taft (R-O.) once called him about a Cincinnati case. Ending the hearing, Stern called for briefs by Feb. 23, said he'd need no more than 2 weeks after that to decide on his recommendations.

Ex-FCC Comr. Richard A. Mack entered Miami's Memorial Institute for psychiatric examination Jan. 28—and prospects of his retrial on Miami Ch. 10 conspiracy charges (Vol. 16:4 p7) were put in doubt. Mack & co-defendant Miami lawyer Thurman A. Whiteside had first been scheduled to face trial again in Washington's U.S. District Court Jan. 25. But Judge Alexander Holtzoff postponed it until Feb. 2 because Mack's lawyer Nicholas J. Chase was involved in another trial. Then came word from Miami that Mack had gone voluntarily to the hospital for observation & examination after his father, Charles Mack, signed a court petition stating that Mack's mind was "wandering." As a result, Judge Holtzoff called off the Feb. 2 retrial date, put govt. & defense counsel on 24-hour notice Jan. 29 to be ready to take up the case against if it is determined that Mack is able to stand trial.

Anti-payola rules under consideration by FCC include requiring stations to do the following: (1) Tell employes about the requirements of Sec. 317 of the Communications Act. (2) Make employes report payola offers immediately. (3) Notify FCC within 10 days of each payola offer—and what was done about it. The Commission is considering, as an alternative, simply quoting Attorney General Rogers' recommendations to President Eisenhower, proposing to embody them in rules. Either approach would be issued as proposed rule-making, and industry comments would be invited.

"Inside story" of the Geneva conference of the International Telecommunications Union last year will be told Feb. 1 at a meeting of IRE's Washington section. Members of the U.S. delegation are scheduled to discuss "How Are We Conserving our National Resource—the Radio Spectrum?" They include FCC Comr. Craven, delegation chairman; William H. Watkins, chief of FCC's frequency allocation & treaty div.; Capt. Paul Miles, exec. secy. of OCDM's Interdepartment Radio Advisory Committee.

FCC set aside its Dec. 29 grant of Helena, Mont. Ch. 10 to Helena TV Inc., headed by community antenna operator W. L. Piehl, acting on its own motion to conduct a hearing on "financial questions."

## Congress

**PAYOLA PROBE STAGE SET:** House investigators of TV & radio payola went into close-door dress rehearsals last week for opening of their upcoming show Feb. 8 (Vol. 16:4 p2) in the big caucus room of the old House Office Bldg.

In the atmosphere of secrecy in which Chmn. Harris (D-Ark.) enjoys operating, members of the Commerce Legislative Oversight Subcommittee met for 2 days running in a conference room on the 3rd floor of the New House Office Bldg. to go over the cast & script for next week's public hearings.

Names of the stars billed for the payola probe were withheld by the subcommittee, and neither Harris nor any other Oversighters, caught by reporters as they ducked in & out of the secret session, would disclose specifics of hearing performances being planned. Neither would they identify a prospective witness who was interviewed both days—one meeting lasting 6 hours.

But the mysterious stranger in the room was ex-producer Anthony Mammarella of Dick Clark's ABC-TV *American Bandstand*. He quit that job last Nov.—at the start of the subcommittee's payola investigations in the field—rather than submit to an ultimatum by the network that all personnel must divest themselves of any financial interests in music publishing fields (Vol. 15:47 p5). Headliner Clark did sign the pledge, however.

Harris said he couldn't say "categorically" that Mammarella or Clark or any other witness would be called to the stand for public testimony, repeating that the cast of characters wouldn't be revealed until just before the hearings start—if then.

### Disc Jockeys, Distributors Subpoenaed

Other subcommittee sources also kept a tight silence on the cast of characters, going only so far as to say "quite a few" subpoenas to appear have been served on disc jockeys, record distributors—"and others." One such summons was reported to have gone to Clark, but his attorney—ex-FCC Chmn. Paul A. Porter—wouldn't confirm or deny it.

Accompanied by 2 lawyers, Mammarella himself told reporters after his lengthy interviews that he hadn't been told by the subcommittee whether he would be summoned to the stand. All he was told, he said, was that the Oversighters had no further questions for him now. On the advice of his counsel, he had nothing to say about what questions had been put to him.

Meanwhile one subcommittee member—Rep. Moss (D-Cal.)—made a speech on the general subject of payola. He went before the Woman's National Democratic Club in Washington to charge that FCC & FTC were dragging their feet in the govt.'s anti-payola campaigns.

Moss said FCC is "a parole officer frightened to death of the parolee." Calling for "more timely & vigorous action" by FCC & FTC, he maintained that "ever since the investigation into rigging began, FCC has been most reluctant to make anything like full use of its powers under the law."

In addition to making plans for the payola quiz, the Oversighters last week went over a lengthy draft of a staff-prepared report & legislative recommendations on 1959 TV quiz hearings. The document wasn't finally approved, however, and release of it was delayed another week at least.



**Long-snagged radio treaties**—the North American Regional Broadcasting Agreement & U.S.-Mexican Pact (Vol. 15:28 p5)—have been hauled out for another attempt at unraveling by the Senate. A Foreign Relations subcommittee headed by Sen. Morse (D-Ore.) meets this week to vote on recommendations for the 2 treaties, following another in a series of hearings on their terms. He said he hoped a compromise report to the full committee would be adopted and started on its way to the Senate floor for ratification. As usual, a strong pitch for ratification was made at the hearings by FCC Comr. Hyde, urging adoption of the pacts—without reservations. As usual, the Daytime Bcstrs. Assn. (Benedict P. Cottone) asked for a reservation permitting further U.S. negotiations with Mexico for longer operating hours on Mexican clear channels. And the Clear Channel Bcstg. Service (Gayle Gupton) wanted more U.S. talks with Canada on higher powers for U.S. clear-channel stations. Witnesses supporting FCC & ratification included Westinghouse Bcstg. Co.'s Donald H. McGannon, Meredith Stations' Payson Hall, Washington communications lawyer Andrew G. Haley, the Regional Bcstg. Assn.'s Hollis Seavey. In a floor speech, Sen. Wiley (R-Wis.) urged that the treaties "be handled expeditiously and reported as soon as possible." He submitted letters from home-state stations as evidence of a "widespread feeling [that] the agreements should be approved."

Standard Oil's rescue of the *Play of the Week* drama series on WNTA-TV N.Y. (Vol. 16:3 p14) was hailed in a *Congressional Record* statement by Sen. Neuberger (D-Ore.) as an example of a sponsor's hands-off-programming policy which "other advertisers should likewise adhere to." He said that in staying aloof from "the content & personnel" of *Play of the Week*, Standard of N.J. displayed "detachment" which can prevent "the humiliation of further rigged shows & similar debacles." Neuberger also had high praise for NBC-TV's "Destiny West" Jan. 24 as a contrast to shows "glorifying crime, sex, violence, sadism, and corruption." He said he wanted to "commend all associated with this splendid TV spectacle."

TV & radio public service is forgotten in "all the hue & cry on Capitol Hill about 'payola' & 'rigged' quiz shows," NAB organizational services mgr. Frederick H. Garrigus said in a Columbus speech. Addressing a joint meeting of the Radio-TV Executives Club and Theta Sigma Phi alumnae there, he protested that it's "one part of broadcasting which legislators seem reluctant to admit exists to any degree." Garrigus pointed out that in 1959 alone, counting only 14 "major" public-service campaigns conducted by the Advertising Council, TV & radio networks and their advertisers contributed \$75 million in time & talent.

OCDM should be scrapped as "a haven for defeated politicians, sub-average planners and boondoggling bureaucrats," according to Sen. Young (D-O.). In a Senate floor speech he singled out local civil defense programs for criticism, but didn't except OCDM's Washington jurisdiction, which includes the Interdepartment Radio Advisory Committee. "If we cut off the head of the outmoded octopus here in Washington, its wasteful satellites in state & local govt. will soon wither away," Young said.

**Committee replacement:** Rep. Curtin (R-Pa.), first elected to the House in 1956, has been assigned to the Commerce Committee headed by Rep. Harris (D-Ark.). A Morrisville lawyer, he fills a vacancy caused by the death of Rep. Bush (R-Pa.), 3rd ranking minority member of the Committee. Under House procedure, Curtin goes to the end of the seniority list of 12 Republicans.

## Film & Tape

### More about

**NEXT SEASON'S SHOWS:** Right now Hollywood is busily in the midst of its annual multi-million-dollar pilot gamble—a gamble because experience has demonstrated that only 10%-12% of the 200 pilots made will sell. The overall loss from unsold pilots this season will probably exceed \$8 million—even after allowing for the practice of salvaging some rejected pilots by including them in going anthology series (see p. 3).

While the average pilot cost its producers about \$40,000 in the past, that figure has been upped to about \$55,000. (Some 30-min. pilots are made for as much as \$100,000.) The reason for the soaring price is not so much increased production costs as competition which compels producers to put more quality into their pilots and shoot on longer schedules. Another reason is the increase in 60-min. pilots. More of these will be filmed this winter & spring than ever before, despite the fact that a number of them bogged down into mediocrity this season. This is outweighed by the producers' knowledge that the gains are immeasurably greater if they can come through with a good 60-min. entry. For documentation, they point to the durable popularity of *77 Sunset Strip*, *Wagon Train* and *Perry Mason* which in their minds offsets such early-season disasters as *5 Fingers* and *The Lineup*, both cancelled.

Although we have made as comprehensive a check as possible on pilot activities in Hollywood, it is limited by the policy of some companies to keep pilot projects secret. Our report is in the Supplement with this issue.

**NETWORKS & INDEPENDENTS ON HONEYMOON:** Independent TV film producers in Hollywood, who have habitually complained that the networks favor house-made shows, are talking in more subdued tones these days. Reason: The 3 networks are financing about 30 pilots being made by independents & subsidiaries of major movie studios. Some 20 companies are involved.

While this is still only a small portion of the approximately 200 pilots being made this season (see Supplement accompanying this issue), it's a lifesaver for many an independent. For it not only helps him financially, but it gives him a better chance to sell the show. Deals are still being made, but here's the rundown to date:

**ABC-TV:** *Simon Lash*, *Unsolved*, both from Allied Artists. *Stagecoach West*, *J.P.*, both from Four Star Television. *Joaquin Murietta*, Goodson-Todman. *Calvin & Clyde*, Mark VII Ltd. *Snowfire*, McGowan Productions. *The Islanders*, *Asphalt Jungle*, both from MGM-TV. *Naked City*, Herbert Leonard in association with Screen Gems.

**CBS-TV:** *For the Love of Mike*, Screen Gems. *Savage of the Deep*, Ziv TV. *Mr. Bevis*, Cayuga Productions. *Man on the Beach* and *Little Green Book*, La Mesa Productions. *K-9 Corps*, Sharpe-Lewis Productions. *601 Park Ave.*, *Charlie Paradise*, *Diary of a Nurse*, *Radigan's Quest*, an untitled comedy, and *Plot 9*, Plautus Productions. *Oh! Those Bells*, Davana Productions. Untitled comedy, Arness & Co.

**NBC-TV:** *Port of Entry* and *Brady*, Jack Chertok Television. *Michael Shayne*, Four Star. *The Marriage*, Goodson-Todman. *Doowinkle, D. A.*, Henry Jaffe Enterprises. *Father of the Bride*, MGM-TV. Untitled comedy, SR Productions. *Klondike*, Ziv TV. *Double Jeopardy*, Sagebrush Productions.



**SAG & WGA STRIKE DEVELOPMENTS:** Confronted with movie management's face-to-face refusal to give it any part of post-1948 revenue from sales to TV, Screen Actors Guild last week delayed its threatened movie strike for at least a month. SAG's board will conduct a mail referendum of its 14,000 members, seeking strike authorization. Results may appear as late as Feb. 26 and, of course, authorization does not start a strike; it merely empowers the board to call one. A strike vote requires 75% assent from members, and such a strike would affect only movie production, not TV films.

It's apparent that the presidents of the major studios have made a strong impression on SAG with their unanimous stand on the key post-1948 issue, and enthusiasm for a strike is waning. This by no means implies there won't be one. The Guild has taken such a strong position on the post-1948s it will be difficult to retreat. Also, SAG has already collected some post-1948 money from independent producers; if it relinquishes its demand on the majors, will it have to repay?

Meanwhile, IATSE, which represents Hollywood crafts, met with SAG and Writers Guild of America on the matter to explore the possibility of obtaining post-1948 money.

TV production has not been noticeably hurt by the Writers Guild of America strike which began Jan. 16. For example, at Revue, the top TV company in Hollywood, production was moving at full speed on every series when we were there last week. WGA, meanwhile, extended its contract with the networks a week—until Feb. 6—because some progress had been made and there will be more negotiations. The contract originally would have expired Jan. 31. TV producers don't have to concern themselves about a Screen Actors Guild strike in the near future, since negotiations between SAG and TV independents haven't even begun, and the contract expiration date is March 31 when many series will have finished production for the season.

Symposia on video tape will be sponsored by Ampex in 4 sections of the country. The 2-day sessions, under the general title of "2 Years of Tape," are aimed especially at station operators, will cover "all phases of TV tape," technical & non-technical. Operation & design will be discussed and "several exciting new products" will be introduced, according to Ampex. In addition to Ampex representatives, local station operators will be invited to participate in panels & shirtsleeve sessions. First session will be held in San Francisco—beginning Feb. 2 at KGO-TV and concluding Feb. 3 at the St. Francis Hotel. Other symposia are scheduled for Chicago Feb. 8-9, Washington Feb. 15-16 and Hollywood Feb. 24-25, locations to be announced.

"Medicine—1960" will be tape-syndicated by Screen Gems as its first venture in the non-film syndication field. Designed to keep stations in step with the growing number of network-level public-affairs shows, the 12-episode series of 60-min. medical documentaries is packaged by San Francisco producer Lawrence Williams. Most *Medicine-1960* shows are built around actual surgical operations, with KRON-TV crews handling the hospital-location recording.

Radio & TV Directors Guild has disaffiliated from the AFL-CIO as a result of its merger agreement with the unaffiliated Screen Directors Guild (Vol. 15:50 p14). In severing its AFL-CIO ties, RTDG said it wanted "to continue our present mutually beneficial relationships with other AFL-CIO unions in the entertainment industry."

**Strike Is Tough On Hyphenates:** A harrassed producer-writer remarked to us the other day: "What am I supposed to do? The Writers Guild of America orders me not to write, and the company I work for reminds me they're paying for my services as a writer as well as producer." The so-called "hyphenated" writer-producer has become the man in the middle in WGA's strike against the major movie studios and Alliance of Television Film Producers which began Jan. 16. (Vol. 16:4).

Aware of the weakness of its position if such members were to continue writing, WGA has warned them flatly, threatening disciplinary action as severe as expulsion.

The Guild's warnings to such members have provoked the Alliance into charging WGA with misrepresentation. WGA has counter-charged that the Alliance is inviting strike-breaking. Alliance Pres. Richard W. Jencks added that the law does not permit any union to establish a blacklist based on non-compliance with its strike orders.

TV film producers who are also writers include Everett Freeman (*Bachelor Father*), Gene Wang (*Philip Marlowe*), Charles Marquis Warren (*Rawhide*), Sam Rolfe (*Hotel de Paree*), Rod Serling (*Twilight Zone*), John Robinson (*Wanted—Dead or Alive*), Aaron Spelling (*Johnny Ringo*), Antony Ellis (*Black Saddle*), Joe Connelly, Bob Mosher (*Leave It to Beaver*), Don McGuire (*Hennessey*), Marvin Marx (*Goldie*), Louis Derman (*The Gale Storm Show*), David Dortort (*Bonanza*), Blake Edwards (*Peter Gunn*), Charles Hoffman (*Bourbon Street Beat*), Stanley Niss (*Hawaiian Eye*), Coles Trapnell (*Maverick*), Maxwell Shane (*M Squad*), John Larkin (*Riverboat*), Harry Tugend (*GE Theatre*), Warren Duff (*Markham*).

In addition, pilots are in the works by producer-writers such as Parke Levy (*Pete & Gladys*), Ray Singer & Dick Chevillat (*Hot Off the Wire*), Phil Rapp (*Man of the House* and *I Married a Dog*), Al Lewis & Sid Dorfman (*One Happy Family*), Paul Mohash (*The Paradise Kid* and *Steven V*), Alan J. Lerner (*Harry's Girls* and *P.S. From Paris*), Seton Miller (*Diamond Jim Brady*), Frank Gruber (*Johnny Fletcher*), Tom Waldman (*The Boston Terrier*), Art and Jo Napoleon (*Sea Rover*), Stanley Roberts (*Harkrider & Sweeney*, an untitled comedy, and *Where Did You Go? Out, What Did You Do? Nothing*), Hal Kanter (*Down Home* and an untitled comedy).

William Bendix, star of the 60-min. *Overland Trail* series that replaces *Riverboat* on NBC-TV Feb. 7, claims his show has "the most complicated production setup" in TV. He told us its profits & residuals will be carved up between no less than 4 co-producing companies: Revue Productions (parent of the project for facilities & sales), Stagecoach Productions (Nat Holt & Sam Peeples, producers), Bilben Productions (Bendix's own production company) and NBC-TV (a financial partner & production participant). Gagged Bendix: "With all these guys in bed, plus talent residuals, we'll be lucky to have any money at all. I'm just doing the show because TV is an art form."

A \$4 million damage suit has been filed against KCOP commentator Tom Duggan in Los Angeles federal court by Jake (The Barber) Factor, who charged libel, slander and an invasion of privacy in remarks allegedly made on Duggan's program last Dec. 2. Also named as defendants: Chicago newsman Ray Brennan, Pennington Press, Marrick Lithograph Corp. and 4 Los Angeles book stores. Factor asserted Brennan made "willful & malicious" attacks against his integrity on Duggan's show, and he charged both Duggan & Brennan hinted that Factor gave false testimony at the trial of the late Roger Touhy, convicted of kidnapping Factor.

Edd (Kookie) Byrnes, who plays a car-parking attendant in his starring role in *77 Sunset Strip*, took a job parking cars for the Sands Hotel in Las Vegas, but only lasted a day. Byrnes, on suspension from Warner Bros. because of an impasse over his demands for a contract re-adjustment (Vol. 15:44 et seq.) quit when the Teamsters Union pointed out that some of their parking-car attendants in Las Vegas are unemployed, that Byrnes is not a member of the union. The Sands had agreed to pay Byrnes \$500 a week—better than his \$400 TV pay.



## NEW YORK ROUNDUP

Elliot, Unger & Elliot, film commercial production div. of Screen Gems, produced "\$4-million worth of TV commercials during 1959," an increase of 80% over 1958 volume. EUE, absorbed by SG less than a year ago, "will chalk up a 20% increase this year." It increased its staff from 60 to 80 full-time employees during 1959, reported SG.

UA-TV's syndicated *Tales of the Vikings* has been sold in 110 markets "with sales totaling approximately \$1.1 million" . . . MCA TV's mystery-adventure telefilm series *Johnny Midnight* has been sold in over 100 markets to date . . . MGM-TV is discussing a long-range sale to CBS of its *Wizard of Oz* feature film which, although shown twice on CBS-TV as a network special, has continued to pull sizable audiences.

CBS-TV's *Twilight Zone* was named "best-produced TV film series of 1959" by the Screen Producers' Guild . . . MCA's *Riverboat* (NBC-TV) drops co-star Burt Reynolds Feb. 1 when the show moves to Mon., 7:30-8:30 p.m.

Goulding-Elliot-Graham, commercial producers specializing in humorous animation (Bert & Harry Piel, Tip Top Bread), have devised a new presentation format for their agency-client pitch. Samples of their commercials are inserted in an animated version of a "typical" *Late-Late Movie* (1935-ish "Test Dive Buddies") which they also created. G-E-G's humorous commercials for various regional advertisers grossed \$1.5 million in 1959.

## HOLLYWOOD ROUNDUP

Ziv TV and Four Star Television have been singled out by the AFM as American telefilm companies which use unidentified foreign canned music. Ernie Lewis, AFM's Western states coordinator against the use of such music, said the union is sending program lists to sponsors & producers.

MGM-TV has signed Joe Cronin to co-star with Lew Ayres in its *Dr. Kildare* series. The pilot is being produced by Collier Young . . . Screen Gems will pilot *Here Comes Melinda*, a comedy. Charles FitzSimons is producer . . . George Tobin has joined RonCom Productions as prod. mgr.

Betty Hutton, star of *Goldie* and owner of the company which films the series, set a dubious record when she dropped producer Marvin Marx and signed her 5th producer, Doc Merman. Marx had been dropped once before, but Miss Hutton had rehired him after a couple of days (Vol. 15:49 p14). Commented Marx sadly: "There were contract difficulties, and she finally signed my contract—the day before I was dropped. Her concept of the show changed every week. It was a difficult job. I would have been amazed if this hadn't happened. I have no ill feeling. I'm glad to be free." Marx outlasted all his predecessors, remaining producer for 4 months.

Movies attracted 2.5 million more theater-goers weekly in 1959 than in 1958, reports Theatre-Screen Ad Bureau. Total weekly attendance at both standard & drive-in theaters was 41,954,000—up from 39,621,000 in the preceding year. Drive-ins registered a 13.3% gain in paid adult movie-goers per week; the others gained 3.3%.

## Advertising

**BARGAINS IN CULTURE:** A grim fact of TV business life is emerging with the new crop of prime-time public-affairs programs to which all 3 networks are now committed. Despite their growing roster of sponsors, these shows are costing the networks literally a fortune in ad revenue.

Explained an NBC-TV sales executive last week: "For years, networks have made 'program contributions' in public-affairs shows just to attract whatever business revenue they could. Today, we're staging these shows with big budgets and giving them exposure in network-option prime time. But sponsors still expect us to give them away."

Networks are thus caught between lingering memories of cut-price culture and their own post-quiz-scandal promises to air a higher grade of TV shows. In the scramble to build an improved image, advertisers are able to make deals like these:

Item: "World Wide 60": This NBC-TV 60-min.-weekly contribution to the recent 3-network public-affairs agreement (Vol. 16:4 p3) carries an actual break-even net budget, including all overhead, of \$75,000, according to NBC-TV programs & talent vp David Levy. But the selling price to advertisers is officially listed at \$36,000 plus time charges. And last week NBC-TV dir. of special-program sales Richard Linkroum admitted "WW 60" could be had for an introductory program charge of \$5,000 for the full hour, plus time, for the first 13 weeks. "We realize it's not enough to pay for the film processing on the show, let alone the costs, but we had to do something to get it started," he said.

Item: "CBS Reports": The keystone of CBS-TV's nighttime public-affairs structure, also has been launched with the aid of red ink. CBS News div.'s Robert Lang, dir. of program sales, confirmed last week the report we'd heard that the 60-min. show is actually costing CBS about \$85,000 in program charges, but is sold (for the first 6 shows) to Bell & Howell and Goodrich for \$50,000 apiece, plus time.

### Co-op Giveaway to Stations

Item: "The Dark & the Light": This ABC-TV information special, aired Jan. 31, 6-7 p.m., represented a double program investment by ABC-TV. The network's sales dept., given a firm date for the show only 3 weeks before telecasting, couldn't line up a sponsor at any price in time. Rather than air the program as a sustainer in network-option time (it would then be subject to local-level preemption by stations), ABC-TV decided to give it away—to the stations. "It was handled as a network co-op show, with stations permitted to keep the local ad revenue and with no pro-rata program cost assigned to them," we were told by ABC-TV dir. of sales development Bert Briller.

These are not by any means the only cultural bargains in the public-affairs area:

Last week, NBC-TV told us the network will take "a substantial loss" on the forthcoming TV-radio 1960 election coverage, currently for sale at \$1.8 million for one-third sponsorship, time & talent.

CBS-TV said it had sold the Jan. 14, 90-min., Thurs.-night repeat showing of "The Population Explosion" to Bell & Howell for a little more than \$30,000 for the whole works—a sum that represents only the bare-bones compensation to CBS-TV affiliates, with no revenue for CBS.

ABC-TV said its image as a public-affairs outlet is so



recent that "we will probably lose more money on public-affairs specials in '60 than the other 2 networks combined."

Apart from program contribution and advertiser demands (or offerings by networks to get shows started), there are other reasons for this situation, network officials pointed out:

(1) Public-affairs shows are just beginning to establish a track record of audience success in prime time.

(2) Networks are moving so fast in the public-affairs field that shows hit the air almost as soon as salesmen start on a round of agency calls.

(3) There is also the problem of tailoring program prices to bring public-affairs shows in at a cpm level (usually around \$3) comparable with the cpm of such standard fare as Westerns & comedies.

(4) There is the pre-emption problem, with networks rapidly using up the number of allowable "bumps" (usually 2 pre-emptions per program series per season) without additional sponsor reimbursement.

Of the 3 networks, CBS-TV is probably in the best position in terms of revenue losses on its public-affairs shows. Having had an early start in major public-service shows, this network is now moving toward a profit position on its most recent sales efforts. Even as *CBS Reports* was getting into its stride under a program-contribution arrangement, CBS-TV sold *Tomorrow*, a 6-program science series done with M.I.T., to American Machine & Foundry for a full-price \$150,000 apiece. As we went to press, an 8-program series being developed by Irving Gitlin was in the process of sale by CBS News for \$175,000 apiece to a major client.

#### CBS Avoids Hard-Sell Sponsors

CBS-TV can even afford the luxury of being choosy about the clients to whom it is selling informational shows, we were informed recently by John Karol, recently-appointed vp & dir. of special project sales. "This is not an endowed chair, but we'd rather not sell public-affairs specials to a 'hard-sell' advertiser. It's not that we have anything against mass-market advertisers, it's just that we feel the commercials aired in a public-service show should match the general atmosphere of the show. Most big TV clients, like P&G and Colgate, are not concerned with 'corporate image.' They have products to sell. We'd rather concentrate on bringing to TV the kind of advertisers you see in *Fortune*—advertisers who want to be important, in a corporate sense, in a hurry."

The other 2 networks are usually happy to settle for any major clients they can persuade to buy public-affairs shows. "We'd welcome any worthwhile proposal on our public-affairs shows now, although we hope to have our series shows of this type, if not our specials, on a self-supporting basis this fall," said ABC-TV's Briller. "Prices will eventually firm up in this field," said NBC-TV's Linkroom, "but right now we've still got to face the fact that we aren't getting rich."

Switch to TV snob appeal by Ruppert Brewery is in the works. Newly-appointed agency Norman, Craig & Kummel will shortly drop the 11-year-old "Knock for Knick" slogan. New theme will be "Ruppert people have a thirst for living. Live a little! Have a Ruppert Knickerbocker." A media rotation schedule, concentrating on one medium at a time, will be employed by the \$4-million-ad-budgeted, 7-state, regional advertiser, "to heighten consumer awareness." Ruppert, which switched to NC&K from Compton Adv. last year, plans to expand its spot TV schedule, we were told.

**FTC SIGNALS MORE PUNCHES:** The TV-radio & advertising industries were given stern notice last week by FTC that its spreading dragnet for deceptive commercials is big enough to take in broadcasters themselves, as well as sponsors & agencies. In one of his first public statements since FTC started its stepped-up policing of commercials in the wake of last year's TV quiz scandals, FTC gen. counsel Daniel J. McCauley Jr. didn't say flatly that hitherto-immune networks & stations were next on the agency's list. But pointing to Attorney Gen. William P. Rogers' recommendation that FTC move against broadcasters (Vol. 16:2 p7), McCauley told the N.Y. State Bar Assn.:

"The continued replay of commercials questioned by a commission complaint, with the resulting public interest in why the commercial has not been stopped, is almost an invitation, if not a dare, to test our resolve. Be that as it may, decisions with respect thereto will continue to be made on the basis of the application of reasoned criteria."

And in answer to a Bar Assn. question as to how far FTC intends to go (copywriters, art directors, producers of commercials?) in citing agencies & executives for alleged sins of sponsors, McCauley outlined some criteria:

(1) "The scope & breadth of the evil being attacked."

(2) "The conscience of the industry. What past record does the industry have, if any, for cleaning its own dirty linen? Or, to frame it another way, how active is the industry in pressing the perimeter of the law in conceiving new devices of evasion?"

(3) "Will the corporate conscience be effectively stirred—or must it be supported by the conscience of its officers being under the cloud of possible personal financial penalties?"

#### No 'Comfort' for Other Media

(4) "Where does the particular case fit into the mosaic of law enforcement?"

At the same time, McCauley warned that newspapers wouldn't be exempted if FTC follows through on Rogers' suggestion that it seek injunctions against broadcasters in "false advertising of foods, drugs, devices or cosmetics." He said he saw no "comfort" for other media in injunctive provisions of the Federal Trade Commission Act—"except that in issuing its injunction the court should be considerate of publication schedules and avoid a harmful disruption."

Referring to FTC's batches of payola complaints against record manufacturers & distributors, McCauley also indicated that "push money" used by cosmetics manufacturers to promote retail store sales may come under similar attack. "What reason is there for distinguishing between a recording on the one hand and perfume, lipsticks and nail polish on the other?" he asked.

In a speech to the anti-trust section of the same N.Y. meeting of lawyers, FTC Chmn. Earl W. Kintner characterized his agency's course this way: "The tempo of commission activities can only be described as allegro." In other FTC developments:

(1) Ted Bates ran page ads in Washington, N.Y. and Chicago newspapers addressed to "Mr. Earl W. Kintner," asking some questions "in the interest of all the great companies who serve the American public." Named last month as a correspondent in FTC complaints against commercials for Colgate-Palmolive's Rapid Shave and Standard Brands' Blue Bonnet margarine (Vol. 16:3 p8) and earlier in a complaint against Brown & Williamson's Life cigarets (Vol. 15:50 p10), Bates asked: "Is imaginative selling against the law? . . . what are your rules?"



This challenge by Bates, leading exponent of hard-sell advertising & one of biggest agencies in TV field (Vol. 15:17 p7), was met with stony silence at FTC. Kintner & the other 4 FTC members refused any comment on grounds that to say anything would disqualify them in the pending cases. But another govt. source told us: "I should think the advertising profession—the agency people—would wonder about the wisdom of this thing. It deprives the agencies of maneuverability. Bates has cast down the gauntlet. It has declared war when there was no reason to declare war." There was no indication that the rest of the advertising fraternity was flocking to the Bates banner in the newspaper counterattack on FTC.

(2) Colgate-Palmolive asked FTC to dismiss a complaint filed last Nov. against commercials for its dental cream "with Gardol" (Vol. 15:47 p16). The company said its claims weren't deceptive, that in fact its competitors are engaged in "false, misleading and deceptive" TV ad campaigns, and that "at great expense" it has withdrawn its "protective shield" commercials on Gardol's effects.

(3) David Rosen Inc., Philadelphia record distributor, signed an FTC consent order forbidding it to give payola "to anyone as an inducement to broadcast records in which it has a financial interest." Cited on payola charges in the first bundle of such complaints (Vol. 15:49 p12), Rosen was the second firm to agree to a cease-&-desist order, RCA having signed the pledge in Dec. (Vol. 15:51 p6).

(4) After a 2-week hiatus, FTC's campaign against payola was resumed. Complaint No. 28 was addressed to A-1 Record Distributors Inc., 628 Baronne St., New Orleans and Pres. Joseph J. Banashak & secy.-treas. Bobbie G. Banashak.

#### Payola-Charge Score: 37 Complaints

Then came a multiple filing of payola charges against these record manufacturers & distributors, bringing the FTC's cumulative count of complaints to 37 at week's end:

Fame Record Inc., 782 8th Ave., N.Y., and Pres. Lee A. C. Gallo Jr. Time Records Inc. & Brent Music Corp., also trading as Shad Records & Brent Records Inc., 2 W. 45th St., N.Y., and their officer Robert Shad. Vee-Jay Records Inc., 1449 S. Michigan Ave., Chicago, and Pres.-treas. James Bracken & exec. vp Ewart G. Abner.

All South Distributing Corp., 630 Baronne St., New Orleans, and Pres. Henry J. Hildebrand Jr., vp Evelyn K. Hildebrand and secy.-treas. Henry J. Hildebrand Sr. Superior Record Sales Co. Inc., 656 10th Ave., N.Y., and Pres. Sam Weiss. Raymond Rosen & Co. Inc., Parkside Ave., 51st St., Philadelphia, and Pres. Thomas F. Joyce, exec. vp Joseph B. Elliott, vp Jack S. Rosen, secy. Edward H. Rosen and treas. George M. Mintner.

All State Record Distributing Co., 1450 S. Michigan Ave., Chicago, and Pres.-treas. Paul J. Glass & vp-secy. Peggy M. Glass. Ideal Record Products Inc., 549 W. 52nd St., N.Y., and Ideal Record Products of N.J. Inc., 357 Lyons Ave., Newark, and Pres.-treas. Alfred Levine & vp-secy. Sam Keenhardt. Gone Recording Corp. & End Music Inc., 1650 Broadway, N.Y., and Pres. George Goldner, vp Jack Waxman & co-partner Jerome G. Roth, also operators of Co-op Distributing Co. at the same address.

\* \* \*

FTC Chmn. Earl Kintner is due to address a special meeting of the ANA in N.Y. this week (Feb. 2) called "to examine at first hand the implications of the critical spotlight which has been put on advertising in recent months, and to formulate a plan of action." Spokesman for ad agencies, broadcasting and print media will also address the meeting. Guests include: NBC Pres. Robert E. Kintner, CBS-TV Pres. James T. Aubrey, Westinghouse Bestg. Co. Pres. & NAB TV Code Review Chmn. Donald H. McGannon, *Newsweek* publisher & MAB Chmn. Gibson McCabe, NAEA national advertiser relations chmn. & *Herald-Tribune* ad mgr. John D. Thees, D'Arcy Advertising Co. & AAAA Chmn. Robert M. Ganger, Bristol-Myers vp & ANA Chmn. Donald S. Frost, ANA counsel Gilbert H. Weil, and ANA Pres. Paul B. West. The meeting, open to the press during the morning session, closed during the afternoon, will be at the Plaza Hotel.

**No Ban On Ban:** A revised & re-shot version of Bristol-Myers' Ban deodorant film commercials used in network & spot TV is expected to be prepared by Ogilvy, Benson & Mather agency to replace, in 5 or 6 weeks, the "Greek statue" spots which the personal products subcommittee of NAB's TV Code Review Board has termed "offensive." Earlier trade stories which stated that NAB had informed "stations & networks" that the Ban commercials were a code violation "were inaccurate," OB&M senior vp James J. McCaffrey told us. Only the agency was notified, and it offered immediate cooperation.

"Our arrangement with NAB was that we would agree to submit a revised storyboard, and NAB would agree not to send a Code-violation notice," said McCaffrey, whose agency won the account from BBDO in July 1959. A storyboard revision was re-presented Jan. 22 to Edward W. Bronson, NAB dir. for Code affairs. OB&M expects NAB to return the Ban storyboard, with minor revisions by subcommittee members, early this week. "You can assume safely there'll be a new version of the Ban commercial," McCaffrey stated.

The original commercial which attracted NAB's attention is still scheduled in Bristol-Myers commercials for CBS-TV's *Alfred Hitchcock Presents* and NBC-TV's *Peter Gunn* and *Staccato*. "We consulted with continuity acceptance depts. at NBC & CBS on the original version and it was approved at both networks," said McCaffrey. "We're on the air with it now, operating under this approval, and we won't drop it until a new commercial is made," he said.

Bristol-Myers, which terms Ban "the number one deodorant in the field, a position attained in a little over 2 years," has also agreed to the agency's no-fight-with-NAB position and "wants only to have another version of the commercial that retains the selling power of the original."

NAB officials are pleased with the agency-client cooperation. Certainly, there's a marked difference in OB&M's response to the Code Board's actions concerning Ban from the responses of previous agencies whose personal-product commercials were termed "offensive." Last year Ted Bates & Co. and client "Preparation H" flatly declined to cooperate with the Code Board when Preparation H commercials were cited as "offensive" (Vol. 15:18).

OB&M admitted, meanwhile, that the NAB action had stirred up plenty of excitement at the agency. Said vp for commercial production Everard W. Meade, lapsing into Madison Avenuese: "Someone has certainly thrown a large stone into the pool, and the ripples are still splashing up against my desk." At week's end, the ripples continued to splash, although no major storm warnings were being run up on the OB&M flagpole for Ban admen to salute.

**Ad People:** John Peace promoted from first vp to pres., William Esty Co., succeeding James J. Houlahan, named chmn. . . . Elliot Plowe, ex-BBDO, named Grant Advertising senior vp . . . Eric Marder resigned as vp & mkt. research supervisor, Kenyon & Eckhardt, to form his own research organization, Eric Marder Associates . . . Stephen Baker elected a Cunningham & Walsh vp . . . T. Newton Weatherby, Sullivan, Stauffer, Colwell & Bayles administration vp, appointed treas. . . . Cornelius B. (Con) Donovan, Charles W. Hoyt Co. media relations vp, honored at a luncheon marking his 50th year with the N.Y. agency.

#### Obituary

John Craig Clark, 45, vp & account supervisor of Fletcher Richards, Calkins & Holden, died of a heart attack Jan. 26 at his N.Y. home. He is survived by his wife, a son, his father & a brother.



**1959 AD VOLUME UP 7.6%:** Buoyed by gains in all major media, the nation's 1959 advertising volume rose to a record total of \$11,090,000,000—7.6% above the 1958 level (Vol. 15:6 p10), according to a preliminary estimate released by *Printers' Ink* last week. Local advertising gained 10.3%, accounted for some \$4.4 billion of the total. National advertising was up 6%, amounted to more than \$6.7 billion.

The principal media percentage gains were scored by magazines, which ran 13% ahead. TV showed an 11.3% improvement. Newspapers gained 10.2%. Radio flashed comeback strength by reversing 1958's 0.6% sag with a 3.6% increase. Among all media & subdivisions, only 2 failed to join the prosperity parade. Network radio fell 13.6% from 1958's showing, direct mail was off 1%.

TV expenditures in 1959, it was estimated, rose to a total \$1.525 billion and a 13.7% share of all ad dollars, compared with the 1958 total of \$1.354 billion spent for a 13.2% share. Division of the TV spending (in millions of dollars): network, \$787 for an 11% gain over 1958; spot, \$458.5, up 15.5%; local \$280, up 13%. TV's gain of 0.5% in share-of-total-spending compares with newspapers' increase of 0.7% and magazines' 0.4%.

Total radio spending increased to \$638 million from \$615.7 million in 1958, but total share dropped to 5.8% from 6%. Network radio accounted for (in millions) \$50 of total, down 13.6% from 1958; spot, \$198, up 4.4%; local, \$390, up 5.9%.

(For 1948-59 *Printer's Ink* tabulations of advertising volume by media, see TELEVISION FACTBOOK No. 29, p22.)

The 1959-58 comparison tables:

	1959		1958		% change
	Millions	% of Total	Millions	% of Total	'59 vs. '58
<b>Newspapers</b>					
total .....	\$3,517.0	31.7	\$3,192.8	31.0	+10.2
national .....	826.0	7.4	768.7	7.5	+ 7.5
local .....	2,691.0	24.3	2,424.1	23.5	+11.0
<b>Magazines</b>					
total .....	866.2	7.8	766.8	7.4	+13.0
weeklies .....	478.4	4.3	425.4	4.1	+12.5
women's .....	168.2	1.5	150.5	1.5	+11.3
monthlies .....	185.0	1.7	157.7	1.5	+17.3
farm, nat'l. ....	34.6	0.3	33.2	0.3	+ 4.2
<b>Television</b>					
total .....	1,525.5	13.7	1,354.2	13.2	+11.3
network .....	787.0	7.1	709.1	6.9	+11.0
spot .....	458.5	4.1	397.0	3.9	+15.5
local .....	280.0	2.5	248.1	2.4	+13.0
<b>Radio</b>					
total .....	638.0	5.8	615.7	6.0	+ 3.6
network .....	50.0	0.5	57.9	0.6	-13.6
spot .....	198.0	1.8	189.6	1.8	+ 4.4
local .....	390.0	3.5	368.2	3.6	+ 5.9
<b>Farm Publications</b>					
(regional) .....	36.4	0.3	34.2	0.3	+ 6.4
<b>Total Farm</b>					
publications* .....	[71.0]	0.6	[67.4]	0.6	+ 5.3
<b>Direct Mail</b> .....	1,573.0	14.2	1,588.6	15.4	- 1.0
<b>Business Papers</b> .....	566.0	5.1	524.7	5.1	+ 7.9
<b>Outdoor</b>					
total .....	193.2	1.8	191.7	1.9	+ 0.8
national .....	130.4	1.2	129.4	1.3	+ 0.8
local .....	62.8	0.6	62.3	0.6	+ 0.8
<b>Miscellaneous</b>					
total .....	2,174.7	19.6	2,033.1	19.7	+ 7.0
national .....	1,254.9	11.3	1,199.2	11.6	+ 4.6
local .....	919.8	8.3	833.9	8.1	+10.3
<b>Total national</b> .....	6,710.0	60.5	6,331.0	61.5	+ 6.0
<b>Total local</b> .....	4,380.0	39.5	3,970.8	38.5	+10.3
<b>GRAND TOTAL</b> .....	\$11,090.0	100.0	\$10,301.8	100.0	+ 7.6

\*Bracketed figures identify advertising directed to farm markets through national, regional and state farm publications. These figures are already contained in other media totals and are not to be added into national or local totals.

Bond Stores' radio commercials & newspaper advertising have made "deceptive pricing, savings and reductions claims" for the clothing chain's 95 stores, FTC has alleged in a cease-&-desist order. Setting aside an examiner's initial decision dismissing a May 1957 complaint, the full Commission said that from now on Bond "must base such claims on its actual regular retail prices."

## Technology

**TRANS-OCEAN TV DUCTS:** The long-suspected existence of a trans-oceanic "TV pipeline in the sky" has been proven in actual tests, Defense Dept. scientists disclosed last week. The discovery may herald a simple & reliable method of sending TV and other wideband radio signals over oceans.

An announcement by the Naval Research Lab and the Air Force Cambridge Research Center revealed "conclusive proof [of] an elevated trans-oceanic atmospheric duct, capable of trapping & propagating radio waves at low loss over considerable distances." The transmission tests were conducted in the South Atlantic tradewind area between the coasts of South America & Africa.

Radio equipment operating at 220 mc (slightly above TV's Ch. 13) was used to send signals from Brazil to a point more than 1,430 miles away with a transmitter power of only 100 watts. Signals were sent between 2 aircraft for a 4-week period last Nov. & Dec.

The duct has a thickness of approximately 500 ft. and is centered at a height of some 5,000 ft., the scientists found. What makes it particularly suitable for TV is the discovery that it will accommodate wide bands of frequencies, has very low loss and apparently is reliable & stable all year round.

### Other Oceanic Ducts Present

Studies indicate other similar ducts exist between California & Hawaii, Cape Verde (Africa) & Puerto Rico, in the Indian Ocean, from the Philippines to Australia, and in other areas.

Air Force project engineer Russell W. Corkum explained that trans-oceanic TV might be accomplished by using scatter or other methods to link the U.S. with the oceanic duct in Puerto Rico, sending the signals by duct to Africa, thence via microwave to Spain and the rest of Europe. An even more immediately promising prospect may be the California-Hawaii duct.

California-to-Hawaii route may be the next one studied. Also under consideration are experiments to determine methods of sending radio waves up to the ducts from ground-based transmitters & receivers.

The invisible radio pipeline, the Pentagon announced, "results principally from the atmospheric temperature inversion layer of the tradewind regions."

Note: The Navy began regular use of the moon as a radio relay between Washington & Hawaii Jan. 28 with the transmission of a wirephoto from Hawaii to Washington—bounced from the moon. While the system can't handle TV because of the power requirements of wideband transmission, the Navy expects to use the moon-bounce system to handle all messages between Washington & Hawaii (Vol. 15:14 p18).

New Zoomar lens converter makes it possible to zoom from 2½ to 72 inches with the all-purpose Super Universal Zoomar. The latest converter attachment, which can be added to the basic 2½-to-16-in. Universal Zoomar, zooms from 12 to 72 inches—making possible a zoom from an action "cover" shot to the head & shoulders of a single athlete when covering a football game from atop a grandstand. The new converter will be used by the networks at next June's political conventions. Another converter now extends the range of the Super Studio Zoomar to 2¼-15 inches.



## Networks

**NBC's Easier Announcement Policy:** NBC's standards & practices directives Nos. 4 & 5, covering on-the-air identification of pre-recorded material, and the codification of operating standards of NBC News, were issued by S&P vp James A. Stabile Jan. 26. In contrast to CBS-TV's Dec. directives on the labelling of canned laughter ("audience reaction technically augmented"), NBC will not identify pre-recorded audience reaction, "because it is an artifice of showmanship which, when it offends, is at fault because it is obvious." In less rigid terminology, NBC will identify recorded segments of live programs by saying: "Parts of this program were pre-recorded."

At the station level, Storer Bcstg. Co. revealed last week details of its "quality control" dept. Each of Storer's 5 TV & 7 radio stations has been equipped with an S-24 Soundsciber tape recorder to record continuously, off-the-air, the sound portion of the station's entire broadcast schedule. In addition, TV is continuously reviewed by full-time, on-the-scene monitors in each Storer TV location.

### NETWORK SALES ACTIVITY

#### ABC-TV

The Dick Clark Show, Sat., 7:30-8 p.m., renewal for 6 months, eff. March 5.

*Beech-Nut Life Savers* (Young & Rubicam)

Sugarfoot and Bronco, Tues., 7:30-8:30 p.m., participations starting April 12.

*Haggar Co.* (Tracy-Locke Co.)

Man with a Camera, Mon., 10:30-11 p.m., Sugarfoot, Bronco, Tues., 7:30-8:30 p.m., Bourbon St. Beat, Mon. 8:30-9:30 p.m., participations over 5 wks.

*Helene Curtis* (Edward H. Weiss)

Bertram Mills Circus, March 31, 7:30-8:30 p.m., special taped in London.

*Timex* (Doner & Peck)

Invitation to Paris, April 27, 10-11 p.m., taped in Paris, featuring Maurice Chevalier & Fernandel.

*Renault* (Kudner)

#### CBS-TV

Captain Kangaroo, Mon.-Sat., 8:15-9 a.m., 15-min. wkly. segs.

*Plough Inc.* (Lake-Spiro-Shurman) & *Warner-Lambert* (Lambert & Feasley)

Love of Life, Mon.-Fri., 12-12:30 p.m. & For Better or Worse, Mon.-Fri., 2-2:30 p.m., alt. wk. 15-min. segs.

*Gold Seat Co.* (Campbell-Mithun Inc.)

Be Our Guest, Wed., 7:30-8:30 p.m., wkly. one-third, eff. Feb. 3, over 5 wks.

*Hazel Bishop* (Raymond Spector)

Eyewitness to History, Feb. 24, 26, March 5. 30 min. Coverage of President Eisenhower's forthcoming South American trip.

*Firestone Tire & Rubber* (Campbell-Ewald)

#### NBC-TV

Overland Trail, Sun., 7-8 p.m., one-third sponsorships.

*Standard Brands* (Ted Bates), *P. Lorillard* (Lennen & Newell, & *John H. Breck* (Reach McClinton)

Riverboat, Mon., 7:30-8:30 p.m., & Law of the Plainsman, Thurs., 7:30-8 p.m., one-third sponsorships.

*Standard Brands* (Ted Bates)

## Network Television Billings

November 1959 and January-November 1959

(For Oct. report, see TELEVISION DIGEST, Vol. 16:1 p10)

**Nov. 11.8% Ahead:** Network TV's Nov. gross time billings sagged slightly to \$58,138,086 from big Oct.'s \$59,030,752 (tops for 1959's first 11 months)—but they ran a healthy 11.8% ahead of the \$52,008,793 volume racked up in Nov. 1958, reports TvB. The year-to-date (11 months) business increased to \$568,274,278. This was 10.9% ahead of the \$512,651,580 recorded in Jan.-Nov. 1958.

CBS continued to lead the other networks in dollar volume, both for the month (with \$23,442,765 total billings) and for year-to-date (\$242,404,016). NBC, which had been closing in on CBS in the past several months (to within \$727,150 in Oct.), fell back to a \$1,677,404 gap with Nov. billings of \$21,765,361. ABC continued to rack up the giant percentage gains: 25.1% ahead in Nov.-over-Nov. billings, 21.1% ahead in the cumulative comparison.

#### NETWORK TELEVISION

	Nov. 1959	Nov. 1958	% change	Jan.-Nov. 1959	Jan.-Nov. 1958	% change
ABC	\$12,929,960	\$10,338,126	+25.1	\$112,033,136	\$92,550,834	+21.1
CBS	23,442,765	21,853,592	+7.3	242,404,016	224,946,459	+7.8
NBC	19,817,075	21,765,361	+9.8	195,154,287	213,837,126	+9.6
<b>Total</b>	<b>\$58,138,086</b>	<b>\$52,008,793</b>	<b>+11.8</b>	<b>\$568,274,278</b>	<b>\$512,651,580</b>	<b>+10.9</b>

#### 1959 NETWORK TELEVISION TOTALS BY MONTHS

	ABC	CBS	NBC	Total
January	\$10,647,078	\$22,129,248	\$19,299,853	\$52,076,179
February	10,024,460	20,806,220	18,053,828	48,884,508
March	11,565,031	23,265,395	20,728,315	55,558,741
April	10,309,263	22,077,285	19,739,816	52,126,364
May	9,946,570	22,298,271	19,674,494	51,919,335
June	8,930,114	21,171,128	17,984,845	48,086,087
July	8,391,470	21,269,782	17,883,111	47,544,363
August	8,205,520	21,137,261	17,298,527	46,641,308
September	8,546,650	21,196,220	18,525,685	48,268,555
October	12,537,020	23,610,441	22,883,291	59,030,752
November	12,929,960	23,442,765	21,765,361	58,138,086

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

CBS-TV is still leading the 3 networks in delivering the largest national average-audience levels in prime evening time, but ABC-TV has edged NBC-TV for the runner-up position, the latest Nielsen National Audience Report (for the 2 weeks ending Jan. 9) showed late last week. From 7:30-10:30 p.m., the Nielsen national network AA levels were: CBS-TV—23.4; ABC-TV—21.0; NBC-TV—19.7. When the 10:30-11 p.m. marginal periods were included, NBC-TV pulled closer to ABC-TV, with CBS-TV still leading. On a 7:30-11 p.m. yardstick, the Nielsen national AA levels were: CBS-TV—22.7; ABC-TV—19.9; NBC-TV—19.3. There was no bombshell in the overall figures, but they showed that ABC-TV had definitely arrived as a national audience power. Its strong showing confirms the trend indicated by the 24-city Nielsen reports in which ABC-TV has been leading.

Negotiations with KTVU San Francisco continue—and KRON-TV is no longer in the picture—as NBC seeks to find a replacement for WRC-TV Washington. NBC's acquisition of a station in San Francisco, or another major city, is part of the agreement with RKO General, under which the 2 organizations exchange their Boston & Philadelphia TV-radio facilities and RKO buys WRC-TV & WRC Washington (Vol. 16:4 p13).

Giraud Chester, ABC-TV vp for daytime programs, and Julian Bercovici, executive producer in daytime programs are off to Caracas, Venezuela Feb. 4 seeking talent.



## Auxiliary Services

### More about

**TPT FIGHTS MONOPOLY CHARGE:** TelePrompTer Corp. in vigorously denying "it attempted to monopolize promotion of heavyweight fights" (as charged by N.Y. State Attorney General Louis Lefkowitz Jan. 26) declared that neither it nor Pres. Irving B. Kahn, "nor any other official has violated the anti-monopoly laws or any other laws, in letter or spirit." TPT & Floyd Patterson Enterprises Ltd. jointly are involved in a "bona fide tax dispute" with the State of N.Y. "and a proper reserve has been established for the prompt payment of the tax whenever the correct amount is established. TPT & Floyd Patterson Enterprises welcome an adjudication," we were told.

Lefkowitz's action has "not directly affected our business," a TPT spokesman told us, pointing out that "boxing is only 15% of our business, and we've only aired 3 of the 14 major fights via closed circuit." (Competitor Theatre Network TV handled the other 11.) As of Jan. 26 Lefkowitz had obtained a State Supreme Court order permitting him to begin proceedings. After being served with the complaint, the 2 corporations have 20 days in which to reply.

Few reply comments were filed in FCC's vhf translator rule-making proceeding (Vol. 16:3 p4), and even fewer were available for inspection at press time. Washington State TV Reflector Assn., a substantial group of translator operators, apparently hadn't seen NCTA's 5-year "status quo" and "shift to uhf" proposal, didn't comment on it. However, the association did say that uhf won't do the propagation job and uhf is too expensive; it likes the FCC-proposed vhf rules. Much of its reply was an attack on CATV, saying that the system operators have no interest in serving most of the homes now reached by vhf translators. WAST (Ch. 13) Albany opposed the suggestion of KOMU-TV (Ch. 8) Columbia, Mo. that no translators be authorized for "any area already receiving satisfactory service from 2 or more conventional stations." It favored FCC's proposed rules. Neither NCTA nor any other CATV organization offered reply comments.

CATV-control bill backed by the Senate Commerce Committee and brought close to a floor vote last year (Vol. 15:37 p3), is scheduled for action by Feb. 15. Senate Majority Leader Johnson (D-Tex.) put the measure (S-2653) on his active legislative agenda, reporting that calling it up for a vote "is just a question of arranging a time to suit the convenience of Senators." Johnson, asked by Sen. Mansfield (D-Mont.) if the bill could be pushed along for action this week, said it will be included in a ready-list of measures to be called up before civil rights debate starts Feb. 15. Johnson said he had received letters from "some Senators saying 'please take it up now,'" while others asked him to hold up "until after the 15th."

TV flight-information service is being established at the Montreal Airport to provide passengers & personnel with up-to-the-minute status reports on Trans-Canada Air Lines flights. The closed-circuit TV system will flash on screens in the lobby and at the passenger agent's counter such data as flight arrival & departure times, loading gate, space available.

**Telemeter Test:** Canada's first pay-TV swings into operation in Feb. with 1,000 signed customers and more still being added. The exact starting date in Toronto's suburban township of Etobicoke hasn't been set and E. E. "Gene" Fitzgibbons of Famous Players Canadian Corp. Ltd., declined to be any more specific.

Trans-Canada Telemeter Division of Famous Players is making the test in an area with 40,000 homes within 5 miles of its studio—a highly competitive area. Residents can pick up 3 Buffalo, N.Y. stations, CBC's Toronto Channel 6 and Hamilton's Channel 11, just 40 miles away. "That's why we picked Etobicoke," said Mr. Fitzgibbons. The company plans several other operations but Mr. Fitzgibbons said nothing would be done until the Etobicoke test was completed.

Telemeter operation makes no minimum charge. Installation fee is \$5 and an electronic box-office receives the coins as the set is used. The user first pushes a "barker" button which announces what programs are available on other circuits. Then coins are inserted in the electronic box-office and the program selected flashes on the screen.

\* \* \*

Telemeter will bring Toronto Maple Leaf hockey away-from-home games on Sun. nights to homes in Telemeter's pay-TV pilot operation in West Toronto (Vol. 15:49 p5), starting this month. John J. Fitzgibbons, pres. of Famous Players Canadian Corp. Ltd., and Gen. John Reed Kilpatrick, pres. of the N.Y. Rangers and Hon. Chmn. of Madison Square Garden Inc., announced the closed-circuit sports-cast in N.Y. Jan. 28. First game in the series is scheduled for Feb. 28, with a coaxial live feed from N.Y. Later originations will be fed from Detroit & Boston to Toronto. Special permission to closed-circuitcast the games was obtained by Telemeter from Imperial Oil Ltd., which now sponsors the Sat. night Maple Leaf home-games on free television.

Translator starts: K70BP, K74AX & K78AN in Yreka-Weed, Cal. have been testing since late Dec., repeating KBES-TV Medford, KVIP-TV Redding & KHSL-TV Chico, but engineers are working to improve picture before filing for licenses. K76AV Yakima, Wash. began Nov. 8 with KGW-TV Portland. K74AT Likely, Cal. reported Jan. 25 that it is now carrying KOTI Klamath Falls, Ore. K77AN Columbia Falls, Mont. reported Jan. 27 that it is repeating KXLY-TV Spokane. K70AD Marietta, O. has a Feb. 10 target for its start with WTAP Parkersburg, W.Va. K70BT Santa Rosa, N.M. has a tentative Feb. 10 target to begin with KOB-TV Albuquerque. K70AL & K73AD Palm Springs, Cal. report they are back on the air with KNXT & KRCA, following 2 weeks of darkness in 1959 during annual fund drive. K72BC Leadville, Colo. began January 13 repeating KLZ-TV Denver. K76AS Tucumcari, N.M. began Dec. 21 repeating KVII-TV Amarillo. K70BL Wheeler County, Tex. began tests Dec. 7 with KGNC-TV Amarillo. K74AV Navajo Compressor Station, N.M. began tests Dec. 7 with KOAT-TV Albuquerque. K71AU & K74AY have March 1 & April 1 targets, respectively, for supplementary on-campus programming for U. of Utah's KUED (Ch. 7) Salt Lake City.

New CATV regional group—South-Central CATV Assn., covering Ark., Ala., Mo., Miss. & La.—elects: Fred Stevenson, Fayetteville, Ark., pres.; Jim Davidson, Batesville, Ark., secy.-treas.



## Foreign

**Dollar Curbs Lifted:** British film revenue earned by U.S. producers or distributors can now be taken out of the United Kingdom under a new "Anglo-American film agreement," announced Jan. 29, which lifts the longtime freeze on movie remittances. Hailed by Motion Picture Export Assn. Pres. Eric Johnston as a possible forerunner of "a general freeing of restrictions throughout the world," the move is likely to provide a major benefit for theatrical films—but only partial relief for U.S. telefilm exporters, for the biggest TV problem in Britain, from the U.S. viewpoint, is not the question of dollar remittance but rather the semi-official quota system in effect on both the commercial & government-operated TV channels.

ITV under pressure from British film unions & theatrical exhibitors, maintains a 14%-of-total-programming quota. BBC-TV, according to dir. Gerald C. Beadle (see next column), "does not have a quota, but has a habit of keeping U.S. film shows to about 10% of programming." Thus, telefilm exporters can get their money out—if they can manage a sale. So far, a number of U.S. firms have ducked around this issue by setting up telefilm series as joint U.S.-British co-productions, which qualify them as British "quota shows." (A few: Ziv's *Martin Kane* and *Dial 999*, ITC-ATV's *4 Just Men*, Official Films' *Robin Hood*) British earnings are then usually plowed back into film production, avoiding the remittance restriction, with sales in the U.S. and other areas providing the profit.

On another British telefilm front last week, another form of restriction was lifted. ATV Ltd. Deputy Chmn. Norman Collins announced a new agreement between telefilm producers and British writing & acting talent, providing them with what amounts to residual payments on overseas (*i.e.*, U.S.) sales.

**BBC-TV Taping For Export:** "We are not film producers; we are electronic TV producers. We are completing an electronic-tape conversion system, to translate British standards to other types, so that we may play a larger role in the program export market." So said BBC-TV Dir. Gerald C. Beadle in N.Y. last week, reviewing the status of Britain's original non-commercial telecasting system.

BBC-TV has made at least one move into the telefilm field (*The Third Man*, starring Michael Rennie, co-produced with NTA), but "this was just a test," said Beadle. With a 13-acre, \$45-million live-TV studio plant nearing completion (due for June occupancy), BBC-TV is concentrating its program development primarily in live-tape shows, Beadle stated. Currently, BBC set-free revenue is \$87 million annually, and may reach \$120 million "in 4 or 5 years."

Beadle admitted that Britain's commercial TV channel frequently out-rates BBC-TV, but added that BBC can more than hold its own "when we go out to entertain." As an example, he cited a 66-34% TV audience split in BBC-TV's favor last Christmas day.

Britain's TV homes (10 million, out of a maximum potential of 15) have virtually completed the process of converting TV sets to receive both ITV and BBC-TV programs. "I've given up counting unconverted sets," said Beadle. "After 4½ years of commercial TV, the only difference that counts these days is coverage." In this, incidentally, BBC-TV considers itself ahead, with 98.5% TV coverage vs. 92% for ITV. Another new horizon for BBC-TV is color TV. "We are putting on some [experimental] color programs, using a compatible system, late at night, mostly for set manufacturers."

**FOREIGNERS SAY U.S. TV TOO VIOLENT:** American television includes too much violence for the foreign taste, Hollywood film makers were told last week by broadcasters from Great Britain, Canada and Mexico at a meeting of the Academy of TV Arts & Sciences.

Panelists were Norman Collins, deputy chmn. of Associated Television of London; Greeve Del Strother, American rep. of BBC; J. M. Duran y Casahonda, PR dir., Tele-sistema Mexicano, Mexico City; Alvin Ferleger, sales dir., NBC International; Howard Meighan, pres., Videotape Productions of N.Y.; and Kenneth D. Soble, pres., Niagara Television Ltd., Hamilton, Ontario.

What began as a general discussion of global TV ended with considerable criticism of American programming, sales methods and a neat counterpunch at U.S. complaints about foreign restrictions against American telefilms.

Del Strother said BBC carries about 10% foreign programming, mostly from the U.S. He said Eurovision may soon establish a TV link with countries behind the Iron Curtain, and later with North Africa. Eurovision may even telecast President Eisenhower's visit to Moscow in June, and send tapes to the U.S. so the pictures may be seen in this country on the same day. As to criticism that the United Kingdom won't permit more U.S. telefilms, he declared that "export is not a one-way street" and pointed out how few British TV films are shown here.

### We Supply Half of Canada's Fare

Representing the Canadian market, Soble said 50% of his country's programming is from U.S. Canada is planning low-cost taped programs, he said, admitting: "One of our greatest lacks is in the writing field. And we don't have many topflight producers. But we have very good actors & musicians." Of U.S. programs, he commented: "We would like less violence, less Westerns, and less horrors. We would like considerably more dramatic shows."

Mexico's representative, Duran, said: "Many of your programs are not acceptable to Spanish-speaking audiences. Some of your shows—like *Mike Hammer*—are horrible examples of crime & violence, and may contribute to juvenile delinquency. We would like to see less violence & fewer Westerns." The Mexican speaker also hit at U.S. "high-pressure salesmanship" and said American salesmen seek a higher price than the market south of the border can afford. He saw no possibility of a U.S.-Mexico micro-wave in the near future, because of expense.

Collins, who said his company is planning 2 film series in Canada, one in Australia and one in England, also made the point that he would welcome more receptivity in this country to films made abroad. "We don't have sponsorship; we sell viewership," he said, emphasizing that the advertiser in England has no voice regarding program content. He opined that American sponsorship, too, began to die "when you begin with multiple sponsors."

Probably the gloomiest picture came not from a foreigner but an American—NBC's Ferleger. He said TV will never approach the movie industry in foreign revenue. The movies can count on as much as 50% of their gross from overseas markets, but this will never be true of TV from overseas markets, but this will never be true of TV.

He said Japan's top price for a 30-min. U.S. film is \$300, and often the station then sells it to an advertiser for \$3,000 or more. "Today we receive less for a half-hour film in Britain than we got 3 years ago, although sets have increased from 6 to 10 million. I do not foresee any sharp rise in foreign revenue, but I do see a steady rise." The best markets for the future are Japan, Italy, Germany, Argentina and Brazil, he predicted.



## Stations

New TV-radio technical notes on National Bureau of Standards research are available from the Office of Technical Services, Business & Defense Services Administration, Commerce Dept., Washington 25. The series includes *Service Area of an Airborne TV Station* (No. 35, 46 pp., 75¢), *Resistance Diode Bridge Circuit for Temperature Control* (No. 34, 5 pp., 50¢), *A History of Vertical-Incidence Ionosphere Sounding* (No. 28, 140 pp., \$2), *Communication Theory Aspects of TV Bandwidth Conservation* (No. 25, 27 pp., 50¢), *Radio Wave Propagation in the Inhomogeneous Atmosphere* (No. 24, 21 pp., \$1), *Radio Noise Data for the International Geophysical Year* (No. 18, 239 pp., \$2.50), *Design of Single Frequency Filters* (No. 23, 10 pp., 50¢), *Technical Considerations Leading to an Optimum Allocation of Radio Frequencies in the Band 25 to 60 mc* (No. 13, 104 pp., \$2.50), *Transmission Loss in Radio Propagation* (No. 12, 156 pp., \$3), *Frequency Dependence on VHF Ionospheric Scattering* (No. 9, 46 pp., 75¢), *Low- and Very-Low Frequency Tables of Ground Wave Parameters for the Spherical Earth Theory* (No. 7, 86 pp., \$2.25).

NAFI Corp.'s deal to acquire control of KCOP (Ch. 13) Los Angeles through an exchange of stock by Bing Crosby, Kenyon Brown, George L. Coleman, Joseph A. Thomas & Alvin C. Flanagan has won FCC approval over protests by Comr. Bartley. He said that if FCC's integration-of-ownership-control-&-management "principle is to mean anything, it should not be allowed to be aborted through transfer of control" to NAFI, which also owns KPTV Portland, Ore. NAFI meanwhile moved to acquire radio KXYZ Houston from Houston Bestg. Corp. for \$750,000.

Public-interest programming of WPRO-TV Providence in 1959 is itemized in an elaborate, spiral-bound 59-page "summation of Ch. 12's religious, educational, informational and news programming, and attendant service to the community." Gen. mgr. Joseph P. Dougherty, noting that "we believe it is our responsibility to take an active participation in local community activities," points out that since WPRO-TV went on air in March 1955, it has cooperated with more than 615 organizations and telecast more than 56,000 public-service announcements.

"Critical problems" confronting TV & radio will fill the agenda of NAB's annual conference of presidents of state bcstrs. assns. Feb. 24-25 in the Shoreham Hotel, Washington, according to Chmn. Howard H. Bell, joint affairs asst. to NAB Pres. Harold E. Fellows. "Our agenda is being planned to afford discussion of the problems by national leaders and a great deal of time will be devoted to discussion by the broadcasters themselves." FCC Chmn. Doerfer will address the Feb. 25 luncheon.

Giant outdoor display co-sponsored by WNBQ Chicago and the local Pepsi-Cola General Bottlers Inc. has begun operation atop an 11-story building in the city's heavily traveled Loop. The eye-catching sign (116 x 104 feet) plugs the Ch. 5 station & the beverage, flashes news bulletins day & night on its electric motograph via relay from the NBC station's newsroom.

Transfer of control of KFBB-TV & KFBB Great Falls, Mont. from Joseph P. Wilkins & others in Wilkins Best. Inc. to KFBB Bestg. Corp. (headed by Wilkins as pres.) has been approved by FCC. Consideration: \$616,000.

Intercity relay, to bring programs of WTCN-TV Minneapolis to KXGO-TV Fargo, N.D., granted to latter.

Unusual, if not unique, are the plans of Marion G. Robertson, son of Sen. Robertson (D-Va.), who plans to revive off-air WTOV-TV (Ch. 27) Portsmouth, Va. and operate it primarily as a religious outlet. He has an option, running until May 3, to buy it from Tim Brite. Though not an ordained minister, he's a graduate of the Biblical Seminary, N.Y. and Yale Law School. He intends to accept some institutional advertising but expects primary support to come from contributions. Plans call for 50% religious programming, 70% of it live & local. The balance will be music, art and programs for teenagers—"to give them something better than violence and rock 'n' roll." The schedule calls for 40 hours weekly. Robertson hopes to carry educational programs later, perhaps 3-4 hours daily. His company is Christian Bestg. Network Inc., and he hopes the concept will spread to other cities, leading to the formation of a network of religious stations.

"In talking with the people of Allentown (Pa.) recently, these facts clearly emerged: (1) TV has not lost its audience; (2) TV commercials do sell products; (3) there has been a strong feeling of disappointment in quiz shows; (4) there has been very little transfer of disbelief from TV show to TV commercial; (5) now, just as before, there is a rather large 'exaggeration allowance' . . . (6) people depend upon commercials to introduce them to new products; (7) the independent buyer, like the independent voter, is still here; and (8) government regulation of TV, they felt, is not the answer . . . A housewife said she believes more of what she sees on TV now than she did before. 'They wouldn't dare pull anything now,' she said."—Paul Slater of Compton in *Madison Avenue*.

Cleveland's 2 afternoon papers have merged. Publication of *Cleveland Press & News* began Jan. 25, following Scripps-Howard's (*Press*) acquisition of the *News* for an undisclosed amount from Forest City Publishing. The latter company continues with morning *Plain Dealer* there. Scripps-Howard newspapers are affiliated with Scripps-Howard Radio Inc., operator of WEWS Cleveland, WCPO-TV Cincinnati, radio stations WCPO & WNOX Knoxville. In addition, Scripps-Howard Radio is affiliated with WMCT & WMC Memphis through *Memphis Commercial Appeal* and *Press-Scimitar*.

Facility changes: KXII (Ch. 12) Ardmore, Okla. Dec. 16 boosted power to 171 kw after its move to a new site near Madill, Okla., and having received FCC authorization to identify itself with Sherman & Denison, Tex. KTSM-TV (Ch. 9) El Paso reported Jan. 14 that it has boosted power to 85.1 kw, using a new tower on Ranger Peak, Franklin Mts. WTHS-TV (Ch. 2, educational) Miami, Fla. plans a Feb. 15 boost to 100 kw. WLBT (Ch. 3) Jackson, Miss. hopes to begin April 1 from a new site with 1500-ft. tower.

Discontinuation of its microwave-equipment production operations at Van Nuys, Cal., has been announced by Lambda-Pacific Engineering Inc., which on Jan. 1 became a div. of Mechanical Products Inc., maker of circuit breakers for aircraft. The operation will be shifted by March 1 to Mechanical Products' Jackson, Mich. HQ. It will be housed in a new 13,000-sq.-ft. adjunct to the main plant. Lambda-Pacific, it is anticipated, will then be re-named electronic systems div. It produces microwave systems & components and industrial & broadcast test equipment.

RCA shipped a 6-kw transmitter Jan. 25 to WMCT (Ch. 5) Memphis. Also last week it shipped monochrome TV tape recorder units to WHDH-TV Boston, WTMJ-TV Milwaukee & KOB-TV Albuquerque.



## Programming

Unusual programming is offered in a letter we've received from Bhupender Singh, of The Studio, Box 408, Mbale, Uganda, E. Africa, who writes: "We shall be most obliged if you suggest us any society in the States which is in the Marketing field. We have with us here some of the African subjects which have never been filmed before and these should be of great interest to the audience in the United States. Besides the Public interest we are sure the historic and record film libraries would be interested. In brief please find the type of films we are holding. (a) African Tribal Dances. (b) Ziro civilization. (The world as it existed in the eyes of the civilized people some thousands of years ago). (c) Tribal customs as practiced in (b) above. (d) Women circumcision followed by tribal dances unlike done in other parts of the World. (e) Men circumcision—ditto. (f) Blood drinking and feasts of raw meat eating something which is a dream to the civilised man today. Their food resistance is so strong that no disease catches them."

"Adventures in Paradise's" improving fortunes are again indicated in a confidential report on the 60-min. series (Mon. 9:30-10:30 p.m.) recently prepared for ABC-TV by Henry Brenner's TV-Q, and said to be a strong factor in the network's recent decision to ride with the show through the rest of this season. The "Q" rating of "Paradise"—a measurement of how well people like it, rather than how big an audience it has—has been climbing steadily, and so has the show's level of general familiarity among viewers. In early Oct., the Q-level of "Paradise" was a modest 15. In mid-Oct., it had risen to 22, and to 23 by Nov.; in Dec., it had climbed to 32. Meanwhile, ABC-TV's research dept. has noted with pleasure a steady rise in "Paradise" audience-size ratings, first in Trendex and later in the 24-city and national Nielsens, as TV viewers proved once more that public, not critical, taste is really responsible for the life & death of TV shows.

TV is degrading the image of America, and its portrayal of Americans is a "tape-recorded demonstration of banality," charged Hunter College Pres. Dr. George N. Shuster in an address last week before the 5th annual national mass media awards dinner of the Thomas Alva Edison Foundation. Nevertheless, TV programs & stations received 1959 Edison Awards at the event: *Our American Heritage* ("the TV program best portraying America"), *N.Y. Philharmonic Young People's Concerts* conducted by Leonard Bernstein ("best children's TV program"), *Conquest* ("best science TV program for youth"), NBC's "Meet Mr. Lincoln" & *Gateways to the Mind* (special citations). Educational KQED San Francisco was named "the most outstanding ETV station." KDKA-TV Pittsburgh and radio WBZ Boston "best served youth."

TV Westerns are still scoring. They had more hits per appearance than any other program type, according to a Nielsen analysis of the Top 40 shows in the Dec. ratings:

Rank	Category	Total Night Network Shows	Total in Top 40	Battling Average
1	Westerns	27	16	.593
2	Situation comedy	16	6	.375
3	Variety	10	4	.400
4	Straight comedy	6	2	.333
5	Panel & audi. partic.	10	3	.300
6	Suspense-crime	18	5	.278
7	General drama	10	2	.200
8	Specials	10	1	.100
9	Action adventure	8	0	.000
10	Prizefights	2	1	.500
Total-average		117	40	.308

## Educational Television

ETV policy meeting with FCC, House Interstate & Foreign Commerce Committee, and House Education & Labor Committee representatives has been scheduled for next week (12) by the National ETV & Radio Center. NET Pres. John F. White said: "We are combining our board's quarterly meeting with an informal dinner with key people in Washington who are also concerned with the development of ETV. Among the subjects to be discussed will be activation of ETV stations, a report of the Center's activities and the consideration of its expansion plans, and ETV's place in the broadcasting industry." Other guests at the meeting in Washington's Statler Hilton Hotel will include representatives of national educational organizations, govt. agencies, the nation's ETV stations.

"Real breakthrough" in educational TV is planned by U. of Wis. under \$100,000 National Defense Education Act grant for audio-visual teaching research, Sen. Wiley (R-Wis.) reported to the Senate. He lauded the home-state program in which 42 films have been prepared for a graduate-credit TV correspondence course in teacher training. The course will be offered 3 times weekly over WXIX (Ch. 18) Milwaukee starting Feb. 3. Also scheduled for the program are stations in Miami; St. Louis; Rockford, Ill.; Lincoln, Neb.; East Lansing, Mich.; La Crosse, Wis.

Gift of more than \$50,000 in TV equipment from Taft Bestg. Co. to educational WCET Cincinnati has enabled the latter to expand its programming from 3 to 5 nights weekly. Included are 2 complete TV camera chains. The equipment comes from Taft's Cincinnati outlet, WKRC-TV, which recently moved into a new, automation-equipped HQ. "This grant from WKRC-TV marks a big step forward for educational TV in Cincinnati," noted WCET gen. mgr. Uberto T. Neely. The expanded ETV schedule has added 8 hours of programming weekly.

Third annual TV workshop of the U. of Fla. will get underway June 21 and offer participants 3 hours of undergraduate or graduate credit for completion of its "Teaching Through TV" course. The lecture-demonstration program will be conducted by staffers of the university's educational WUFT Gainesville and the journalism & communications school. The 8-week course is intended especially for teachers & others interested in ETV programming. It will also be conducted as a concentrated 3-week session, June 21-July 8.

Fund drive for educational WTTW Chicago will be conducted by 10,000 community volunteers during ETV Week, Mar. 6-11. The annual campaign will be led by Mrs. J. Harris Ward, member of the Chicago ETV Assn. Board of Trustees. The station's 1960-61 budget is \$808,000—of which two-thirds will be raised by the station. The balance depends on public support.

Two more ETV stations are slated to join the affiliated network of the National ETV & Radio Center this week: newcomer WGTE-TV (Ch. 30) Toledo, now completing on-air tests, and WFPK-TV (Ch. 15) Louisville, which debuted Sept., 1958. NET said the new additions increase network affiliations to 45 stations.

First TV station ever to win one of the Cal. Teachers Assn.'s John Swett awards for "significant contributions to advancing the cause of public education," is KERO-TV Bakersfield, Cal. The station was cited for "an outstanding [local] program series interpreting school programs & education issues."



## Television Digest

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**Personals:** Irving Paley named dir. of adv. & promotion, ABC Films . . . Jerry Madden, ex-production services mgr., NBC Pacific div. appointed NBC Telesales dir., succeeding James Hergen, recently named daytime sales dir. (Vol. 16:4 p14) . . . Robert M. Lambe Jr., sales vp of WTAR-TV & WTAR Norfolk, promoted to pres. & gen. mgr., succeeding Campbell Arnoux, who becomes chmn. . . . James E. Goldsmith appointed vp & dir. of sales, KPLR-TV St. Louis; he's succeeded as sales mgr. by Charles E. Burge, ex-radio KMOX St. Louis . . . John W. Wilson named head of NT&T's merchandise dept., succeeding A. J. Krappman, retired . . . James Galvin named adv. & promotion mgr., WXYZ-TV Detroit, succeeding Bud Kirvan, who has not yet announced his plans . . . Charles S. Cady, ex-asst. mgr. & national sales mgr., WCSC-TV Charleston, S.C., named mgr. of Triangle Stations West Coast sales office, Los Angeles.

Bernard F. Gurewich, ex-WTVN-TV Columbus, appointed chief engineer, WKYT Lexington, Ky. . . . Richard L. (Dick) Chalmers, ex-sales development dir., WNHC-TV New Haven, Conn., named gen. mgr. of radio WNHC, succeeding Alan Henry, resigned . . . George E. Moynihan promoted to asst. program mgr. of Westinghouse's WBZ-TV Boston; he's succeeded as dir. of public affairs by Ronald Little, former production supervisor . . . Robert W. Bray, acting gen. mgr., named gen. mgr., WNBC New Britain-Hartford; Harvey H. Olson appointed dir. of news & special events . . . George Bunn advances to partnership in Washington law firm of Arnold, Fortas & Porter.

Kirk Torney, ex-MCA-TV, named managing dir., CBS Ltd. (England), headquartering in London . . . T. E. (Dick) Paisley, ex-NBC Spot Sales, named station mgr., WRCV-TV Philadelphia . . . Stan Anderson appointed operations dir., KHVH-TV Honolulu . . . Leslie H. Peard Jr., recently appointed gen. mgr. of radio KFRE Fresno, Cal. (Vol. 16:4 p14), also named gen. mgr., KFRE-TV, succeeding Edward J. Frech.

Edward G. O'Berst, ex-CBS Spot Sales, named TV research operations head, Blair-TV . . . William G. Harley, program dir. of radio WHA, Madison, Wis., named chmn., NAEB; James Miles, dir. of radio WBAA, Lafayette, Ind., elected radio board chmn.; Loren Stone, mgr., KCTS Seattle, Wash., named TV board chmn.

James V. McNamara has been named gen. sales mgr., Atlantic TV Inc. . . . Herbert S. Schlosser has been appointed vp & gen. mgr., & H. W. Keever vp for sales, Cal. National Productions (NBC).

**Newhouse Finds Communications School:** What Syracuse University terms "the world's largest" educational center for TV, journalism & other mass communications media will be established there with an "initial gift" of \$2 million from Samuel I. Newhouse, owner of 6 TV and 3 radio stations (WSYR-TV & WSYR Syracuse, with satellite WSYE-TV Elmira, N.Y.; WTPA Harrisburg, Pa.; WAPI-TV & WAPI Birmingham, Ala.; 50% of KOIN-TV & KOIN Portland, Ore.; and 22.7% of KTVI St. Louis), 14 newspapers and Condé Nast Publications. Additional funds necessary to complete the center will be provided when needed, Newhouse said last week. The center will be the first project of a philanthropic foundation established in 1935 by Newhouse & his wife. The foundation's future is underwritten in his will. "Upon my death," he explained, "the foundation will receive 90% of my estate—well in excess of \$100,000,000."

The first building will comprise the school of journalism but other structures will be added subsequently for ETV and "the whole complex of communications programs in TV-radio, audio-visual education, speech and communications research."

Networks continue to oppose "separate-but-equal" news conferences by public figures (one for pencil journalists, one for TV), but don't feel it will be "a major problem" in the forthcoming national elections, we have been told. CBS News vp John F. Day takes the strongest stand on the problem, brought into focus by the separate news conferences this season of N.Y. Gov. Nelson Rockefeller & Cal. Gov. Edmund G. Brown, and has "no plans to cover such conferences even with a pencil." NBC-TV takes a compromise view (with which ABC-TV largely agrees), with NBC news vp William McAndrew telling us: "We'll ask permission to film a news conference. If it's denied, we'll protest on the spot, leave our cameras in the room, cover by pencil, and later label our on-the-air report as having been done under these circumstances."

Three-network protest over curtailment of news broadcasts from Algeria during the current crisis was made Jan. 28 by the network news chiefs to French ambassador Herve Alphand in Washington. "We protest vigorously the discrimination against broadcast news reporting in Algiers," stated a joint telegram. "We understand fully the difficulties of the situation, but we believe your government must take whatever steps are necessary to bring about an unencumbered flow of information between Algiers & Paris, and Algiers & the rest of the world." The wire was signed by CBS News vp John F. Day, ABC News vp John Daly, NBC News vp William McAndrew.

Literary magazine selecting a TV comic as its cover boy sounds like the wildest of improbabilities—particularly at this stage of the industry's history, when it is so much on the receiving end of charges of low-browism. But the phenomenon is currently on display—on the Jan. 30 issue of *Saturday Review*, which features Steve Allen, along with a blurb about the star's serious side. The supporting article tells of Allen's plan to start presenting great minds of history on his NBC show this week (Feb. 1). "Mr. Allen," capsules the piece, "is a thinking man's comic." But by the time the magazine reached the newsstands, NBC had instructed Allen to remove the serious sequence from his variety show as "inappropriate." Late last week the network was considering Allen's idea as a public-affairs special.



# Trade Report . . .

FEBRUARY 1, 1960

**'MARKETING SUBSIDIARY' CONCEPT SPREADS:** Last month saw the incorporation of wholly-owned sales & marketing subsidiaries by Zenith, Admiral & Motorola. In 1959, sales corporations were formed by RCA, Sylvania & Du Mont-Emerson. What's behind this rapidly spreading trend in the consumer electronics industry?

We asked officials of most of the companies involved, as well as marketing experts, and the combined gist of their opinions—although some preferred to remain anonymous—indicates that benefits go far beyond tax advantages, and reflect the new prime importance of marketing & sales even in an industry founded on science & technology.

Thus, as 1960 dawns, the TV-radio-phono sales executive is in the driver's seat—at least in a co-equal policy-making position with the manufacturing & engineering topkicks, who were at the helm during much of the last decade. Increased emphasis on marketing & sales programs along with greater authority & responsibility in the sales dept. already show signs of avoiding some of the expensive mistakes of the 1950s which inevitably resulted in dumps and wild price competition—not to mention the demise of such TV names as Du Mont, Capehart, Stromberg-Carlson, Bendix, Raytheon, Crosley and Hallicrafters.

Though there are many ways of upgrading sales & marketing operations within a company, the ultimate seems to be the wholly-owned sales corporation. Among the recently incorporated firms: Zenith Sales Corp., Admiral Sales Corp., Motorola Consumer Products Inc. (one of 4 new Motorola marketing subsidiaries), RCA Sales Corp., Sylvania Home Electronics Corp., Du Mont-Emerson Corp.

The organizational structures differ, but each sales corporation has the same function—liaison between distribution & factory. It purchases from the parent manufacturing corporation & sells to distributors.

The one immediately obvious advantage in such a split-corporate setup is not necessarily the most important one, in the consideration of most marketing executives. This is the tax benefit. The 10% federal excise tax on TVs, radios & phonos is based on the manufacturer's price, or "first sale price." Therefore, under the 2-corporation system, the set is taxed on the basis of the parent company's lower sale price to the sales subsidiary, rather than on the price to the distributor.

Those companies with sales subsidiaries, however, see far greater gains in the dual corporation system. In most cases, the sales company carries basic marketing authority, and is fully responsible for product styling, merchandising, distribution, advertising and inventories. As a purely marketing organization, it is therefore better equipped to satisfy needs of distributors, dealers & consumers, they argue.

The sales subsidiary generally works closely with distributors & dealers, and is in position to interpret trends and rapidly incorporate them into the finished product. Says Sylvania Home Electronics Pres. Robert L. Shaw: "As a marketing group, we are closer to the consumer where these trends originate, and can communicate them quickly to our product-styling section, which in turn is in close liaison with the engineering & manufacturing functions [of the parent company]. The net result is that we bring the distributor and the retailer closer to the assembly line."

Under systems where sales is an arm of manufacturing, product planning often has been based on technological developments rather than consumer requirements & desires—or, conversely, on over-long runs of designs which have outlived their usefulness from sales standpoint.

Since a sales corporation must show a profit on its own, far more responsibility is now placed on shoulders of the sales executive—a responsibility which formerly rested on general management of the manufacturing company. Marketing function has been upgraded from a 2nd-echelon position to a very top policy-making management job. With this definite line of responsibility established, key question has become "what can we sell?"—no longer "what can we make?"

By-product benefit of the sales corporation: Marketing experts are relieved from time-consuming non-marketing projects, and, at same time, manufacturing executives are removed from all sales responsibility.



Different companies have different specific & immediate reasons for divorcing manufacturing & marketing operations. For example, Zenith Sales Corp. Pres. Leonard Truesdell says the rapid growth of his company has made the move necessary. "With this growth, we need all the concentration on marketing we can get. We found there was too much overlap in responsibility; our sales people were required to devote their time to too many non-sales functions." He said Zenith Sales is on the verge of an expansion. "During the time we raised our position from 6th or 7th to first in the industry, we added only 3 people in sales. There are many things we can do more thoroughly. We have more spots to fill in an organization devoted only to sales."

Admiral is stressing far closer liaison with distributors & dealers in its new sales subsidiary. One of first acts of Admiral Sales Corp. Pres. Carl E. Lantz will be to double the company's staff of field merchandising specialists, and Admiral Corp. Pres. Ross D. Siragusa has given the new subsidiary this assignment: Increase sales 50% within 2 years.

Sylvania credits its introduction of a full line of 23-in. TV sets last June—immediately after the new tubes became available—to the flexibility of the marketing-subsi-dary structure. On the other hand, says Sylvania's Shaw, last year's industry-wide stereo snafu was a perfect example of poor market estimation and forecasting, of engineering & manufacturing enthusiasm usurping a function which should have been based on close contact with the market. "The consumer wasn't confused," he told us. "The industry was."

**TV-RADIO PRODUCTION:** EIA statistics for week ended Jan. 22 (3rd week of 1960):

	Jan. 15-22	Preceding wk.	1959 week	'60 cumulative	'59 cumulative
TV .....	141,303	137,410	112,762	383,791	327,774
Total radio .....	354,098	309,162	293,721	969,336	843,555
auto radio .....	143,371	138,311	108,359	456,783	315,039

**Magnavox's '5-Year Plan':** Magnavox, which last week announced the purchase of control of the Collaro Co. and a franchise agreement for sales of its consumer products in Britain, Africa & Canada (Vol. 16:4 p19), plans to extend its marketing to Latin America and all NATO countries under a 5-year "growth plan."

Pres. Frank Freimann expects to do about \$25 million in overseas business annually within 5 years through the new Magnavox Electronics Ltd., which will be the parent company of Collaro. A leading British manufacturer of record changers & tape recorders, Collaro had sales of around \$7 million last year. These additional details of Magnavox's foreign program became available last week:

Magnavox TVs, phonos & combinations for sale in Britain, Canada & Africa will be made by the new British subsidiary in the 250,000-sq.-ft. Collaro plant which employs about 2,000. A limited line will be manufactured at first. Canadian dealers will be supplied by the British firm rather than by the parent American company because shipments from Britain to Canada are duty-free.

In its overseas merchandising, Magnavox will follow the pattern that it has established in the U.S.—selling directly to franchised dealers. Its agreement with the huge Great Universal Stores chain does not preclude the franchising of other retailers in Britain and other overseas countries as Magnavox dealers.

Imports of Collaro record-changers & tape recorders will continue—Magnavox says it has no plans to manufacture them in this country. Magnavox will soon introduce 2 new products in the U.S., both made in Britain by Collaro—a tape recorder and a tape-recorder deck for hi-fi installations.

Du Mont Labs is being investigated by Republic Aviation Corp. for possible acquisition, it was conceded by a source close to Du Mont—but "any negotiations are mainly in the newspapers." He said that a decision on acquisition is "still a long way off."

**More Brand-Name Imports:** Trav-Ler Radio Corp. announced it is joining the ranks of U.S. radio manufacturers who are importing complete sets & parts from Japan. The company will have a full line of transistor portables using Japanese parts as well as one made-in-Japan set at \$29.95. Others will range from \$19.95 to \$49.95.

So said Pres. Joe Friedman, just returned from Japan, as Trav-Ler showed 8 new TV sets—including four 23-in. models—and 2 stereo phonos, plus a miniature transistor radio-phonos, the latter also made in Japan.

"We originally tried to compete by making transistor radios with all American parts, but found we couldn't compete price-wise," said Friedman. "By buying from Japanese suppliers just those parts requiring a great deal of labor, we think that we can come very close to competing in price with Japanese-made radios." He said the transistor radio line (except for the model imported from Japan) will use U.S.-made transistors.

TV models introduced by Trav-Ler include 23-in. sets at \$229.95 to \$309.95, 21-in. sets at \$189.95 & \$234.95, and 17-in. portables at \$179.95 & \$199.95.

Note: Another U.S. manufacturer now importing Japanese radios is Pentron Electronics, Chicago, which announced a miniature transistor clock radio at \$49.95.

Japanese TVs coming: "If radios are taken as an example, Japan overwhelmed the U.S. completely with her highly efficient small-sized and inexpensive sets, even though she was beaten in respect to the production process. With this success in mind, Japanese technicians are preparing to take positive steps in order to gain another success in [transistorized] TV sets . . ."—Sumie Gotoda, director of TV programming, education dept., Japan Bcstg. Corp. (NHK), writing in *Radio & TV* magazine (Tokyo).

"All-American" line of transistor radios was unveiled by Philco last week. Entirely U.S.-made, the line is composed of 5-transistor models at \$24.95 & \$29.95, one 6-transistor set at \$29.95, 3 with 7 transistors, one with 8.



**IRE—Stereo, Micro & Space:** Big as space & small as a molecule—this describes 2 of the most exciting session & seminar topics scheduled for the IRE International Convention March 21-24 at New York Coliseum & Waldorf-Astoria. The meeting is expected to attract more than 60,000 engineers & scientists from 40 countries.

The world's largest technical meeting & convention will share the spotlight with the Radio Engineering Show, where some 850 exhibitors will display \$15 million worth of electronic equipment. Space electronics again is strongly in the spotlight, with 4 sessions devoted to its various aspects. Increasing interest in micro-circuits & molecular electronics is also reflected in the technical papers. In the consumer electronics field, the spotlight has shifted from vision to sound, with one session scheduled on stereo & another on audio—plus a session on stereo radio systems. A March 23 seminar will consist of a panel presentation of the inside story of the Geneva conferences of the International Telecommunications Union by participants.

Among space papers of interest to TV-radio engineers are Communication Relaying, by MIT's Jerome B. Weisner; and TV Satellite Reconnaissance Systems, by Bendix's R. L. Zastrow & D. J. Ritchie; in addition to the Satellite Communications session listed below.

These are some scheduled sessions and papers which should be of particular interest to broadcast & consumer-electronics engineers:

**BROADCASTING (2 sessions)**—Raymond Rogers, KDKA Pittsburgh, & Dr. William Hughes, Iowa State College, chairmen.

Report on Geneva Radio Conference—W. H. Watkins, FCC.  
Possibilities for Film Room Mechanization—J. H. Greenwood, WTAE-TV & radio WCAE Pittsburgh.

Directional TV Broadcast Antennas—G. H. Brown, RCA.  
Service Area of an Airborne TV Network—M. T. Decker, NBS.  
Engineering Aspects of Video-Tape Recording Production—E. E. Benham, KTTV Los Angeles.

Modern TV Transmitter Plant Input System—J. L. Stern, CBS-TV.  
Special-Effects Amplifier for Non-Composite or Composite Monochrome or Color-TV Signals—R. C. Kennedy, NBC.

Remote Control of TV Microwave Equipment—J. B. Bullock, RCA.

**BROADCAST & TV RECEIVERS**—W. L. Dunn, Admiral, chairman.  
Reduction of Modulation Defocusing in TV Picture Tubes—Joseph Hoehn, Du Mont Labs.

Recent Developments in Scan Magnification—N. Parker, I. Csorba & N. Frihart, Motorola.

Noise Figure Performance of VHF Transistors & Tubes—J. F. Bell & L. E. Matthews, Zenith.

New High-Performance AM-FM Transistorized Portable Radio—B. J. Miller & E. A. Snelling, Zenith.

Filter-Pbaser AM Stereo Receiver—A. A. Goldberg & Arthur Kaiser, CBS Labs.

New Concept in Transistor Converters—L. Plus, R. A. Santilli, RCA.

**AUDIO AND BROADCAST & TV RECEIVERS**—Daniel W. Martin, Baldwin Piano, chairman.

The Present Status of Stereo Broadcasting—C. G. Lloyd, GE.  
Receiver Design Considerations for Stereo FM Multiplex Broadcasting—C. G. Eilers, Zenith.

Continuously Variable Wireless Remote Control for Stereo Phonos—A. A. Goldberg & Arthur Kaiser, CBS Labs.

Automatic Stereo Pbaser—B. B. Bauer, A. A. Goldberg & G. Pollock, CBS Labs.

**STEREOPHONIC SOUND REPRODUCTION**—Benjamin B. Bauer, CBS Labs, chairman.

Stereo Sound Reproduction—H. F. Olson, RCA Labs.  
Psychoacoustics of Stereo Reproduction—R. L. Hanson, Bell Labs.  
Compatible Magnetic Tape Cartridge—Marvin Camras, Armour Research Foundation.

A 1½-ips Magnetic Stereo Recording System—P. C. Goldmark, C. D. Mee & W. P. Guckenbug, CBS Labs.

Automated Magnetic Tape Cartridges—J. D. Goodell, CBS Labs.

**AUDIO**—Harry A. Pearson, Sonotone, chairman.

Plotter of IM Distortion—E. F. Feldman, Panoramic Radio.  
Listener Ratings of Stereo Systems—H. B. Moore, GE.

Automatic Compensation of an Audio System Spectrum Operating with a Random Noise Input—C. E. Maki, MB Electronics.

Analysis of Factors Affecting Recording Reliability & Digital Tape Recorders—Ken Taylor, Ampex.

**SATELLITE COMMUNICATIONS**—Charles H. Doersam Jr., Sperry Gyroscope, chairman.

Radio Relaying by Reflection from Sun—D. J. Blattner, RCA Labs.  
Active vs. Passive Satellites for a Multi-Station Communication Network—L. Pollack & D. Campbell, ITT Labs.

Satellite Communication Problems & Solutions in Ground-Station Design—W. L. Glomb, ITT Labs, & W. Teetsel, Army Signal R&D Lab.

Operational Missile Voice-Frequency Communications System—W. S. Cayot, Nortronics.

Digital Handling System for Real-Time Computation on the Atlantic Missile Range—M. P. Falls, RCA Service Co., & T. A. Cbristie Jr., Stanford U.

## More about

**FCC ON STEREO:** Text of the FCC's letter to EIA, rejecting its proposal to reorganize National Stereophonic Radio Committee along the lines of TASO (see p. 2):

"This is with reference to your letter of Oct. 15, 1959, requesting that the Federal Communications Commission take necessary action to establish the National Stereophonic Radio Committee (NSRC) on an organizational basis similar to the Television Allocations Study Organization (TASO).

"As you are aware, the Commission has recently extended the date for filing comments in response to its notice of inquiry in Docket No. 12517 concerning stereophonic FM broadcasting from Dec. 11, 1959, to March 15, 1960. This extension was based principally on the representations in the petition filed by the Electronic Industries Assn. (EIA) indicating that the National Stereophonic Radio Committee will work diligently to complete its tests and consideration of stereophonic FM broadcast systems by March 15, 1960.

"The Commission is desirous of proceeding expeditiously with its consideration of FM stereo in light of the interest which has developed in it and its relatively long pendency before the Commission. Accordingly, the Commission desires that suitable standards for FM stereophonic broadcasting be finally adopted prior to consideration of stereophonic broadcasting in the standard broadcast or the television broadcast services. Therefore, the Commission contemplates that it will be in a position shortly after March 15, 1960 to consider the issuance of a notice of proposed rule making in the matter giving consideration to comments filed in Docket No. 12517, the date to which the FCC has extended the time in which to file comments.

"In light of the foregoing, the Commission has established a high priority for the FM stereo study, and in view of this factor believes that further consideration of your request should be deferred until completion of the above proceeding. Accordingly, it cannot accede to your request that it take the necessary action to establish the NSRC on an organizational basis similar to TASO at this time.

"The Commission recognizes the importance of the work being performed by NSRC in this field and you can count on the Commission's cooperation whenever possible."

Home sound-movie equipment will go on the market this spring at less than \$480 for a complete camera-projector outfit. Fairchild Camera & Instrument Corp. will market a new 8-mm camera & projector which use a special magnetic-stripe film to be made by Ansco. A rechargeable nickel-cadmium battery supplies power for a transistor amplifier in the camera. The camera, with microphone, lists at \$239.50, the sound projector at \$240.50. Fairchild, a manufacturer of precision military & aerial cameras, will make its debut to consumers with the new "talkie" system.

Entering the growing "built-in-music" market, Nu-Tone Inc., Cincinnati manufacturer of doorbells & kitchen exhaust fans, will offer a combination stereo & intercom system. Built into the walls of the house, speakers relay piped-in stereo phono, tape or radio music. Intercom for paging members of the family automatically silences the music. The complete set-up includes AM-FM stereo radio, stereo phono, cartridge stereo tape player, built into the wall. Remote control panels are available. The systems are priced from \$400 to \$1,000.



**Trade Personals:** John J. Amata named national supervisor of TV, radio & musical instruments by Sears, Roebuck & Co., succeeding Arthur T. Chameroy, now on a special electronics assignment involving foreign markets . . . William S. Baltz promoted from associate counsel to Admiral vp & gen. counsel, Admiral, succeeding Frank H. Uriell, senior partner of Pope, Ballard, Uriell, Kennedy, Shepard & Fowle, gen. attorneys for the corporation . . . C. M. Lewis named mgr. of RCA's new industrial computer systems dept.; R. W. Sonnenfeldt appointed engineering mgr., C. E. Ash named operations control mgr. . . . Frank F. Neuner promoted from head of product planning & associated services to product distribution & control mgr., RCA semiconductor & materials div. mktg. dept.; Erwin B. May promoted from promotion mgr. to ad & sales promotion mgr.; Irving H. Von Zelowitz promoted from sales coordination mgr. to semiconductor planning mgr.

Robert E. Dailey, asst. to the vp & gen. mgr., Stromberg-Carlson telecommunication div., named asst. to the dir. of communications industries div., Business & Defense Services Administration, U.S. Dept. of Commerce, on 6-month duty without govt. compensation . . . Hugh Bowler promoted from purchasing office mgr. to administrative asst. to vp for purchasing, Motorola communications div.

Col Robert F. Sladek named asst. dir. of engineering for administration, Page Communications Engineers . . . Robert A. Donner, ex-American Audion Corp., named sales mgr., Telectrosonic Corp. . . . Harris Anderman, ex-Commercial Radio Sound Corp., appointed head of Bogen-Presto school & industrial sound sales dept.

Robert L. Wilson, ex-Sylvania, named mgr. of production control, Stromberg-Carlson commercial products div. (hi fi, auto radio, sound products, etc.) . . . John D. Walter, ex-GE TV receiver dept., named materials mgr., RCA Victor home instruments . . . Frank H. Bower, ex-Motorola semiconductor products div., joins Sylvania semiconductor div. as engineering administrator . . . E. E. Ferrey, ex-Lenkurt Electric Co., named PR dir., Hoffman Electronics.

Lt. Gen. Roy H. Lynn (USAF ret.) appointed pres. of ITT Communication Systems Inc.; George L. Curtis named mgr. of commercial projects, B. R. Stack mgr. of military projects, ITT Labs, Palo Alto, Cal. . . . James E. Dingman, AT&T vp-chief engineer, and Sanford B. Cousins, AT&T personnel relations vp, elected to Bell Labs board . . .

Cleveland area set survey by Storer Bestg. Co.'s WJW-TV indicated that 40% of TV receivers in homes are 6 years old & over, 15% of them at least 10 years old. Highest percentage, however—17%—fell into the "one year old or less" category; 13% were 2 years old; 11% were 3 years old. The sampling, conducted by Storer engineers last Dec. in some 200 area homes, also showed: (1) Very few viewers bothered with the fine tuning control or with re-orienting indoor antennas when they changed channels, even though this would give them substantially better pictures on some channels. (2) Almost without exception, the set owner felt he was receiving reasonably good TV reception, even though by engineering standards the quality may have left something to be desired. (3) Virtually all TV homes had sets in the living room. (4) Reception of all 3 Cleveland stations was uniformly good in the greater Cleveland area.

Two vidicon TV camera chains have been shipped by General Precision's GPL div. to University of N.C. for use in teaching TV production techniques and for experiments in teaching with TV. The equipment will be used by the university's TV-radio-motion pictures dept.

## Finance

**Guterma Found Guilty:** Ex-MBS head Alexander L. Guterma was convicted Jan. 27 in N.Y. Federal Court of conspiring to defraud the govt. by impeding the efforts of SEC to protect investors. The trial had lasted 7½ weeks. Guterma also was found guilty by the 11-man, one-woman jury of "willful delay, obstruction & failure to file financial reports of the F. L. Jacobs Co." He faces a maximum 35 years imprisonment & \$160,000 in fines. Federal Judge Lloyd F. MacMahon will pronounce sentence on Guterma and co-defendants Robert J. Eveleigh and Conficor and Chatham Corps. (both personal holding companies of Guterma) on Feb. 17. Guterma & Eveleigh were placed in the federal house of detention to await sentence.

Before discharging the jury, which had deliberated for 2 hours, Judge MacMahon told them: "If I were on the jury I would have voted as you did. I think the evidence was overwhelming." Guterma & the others were convicted on 17 counts which remained after Judge MacMahon dismissed 4 last week on motion of defense (Vol. 16:4 p14). F. L. Jacobs Co. had previously pleaded guilty and will also be sentenced next month.

As an outgrowth of his MBS management, Guterma is now faced with a criminal trial in Washington on a Justice Dept. indictment for failing to register as a foreign agent of the Dominican Republic. He also faces a \$750,000 recovery suit instituted by the DR. Last fall, MBS was absolved of any complicity in the Dominican case (Vol. 15:45 p6) and is "not involved in any way in Guterma's predicaments," a network spokesman told us.

\* \* \*

"I'll Call You" musical-comedy promoters have been denied an exemption from SEC stock-registration regulations on grounds that they made "false & misleading" statements in literature seeking backers for off-Broadway production of the show. Promoters Lyn Swann & Sterling Noel notified SEC in Feb. 1958 that they proposed "limited partnership interests" in "I'll Call You" aggregating \$110,000. They asked for a Regulation "A" Securities Act exemption covering public offerings of not more than \$300,000. SEC said that promotion circulars falsely claimed SEC approval of the offering, misrepresented investment terms, failed to "disclose that Noel was no longer associated with the offering & the proposed production."

\* \* \*

Skiatron Electronics stock trading, stopped by SEC pending the outcome of administrative hearings on "accuracy & adequacy" of the pay-TV company's registration statement (Vol. 16:4 p20), has been suspended for a further period, ending this week (Feb. 5). SEC's hearings in the case will be resumed in Washington at 2 p.m. Feb. 10.

■

Sonar Radio, Brooklyn maker of marine electronic equipment, proposes public sale of 180,000 common stock shares at \$3 per share in an SEC registration statement (File 2-16040). George O'Neill & Co. Inc. heads the underwriting group. Most of the proceeds would be used for working capital to expand production facilities.

Reports & comments available: Texas Instruments, report, Baker, Weeks & Co., 1 Wall St., N.Y. 5 . . . Dynamics Corp. of America, report, Security Adjustment Corp., 16 Court St., Brooklyn 1 . . . Electronics Capital Corp., report, Hayden, Stone & Co., 25 Broad St., N.Y. 4.



Daystrom earnings jumped 56% on a 17% sales gain in the 9 months ended Dec. 31, reports Pres. Thomas Roy Jones. The Murray Hill, N.J. electrical-electronics manufacturer also had 3rd-quarter gains of 13% in earnings and 20% in sales, compared with the year-ago period. Finance vp Bradford T. Blauvelt said "indications are we will have a greater improvement proportionally in the 4th quarter" than earlier in the year. "At the rate our sales are going, they should be approximately \$90 million for the year, the biggest we've ever had." (Daystrom's sales record: \$81,714,000, scored in fiscal 1958.) For 9 months ended Dec. 31:

	1959	1958
Sales .....	\$65,524,000	\$55,909,000
Net income .....	1,405,000	901,000
Per common share .....	1.54	99¢
For quarter ended Dec. 31:		
Sales .....	\$24,174,000	\$20,109,000
Net income .....	603,000	532,000
Per common share .....	66¢	58¢

Beckman Instruments scored healthy gains in sales & earnings in the 6 months ended Dec. 31. The 1958 earnings of \$1,014,489 include a non-recurring profit of \$172,360 (13¢ a share) from the sale of a plant. For 6 months to Dec. 31:

	1959	1958
Net sales .....	\$25,442,965	\$21,206,743
Net income .....	1,262,172	1,014,489
Per common share .....	93¢	75¢
Common shares .....	1,363,094	1,354,343
For quarter to Dec. 31:		
Net sales .....	\$12,804,650	\$10,994,299
Net income .....	639,656	395,006
Per common share .....	47¢	30¢

Avco Corp. netted a slight profit increase on an 8% sales gain in its 1959 fiscal year. The corporation pointed out that its fiscal-1958 earnings were benefited to the extent of 33¢ a share by reduced income taxes resulting from a loss carry-forward and by a special credit to surplus of \$2,040,518 (22¢). For the fiscal year ended Nov. 30:

	1959	1958
Net sales .....	\$306,048,377	\$282,929,651
Net income .....	9,588,416	9,556,090
Per common share .....	95¢	1.02
Average common shares .	10,056,186	9,112,035

Hudson Radio & Television, parts & hi-fi distributor and mail-order house, sharply increased sales & earnings in the 6 months to Nov. 30:

	1959	1958
Net sales .....	\$2,193,633	\$1,889,381
Net income (loss in '58) .	32,910	(14,842)
Per common share .....	7¢	—
Common shares .....	499,970	374,970

Varian Associates gained markedly in sales & earnings in the quarter ended Jan. 2:

	1960	1959
Sales .....	\$10,677,551	\$8,197,798
Net income .....	755,710	524,470
Per common share .....	24¢	17¢
Common shares .....	3,130,482	3,111,132

Electronics Capital Corp., the San Diego small-business investment company, will buy \$1.25 million of 6-year debentures convertible into 60% of the stock of Electronic Energy Conversion Corp., N.Y. firm founded to develop electronic power-conversion equipment. Electronic Energy was founded by Dr. Victor Wouk, former research & engineering vp of Raytheon's Sorenson & Co. subsidiary.

Taft Bestg. Co. (WKRC-TV & WKRC Cincinnati, WBRC-TV & WBRC Birmingham, WTVN-TV & WTVN Columbus, WBIR-TV & WBIR Knoxville, WKYT Lexington) reports sizeable increases in sales & profits for 9 months ended Dec. 31 as compared with the same 1958 period. The Dec. 31 quarter showed a less marked boost. The figures for 1959 include 28 days of operation of WBIR-TV & WBIR—Taft having purchased complete control of the stations in Dec. (Vol. 15:41 p9)—which added 0.7¢ to the net income per share. For 9 months ended Dec. 31 (figures on operating profit are before depreciation & amortization):

	1959	1958
Net revenue .....	\$7,592,647	\$6,611,639
Operating profit .....	3,198,036	2,579,889
Net income .....	1,160,781	861,573
Per common share .....	80¢	59¢
For 3 months to Dec. 31:		
Net revenue .....	\$2,866,943	\$2,552,647
Operating profit .....	1,357,701	1,120,251
Net income .....	517,401	413,865
Per common share .....	36¢	28¢

Raytheon netted sharp increases in 1959 sales & earnings, the concern's preliminary report shows. Included in the net income is a special \$3-million credit (88¢ a share), representing a reduction in reserve for estimated tax liability and for renegotiation of govt. business in prior years. Raytheon's funded backlog of govt. business was about \$300 million at year's end, up from \$80 million a year ago. For the year ended Dec. 31:

	1959	1958
Net sales .....	\$494,278,000	\$375,156,000
Net income .....	13,481,000	9,403,000
Per common share .....	3.89	3.08
Common shares .....	3,423,567	3,050,459

\* \* \*

Raytheon's 1959 sales "should place us in the top 100" U.S. industrial companies, Pres. Charles F. Adams told the Washington Society of Investment Analysts. Recounting his company's growth in military, commercial and industrial electronics since World War II, he said: "We have well-developed plans for further expansion both internally and by acquisition [and] we fully expect to emerge as one of the true blue chips of the industry." Coincident with Adams' speech, Raytheon announced a \$6.5-million Air Force contract for construction of "the world's largest modulator" and development of "super-power microwave tubes to operate at power levels several times any now in existence."

Ampex 3-for-1 stock split was approved by stockholders last week. Feb. 1 has been set as the record date.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
AMP Inc. ....	Q	\$0.20	Mar. 1	Feb. 5
Capitol Records .....	Q	.50	Mar. 31	Mar. 15
Desilu Productions ...	—	.15	Feb. 26	Feb. 12
Dresser Industries ...	Q	.40	Mar. 15	Mar. 1
Intl. Resistance .....	Q	.05	Mar. 1	Feb. 15
Mallory (P.R.) & Co. .	Q	.35	Mar. 10	Feb. 15
Magnavox .....	Q	.25	Mar. 15	Feb. 25
Paramount Pictures ..	Q	.50	Mar. 11	Feb. 25
Raytheon .....	Stk.	5%	Mar. 18	Feb. 24
Siegler .....	Q	.10	Mar. 1	Feb. 15
Stewart-Warner (new)	Q	.30	Mar. 5	Feb. 11
Taft Bestg. Co. ....	Q	.10	Mar. 15	Feb. 15
Tung-Sol .....	Q	.35	Mar. 2	Feb. 11
20th Century-Fox ....	—	.40	Mar. 31	Mar. 15
Westinghouse (new) .	—	.30	Mar. 1	Feb. 10
Wurlitzer Co. ....	—	.20	Mar. 1	Feb. 11
Zenith .....	—	.40	Mar. 31	Mar. 11



**TV-RADIO PROFITS UP:** Reflecting the rising tide of business, 6 companies active in TV-radio-phono production announced increased sales & profits in financial reports released last week.

Philco led the gainers. Its preliminary report for 1959 reveals roughly a 2½-fold profit increase on a 13% sales gain over 1958, and its earnings last year were the best since 1955.

Emerson also scored major gains, noting in its annual statement for the fiscal year ended last Oct. 30 an 89% increase in net profits and a 15% rise in sales from the fiscal-1958 figure.

Sylvania's parent GT&E topped the billion-dollar-revenue mark in 1959—for the first time in its history.

Upbeat reports also were made by Westinghouse (year ended Dec. 31), Siegler Corp. (6 months to Dec. 31) and Packard Bell (3 months to Dec. 31).

Philco's sharply improved 1959 performance resulted from sales increases in all divisions, Pres. James M. Skinner Jr. reported. Major gains were racked up by transistors, defense electronics, space technology and appliances. In netting its highest income since 1955, Philco was aided by a strong 1959 finish—the 4th-quarter net topping the income of each of 1959's first 3 periods. Skinner noted that "earnings increased in both consumer products & electronic activities, notwithstanding absorption of unusually heavy engineering & development costs incidental to beginning of regular production of the S-2000 large-scale scientific & data-processing computer, delivery of which is scheduled for early this year." For year ended Dec. 31:

	1959	1958
Sales .....	\$397,849,000	\$351,093,000
Net income .....	7,162,000	2,874,000
Per common share .....	1.67	61¢
For quarter ended Dec. 31:		
Sales .....	\$114,333,000	\$105,273,000
Net income .....	2,789,000	2,542,000
Per common share .....	67¢	60¢

\* \* \*

Emerson Radio & Phonograph Corp. said all the company's major divisions contributed to the year's improvements and that "careful control over production & overhead costs" was an important factor in the higher profits for fiscal 1959. Unit & dollar sales of the company's commercial products in the domestic & foreign markets increased, said Pres. Benjamin Abrams, "and were accompanied by substantially higher profit margins."

Working capital Oct. 31, 1959 totaled \$26,867,892 vs. \$24,789,126 a year earlier. The company has no bank loans outstanding and reduced long-term debt by \$575,000 during the year. Total current assets at the end of the fiscal year were listed as \$40,730,710, fixed assets \$2,716,592, total assets \$44,767,162. Current liabilities were \$13,862,818, notes payable \$5,200,000.

Emerson's income statement for the year ended Oct. 31:

	1959	1958
Consolidated net sales ...	\$67,442,399	\$58,401,179
Pre-tax income .....	5,551,214	2,828,709
Net income .....	2,668,682	1,410,009
Per common share .....	1.30	*69¢
Common shares .....	2,049,043	1,951,287

\* Based on the 2,049,043 capital shares outstanding Oct. 31, 1959.

\* \* \*

GT&E revenue & earnings were up sharply in 1959 over 1958, and Chmn. Donald C. Power expects the improvement to continue through 1960. He forecast 1960 earnings in the area of \$80-\$85 million on gross revenues exceeding

\$1.2 billion. The preliminary report (including Sylvania's figures) for 1959:

	1959	1958
Gross revenues .....	\$1,100,000,000	\$885,000,000
Net income .....	72,000,000	58,764,000
Per common share .....	3.42	3.26
Average common shares..	20,200,000	17,792,000

\* \* \*

Westinghouse sales & earnings climbed moderately in 1959, according to a preliminary financial report released last week. Pres. Mark W. Cresap Jr. said pre-tax profit margins rose to 8% on billings, compared with 6.8% in 1958. "The improved operating profits," he explained, "resulted from the aggressive program begun 2 years ago to reduce cost & improve profits, particularly in marginal profit lines." The 4th quarter net includes a special income of \$7,196,000 (42¢ a share) resulting from a tax refund of more than \$12 million, minus non-recurring expenses of some \$5 million. The per-share figures are based on shares outstanding prior to the 2-for-1 split in Jan. (Vol. 16:2 p24). For the year ended Dec. 31: 1959 1958

Net sales billed .....	\$1,910,730,000	\$1,895,699,000
Net income .....	85,947,000	74,772,000
Per common share .....	2.43	2.12
Common shares (new) ..	34,679,456	34,360,056
For quarter ended Dec. 31:		
Net sales billed .....	\$502,337,000	\$511,200,000
Net income .....	29,722,000	25,761,000
Per common share .....	84¢	74¢

\* \* \*

Siegler Corp. racked up a 43% profit gain on a 9.3% sales increase in fiscal-1960's first half (ended Dec. 31, 1959). The first-half sales & earnings were records, and Pres. John G. Brooks said Siegler expects to "continue to show for each remaining quarter at least the amount of increase we have shown over figures in the corresponding periods last year." Brooks emphasized that while the TV industry's 1959 unit sales rose 25.8% over 1958 but lagged 14.1% behind 1957's volume, Siegler's Olympic Radio & TV div. sold 27.7% more TVs in 1959 than in 1958, 18.8% more than in 1957. For 6 months ended Dec. 31:

	1959	1958
Net sales .....	\$45,059,831	\$41,167,719
Net income .....	1,758,878	1,231,661
Per common share .....	1.07	80¢
Common shares .....	1,639,602	1,538,171
For quarter ended Dec. 31:		
Net sales .....	\$23,870,586	\$22,162,088
Net income .....	943,262	698,399
Per common share .....	57¢	45¢

\* \* \*

Packard Bell Electronics reported an all-time high in sales for its first fiscal quarter ended Dec. 31. Although profits increased moderately over the year-ago period, per-share earnings decreased because of the greater number of shares. Pres. Robert S. Bell said the home products div. (TV, radio, stereo, electronic garage-door opener) and the Packard Bell Computer Corp. registered the greatest gains—a 40% sales & 85% profit increase for the former, and more than 100% & 600% growth for the latter. For 3 months ended Dec. 31:

	1959	1958
Sales .....	\$13,305,018	\$12,869,602
Net profit .....	443,592	421,361
Per common share .....	56¢	61¢
Common shares .....	795,500	688,000

\* \* \*

Motorola had record sales of TV, stereo-hi-fi and radio instruments last year, consumer products exec. vp Edward R. Taylor reported. TV unit sales were up 35% over the 1958 volume, stereo-hi-fi ahead more than 40%. Radio gains: portables 82%, clock radios 81%, table models 70%.



# WEEKLY **Television Digest**

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

## SUMMARY-INDEX OF WEEK'S NEWS

### Congress

**HARRIS REPORT—NO SURPRISES** in legislative recommendations by House TV quiz probers to ban rigged shows, license networks, expose plugola, etc. (p. 1).

**TV ALLOCATIONS—WELL-EXPLORED**, but no solution apparent during hearing by Sen. Pastore, who'd like an all-uhf shift (p. 2).

### FCC

**FCC ACTS TO TIGHTEN QUIZ-PAYOLA CLAMPS**, announcing plans to draft corrective legislation & rules aimed at both deceivers & deceived (pp. 3 & 9).

**ABC FOR "NARRATIVE"** as hearing ends, Goldenson stating that FCC has some duty to evaluate station performance but urging no "unwise & precipitous" action (pp. 4 & 11).

**TRANSLATOR RULES RAPPED** by Colo. Gov. McNichols, who calls FCC proposals "unduly harsh," too detailed. He calls for joint study committee (p. 12).

### Advertising

**ANA MAPS AD CLEANUP**; adopts 3-point program of self-regulation in wake of warnings by FTC's Earl W. Kintner (pp. 4 & 13).

**DOERFER BACKS PLAN** for TV Code previews of commercials in AFA talk. Kintner announces end of cigaret "tar derby" (p. 12).

### Programming

**IDEAS FOR LOCAL PUBLIC-SERVICE TV** pop up everywhere (p. 14).

### Manufacturing & Distribution

**TV-RADIO-PHONO HISTORY** of 1959, as detailed in EIA statistics, shows record year for phonos, near-record for radio production, TV sales of 5.75 million (p. 19).

### Auxiliary Services

**JACK WRATHER COMBINE** becomes largest stockholder in Jerrold Electronics, CATV equipment maker & owner (p. 5).

**TWO MORE CATV's** have been purchased by TelePrompTer in the Southwest in a transaction of "more than \$1 million" (p. 5).

### Networks

**NETWORKS IN ANTI-VIOLENCE DRIVE** as NBC-TV & CBS-TV issue written and verbal directives to producers (p. 6).

### Stations

**STATIONS CITED FOR PAYOLA** for first time by FTC in complaints against 3 Boston record distributors (p. 8). Also anti-payola moves of House subcommittee and FCC (p. 9).

**CANADA APPROVES FIRST** new stations (p. 10).

### Film & Tape

**WGA, SAG, IATSE, SEG, DGA, AFTRA**—where TV stands in the strike situation (p. 16).

### Other Departments

**PERSONALS** (p. 18). **FINANCE** (p. 22). **FOREIGN** (p. 24).

**HARRIS REPORT—NO SURPRISES:** There were no new legislative gimmicks—and no fresh indictments of broadcasters—in long-awaited, long-delayed report on 1959 TV quiz investigation (Vol. 16:5 p6) which House Commerce Legislative Oversight Subcommittee finally released last week.

Report shouldn't be kissed off as a mere anti-deception document, however. Its recommendations range far beyond quiz-rigging & plugola—into FCC's basic licensing practices, station sales, relationship of broadcasters with advertisers, producers, agencies, etc.

"Shocking situation," Chmn. Harris (D-Ark.) said again in ticking off report's 7 specific recommendations to remedy TV's ills. "Millions of Americans were tricked, deceived and duped wilfully & deliberately in what was nothing more than a sordid commercial scheme conducted over the nation's airwaves."

But legislative prescriptions had all been written before. Taking up only 3 pages of 133-page document reviewing subcommittee's headline-winning exploits in last year's hearings—and earlier hearings of FCC practices—they were:

(1) Make it criminal offense to produce or broadcast rigged TV quizzes.

(2) Empower FCC to impose milder penalties than license revocations on stations which don't serve public interest.

(3) License TV & radio networks and write some "guidelines" into Communications Act for networks' conduct to prevent them from "surrendering control" of programming to advertisers, producers, agencies.



(4) Require plugola announcements by networks & stations—violations subject to criminal penalties.

(5) Prohibit payoffs of competing applicants for stations, making swap-offs illegal unless FCC gives notice of proposed deals to permit other license applicants to come in.

(6) Require local FCC hearings before any station licenses are issued.

(7) Prevent trafficking in licenses by requiring licensees to hold on to their stations for 3 years unless FCC decides public interest would be served by transfers.

"I'm going to do what I can to bring it about," Chmn. Harris said when he was asked if he thought there was any chance of any Congressional action on the subcommittee's legislative program this session. Rep. Bennett (R-Mich.), ranking minority member, pointed out that legislative hearings must still be held, however—and that if & when they're completed, subcommittee "might well come to different conclusions."

Oversighters' report was unanimous except for one section which criticized FTC for disclaiming any jurisdiction over broadcast programming as such. Majority held that advertising-policing agency also has "ample authority to proceed against the marketing & use of rigged TV quiz show programs as a deceptive business practice." Disagreeing sharply were Reps. Springer (R-Ill.), Derounian (R-N.Y.), Devine (R-O.).

**TV ALLOCATIONS—WELL-EXPLORED, BUT NO SOLUTION:** One of Sen. Pastore's (D-R.I.) major complaints to FCC about TV allocations is: "You march up the Hill with a 4-3 vote—then you vote 4-3 the other way and march down again."

Commission marched up to Capitol Hill this week and marched back again—and Pastore still doesn't know what FCC is going to do "once & for all."

It's obvious that Pastore, chmn. of Commerce Communications Subcommittee, would love to shift all TV to uhf. At same time, he's fearful of disrupting existing service. And he seemed to appreciate FCC Chmn. Doerfer's quip: "If any Congressman votes for all-uhf, he will come back to Washington only as a tourist."

Comr. Lee remained the only Commissioner urging an all-uhf shift—even if it takes 10-15 years. All other members (all 7 attended hearing) believe either that uhf isn't good enough, that it would deprive rural areas of service—or that possibilities of acquiring more vhf channels from military should be exhausted first.

Best indication of prospects for more vhf came from Comr. Ford, who has been negotiating with OCDM. Though he has yet to discuss with OCDM policy makers the recently-finished report on govt. spectrum uses & needs made by OCDM technicians, he said: "Based on my examination of this document, the prospects of obtaining additional vhf spectrum space for use of TV do not appear to be favorable at this time." On the other hand, Comr. Craven, who will be in on the OCDM discussions, said: "I'm not as pessimistic as some, but but couldn't promise a yes-or-no answer by then. port by April 1, and Ford said he'd give a status report I'm not overly optimistic." Pastore asked Ford for a re

Pastore was intrigued by an idea, which the thought was original with him, that shift to uhf could be accomplished by requiring each vhf operator to operate uhf simultaneously, cutting off the vhf after 5-15 years—after viewers have replaced receivers with vhf-uhf sets through natural process of obsolescence. He was cooled off a bit by testimony that fringe viewers might suffer. Then he was reheated by assertions that fringe areas would get coverage from smaller-town uhf stations, satellites, translators, etc.

One thing all Commissioners except Lee agree on: If stations are built on new channels, regardless of whether they will be vhf or uhf, they won't have an audience unless manufacturers are forced to make only all-channel sets. FCC submitted draft of law to accomplish that, and Pastore agreed to introduce it—though he has doubts about its Constitutionality, as "something outside the police power." His counsel Kenneth Cox believes it is Constitutional, as does FCC gen. counsel John Fitzgerald. Doerfer called proposed law "critically important." Lee thinks that law would be helpful but unnecessary, that manufacturers would build without coercion. (For text of proposed legislation, see p. 20.)

Pastore was concerned about delays in getting the proposed Providence Ch. 6 drop-in (Vol. 16:5 p1) on air, urged Commission to promote trusteeship to operate it pending competitive hearing—as was done in New Orleans & Shreveport.



Lee made an exhaustive pitch for all-uhf, but Pastore noted "you stand alone" among Commissioners. Lee asserted that support would come when Commission learns that new vhf channels aren't available, as he believes it will. He insisted that uhf can & will do the job if FCC makes it possible.

ABC vp Alfred Beckman commended Commission for starting short-spaced vhf drop-ins, urged that it do more. William Putnam, of uhf WWLP Springfield Mass., offered his characteristic slam-bang attack on FCC & vhf operators, saying he makes money and provides coverage with uhf—and anyone else can do it too.

Hearing is over, and Cox will write his report for committee. In few Congressional hearings have we heard such well-informed questions & well-informed answers—for both Pastore (with counsel Kenneth Cox & Nicholas Zapple) and the FCC have been through the same subject many times for many years. But there's still no panacea in sight.

Pastore was the only Senator on hand most of time. Sen. Hartke (D-Ind.) dropped in long enough to suggest that answer to problem may be a new FCC or an administrator to take over its job; Doerfer defended the integrity & skill of his colleagues. Sen. Scott (R-Pa.) said that Congress can't force public to buy something like uhf sets and shouldn't try, that there's no public demand for uhf, that he's concerned about loss of fringe service under an all-uhf system.

**FCC ACTS TO TIGHTEN QUIZ-PAYOLA CLAMPS:** FCC responded to popular demand from almost everyone concerned—including Congressmen, Attorney General, industry—and announced last week that it is drafting proposed legislation & rules designed to eliminate such things as quiz-rigging & payola.

Details aren't ready yet, but Commission indicated that new measures would be directed at both broadcasters and those who hoodwink broadcasters. Laws & rules would follow closely the recommendations by Attorney General Rogers to President Eisenhower (Vol. 16:2 p5). Among these are new laws to make payola a crime and to permit FCC to impose punishment less severe than license revocation. FCC also said it was considering Rogers' other recommendations. (Justice Dept. has copies of this report.) Commission's announcement used pretty strong language (for full text, see p. 9), but we also detect Chmn. Doerfer's hand in the statement where it says: "At the present time the Commission cannot act against a specific program unless the program violates a specific law. The courts have held that broadcasting is under the same free speech protection of the First Amendment of the Constitution as the press. The Commission is restricted by the 'no censorship' provisions of the Communications Act to considering the overall programming balance of a broadcaster, which is a complicated & exhaustive process."

Meanwhile, Feb. 5 deadline passed on FCC's payola questionnaire (Vol. 16:2 p3), with most stations responding. Asked if any "shockers" have been found in the documents so far, one staff member said that very few raise questions, and: "You never know when there's a shocker until it's presented to the Commission and the Commission is shocked." Stations due for renewal are being held up unless responses are satisfactory.

In last-minute action Feb. 5, Commissioners unanimously adopted language of proposed anti-payola rule, asked comments on it by March 1: "All licensees & operating permittees shall adopt procedures to prevent the broadcasting of any matter for which service, money or other valuable consideration is, directly or indirectly, paid or promised to, or charged or accepted by, any officer, employee or independent contractor of the station, unless at the time the same is so broadcast it is announced as being paid for or furnished by such person."

Commission also told what its anti-quiz-rigging rules would be like, though text won't be available until this week. Comments deadline is March 1. It said this: "The Commission proposed rules to deal with fixed "quiz" and other non-bona fide contest programs. Although such rules are initially intended for TV, the Commission contemplates extending them to all broadcast services.

"The prospective rules would prohibit such programs unless accompanied by an appropriate announcement disclosing such prearrangement. Specific wording of the announcement is not spelled out, since it may vary from program to program. However, it would in all cases describe the nature of the program in a manner sufficiently to appraise the audience that the events in question are not in fact spontaneous or actual matches of knowledge, skill or intellect. Announcement would be made at the beginning & end of each program.



"Further, the proposed rules would require a station, if obtaining such program from the networks, to be assured that the network program has an accompanying announcement of this nature."

Legislation against deception & payola was also agreed on by Commission, it's understood, with drafts due this week. FCC recommends amendment of Title 18 of the Criminal Code to make it a crime for any station employe to accept payola and for anyone, including broadcasters, to contribute to production or broadcast of any deliberately deceptive "contest of skill or knowledge." No amendment of Communications Act is suggested.

**ANA MAPS AD CLEANUP:** In rare emergency meeting, Assn. of National Advertisers, whose members represent 85% of all national & regional ad spending in U.S., voted Feb. 2 for a new client-level program of TV-radio-print ad cleanup.

Advertisers must shoulder responsibility as much as media in the achievement of honest ads, gimmick-free demonstrations, truthful product claims. That was the warning voiced by roster of govt. & media executives who addressed morning session of ANA meeting (see p. 13). In closed afternoon session, ANA voted without protest to adopt self-regulatory program.

New ANA safeguards will include police work in several areas: (1) Special advisory council within ANA of admen with "high professional attainment" as main watchdog. (2) Closer liaison & "working relationships" with FTC. (3) Stronger links between ANA and various ad industry forces—networks, NAB, AAAA, etc.—"which have or may initiate self-regulatory procedures."

Big threat of govt. legislation—created to fill the vacuum of no self-imposed cleanup—was obviously in back of ANA's mind. Possibly, ANA's move is none too soon. Last week, Gov. Nelson A. Rockefeller requested N.Y. Legislature to draft a tough bill to bring the state's general business laws into line with FTC regulations "to protect consumers from false & misleading advertising" (see page 14).

**ABC FOR 'NARRATIVE' AS HEARING ENDS:** The "narrative-on-needs" technique of FCC surveillance over station programming gained another adherent last week—ABC Pres. Leonard H. Goldenson. Testifying at windup of FCC's hearing, he joined previous major witnesses—with the important exception of CBS Pres. Frank Stanton—in endorsing the idea of requiring applicants to supply FCC with a "narrative" describing their communities' needs & their plans to meet them (Vol. 16:5 p2).

Only one thing is clear to us, after listening to testimony & cross-examination about the "narrative" concept: Its results would depend entirely on philosophy of Commission at any given moment—varying with makeup of Commission & temper of the times, just as it does now. Hope of proponents, apparently, is that licensees' effort of looking for community needs would stimulate them into doing more to meet them.

Comrs. Doerfer & Ford certainly would treat narratives differently. Doerfer is wondering just how far the concept goes. He asked Goldenson whether FCC should approve an application proposing a "shopping list station"—one that offered nothing but prices of consumer goods. Said Goldenson: "Possibly. It depends on what other stations are doing in the area." Ford believes FCC should give industry some idea of what it considers public-interest programming. In Aug. 28 W. Va. speech proposing narrative approach, he said:

"It has been my view for a long time that it is highly unfair for the Commission to lie in ambush, so to speak, while practices are developing which violate its concept of the public interest, convenience & necessity, and then make an example of an uninformed broadcaster. I believe, rather it is generally our duty to inform the public through appropriate orders or reports of the criteria we expect to apply in advance of action against an individual broadcaster."

But in an exchange with Goldenson, Ford said he has trouble deciding what to do in matching a licensee's promises with his performance. "It's impossible," he said, "to hold a licensee to a particular program." In fact, he said, the FCC's present requirement that stations give a percentage breakdown of programming, by type, "is lifting the eyebrow pretty high."

Goldenson said that stations must be permitted to change plans, because "the public interest is a moving target."

Goldenson's basic tenets: Industry is correcting ills such as quiz rigging & payola, FCC should take no "unwise & precipitous action;" Commission has plenty of power now to handle abuses, needs no new laws;



FCC should rely on the public to call problems to its attention. (For details of his testimony & that of ABC-TV Pres. Oliver Treyz, see p. 11.)

Now that hearing is over, FCC network staff gets back to job it started before quiz-payola scandals broke—examination of each part of industry's role in programming. Agency representatives have testified. Start has been made with network executives below top level. FCC attorneys have spent 17 days with film producers in Hollywood. Next step may be hearings in Hollywood, probably within 2 months. Then, testimony by network operating heads. These would again have chief examiner James Cunningham as presiding officer. Meanwhile, Commissioners will hold huddles to decide whether to recommend new laws or new rules as a result of their historic powers-&-policies hearing, reporting their findings to Congress in couple months or so.

**JERROLD JOINS WRATHER ENTERTAINMENT EMPIRE:** Oilman-showman Jack Wrather and his financial associates branched into yet another phase of the communications-entertainment business last week with the acquisition of more than 33% of Jerrold Electronics Corp. for an estimated \$4 million.

Jerrold is the largest manufacturer of community TV antenna equipment. In addition, the 12-year-old Philadelphia firm owns 9 CATV systems, provides CATV engineering service, manufactures & engineers apartment house and other distribution and closed-circuit TV installations. It also manufactures some consumer items, including the highly successful "TV Receptor" indoor antenna.

Wrather's associate in purchase of Jerrold control is John L. Loeb, senior partner in the investment house of John L. Loeb, Rhoades & Co., associated with Wrather in other ventures. Wrather's burgeoning interests—some held jointly with Loeb—include producer-syndicator Independent TV Corp. (with Britain's ATV); TV series Lassie, Lone Ranger and Sgt. Preston; Muzak Corp.; 22% interest in Transcontinent TV Corp. (6 TV & 3 radio stations). Last year, his ITC took over big TPA program syndication operation. In the non-TV field, Wrather owns chain of luxury hotels (Disneyland, Palm Springs, San Diego, Las Vegas) and oil properties.

Sellers of the Jerrold stock were Pres. Milton J. Shapp & his wife, who had owned 644,025 of the publicly-held company's 1,269,500 outstanding shares. Loeb is buying 322,000 shares, Wrather 220,000, the Shapps retaining 100,025 (less than 9%). The stock reportedly was sold at \$8 a share, or about the current market price. Shapp, who remains as pres., announced there will be no changes in management or personnel.

Wrather organization thus becomes another of the TV-oriented combines entering community antenna field—the last one being TelePrompter Corp., which this week added 2 more CATV systems to its stable, expects eventually to have total of 13 (see below).

Wrather is known as a shrewd buyer & seller. He invests in properties which appeal to him, spinning off portions of them which aren't pulling their weight or which can be sold at a good profit. Even now, Wrather & Loeb are understood to be negotiating to sell their interests in one part of ITC's wide-ranging operation—co-owner ATV of London being the buyer. It's expected that ITC's film distribution wing will be sold, while Wrather retains his own production unit in Hollywood.

## Auxiliary Services

**TPT's 2 CATVs:** In a mostly-cash, part-stock deal totaling "more than \$1 million," TelePrompter Corp. has acquired control of CATV systems in Rawlins, Wyo. & Farmington, N.M., Pres. Irving B. Kahn stated last week. The diversification move by TPT has been in the works for some time, and is part of a plan by the closed-circuit firm to buy into a total of 13 CATV systems (Vol. 16:4 p11). The multi-channel CATV systems currently serve about 5,000 subscribers.

Purchase of the CATV systems from Bruce Merrill of Phoenix, Ariz. followed the earlier acquisition by TPT of a CATV system, also Merrill-owned, in Silver City, N.M. In the same deal, TPT also bought a microwave system that feeds the Farmington CATV, as well as a small music-programming system in Rawlins.

TelePrompter's troubled fistic front was somewhat soothed-over Feb. 5 when TPT signed a consent decree with N.Y. State Attorney Gen. Louis Lefkowitz, terminating the state's corporate-dissolution and anti-monopoly proceedings for alleged violation of state anti-trust & boxing laws (Vol. 16:5 p3 & 14). Pres. Irving B. Kahn agreed to withdraw from his contract for ancillary rights to the proposed return heavyweight bout between Patterson & Johansson, but indicated to us that he will actively bid for the rights "should a promoter arrange for the rematch." The consent decree has no bearing on the tax proceeding in which the state seeks to collect from TPT \$100,000 in gross receipts from the first P-J fight last June, we were told. "The consent decree was accepted on the advice of counsel because of length & cost of court action," said Kahn, adding, "It doesn't acknowledge violation of the law." Boxing represents less than 10% of TPT's gross.



## Networks

### NBC's STATEMENT

#### Of Programming Responsibilities Relating to Children as Viewers

NBC requests that all producers contributing to its schedule cooperate in assuring that children are well served by our programs.

The following statement deals specifically with the questions of sex and violence on programs reaching a broad family audience. It implements the NBC radio and television broadcast standards and the Television Code of the National Association of Broadcasters, with particular reference to the section of the Code headed "responsibility towards children." The wording and intent of these documents are clear.

As a medium that is still young, television must continue to appraise its aims and responsibilities. Where children are concerned, television has the special responsibility of reflecting the realities of the world at large in a way that is beneficial to young viewers. We accept this responsibility and we will use every means to live up to it.

We suggest, in addition, that parents have a responsibility in this matter—the responsibility of guiding their children in the development of good viewing habits. We believe that good television encourages habits of good health or reading.

#### Violence

Like other media, television reflects the conflicts that exist in the real world. Conflict does not of itself constitute violence, but as it increases and as its nature changes, conflict sometimes becomes violence. We believe, in other words, that violence is a matter of degree and intrinsic intent.

Producers must use great care in determining the degree and intent of conflict—not only in the actual content of a program but in the "teaser" and "trailer" high-lights that are seen out of context.

Anything that approaches the sensational is unacceptable. To show an actor firing bullets into a victim already dead is entirely superfluous, not to say morbid. To extend a fist fight into a prolonged beating and to show close-ups of the facial injury goes well beyond the needs of establishing conflict and borders on the sadistic. Such extremes of violence will not be used on NBC programs for children.

#### Sex

Television also reflects the realities of the relationship between the sexes. Here again, degree and intent are the keys to good programming for a family audience.

Simple affection is a vital part of the expression of human love. There is reasonable acceptance of the portrayal of this affection between man and woman—this need to touch one another and, in so doing, to demonstrate love.

In meeting our responsibilities to the family audience, we can do without the leer, the brutal set of the jaw, and the intent to possess as the symbol of power and domination.

On this subject there are extreme approaches, but NBC favors a middle ground for programs drawing a wide family audience.

In cases where interpretation is exceptionally complex, all producers and their staffs can count on NBC to work with them to carry out the spirit of this statement and of the television standards that it implements.

**NETS' ANTI-VIOLENCE DRIVE:** Network action to control sex & violence in nighttime shows was well under way last week. NBC-TV issued to producers & creative personnel a copious amount of written material reminding talent of their responsibilities in the production of adult shows that may be seen by children. CBS-TV issued no memos but continued its private conversations with individual producers along the same line.

At NBC-TV, the warning came in the form of:

(1) A letter from vp for standards & practices James A. Stabile calling attention to a tough new interpretation of NBC's 26-year-old Broadcast Standards and the 8-year-old NAB TV Code. "It is important that all persons engaged in the creation of programs broadcast over NBC facilities be . . . cognizant of these standards," said Stabile.

(2) A 2-page interpretation of NBC ground rules (see text next col.) which declared flatly that NBC was accepting "the special responsibility of reflecting the realities of the world at large in a way that is beneficial to young viewers." Admitting that "violence is a matter of degree & intrinsic intent" and that "the relationship between the sexes" was a similar problem, the interpretation pointedly asked producers, inside & outside NBC, to "cooperate in assuring that children are well served by our programs."

(3) A copy of NBC's current, 43-page "TV-Radio Broadcast Standards." In his letter, Stabile noted: "We are in the process of revising the NBC standards book, and amendments will be sent as they are adopted."

(4) A copy of the TV Code of NAB (5th edition, March 1959), plus Dec. 1959 amendments, with special attention called to "the responsibility toward children outlined on pages 2, 3 & 4."

#### Helffrich Explains Barrage of Directives

Why was NBC making these moves against electronic brutality & televised leers? Was it another network push on the post-quiz cleanup front? Was there anything really new about the NBC directives?

We put these questions to Stockton Helffrich, NBC continuity acceptance dir. and veteran wielder of the network's blue pencil. Replied he: "What we've done here is to make a re-appraisal of a situation. The basic rules aren't new. But the climate of the times demands a conscious responsibility on the part of NBC in this area. Also, it serves as a valuable refresher for experienced TV producers and as an indoctrination for new producers, many of whom have come to TV from movies & theater recently."

Helffrich also reiterated a point that many of TV's outside-the-industry critics conveniently forget: "We can try to do our best, but it is also up to parents of children watching TV to do their part in sharing the general responsibility."

The other 2 networks, meanwhile, weren't making as overt a move as NBC to checkrein nighttime program content, but there were indications that NBC was not alone in sharpening the scissors.

At CBS-TV, spokesmen for the network's program dept. admitted in N.Y. that a quiet campaign against excessive TV violence was under way. The CBS cleanup is like NBC's in that it stresses adherence to existing rules. It differs from the NBC campaign in one important aspect, however. CBS-TV program executives have been conducting a series of face-to-face meetings with producers, primarily independents, to review network & NAB program standards. One explanation for the lack of rule-by-memo was offered by dir. of editing Herbert Carlborg, who re-



ports to program practices vp Joseph Ream. Said Carlborg: "We like to work with few directives. If you try to spell out every detail, you can get into an inflexible position."

Said vp Ream: "We've made it a point to review the violence content of Westerns & private-eye shows. When we think the producers are getting out of bounds, Bill Tankersley (dir. program practices, Hollywood) talks to them. The producers are being very cooperative."

At ABC-TV—a stronghold of action-adventure & crime shows—no special orders, written or verbal, were issued, but Tom Moore told us: "The network continuity dept. watches & checks against excessive violence or sex in ABC programs. If what they consider 'excessive' instances are found, the producer is informed, individually, so that changes can be made before airtime."

No network last week could claim that all its problems in the violence-&-sex area had been solved, however. One strong reminder came from across the Atlantic, where the *Philip Marlowe* telefilm series (Goodson-Todman Productions for Cal. National, ABC-TV, Tues. 9:30-10 p.m. currently) had just premiered on BBC-TV. British viewers and the British press reacted with a shower of phone calls & editorial blasts at the show's "gratuitous violence." BBC officials apologized, and said future episodes would be screened carefully, with those considered "too violent" summarily rejected.

(From Boston, Mass., came word that the Congress of Women's Clubs had voted *The Untouchables* the best TV series.)

\* \* \*

Hollywood producers we talked to had already received NBC-TV's written instructions to hold down on violence. They corroborated that CBS-TV gave them verbal orders to cut excessive violence, and that ABC-TV has not issued any new instructions but is proceeding with the customary script-by-script editing of violence. The producers said they didn't expect substantial changes this season as a result of the NBC-TV and CBS-TV moves, partly because much of the product has already been filmed, and mostly because they've been hewing to this line anyway under the eye of the network continuity-acceptance depts.

It's far more likely that the results of the new orders will be noticed next season. Pilots are already being revamped in conformance with the no-violence edicts. For example, Sharpe-Lewis productions is doing a pilot, *K-9 Corps*, in association with CBS-TV. Originally planned as a drama series with action, the show has been revised to avoid criminal shooting. Acknowledging that this is being done at the behest of CBS-TV, producer Warren Lewis said, "Now we will stress human interest stories in our broad revision of the whole approach to the show. This will redound to the benefit of the show."

\* \* \*

Of the 11 series cancelled to date, 8 feature violence in varying degrees. Trade observers predict that before the casualty season is over, 40 to 45 series will be cancelled. If the ratio persists, it will be a miserable year for mayhem on TV. But 2 series of this type continue to be decided hits—*The Untouchables* and *77 Sunset Strip*.

Shows with violence which are early casualties include *The Lineup*, *5 Fingers*, *Wichita Town*, *Richard Diamond*, *Private Detective*, *M Squad*, *Man With a Camera* and *Philip Marlowe*. *Desilu Westinghouse Playhouse*, cut back to alternating weeks, had featured many Westerns and dramas of violence. *Bourbon Street Beat* and *Law of the Plainsman* lost partial sponsorship but found replacements. Other (non-violent) casualties to date are *Love & Marriage*, *Fibber McGee & Molly* and *The Gale Storm Show*.

**NBC-TV to Revise Discounts:** A plan to gear the NBC-TV prime-time discount structure more closely to national audience levels was confirmed by the network last week. Following the lead of CBS-TV, which has already announced a 1960 revision of network rate structure (Vol. 15:40 p9), NBC-TV intends to make discounts for the 7:30-9 p.m. & 10:30-11 p.m. slots more attractive to advertisers while keeping prime 9-10:30 periods at full price with a top discount of 25%. Discounts on the early-evening & late-night slots will range from 27½% to 35%. Dollar volume & contract duration will count heavily in the revised discount structure, but so will factors such as station lineup & summertime TV buying.

In the latter area, NBC-TV also plans to be competitive with CBS-TV, whose discounts are now arranged to encourage the use of TV in the summertime (no time-period discount for advertisers on CBS-TV for the 39-wk. "winter season" only). New NBC-TV discounts will go into effect in April.

## NETWORK SALES ACTIVITY

### ABC-TV

- Untouchables*, Thurs., 9:30-10:30 p.m., 16 one-sixths over 31 wks.  
*Liggett & Myers* (McCann-Erickson)
- Colt .45*, Sun., 7-7:30 p.m., 5 one-thirds, 2 two-thirds sponsorships.  
*Block Drug* (Sullivan, Stauffer, Colwell & Bayles)

### CBS-TV

- Be Our Guest*, Wed., 7:30-8:30 p.m., short-term participations.  
*Manhattan Shirt Co.* (Daniel & Charles) & *Vitamin Corp. of America* (Fairfax Inc.)
- On the Go*, Mon.-Fri., 10:30-11 a.m., short-term participations.  
*Vitamin Corp. of America* (Fairfax Inc.) & *Commonwealth Products* (R. J. Scott)
- Captain Kangaroo*, Mon.-Sat., 8:15-9 a.m., short-term participations.  
*Fruit of the Loom* (Daniel & Charles)
- Edge of Night*, Mon.-Fri., 4:30-5 p.m., & *As the World Turns*, Mon.-Fri., 1:30-2 p.m., alt. wk. 15-min. segs.  
*Helene Curtis* (Edward H. Weiss)
- Twilight Zone*, Fri., 10-10:30 p.m., renewal through Sept.  
*Kimberly Clark* (Foote, Cone & Belding) & *General Foods* (Young & Rubicam)
- Person to Person*, Fri., 10:30-11 p.m., & *The Texan*, Mon., 8-8:30 p.m.  
*Allstate Insurance* (Leo Burnett)

### NBC-TV

- Jack Paar Special*, April 26, 10-11 p.m., plus 2 Paar programs on unscheduled dates next fall.  
*Elgin National Watch Co.* (J. Walter Thompson)
- Today*, Mon.-Fri., 7-9 a.m., 91 participations from April through Nov. 9.  
*Electric Auto Lite Co.* (Grant Adv.)
- The Man & The Challenge*, Sat., 8:30-9 p.m., renewal for 6 months.  
*R. J. Reynolds* (Wm. Esty) & *Chemstrand* (Doyle Dane Bernbach)
- Masquerade Party*, Fri., 9:30-10 p.m., co-sponsorship.  
*Block Drug* (Grey) & *Hazel Bishop* (Donahue & Coe)



**NBC-TV-Disneyland Deal?** Conversations have been held between Walt Disney and NBC-TV regarding their teaming to establish another Disneyland—this time in Florida. The original Disneyland, in Anaheim, Cal., was built by Disney with AB-PT as part owner. The NBC-TV-Disney deal “might eventually go through,” we were told by an executive and associate of Disney’s, but he declined to elaborate. One reason for the reluctance to discuss the proposed deal with NBC-TV is that contractually Disney is still committed to ABC-TV. But Disney is in litigation to get out of his contract with ABC-TV—a trial which will be held in N.Y., probably in the latter part of this month. Attempts to settle out-of-court have collapsed.

Disney hasn’t yet chosen his site for his Fla. park, but disclosed at his recent stockholders’ meeting that he has narrowed the choice down to 2 locations.

While *Walt Disney Presents* will return next season on ABC-TV, in a different time slot (6:30 p.m. Sun.), it’s not likely there will be other Disney shows on ABC-TV because of the current friction and a Disney feeling that the network has not been pushing sales of its series.

Ironical twist to current negotiations: NBC originally turned down Disney proposal to become part owner of the now fabulously successful Disneyland in Cal. So did CBS. AB-PT accepted the proposal and so began the long Disney-ABC alliance—now on the rocks.

Pride & joy of ABC-TV last week was the latest Trendex nighttime report, now broadened to include 29 U.S. cities. Trendex showed ABC-TV leading the pack in the key nighttime hours of 8-10:30 p.m. with a 4-night (Mon.-Thur.) rating average of 20.2 vs. CBS-TV’s 17.9 and NBC-TV’s 16.0. Several of ABC-TV’s shows considered “doubtful” when the season began last fall were now showing real Trendex strength. *Adventures in Paradise* on Feb. 1 scored a tops-in-time-period 20.7 against 18.4 for CBS-TV and 11.7 for NBC-TV. *Hawaiian Eye* on Feb. 3 topped *Perry Como* on NBC-TV, during its first 30-min., with a 22.3 against Como’s 19.5 and an also-ran 15.4 for *The Millionaire* on CBS-TV.

NBC Chmn. Robert W. Sarnoff, tackling several major TV issues Feb. 3 before the Detroit council of the AAAA, urged that “every advertiser should examine whether his needs cannot be served effectively by image-building programs in the public affairs & cultural fields.” Commenting on magazine-concept TV advertising, Sarnoff defended his opposition on grounds that “the advertiser would have no identification with a single program.” On TV advertising propriety: “TV’s responsibility is heavy because of its special impact & power, but this does not mean that competing media should enjoy special treatment by law enforcement agencies.”

Low-light TV camera tube will be put into regular use by ABC-TV in its coverage of the national political conventions next July. The new image orthicon—interchangeable with the standard image orth—requires less than ordinary room lighting and will be used for special pickups from halls, hotel rooms, airports, etc. The tube is similar to the low-light image orthicon developed by GE and used in Crosley Bcstg. Co. color pickups (Vol. 15:44, 49 p8).

Russian viewers will see coverage of the Winter Olympics. CBS, which holds exclusive world TV rights to the Feb. 18-28 Squaw Valley sports events, will supply 15 hours of kinescopes to USIA, which will furnish them to USSR & its satellites—and the rest of Europe.

## Stations

**FTC CITES STATIONS FOR PAYOLA:** For the first time in its drive against payola practices, FTC last week accused radio stations as well as TV & radio disc jockeys of accepting payments from record firms for broadcasting their music.

Neither stations nor jockeys were identified in the new complaints—confined to Boston—which brought FTC’s payola score to 40 since it began moving into the field 2 months ago. FTC’s announcement of the actions listed only 3 Boston record distributors and their officers as payola case respondents: Records Inc., 790 Commonwealth Ave., and Pres.-treas. Cecil Steen. Music Suppliers Inc., 263 Huntington Ave., and Pres.-treas. Harry Carter & vp Gordon Dinerstein. Dumont Record Distributing Corp., 1280 Tremont Ave., and Pres. Donald E. Dumont.

FTC said the 3 firms had made illegal payments to jockeys, “radio stations & others” to exploit their records. In line with the advertising-policing agency’s policy of not making public the names of recipients of alleged payola, it refused to amplify the announcement—but in usual routine, the names were sent along to FCC for its information.

Reporting on FTC payola investigations at the mid-winter Advertising Federation of America conference in Washington (see p. 12), Chmn. Earl W. Kintner said that of 256 record manufacturers & 481 distributors now reported in business, “apparently an exceedingly high percentage of them have been using ‘payola’ as a standard commercial procedure.”

\* \* \*

Meanwhile, FTC heard from another record company cited earlier:

Payola is promotion, Cincinnati’s A & I Record Distributing Co. Inc. assured FTC in answer to the agency’s complaint that it made illegal under-table payments to disc jockeys to popularize its records (Vol. 16:3 p8). But A & I and its Pres. Isadore Klayman said they were ready to agree to an FTC order to discontinue the practice. Third record firm to accept a cease-&-desist agreement in FTC’s massive anti-payola campaign (Vol. 16:5 p10), the Cincinnati firm said it was unaware it was violating any FTC laws “by advancing small amounts of money to certain disc jockeys during the past 3 years.” The reply to the FTC charges said such payments, totaling about \$800, were “considered promotion expense” and had been deducted in income tax returns. The answer added: “There was no attempt to defraud the public by such payments, inasmuch as the amounts paid were so small that it could not possibly cause a disc jockey to play their records unless they were worthy of playing them on their programs.”

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Donation of more than \$180 million worth of TV-radio time & print space was made by advertisers & media last year to the public-service campaign of the Advertising Council, stated Pres. Theodore S. Replier to a midwinter Washington conference of the Advertising Federation of America. Said Replier of the TV-radio industry: “Whatever may be its sins . . . it has been everlastingly faithful (for the past 18 years) to its assignment as carrier of Advertising Council public-service messages.” According to A. C. Nielsen estimates, “more than 18 million TV-radio home impressions” were made in commercial network time periods for ad council campaigns during 1959.



**HOUSE PAYOLA HEARINGS:** Three former employes of Westinghouse's radio KYW Cleveland, and a record distributor there, were waiting in the wings last week to be cued on stage as the first public performers in the House Commerce Oversight Subcommittee's initial 1960 production—payola hearings.

Subpoenaed to be on hand for the opening of the long-rehearsed proceedings at 10 A.M. Feb. 8 in the caucus room of the Old House Office Bldg. (Vol. 16:5 p6) were ex-KYW disc jockey Joe Finan & Wesley Hopkins, ex-KYW record librarian Charles Young, and vp James Shipley of Main Line Cleveland Inc.

Finan, Hopkins and Young were among the first to lose their jobs in an across-the-country wave of dismissals at stations which followed the Oversighters' first foray into the payola field last Nov. (Vol. 15:45 et seq.). Westinghouse tersely announced they had been fired for "infractions of company policies & practices," then followed up with a general denunciation of payola.

Shipley's Main Line Cleveland record-distributing firm was among the first 9 companies cited in a complaint by FTC in its anti-payola campaign (Vol. 15:49 p12). Commenting on the payola situation in Cleveland, Shipley alleged that KYW's Finan had instituted the practice there.

Names of other prospective stars in the hearings m.c.'d by subcommittee Chmn. Harris (D-Ark.) were not immediately disclosed. But one subcommittee source told us that unnamed witnesses from Boston—executives of record manufacturers & distributors, disc jockeys and "radio station personnel"—also were being lined for early appearances this week.

Washington speculation that ABC-TV headliner Dick Clark of *Bandstand* would get top billing in the cast of characters was discounted by subcommittee staffers. They said it was unlikely that the disc-jockey idol of teen-agers, who has severed connections with music publishing, would be called to the stand.

The Harris subcommittee's hearings were scheduled for a run of only one week, with testimony restricted to payola. But other phases of the Oversighters' investigations of broadcasting practices—including advertising plugola—probably will be explored at a subsequent series of hearings.

\* \* \*

First payola testimony to be given by officials of more than 50 record companies was heard last week by a N.Y. county grand jury. District Attorney Frank S. Hogan's office refused to disclose names of the witnesses, although spokesmen said no disc jockeys were called. The record executives are not being required to sign waivers of immunity. Hogan's office had subpoenaed books & financial records of the record companies last fall during the quiz hearings (Vol. 15:46 p13 et seq.).

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KSLA-TV (Ch. 12) Shreveport has been bought for \$3.4 million by KSLA-TV Inc. The latter is 51% owned by the *Shreveport Journal*, whose pres. & publisher is Douglas F. Attaway; 20% by the Don George estate; the balance by several local stockholders including Winston B. Linam who will continue as station mgr. The sellers are the Don George estate (43%), Ben Beckham Jr. (25%), Henry E. Linam (25%), W. C. Henderson (7%). The brokers were Blackburn & Co.

### More about

**FCC's QUIZ-PAYOLA PROPOSALS:** The precise language of FCC's proposed legislation & rules to curb deceptive practices (see p. 3) hasn't been drafted, but the full text of the Commission's announcement of intent gives a good indication of their scope:

"The present laws governing Commission broadcast regulation reach only the station licensees. Evidence indicates that many objectionable broadcast practices have been due to the methods of program packagers & disc jockeys who are not directly subject to the regulatory powers of the FCC. Accordingly, the Commission is drafting supplemental legislation & rules which would provide more effective control in such matters.

"It's legislative considerations include authority to apply sanctions less drastic than the present revocation penalty—such as suspensions of licenses or fines; also use of cease-&-desist orders, or court injunctions or restraining orders which can be implemented promptly.

'Contemplated new rules would require broadcast licensees to pay more attention to phases of program procurement & production. They would be designed to hold the licensees responsible for installing more effective systems of internal controls to detect & prevent such abuses.

"At the present time the Commission cannot act against a specific program unless the program violates a specific law. The courts have held that broadcasting is under the same free speech protection of the First Amendment of the Constitution as the press. The Commission is restricted by the 'no censorship' provision of the Communications Act to considering the overall programming balance of a broadcaster, which is a complicated & exhaustive process.

"Making reprehensible practices definite violations of the law would permit the Commission to apply to the court upon a proper allegation of fact for temporary injunction or restraining order pending a public hearing. Increasing the power of the Commission to effectively deal with frauds & deceptions not heretofore specified in law would hurdle the present available defense that a person cannot be held accountable unless the complained of practice is definitely & legally prohibited beforehand. Banning the fraudulent quiz & payola practices by actual law would go a long way in deterring those responsible who are not directly amenable to Commission jurisdiction. The supplemental rules would enable the licensee to know & understand what conduct is to be interdicted & prevented before it gets on the air.

"The Commission also has under consideration other recommendations made by the Attorney General in his report to the President on deceptive practices in broadcasting media."

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WRDW-TV (Ch. 12) Augusta has been bought by the Friendly Group for "in excess of \$1,500,000" from Southeastern Newspapers Inc.—radio WRDW not included in the transaction. The Friendly Group also owns: WSTV-TV & WSTV Steubenville, O.; KODE-TV & KODE Joplin, Mo.; WBOY-TV & WBOY Clarksburg, W.Va.; WRGP-TV Chattanooga (70%); radio stations WPAR Parkersburg, W.Va.; KMLB Monroe, La.; WPIT Pittsburgh and WSOL Tampa, Fla. The sale was negotiated by Friendly's Fred Weber and gives the group a full quota of 5 yhf TVs and 7 AMs. It's one of the rare TV sales by a newspaper. It's understood that Southeastern Newspapers intends to sell WRDW too and buy into the *Savannah News & Press*.



**Canada Approves First New Stations:** Canada's first competitive TV stations have been approved by the Board of Broadcast Governors in decisions based on a 13-point yardstick.

Winners: Ralph S. Misener & Associates in Winnipeg (Ch. 7), and Vantel Bcstg. Co. Ltd. in Vancouver (Ch. 8). Seven more TV licenses will be granted by July 1 and all 9 will be operating by Dec. 31, 1960. Misener's TV competition in Winnipeg's 400,000 population will be strictly government-owned CBC; but in Vancouver (750,000), Vantel will compete with CBC plus 5 stations in Seattle, Tacoma and Bellingham, Wash., and Victoria, B.C. Losers were Metropolitan Bcstg. Co. Ltd., which is affiliated with both Vancouver daily newspapers, and Red River Television Assn., which is connected with the *Winnipeg Free Press* and other prairie newspaper interests.

Associated with Misener in Winnipeg are Lloyd Mofatt, majority stockholder in CKY Winnipeg and CHED Edmonton; Roland Couture, majority stock holder in CKSB in Winnipeg's twin city of St. Boniface; T. O. Peterson, formerly owner of radio CFOB in Fort Frances, Ont.; Walter Kroeker, majority stockholder in CFAM, Altona, Man., and Campbell Haig, Winnipeg lawyer. Jack Davidson, CKY gen mgr., will become gen. mgr. of the new TV station. Misener's company plans to spend \$843,000 for equipment and \$443,000 for building & studios.

Vantel is headed by 34-year-old Art Jones of Artray Film Productions. Associated with him are W. J. Ferguson, pres., Transport Finance; J. D. Hagar, Victoria investment dealer; Peter Saunders, pres., and Andrew Saxton, exec. vp, Imperial Investment Corp.; Col. Edward Eakins & Mrs. Eakins; Chas. R. White, pres., Western Canada Coin Washer Ltd.; Arthur Andrews, senior partner, Price Waterhouse Co., auditors; and J. R. & N. R. Whittall, investment dealers.

Vantel's presentation in support of its application included a 30-min. color film to show program proposals & resources of Artray film productions.

#### BBG Lists 13 Criteria

In announcing decisions, BBG listed these 13 points of consideration: (1) coverage; (2) nature of facilities; (3) composition of board of directors; (4) distribution of voting stock and location of effective control; (5) general plan of financing; (6) financial capacity of those named in application; (7) experience & standing of those named; (8) association of applicants with other communications media; (9) estimates of expected revenue and capacity of market to support station—"particularly capacity of the market to meet full costs of service to which applicant would be committed;" (10) establishment proposed, and experience & management capacity of personnel; (11) manner in which programming policies would be decided & implemented; (12) program commitments in relation to Broadcasting Act (55% Canadian content) and varied service of high standard; (13) characteristics of community, nature of available broadcasting service and capacity of applicant to meet varied needs of proposed service.

BBG also approved TV satellites at Upsalquitch Lake, N.B. (Ch. 12), by CKCW-TV Moncton, N.B.; and at Oliver, B.C. (Ch. 8), by CHBC-TV Kewlona. BBG also approved power increase to 100 kw for CHEK-TV, Victoria.

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"Economic injury" concept—the impact of new stations on existing service—is avoided in the U.S. but it was applied vigorously in Canada last week. The Board of Broadcast Governors turned down several AM applications in the Winnipeg, Ottawa, Calgary & Vancouver areas

at the same time it picked winners for TV grants in Winnipeg & Vancouver. Said the BBG in each case: "The Board believes that the simultaneous appearance of an additional TV & an additional radio station cannot be justified by the immediate conditions in the [market], and could easily create a degree of dislocation which would result in deterioration in the quality of service. In the opinion of the Board, broadcasting service [in the market] would be enhanced more by alternative TV than by the addition of another radio station . . . The Board will not recommend a license for an additional radio station [in the market] until a second TV station is in operation and its effects on the market are apparent." The BBG also established the principle that no license will be given to radio stations basically devoted to religious broadcasting. In rejecting a Toronto application from A. W. Ness, BBG said religious broadcasting should be incorporated into the programming of all stations under guidance of broadly-based advisory councils.

Bartell Family's radios WAKE Atlanta and WYDE Birmingham, Ala. have been sold for \$1,025,000 to Ira Herbert and wife Bernice Judis, heading a group which includes Emil Mogul of Williams & Saylor agency and retired adman Milton Biow. The broker was Edwin Tornberg. The Bartell family retains radio stations WADO New York, WOKY Milwaukee, KYA San Francisco & KCBQ San Diego. It also has an interest in 3 Caribbean-area TV stations now under construction: Tele-Aruba (Ch. 7) Oranjestad, Tele-Curaco (Ch. 5) Willemstad and Tele-Haiti (Ch. 5) Port-au-Prince (Vol. 15:41 p9).

WNBQ & radio WMAQ Chicago tallied record sales in 1959, reports Lloyd E. Yoder, NBC vp & gen. mgr. of the 2 stations. WNBQ's total (national spot & local) sales soared 33% above 1958's level and 27% above the previous record volume set in 1956. The TV outlet's local sales accounted for 36% of the increase; spot sales were 32% ahead. WMAQ had a total sales gain of 11% over 1958. Local sales were 30% higher; spot sales approximated those of the preceding year.

Full-dress NAB Board sessions, postponed from Jan. 24-29 in Palm Springs, Cal. while NAB concentrated on its FCC programming hearing testimony (Vol. 16:5 p2), will be held March 7-11 in Washington's Statler Hilton Hotel. The TV Board will meet March 9, the Radio Board March 10, the full 43-member Board March 11. NAB committee meetings are scheduled for NAB hq March 7-8.

AFTRA members at KDKA-TV Pittsburgh have been authorized by the union's exec. committee to strike the station if contractual negotiations currently in process hit a snag, we learned from AFTRA last week. The station's AFTRA contract expired Jan. 31. Strike benefits have been allocated by AFTRA exec. secy. Don Hirsch, should the station members vote to walk out.

Automatic programmer, described by its manufacturer as the "most advanced in the world," has been delivered by Oki Electric Co. to Sanyo Bcstg. Co. (JOYR-TV Okayama, Japan). The programmer handles complete program sequencing and keeps a complete log.

Pulse Annual Review for 1959, covering rating performance of TV-radio stations, will be published April 1. Price: \$50 to Pulse subscribers, \$75 to non-subscribers, by Pulse Inc., 730 Fifth Ave., N.Y. 19.

TV-tape storage cabinets for 6-, 8-, 12½-, 14-inch reels have been introduced by Neumade Products Corp., N.Y.



## The FCC

### More about

**ABC WRAPS UP FCC HEARING:** After AB-PT Pres. Leonard H. Goldenson & ABC-TV Pres. Oliver Treyz finished testifying in FCC's "powers & policy" hearing last week—concluding it (see p. 4)—it was apparent that ABC & NBC stand very close together in their positions on FCC's authority & duties, differing substantially from CBS, whose Pres. Frank Stanton has grave fears about any Commission attempt to evaluate station performance (Vol. 16:5 p2).

Answering Comr. Cross, Goldenson said FCC should concern itself with programming, questioning the character of a licensee if he misrepresents his performance. "If a licensee doesn't operate in the public interest," he said, "the FCC can put him on notice." On the other hand, he told Comr. Ford, a station can't be held inflexibly to earlier promises. "We must rely on the public," he said, "The public will call problems to FCC's attention."

Comr. Bartley developed a favorite subject of his—the absence of late-evening network news—asking what happened to the 10 p.m. John Daly show. "Lack of public response," explained Goldenson.

Comr. Hyde was skeptical about the industry's self-correcting capacities. He asked about its performance regarding quiz-rigging & payola: "Industry didn't act voluntarily, did it? Nothing happened until there was widespread national exposure."

"The democratic process is slow but sound," said Goldenson. Hyde also asked about ABC's policy on editorializing. Said Goldenson: "We're opposed to it. Using our own airways could become a serious problem." In preference, he said, ABC offers its facilities to permit others to give their views on controversial subjects. He added, however, that ABC may editorialize in the future.

### Emphasizes Limits on FCC Power

Chmn. Doerfer, irked by Comr. Cross's frequent questions about "fast buck" operators, asked Goldenson if he knew of any such. Goldenson said he knew of none. Doerfer obtained Goldenson's agreement on the following concepts: FCC should be concerned when a licensee is guilty only of "misrepresentations;" FCC shouldn't prescribe specific program "directives;" stations are forbidden to use their facilities "as a private business." Doerfer's purpose, as with previous witnesses, was to emphasize strict limits on FCC powers.

FCC counsel Ashbrook Bryant's favorite line of questioning seemed directed at making a case for the licensing of networks. He noted that station witnesses indicated they have meager knowledge of forthcoming network programs. Treyz disagreed, outlining ABC's procedures and stating his belief that they're adequate.

Answering other Bryant questions, Treyz said ABC gives "no creative control" to advertisers. On the other hand, he said, ABC doesn't have "creative control" of the Hollywood-produced films on its schedule—though it definitely sets the policy for them.

As for Comr. Cross's "3 Ms"—"mayhem, murder & mediocrity"—Treyz said: "ABC policy rules out excessive violence." He asserted that violence is employed only when necessary to develop plot & character.

The Goldenson-Treyz prepared statement stressed ABC's "counter-programming" concept—the technique of filling programming wants neglected by the other networks.

Hence, they said, ABC first stressed action & adventure. Now that CBS & NBC have joined the fields, ABC is planning such programs as the Winston Churchill series, a weekly agricultural program, biblical themes, etc.

Goldenson defended TV's catering to mass tastes: "What is wrong, exactly, about serving the majority of Americans with the type of programs they prefer, with the popular entertainment for which they probably purchased their TV sets in the first place?" Then he added: "The minority's views are entitled to respect & consideration . . . we have tried to serve [them]. We think we are doing a reasonably good job and through our experience we hope to improve."

Goldenson concluded: "Unwise & precipitous action against a background such as this, whether in the form of legislation or regulation or even whether in the form of pressure too heavily applied, may result in the establishing of operating principles which can place this TV industry in a straitjacket. We must avoid any controls which might cripple or retard its growth and its ability to experiment, to be daring, to be vigorous and to enter into new fields that are the appropriate courses of conduct for so young & so new a vital force."

Jack Harris, vp-gen. mgr. of KPRC-TV Houston, submitted a statement as chmn. of NBC-TV affiliate delegates, loyally backing up the network's earlier presentation (Vol. 16:5 p2). He said "the abuses which triggered the Commission's present inquiry had been effectively eliminated even before this inquiry began." He assured FCC that the industry "can be relied upon decisively & effectively to protect & promote the public interest without the need for additional governmental intervention."

Miami Ch. 10 conspiracy retrial, delayed by hospitalization of ex-FCC Comr. Richard A. Mack for mental examination (Vol. 16:5 p6), may proceed without his presence at the defense table. Justice Dept. attorney Oliver Dibble said the Govt. is considering dividing the case and going ahead with Mack's co-defendant, Thurman A. Whiteside, in the dock alone. No decision on procedure will be taken, he said, until Miami County Judge George T. Clark holds a hearing on Mack's ability to stand trial again. Meanwhile, Judge Alexander Holtzoff of Washington's U.S. District Court, where the second trial had been scheduled to start Feb. 2, said he'd set no new trial date for at least 2 weeks.

Proposed revocation of license of radio KIMN Denver for "vulgar, obscene" broadcasts (Vol. 16:2 p4) should be stopped because no "specific law has been violated," the station told FCC in a supplement to its petition for reconsideration. Pointing to Commission's public notice of its plans for payola legislation (see p. 3), KIMN quoted this "significant language" in it: "At the present time the Commission cannot act against a specific program unless the program violates a specific law." FCC's revocation proceeding "cannot be reconciled" with its own "legal principles," the station argued. Commission hasn't charged KIMN with violating obscenity laws.

FCC housekeeping chores in compiling detailed personnel records for Congress under Sec. 4 (k) (3) of the Communications Act would be reduced under a bill (S-2958) introduced at FCC's request by Senate Commerce Committee Chmn. Magnuson (D-Wash.). In asking for the amendment, FCC figured that 3 weeks of office work per year were needed to edit & type the payroll reports, which are available in Commission files anyway, and that elimination of the requirement would cut the budget "slightly."



**Translator Rules Rapped:** "Unduly harsh" are Colo. Gov. Stephen L. R. McNichols' words for FCC's proposed translator rules (Vol. 16:5 p14), which he said "do nothing to clarify the legal status of the existing vhf TV repeater stations." Suggesting that a logical approach to solution of translator problems would be appointment of a joint committee representing vhf operators & Commission, McNichols told FCC the proposed rules are "over-detailed" as well as "harsh." He called for "a transitional method & a transitional time," asserting that as it stands FCC's formula "is the result of 'tacking on' of vhf rules to uhf rules, and of an unrealistic approach by the Commission to the problems facing vhf TV operators."

On the other hand, Rep. Don Magnuson (D-Wash.) praised FCC for its plan, but said that he supports requests for more power whenever vhf translator operators believe they need it. Magnuson also suggested that FCC limit translator applications to states which already have operating boosters, that no additional states be added to the list until after special hearings & investigations. In other comments:

Jesse A. Slusser, National TV Repeater Assn. pres., said: "Let's pull the booster rules out from under the uhf translator rules, so we can all see what they are & how vhf installations are affected. Let's take another—a more realistic look."

James Beamer, Tri-State Repeater Assn. secy., opposed NCTA's 5-year operation plan as "impractical, as it imposes an unwarranted additional cost to the public in converting their equipment in areas where vhf translators have proven themselves completely practical."

And in Livingston, Mont., the Tri-State Repeater Assn. adopted a resolution charging that NCTA's plan would spell a death sentence for vhf boosters in 5 years.

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Evaluation of TV-radio towers from an air navigation hazard standpoint would pass from the Airspace Div. of the Govt.'s Air Coordinating Committee to the Federal Aviation Agency, under proposed rules issued by FCC and FAA. The ACC comprises representatives of agencies concerned with air safety. FAA has been assuming their functions. Said FCC: "The procedures proposed by the FAA set forth the same general practices adhered to in the past, and determinations or findings by it would be in the nature of recommendations to the FCC with the ultimate determination to be made by the FCC."

Laclede Radio Inc. purchase of Rollins radio KATZ St. Louis for \$600,000 has been approved by FCC following an inquiry to the N.Y. buyer as to whether the station might be used to promote "private business interests" of stockholders. FCC asked for assurance by Laclede that "products or services" offered by such stockholders as Milton M. Blink (music publishing) and Harry S. Golden (TV-radio station repping) would not be used "in preference to, or to the exclusion of" others.

FCC Chmn. John C. Doerfer, taking a medical checkup & a vacation, will be absent from his office until Feb. 23. The checkup is to determine whether he suffered any ill effects from wearing, for more than a year, a Rolex GMT Master watch. The timepiece had been recalled because its luminous dial contained an excessive amount of strontium 90. It was returned this week with a new dial.

Deadline for comments in FCC's clear channel radio proceeding has been extended from Feb. 19 to April 1. Clear Channel Bcstg. Service had asked 3-month extension.

## Advertising

**DOERFER BACKS COMMERCIAL PREVIEWING:** Berating NAB for spending "too much" of its \$1.25-million annual budget for "tranquilizers instead of real therapeutic medicines" to cure bad TV commercials, FCC Chmn. Doerfer last week came out solidly for previewing of advertising for TV Code approval. He shared the dais with FTC Chmn. Earl W. Kintner, who announced an agreement with major cigaret makers to eliminate health claims from TV & other advertising. TV Code Review Board member E. K. Hartenbower (KCMO-TV Kansas City) also spoke.

The previewing plan—long advocated by Triangle Stations' Roger W. Clipp (Vol. 15:47 et seq.) but viewed dimly by some other NAB leaders as a form of censorship—"would substitute a noteworthy effort for mere lip service" to NAB Code ideals, Doerfer said.

Doerfer's criticism of NAB and endorsement of the pre-testing idea (much like *Good Housekeeping's* guarantee-seal for magazine advertising, he said) were made in a speech to the 2nd annual midwinter conference of the Advertising Federation of America in Washington.

Doerfer called for "farsighted self-regulation" by broadcasters to correct abuses. "Congressmen & Commissioners are in no mood to tolerate for long defiance or dilatory corrections of that [in TV commercials] which offends many families," he said. "The fact that offensive practices may be a small percentage of the total is no excuse for delay."

### Urges Arrangements with Agencies, Sponsors

NAB, said Doerfer, "must now reappraise the advisability of re-allocating funds into more important association activities." He said broadcasters should "explore some organizational set-up with adequate liaison arrangements with the advertising components to checkmate objectionable advertising before it goes on the air."

The AFA was told by Doerfer that "a penny's worth of prevention is worth thousands of dollars spent in attempting to retrieve the confidence of the American public—even though besmirched by the mistakes of a few."

Then, without naming Clipp, Doerfer said: "One specific plan proposed by a responsible broadcaster and endorsed by a number of advertising agencies, as well as by other broadcasters, is gaining more & more support." He pointed out it would cover "programs & commercials from whatever source," brushed aside objections within the industry that it would cost too much or that it would constitute censorship, called for a joint conference between advertisers & broadcasters to work it out.

As for cost, Doerfer said: "I am advised that the NAB TV Code staff could be expanded at a cost of around 5% of the estimated \$5 million presently being expended by the entire broadcasting industry in trade association membership dues." As for censorship: "Censorship, when self-imposed, is a peculiar term to apply to self-discipline."

FTC's Kintner reached a triumphant point in his AFA speech when he confirmed "a rumor on Madison Ave." that his agency's Bureau of Consultation had persuaded the cigaret industry to eliminate "tar & nicotine" claims from \$190 million worth of advertising which he said the industry spends annually. Cooperative FTC negotiations with cigaret makers on such claims were started after FTC issued a cigaret-advertising guide in 1955, were stepped up in mid-Dec. 1959, and got a big shove when



FTC cited Brown & Williamson, its Life cigarets and its agency Ted Bates in a formal complaint (Vol. 15:50 p10).

"Rather than continue the apparent conflict in claims, the tobacco industry, through the aegis of the Bureau of Consultation, decided to halt the 'tar derby,'" Kintner said, adding that "this is a landmark example of industry-govt. cooperation in solving a pressing problem."

Kintner reported he had it "on good authority that more than one advertising agency is working nights" to "change the major emphasis of a number of brands" as a result of the industry-wide agreement.

The FTC chief, fresh from another speech to the Assn. of National Advertisers in N.Y. (see adjoining column), also told the AFA conference that he hoped self-regulation by advertisers & broadcasters would itself halt deceptive advertising practices.

Kintner warned that FTC is pondering proposals to make broadcasters parties to cases involving charges of advertising frauds (Vol. 16:5 p10). But he also said: "For my part, I hope that the Federal Trade Commission never will find it necessary to make any publishing medium, printed or broadcasting, party respondent in a deceptive advertising case."

Speaking for NAB's TV Code Review Board, Hartenbower said the Code "had endured & survived its most serious crisis in the past year" and that it's now being strengthened toward a time "when John Q. Public will look for & expect [the] Seal of Good Practice on all commercials & programming."

He asked AFA members to "respect the prohibitions of the Code." Hartenbower said they should "resist the human urge to nudge, to fudge—and not to budge."

The AFA conference was climaxed by a Congressional reception for scores of legislators from Capitol Hill. A side feature of the meeting was a breakfast demonstration by TvB, including its wide-screen presentation, "The Exponential" (Vol. 15:45 p 13, 47 p8).

At the TvB session, Senate Commerce Committee Chmn. Magnuson (D-Wash.), one of many guests from the Hill, said: "If this movie showed anything this morning, it showed that the impact of the great medium of TV is the greatest the world has ever known—and therefore, the greater responsibility to you people."

Plans to set up local "vigilance committees" and other procedures to clean up misleading & poor-taste advertising were announced at the AFA conference by Chmn. James S. Fish. He said 181 ad clubs across the country will be asked to work closely with Better Business Bureaus—and set up their own policing operations in cities where there is no active BBB.

\* \* \*

When we asked top film & tape commercial producers if they were enjoying a bonanza of orders to re-shoot filter-tip cigarette commercials, they were generally aware of the FTC-tobacco industry agreement, but none reported new orders—yet. None of the continuity acceptance dirs. of the 3 networks, at the same time, had been notified by tobacco advertisers that new commercials would be supplied. However, the networks told us that compliance with FTC's requests would probably come, in the near future, with revised filter-tip commercials.

Marked shift from day to night sponsorship of network TV in Jan., compared with Jan. 1958, is noted by *Sponsor*. Total sponsored hours for all nighttime TV rose 16%. Daytime sponsored time sagged 22%.

## More about

**ANA AD CLEANUP:** Client-level admen last week received a firsthand report on the soul-searching in which ad media have engaged since last November, plus some pointed warnings concerning advertising practices, from several of the industry's leading figures. The occasion was an unprecedented emergency meeting Feb. 2 of ANA members in N.Y. (see p. 4). Highlights of what admen were told:

By Chmn. Earl W. Kintner, FTC: "The degree of self-policing that your industry makes evident to the public will go as far as anything in reducing pressure for more restrictive laws . . . Virtually all of your recent troubles stem from the well-publicized amorality of a few and their indifference to existing laws . . . We are asking increased appropriations of \$760,000 to be used for intensified work in all our areas of responsibility. But the FTC's actions are puny indeed compared to the potential for self-policing which you national advertisers have at your command . . . Of course, the advertising agencies may argue some, but they'll end up listening."

By Donald S. Frost, ANA chmn. & Bristol-Myers vp: "Much that is considered objectionable & undesirable in advertising is not illegal—is not misleading or deceptive. No, it falls in that gray area involving such questions as bad taste, overexposure, the number of commercials, the way various types of products are advertised—yes, even down to the level of the commercial sound track. Here the responsibility must first lie with the advertiser, and it is here that the individual advertiser must exercise self-regulation to the greatest degree."

## NBC's Kintner Welcomes 'Discussion'

By Robert E. Kintner, NBC pres.: "Public discussion & scrutiny of media are worthwhile. There is no excuse for the quiz scandals, payola, off-taste & illegitimate advertising. The broadcaster . . . must present quality programming . . . a service which will make a real contribution to the varying tastes & interests of his audience. Broadcasters have a definite obligation to inform the country through comprehensive news & public-affairs coverage . . . to review & evaluate the commercial messages [they] present. These pertinent questions might be asked: Is there a small group of advertisers trying to see how close to the borderline of good taste they can go in their claims? Are certain advertisers attempting to use an unfair shortcut against their competitors through unfair comparisons?"

By James T. Aubrey Jr., CBS-TV pres.: "I am sure that we are deeply united in our views of the overall objectives to be achieved—namely, to stop this erosion of public confidence and restore the faith & trust of our customers & audiences. We [as networks] must retain in our own hands the absolute veto power over commercials. We propose to request fully certified descriptions of the circumstances & procedures of . . . demonstrations. We must have the final voice in determining what programs we will accept solely on the basis of what constitutes the best programming for our schedule, whatever the source. Generally speaking, we believe there is no real danger to the public interest in permitting expert participation of the advertiser in entertainment programs. However, we make one important exception—serious dramatic programming."

By Donald H. McGannon, NAB Code Review Board chmn. & Westinghouse Bestg. Co. pres.: "The NAB TV Code is not an ivory-tower group foisting their opinions. They are practical broadcasters. We have met with top people [in the advertising industry] and have established



the basis of a relationship. What does the NAB Code Board want from ANA? Vigorous, outspoken support . . . liaison . . . a mutual program of advice & research . . . dissemination of Code material. We have a very simple alternative . . . If you create a void, the forces of government will move in . . . unless you fill it yourself with self-regulatory force."

**N.Y. Anti-Deception Bill:** Advertisers, not media, will be held primarily responsible for false advertising in new legislation being sought by N.Y. Gov. Nelson A. Rockefeller & Attorney Gen. Louis Lefkowitz.

The bill, if passed, would amend the state's general business law to empower its Attorney General to seek an injunction "where he has reason to believe that a person, firm or corporation has or is about to engage in false advertising, false labeling or other deceptive acts." Before applying for such an injunction, he would be required to give the advertiser notice and an opportunity to be heard. The injunctive power would apply to the advertiser "and not to a TV or radio station or to a publisher or printer."

Section 421 of the Penal Law also would be amended to make it clear that it is "a misdemeanor to publish a statement containing an untrue, deceptive or misleading statement of fact in the course of conducting business or furnishing a service." The amendment would extend to "disparaging remarks about a competitor's product as well as statements about the advertiser's own product."

The legislation would bring the state's general business law into conformity with FTC and put all businessmen, whether inter- or intra-state, "in an equally competitive position," a spokesman for the governor told us in N.Y. Co-sponsors of the bill will be Sen. David G. Albert of Mineola, L.I. & Assemblyman L. R. Marano of Brooklyn.

**Ad People:** Allen D. Patterson elected a Ted Bates vp. . . . Robert J. Eck, Foote, Cone & Belding, Chicago supervisor, named vp . . . David P. Crane elected a senior vp, Ogilvy, Benson & Mather . . . Jack K. Carver and Samuel B. Vitt, Doherty, Clifford, Steers & Shenfield media supervisors, elected vps.

John Chapin named vp, Grant Advertising . . . Robert B. Pile elected a Campbell-Mithun vp . . . Alton B. Copeland named Donahue & Coe media supervisor . . . Robert Welsh has been named mgr., Kenyon & Eckhardt, San Francisco.

Colgate-Palmolive went to bat for its dental cream "with Gardol" at an FTC hearing last week, winning part of one argument and losing another against a complaint that TV commercials for the dentifrice were deceptive (Vol. 16:5 p10). FTC examiner Leon Gross tossed out 2 of 7 commercials which FTC attorney Edward F. Downs submitted as evidence against the company. At the same time Gross ruled that it was no defense for Colgate-Palmolive to plead that its competitors engaged in fraudulent advertising. The company & FTC agreed on one thing in a stipulation reached at a pre-hearing conference: No dentifrice provides complete protection from tooth decay.

**U.S. Station Rate Increases**

Station	Base Hour	Minute	Date
WCAU-TV Philadelphia	\$3500 to \$3800	\$800 to \$850*	Dec. 20
KFSD-TV San Diego	950 to 1050	250 (no change)	Feb. 1
WBAY-TV Green Bay, Wis.	600 to 700	120 to 175	Jan. 1
WPTV Palm Beach	275 to 300	60 to 90	Jan. 1
KMSO-TV Missoula, Mont.	200 to 250	40 to 50	Jan. 1

\* 20 Sec. only.

**Programming**

**Ideas for Public-Service TV:** Local TV programmers are having a go at the proposition that "truth is stranger than fiction." The tempo of non-entertainment is on a fast upbeat at the local-station level—and in some cases the locals are blazing public-service trails for networks to follow. The locals are looking more searchingly into social, political, medical and international affairs & problems—and many are using prime time. Some recent dispatches from these service-to-community-minded stations:

TV analysis of progress in the Carolinas was initiated by WBTV Charlotte last week with 90-min., prime-time (9:30 to 11 p.m.) "Open-Heart Surgery," which updated viewers on advances in this field, portrayed application of a heart-lung machine in surgery. The program was the kickoff for *Spearhead*, a public-service series which exec. vp Charles H. Crutchfield says will "depict the forward progress of the Carolinas in all its aspects, dramatically, yet factually, exploring new angles, shedding new light. It will show flaws in that progress where they exist and perhaps set forth a few remedies." Among upcoming *Spearhead* shows: 15-hour telethon for the Fine Arts Fund, a profile on Rev. Keyes, N.C.'s "Parson of the Hills."

Six staff-produced TV documentaries have been scheduled by WCKT Miami, news dir. Gene Strul reports, to "give its viewers a hard look at Cuba and what the U.S. should do about our backyard neighbor; explore the economic & political problems of the turbulent Caribbean; determine the meaning of Miami's vanishing city [deteriorating downtown area]; shake hands with the next Gov. of Fla.; gain an insight into the role Fla. plays in the political conventions, and meet the Cuban people face to face." The specials, projects of the station's news dept., are slated for telecast on various Sundays from Feb. 7 through July.

Fortnightly prime-evening documentary series was unveiled by WFIL-TV Philadelphia last week with "White Murder," a 10:30-11 p.m. report on local drug addiction. It was the debut of the station's *Eyewitness* series which in coming weeks will explore such subjects as heart ailments, beatniks, the city's transportation problem. The series opener drew enthusiastic newspaper reviews. Typical notice: "A vivid comprehensive report . . . in every way a commendable job."

Serialized study of juvenile delinquency was presented by WTMJ-TV Milwaukee in 5 installments on its nightly 6:25-6:30 p.m. Mon.-Fri. *Special Assignment* series. Filmed & produced by the news staff of the *Milwaukee Journal* station, *Special Assignment* covers national & local problems, as well as the lighter side of the news.

Free air time valued at \$853,000 was devoted for public-service announcements & programs by WRGB & radio WGY Schenectady in 1959. The 2 stations served 166 cultural, educational, civic, religious, govt. and public welfare agencies.

Church groups must participate actively in evolving better TV programs, and not be content with the negative role of criticizing unsuitable shows, the Protestant Coun-



cil of N.Y. has concluded in a session on "Mass Media—Its Impact on Family Life." Churches should suggest new program fare and express approval when the networks produce programs with moral ideals, it was urged. A greater effort to get network religious programs out of "the Sun. morning box," also was stressed.

Public-relations TV series has been initiated by KMOX-TV St. Louis to give viewers a behind-scenes look at TV, answer their letters of suggestion & complaint. Vp-gen. mgr. Gene Wilkey said *Inside KMOX-TV* will "give the viewers a frank & forthright answer to 'how' & 'why' we do certain things." Public affairs dir. Parker Wheatley hosts the series, telecast Sun., 1:45-2 p.m.

Ambitious TV visit to Mexico City was logged by KTRK-TV Houston recently with a series of five 120-min. programs tape-originated across the border and scheduled for daily telecast 8:30-10:30 a.m., Mon.-Fri. Co-operating Telesistema Mexicano furnished studio, video-tape machines, 2 mobile units and crews to assist KTRK-TV personnel in taping bull fights, entertainers, historical and scenic sites. The daily tapes were flown from Mexico City to Houston and telecast on the *Howard Finch Show* within hours of their origination. Sister organization *Houston Chronicle* was slated to carry daily reports on the programming and the experiences of the remote cast & crew.

Local women's clubs will star in a new public-service series which debuts at KOA-TV Denver this week (8). The 30-min. *Come To Order* will televise the regular proceedings (3 p.m. Mon.) of a different club meeting weekly to enable the groups to publicize their current projects & air views on local, national and international problems.

City council meetings are being televised for the first time in Cleveland by Westinghouse's KYW-TV. Occasional interesting sessions are video-taped, edited to assure faster pace and telecast on a delayed basis. A trial run last summer—taped but never aired—convinced the lawmakers TV could observe without being a nuisance.

Cascade Bcstg. Co. (KIMA-TV Yakima, etc.) is forming area viewers' council. Gen. mgr. Thomas C. Bostic states: "It strikes us that this approach, giving audiences a feeling of participation in what they see at the local level, will go a long way toward dissipating the hue & cry for the formation of a so-called national citizens' group, which most elements of our business agree would be very unworkable." KIMA-TV started the program with a telecast editorial telling of its plans to establish a TV Advisory Council comprising 200 "parents, preachers, truckers, teachers, farmers, people from the field of labor & business, housewives, bank executives, PTA members."

We'll publish more of these local public-service show ideas as we hear of them. Tell us about yours.

Local public-affairs shows are a feature of the 6th "Timebuyer Opinion Study" being conducted by NBC Spot Sales, which has sent a questionnaire on "the use & potentialities" of public-service TV to 1,200 agency & media men.

## Film & Tape

**AMPEX'S VTR TOUR:** Making the first of 4 stops in a nationwide roadshow frankly designed to "sell Ampex," the Videotape-recorder manufacturer highlighted its 2-day San Francisco symposium for broadcasters with the introduction of a "Playback Delay Equalizer." The new \$695 accessory appears to be basically similar to the "electronic quadrature adjustment" on RCA TV tape recorders (Vol. 15:12 p2), and helps insure compatibility with RCA-recorded tapes.

Of the device, Ampex said: "Those users who have frequent occasion to play tapes of unknown recording accuracy, tapes from foreign sources or tapes made on other machines with possible recording inaccuracies will find it possible by use of the Delay Equalizer to play satisfactorily any tapes of non-standard quadrature which they may receive, while avoiding the necessity of temporarily mal-adjusting their recording heads . . ." Ampex officials also reported on the new Inter-Sync accessory, which eliminates rollover when switching between VTR and another picture source (Vol. 16:4 p10).

Ampex officials staged the show in KGO-TV's giant Studio A, provided the continuity and iced the cake with hard engineering data, but it was a parade of 7 station officials who delivered the "sell" as they read monographs on their experiences, illustrated with locally-made tapes.

Robert Kelly, KCRA-TV Sacramento: "Videotape allowed us to originate more local programming, opened new fields of revenue since the local advertiser can see what he is getting, and improved our on-the-air promotion with network personalities recording for us. Tape bettered our competitive position with the newspaper and opened a whole spectrum of spot production for local advertisers. Our goal this year is \$100,000 a month in local sales."

Bel Lange, KOVR Stockton-Sacramento: "We have 2 studios in 2 cities and a transmitter in a 3rd location. Our one Videotape recorder has practically taken over all production. We have done this by making all station operations revolve around the VTR."

Lloyd E. Cooney, KSL-TV Salt Lake City: "Who should control VTR? The sales manager for all commercial work and the director of operations when VTR is used for station work. Our VTR clears about \$1,000 a month for us in tape charges, as a sales tool and in improved use of manpower. We are now developing a new rate card in which the client pays the actual costs of taping."

Douglas Elleson, KRON-TV San Francisco: "It is important that all control of tape use be centralized in one person from initial requests to final tape erasure. The greatest problem spot is the tape session. Here the station director must be in firm control."

Theodore Cook, KOIN-TV Portland: "There is a tendency on the part of clients to abuse taping sessions, so we established a strict set of rules. When these rules were applied, most of the booby traps disappeared."

Robert Ferguson, KING-TV Seattle, stressed the intangible advantages of station promotion and showed a recent tape in which police arrested a suspected criminal on the set of a local show.

\* \* \*

Ampex symposium on TV tape in Washington Feb. 15-16 (Vol. 16:5 p8) will be held in the Sheraton Park Hotel, where Allied Studios facilities will be used. The agenda includes reports by executives of a half-dozen stations on their tape experiences.



## STRIKE SITUATION AT A GLANCE

Union	Strike vs. TV-Film Makers?	Strike vs. TV Networks?	Strike vs. Movies?	Effects on TV Management	Prognosis for TV
WGA (Writers Guild of America)	Yes. Against Alliance of TV Film Producers. Began Jan. 16 over residual demands (foreign showings, perpetuity and new system based on writer's fee instead of minimum).	Impending. WGA last week rejected networks' counter-proposal and contract was slated to expire Feb. 6. WGA council meets Feb. 8 to decide on strike already authorized by members. Same key issues as those in strike against TV-film makers. Unaffected so far are some 300 writers in live TV-radio & network staff writers. Their contract expires Mar. 31 and negotiations begin this week.	Yes. Strike began Jan. 16 over demands for share of post-1948 film sales to TV.	No cutback in production of TV pilots or series at the affected studios. Anticipating strike, TV producers stockpiled scripts and all seemingly are amply supplied. N.Y. ad agencies are shopping for new TV shows cautiously, wanting assurance of adequate script backlog.	How long writers can live with unemployment is key factor. WGA faces another crisis with expiration Feb. 12 of its contract with independent (non-network, non-Alliance) TV producers.
SAG (Screen Actors Guild)	No. SAG's threatened strike against major movie studios does not involve their TV operations. Also, SAG contracts with independent TV producers won't expire until Mar. 31.	No. Present contract for TV film does not expire until Mar. 31.	Impending. Contract expired Jan. 31 and SAG is balloting its 14,000 members for authority to strike on issues of share of post-1948 film sales to TV, pension-welfare fund, others. SAG says negotiations with major movie studios (Assn. of Motion Picture Producers) have collapsed. Guild has opened negotiations with movie independents.	Not much now. Uncertainty of residual issue has some effect on release of post-1948s to TV.	If SAG goes out against TV, producers & networks will have to shore up programming with ample supplies of reruns. New film production would be pretty much stymied. However, strike action against TV is remote.
IATSE (International Alliance of Theatrical Stage Employees)	No.	No.	No. Contract of studio unions do not expire until Jan. 1961. However, they have re-opener clauses for negotiations should concessions on post-1948 films be granted to other unions.	None.	IATSE has already conferred with SAG & WGA on possibilities of cutting slice of post-1948 pie.
SEG (Screen Extras Guild)	No. Contract expired Apr. 2, 1959, negotiations still going on.	No. Contract expired Apr. 2, 1959, negotiations still going on.	Voted to support a SAG strike.	None.	Same as SAG.
DGA (Directors Guild of America)	No. Contract expires Apr. 30.	No, but trouble brews. Networks reportedly have told DGA they will hire new directors even though they refuse to pay DGA's \$2,000 membership fee. Contract expires Dec. 31.	No.	None.	See column 3.

**THE STRIKE SITUATION:** An impasse remains on key issues in negotiations between the Alliance of Television Film Producers and Writers Guild of America, neither side giving an inch on the important issues. But to date, there has been no halt in production as a result of the WGA strike which began Jan. 16 (Vol. 16:5 p8). WGA and the Alliance met last week, but no progress was made on the important issues. WGA faces another crisis Feb. 12—date of the expiration of extension of its contract with independents who are not members of the Alliance.

If there was any shortage of TV scripts, it wasn't obvious. Production continued at the various TV film companies, on pilots as well as regular series. One executive of a leading company told us he had a 5-months supply of scripts on hand.

The Screen Actors Guild negotiations with the major movie studios were in a strange & unresolved state last week. SAG natl. exec. secy. John L. Dales said negotiations had collapsed and no more meetings were scheduled. But Charles S. Boren, exec. vp of the Assn. of Motion Picture Producers had an opposite opinion.

**Tape Angle in WGA Strike:** A tape wrinkle arose last week in the Writers Guild of America strike against TV's film producers which began Jan. 16 (Vol. 16:5 p8). Some executives, planning for all eventualities, including a long strike, are talking of using tape next year instead of film. They theorize that while WGA has jurisdiction in live & film TV, no jurisdiction has ever been established in tape.

When we checked WGA on this, a spokesman replied: "We don't care whether a show is live, film or tape. There is no jurisdictional dispute involving writers in tape, and in any event we provide the services of writers. If a producer on our struck list tapes a show, he still won't be able to hire any of our writers."

In another tape development, negotiations between the Screen Actors Guild and AFTRA—involved in a jurisdictional dispute over tape—have resulted in agreement by AFTRA not to push for such jurisdiction while SAG negotiates with TV's film producers.

Television Producers Guild, organized mainly to seek residuals, last week formally drafted its demands, but did not decide when to present them to the TV companies.



## HOLLYWOOD ROUNDUP

NTA's *Play of the Week* received still another financial transfusion last week when KCOP Los Angeles became the first outside-N.Y. station to buy the 2-hour tape series now being syndicated (L.A. price: \$390,000 for 39). Last month Standard Oil of N.J. rescued "Play" from near-certain demise, following heavy public demand (30,000 mail pieces) to keep the show going (Vol. 16:4 p9). Unlike WNTA-TV N.Y., which televises "Play" as an across-the-board nighttime strip, KCOP will carry the drama series on a once-weekly basis.

Paramount Television is planning an adventure pilot, *Innocent Jones*. Carey Wilbur will produce. The series has not yet been cast . . . Comedy 3 Productions, owned by the 3 Stooges and Norman Maurer Productions, plans to pilot a series combining animated & live sequences. The Stooges will star, Maurer will produce. TV Spots will produce 78 five-minute cartoons of the Stooges, to be incorporated in the series.

Warner Bros. has finished its 26 *Maverick* telefilms for this season, and will film the first show of next season this week before calling a production halt. The *Maverick* deal is for 26 first-runs & 26 repeats.

Video-Tel International, handling distribution of *You Asked For It* outside the U.S. for Crosby-Crown Productions, has sold a 26-run of the show to the French-Canadian network. It will be seen there under the title *Sur Demande*. . . . Jerry Schnitzer plans to pilot a comedy, *Pilgrim's Progress*.

CBS-TV has signed Keefe Brasselle to star in a new series . . . General Foods has first refusal on *The Andy Griffith Show* pilot, which will be showcased on *The Danny Thomas Show* on CBS-TV. Thomas and his producer-director, Sheldon Leonard, are partnered with Griffith.

Producer Whitney Ellsworth will produce 26 episodes of *The Adventures of Superboy*, as a sequel to the *Superman* series which he also produced . . . Tandem Productions, has decided not to pilot its *Band of Gold* anthology, and will seek to sell it via presentation instead.

Frank P. Rosenberg has resigned as producer of United Artists TV's *The Troubleshooters* series, starring Keenan Wynn. He will produce a movie, "North from Rome," for UA. No successor will be picked, until a decision is made on renewal of the series.

Paramount Television Productions has video-taped 2 championship fights in Los Angeles for global distribution. Tapes of the Jose Becerra-Alphonse Halimi and Battling Torres-Carlos Ortiz bouts, held the same night in the Coliseum, have been sent to Mexico and to Britain's BBC.

Cayuga Productions begins March 15 at MGM on the final 10 episodes of *Twilight Zone* for this season . . . Roncom Productions has signed Don DeFore to star in its pilot of *Home Team*, a situation comedy which goes into production at Fox Western Studios this week.

Producer Herbert B. Leonard has signed Martin Milner to star with George Maharis in his new project, *Route 66* . . . Revue Studios has resumed production on its *Whispering Smith* series, starring Audie Murphy.

NBC-TV and Jack Webb's Mark VII Ltd. are negotiating for network financing of a 30-min. dramatic series pilot.

## NEW YORK ROUNDUP

Hubbell Robinson Productions will package classic mysteries in *Thriller*, a new 60-min. filmed series scheduled for prime-time exposure on NBC-TV this fall. The series will be produced by Fletcher Markle with James Cavanaugh as associate producer & story editor. Filming of the first 26 episodes of series begins Feb. 15, with primary production at Revue International in Hollywood but with some episodes due to be produced on foreign locations. First property will be "Doubles in Death," adapted from William Grew's novel. Future episodes will aim for taut-but-bloodless suspense, avoid violence under new NBC rules.

Gold Medal Studios pres. Martin Poll, whose Bronx film studios have housed a number of N.Y.-produced pilot films & TV commercials, will be co-producer (with Selma Tamber) of a Broadway comedy that hits fairly close to home: "Viva Madison Avenue!," by George Panetta. Buddy Hackett has been signed for the lead role, and the play is scheduled to go into rehearsal in N.Y. Feb. 15. A special circular makes an offering of limited partnership to agency men, TV executives and others of \$2,000 for 1% of the partnership's net profits.

United Artists Associated, primarily a feature-film distributor in TV, has made a successful foray into home movies. Fred Hyman, sales dir. of the firm's 8-mm entertainment film div., reported recently that UAA's sales in this field, begun last March, will increase 100% in 1960, and now include as a sales outlet "2,000 of the 6,000 dealers who sell 8-mm home movies." A prime reason for UAA's sales success, says Hyman, is the firm's innovation of throwing out the old title cards used in its silent films and adding on-the-picture subtitles instead.

Client-level cleanup on CBS-TV—in addition to the network's own tightening of program self-regulation—is being staged by Lever Bros., co-sponsor of *Mr. Lucky* (Sat. 9-9:30 p.m.). In future, star John Vivyan will no longer be the proprietor of a gambling casino; he's to be a restaurateur. "There was no decree, no official order," said *Mr. Lucky* packager Don Sharpe. Lever had first brought up the cut-out-the-gambling move and then worked it out with the producer.

Textbooks on video-tape recording are now beginning to appear. Published last week: *A Primer on Television Tape Recording* by George B. Goodall, Ampex Corp. (Robins Industries Corp., 36-27 Prince St., Flushing 54, N.Y., 47 pp., soft cover, \$1), which originally appeared as a series of 5 articles in *International Projectionist*. Due to be published Feb. 23 by Hastings House: *TV Tape Commercials* by Harry Wayne McMahan.

ITC's "Interpol Calling" has been sold in 12 countries within 8 weeks of its release for foreign sales. Estimated outside-U.S.-gross is \$515,000 to date, international sales dir. Abe Mandell reported.

NTA's *How to Marry a Millionaire* has been bought by Studebaker dealers in Philadelphia & New Haven for WFIL-TV & WNHC-TV respectively. In Springfield, Mass., they will carry NTA's *Grand Jury* on WWLP.

Seymour Reed succeeds Harold Hackett as Official Films pres.; Louis C. Lerner is new chmn.; Leonard I. Schreiber, vp; Stanley Mitchell, treas. . . . Michael Reddy has been appointed art dir., Pictafilm Inc.



## Television Digest

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Richard D. Heffner promoted to new post of special projects dir., CBS-TV information services . . . Joseph Csida, one-time RCA vp and more recently a music publisher, appointed vp for Eastern operations, Capitol Records . . . Maurice Rashbaum Jr. promoted from sales exec. to research & promotion vp, Harrington, Righter & Parsons, TV station reps . . . Harry Francis appointed production dir., KCMO-TV Kansas City, Mo. . . Lawrence Beckerman promoted to public affairs dir. of WTOP-TV & WTOP Washington, Stephen W. Cushing to news dir. . . Gary S. Franklin, ex-WJZ-TV Baltimore, named news dir., KYW-TV & KYW Cleveland, succeeding Sanford Markey, named radio KYW news supervisor . . . A. M. (Bert) Cairns, ex-radio CFAC Calgary, Canada, appointed vp-gen. mgr., CHCT-TV Calgary.

Radio & TV Correspondents Assn., whose exec. committee serves as the governing body of Senate & House TV & radio galleries, has elected Lewis W. Shollenberger of CBS as pres. Other officers: vp Ann M. Corrick, Westinghouse Bcstg. Co.; secy. John H. Secondari, ABC; treas. Elmer M. Lower, NBC. Delegates at large: Charles E. Shutt, Telenews; Leslie W. Higbie, Les Higbie Associates; John R. Corporon, WDSU-TV & WDSU New Orleans. They will be inducted Feb. 27 at the organization's annual dinner in Washington's Statler-Hilton Hotel.

Meetings this week: Academy of TV Arts & Sciences forum on TV for children & teenagers (Feb. 8), CBS Studio 52, N.Y. . . . RTES time-buying-selling seminar (9). Ray L. Stone, associate media dir., Maxon, and Robert A. Wulfhorst, associate media dir., Dancer-Fitzgerald-Sample, will discuss "Station Image Factor in Timebuying." Hotel Lexington, N.Y. . . . Mich. Assn. of Bcstrs. annual spring convention (9-10), Olds Hotel Lansing . . . British Columbia Assn. of Bcstrs. annual meeting (11-12), Hotel Vancouver, Vancouver, B.C. . . . IRE Washington section annual banquet (13), Hotel Statler-Hilton, Washington, D.C.

Meeting next week: RTES timebuying-selling seminar (Feb. 16). ITC Chmn. Jack Wrather will discuss "Commercial TV in Britain." Hotel Lexington, N.Y.

NBC-TV's Dave Garroway has been lauded by Rep. McDowell (D-Del.) for his "dynamic display of leadership" in educational programming by offering nuclear physicist Dr. Edward Teller a weekly spot on *Today*. McDowell said that the proposed physics-appreciation course "could & would awaken millions of American citizens from the present state of disastrous apathy in this nuclear age."

TV's night owls are mainly women, concludes Feb. 6 *Sponsor* after a study of late-night Mon.-Fri. TV audiences. At 10 p.m., the study found, the average TV audience comprises 49% women, 37% men, the balance teenagers & younger; 90-min. later, 54% women, 38% men.

### Obituary

Al Tisch, 63, a founder with his 2 sons of the Tisch Hotel chain, which owns controlling interest in Loew's Theatres Inc. (WMGM N.Y.), died Feb. 1 of a heart ailment in a Houston, Tex. hospital. He is survived by his wife, sons Laurence Alan & Preston Robert Tisch, and a sister.

Harvey L. Mott, 54, OCDM public affairs dir. and former managing editor of the *Arizona Republic* in Phoenix, where he also was a radio commentator before going to Washington in 1955, died Feb. 3 of a heart attack at his desk. Surviving: his wife, 4 daughters, a brother, a sister.

**Personals:** Thomas B. McFadden promoted from general sales exec. to NBC-TV vp-national sales mgr.; Max E. Buck promoted from station mgr., WRCA-TV N.Y., to NBC-TV vp & eastern sales mgr.; Edward M. Hitz promoted from vp for network sales, NBC central div., to vp & general sales exec., NBC-TV; Angus Robinson and Cyril C. Wagner named dir. & mgr., respectively, of network TV sales, central div. . . . William F. Fairbanks named vp & sales dir., NBC radio . . . Herbert Sussan resigns as NBC-TV special programs dir.-Hollywood to form United Talent Ventures, a TV & theater program production firm.

John B. Poor named finances & investment vp, RKO General; Hathaway Watson appointed broadcasting operations vp . . . Donald M. Hine resigns as program mgr. of KNXT Los Angeles to become special projects dir., World Tennis Inc., eff. March 1; he's succeeded by Leon Drew, ex-KMOX-TV St. Louis . . . William Whitsett, ex-Don Lee network, named administrative vp for NAFI Corp.'s broadcast div. . . . Frank J. Jordan named mgr., NBC News, Chicago . . . Robert L. Greenwell promoted from asst. art dir. to art dir., NBC-TV sales planning.

Frank P. Fogarty, vp & gen. mgr. of Meredith's WOW-TV & WOW Omaha, appointed chmn. of NAB's Freedom of Information Committee, succeeding Robert D. Swezey, who resigned Jan. 1 as exec. vp & gen. mgr. of WDSU-TV & WDSU New Orleans; Lewis W. Shollenberger of CBS News, new pres. of Radio-TV Correspondents Assn., replaces David Brinkley of NBC News on committee . . . Kenneth E. Chernin, Triangle Publications TV & radio div. promotion dir., named membership committee chmn., Bcstrs. Promotion Assn.

Don Cook resigns as production mgr., KNXT Los Angeles, to join CBS-TV staff of directors assigned to cover Winter Olympics . . . John F. Meyers, ex-NBC-TV, named program mgr. in Hollywood for CBS Films, Inc. . . . Joseph P. Dougherty, gen. mgr., WPRO-TV Providence, named also vp of Capital Cities Bcstg. Corp. (WTEN & radio WROW Albany; WCDC Adams, Mass.; WTVD Durham, N.C., in addition to WPRO-TV & WPRO) . . . Duane Holman promoted from local sales mgr. to sales mgr., KOLN-TV Lincoln, Neb.

Harold G. Ross, ex-NBC economist, joins Fox, Wells & Rogers investment firm which controls KFSD-TV & KFSD San Diego . . . Walter Cronkite, CBS News, named recipient of the 12th annual Collegian Award by LaSalle College, Philadelphia.



# Trade Report . . . .

FEBRUARY 8, 1960

**OFFICIAL TV-RADIO-PHONO HISTORY OF '59:** Exact dimensions of home electronics' recovery year—in TV-radio-phono business—have been measured by the industry's statistical custodian, Electronic Industries Assn., closing the books on 1959.

Perennial guideposts for production-marketing planners, the EIA annual figures may be compared with previous years' data on page 26 of our fall-winter TV Factbook. For first time, reliable figures are available for phono production & sales, although only 11 months had been tallied at press time.

Here are the outstanding trends shown by the figures:

(1) Official 1959 count of TV retail sales stands at 5,748,676, compared with 5,140,082 in 1958. With the exception of 1958, last year's retail sales figure was the lowest since 1951. TV production in 1959 totaled 6,349,380, up from 4,920,428 recorded in 1958—but only 3 years since 1949 have seen lower output.

(2) Production of all types of radios totaled 15,622,357, up from 11,817,243 in 1958—making 1959 radio's 2nd best year in history from the standpoint of units produced. Retail sales of home radios, however, totaled only 8,897,451, just about 250,000 ahead of 1958's 8,631,344. (While EIA's radio figures are designed to reflect domestic production, they include foreign-made sets sold under U.S. manufacturers' brand names.)

(3) Production of FM & FM-AM radios totaled 540,522—excluding phono combinations with FM, which are believed to have numbered about 600,000. There's no comparable figure for 1958, since EIA didn't compile FM statistics for the full year of 1958. The last years for which EIA has comparable FM figures are 1955, when 252,800 were made; 1954, 188,685, and 1953, 455,662.

(4) Factory sales of phonos totaled about 4.3 million units, of which more than two-thirds were stereo. The 1958 figure was slightly less than 4 million. (Both figures exclude record-player attachments.)

(5) Picture & receiving tube sales increased over 1958, reflecting bigger renewal & original-equipment sales. Transistor production continued to soar (complete tube & transistor figures due next week).

Here are over-all monthly TV-radio-phono figures for 1959:

	1959 Production				1959 Retail Sales		
	Total TV	Total Radio	Auto Radio	*Phono	Total TV	Home Radio	Phono
January .....	437,026	1,124,737	420,052	361,483	501,704	700,490	390,643
February .....	459,492	1,125,385	432,551	353,623	448,173	474,888	327,604
March .....	494,032	1,347,554	511,219	287,192	425,751	515,563	279,652
April .....	389,251	1,040,183	422,346	172,264	263,998	388,863	212,423
May .....	431,911	1,039,562	476,222	123,183	279,536	400,882	152,993
June .....	571,003	1,430,165	637,806	197,876	344,795	678,195	167,961
July .....	350,360	829,035	254,725	203,259	370,575	526,827	207,721
August .....	547,445	1,009,423	279,424	342,724	492,449	671,713	297,058
September .....	808,337	1,981,208	717,501	480,184	684,773	928,457	390,543
October .....	706,583	1,795,718	531,116	596,050	637,147	839,912	495,676
November .....	560,770	1,346,079	290,815	623,461	598,070	1,016,634	652,822
December .....	593,170	1,553,308	581,378	—	701,705	1,755,027	—
TOTAL .....	6,349,380	15,622,357	5,555,155	3,741,299 (11 mo.)	5,748,676	8,897,451	3,575,096 (11 mo.)

\* Phono figures are factory sales and exclude record-player attachments.

Additional breakdown of TV sales for 1959: Factory sales totaled 6,278,476, foreign sales 188,719, distributor sales to retailers 6,012,979.



In radio category, here is the 1959 breakdown by type of set:

	Table	Clock	Portable Transistor	Tube
Production .....	3,144,622	2,793,997	3,922,256	206,327
Retail sales .....	2,729,468	2,480,489	3,366,259	321,235

Extent to which stereo has captured phono market is shown in these 11-month figures for Jan.-Nov. 1959 factory, distributor & retail sales, and Jan.-Nov. 1958 factory sales:

	1958 Factory Sales	Distributor Sales	Retail Sales
Monaural .....	2,565,139	not tabulated	not tabulated
Stereo .....	892,509	608,905	not tabulated
Total .....	3,457,648	not tabulated	not tabulated
1959			
Monaural .....	1,113,207	1,372,668	1,423,148
Stereo .....	2,628,092	2,441,946	2,151,948
Total .....	3,741,299	3,814,614	3,575,096

The figures above don't include 70,712 record-player attachments sold at the factory in 1959, down from 112,686 sold in 1958.

**TV-RADIO PRODUCTION:** EIA statistics for week ended Jan. 29 (4th week of 1960):

	Jan. 22-29	Preceding wk.	1959 week	'60 cumulative	'59 cumulative
TV .....	141,111	141,303	129,745	524,902	437,026
Total radio .....	383,424	354,098	295,036	1,352,760	1,124,737
auto radio .....	175,535	143,371	95,323	632,318	420,052

Only all-channel TV sets could be built, under the terms of legislation proposed by the FCC (see p. 2). A new subsection (S) would be added to Sec. 303 of the Communications Act, stating that the FCC would "(S) Have authority, whenever the objectives of this Act so require, to prescribe minimum performance capabilities for apparatus designed to receive TV pictures broadcast simultaneously with sound, when such apparatus is traded or shipped in interstate commerce for sale or resale to the public." A new Sec. 330 would be added, reading: "No person shall trade or ship in interstate commerce for sale or resale to the public apparatus described in Subsection 303(S) unless it complies with minimum performance capabilities prescribed by the Commission pursuant to Sec. 303(S); provided that this section shall not apply to carriers transporting such apparatus without trading in it."

"Compatible stereo" system for FM & TV has been proposed to FCC by Richard S. Svorec, 824 36th St., South Bend, Ind. Engineers say that it appears similar to the Lippincott system. Svorec's patent application states that the system's objectives are to provide: (1) No subcarrier in the SCA band. (2) "Complete secrecy of the SCA band from accidental unauthorized listening." (3) "A subcarrier which is frequency modulated with a multiplex channel for transmission of subsidiary intelligence or signals of non-broadcast nature, such as background music, news, stock quotations, and the like, so as to afford maximum utilization of the SCA band." (4) Compatibility with existing receivers.

Another patent study—*Govt. Assistance to Invention & Research: A Legislative History*, 22nd in a series published by the Senate Judiciary Patents Subcommittee—is available for 35¢ from the Supt. of Documents, Govt. Printing Office, Washington 25. It was prepared by Mrs. Barbara H. Jibrin of the legislative reference service of the Library of Congress.

Japanese TV imports—how soon? A marked difference of opinion seems to exist between Tokyo's Sony Corp. and its U.S. distributor, Delmónico International. As reported in these pages last month, Delmonico is already advertising Sony's 8-in. battery-operated TV to the trade and quoting April as the starting date for dealer deliveries (Vol. 16:4 p15). However, an interview with Sony Pres. Masaru Ibuka in the Jan. *Radio & TV* magazine (Tokyo) explains that the company is "taking a prudent attitude in world marketing of its new product because of . . . problems connected with repair servicing." Ibuka is quoted: "Of course we are thinking of exporting this set to world markets. However, this will take some time since the production is still very limited and because the product is new. It is not wise for us to launch a world-wide marketing of this set immediately." Scheduled to go on the market in Japan some time next month, the set initially will be produced in quantities of 1,000-1,500 sets a month, increasing to 10,000 monthly by the end of this year.

Import-labeling bill, amending the 1930 Tariff Act to require stamping of the country of origin on containers for foreign-produced articles which are repackaged for sale here, has been passed by the House. Opposed by the National Retail Merchants Assn. & other retail groups, the measure (HR-5054) would apply to importers, jobbers, distributors, dealers, retailers, "or other person who does the repackaging." Rep. Herlong (D-Fla.), floor manager for the House bill, said it's intended to close a Tariff Act loophole exempting "articles which for one reason or another cannot themselves be marked."

Unusual TV textbook which explains theory & technology of TV in detail without mathematics or complicated engineering language is *The Physics of Television* by Philco research dir. Donald G. Fink & Penguin Books (England) science editor David M. Lutyens (Anchor Books Science Study Series, paperback, 160 pp., 95¢), out now.



**Armstrong's Posthumous Victory:** The widow of Maj. Edwin H. Armstrong last week came another step closer to winning her husband's bitter battle against most of the TV-radio industry, when Emerson dropped its appeal from a court ruling that its TV & FM sets had infringed Armstrong FM patents and agreed to payment amounting to about \$500,000.

Although at least 9 other manufacturers, including RCA, had settled previously with the Armstrong estate (Vol. 15:40 p15), the Emerson case was the first to go through a court trial, and is therefore expected to affect the remaining Armstrong suits awaiting trial—against Admiral, Bendix, Du Mont Labs, Motorola and Philco—by exerting stronger pressure for an out-of-court settlement.

Last fall, a N.Y. federal court ruled in favor of the Armstrong estate in the Emerson case, holding that the FM inventions in question "are to be found in every FM broadcast receiver, in every TV receiver, and they have wide applications to military, police, other mobile services."

Emerson had appealed the decision, but last week agreed to accept the lower court decision and stipulated a settlement which is understood to be less than it would have paid if it had been an Armstrong licensee. The 3 patents involved have expired—the last one in Sept. 1957.

Fire-destroyed TV components, held in a warehouse for export, are still subject to the manufacturers' excise tax, the Internal Revenue Service has ruled (Rev. Rul. 60-29). The knotty problem of fire loss was posed by an unidentified U.S. company which sold components for shipment to a Mexican TV-set assembler. The shipment was totally destroyed when a broker's warehouse in Tex. burned down. Question: Did the components come under excise exemptions for sales for export? No, IRS decided: "Although the TV components were identifiable as having been sold for export, they were not actually exported and proof of exportation could not be furnished."

Two new transistor radios and a \$10 price cut on a popular hold-over model have been announced by GE. Model P-776, a 7-transistor leather-case portable, was reduced to \$49.95 list from \$59.95. The new sets—both pocket units—are a 7-transistor set (P-815) at \$39.95 and a 6-transistor radio (P-791) at \$34.95. Radio gift packs—radio, case, earphone—were also announced.

### **Obituary**

Dr. James Wilson McRae, 49, one of the nation's top figures in microwave & radio research, died Feb. 2 while on his way to address the AIEE's winter general meeting. At the time of his death, the former IRE pres. was an AT&T vp and coordinator of defense activities for the Bell Telephone System. Since joining AT&T's Bell Labs in 1938 as a researcher in transoceanic radio, he had held the following positions: Wartime coordinator of airborne radar & radar countermeasures for the Signal Corps (for which he won the Legion of Merit); chief of engineering, Signal Corps Engineering Labs, Bradley Beach, N.J.; Bell Labs dir. of radio projects & TV research; Bell Labs vp for telephone systems development; vp of Western Electric and pres. of subsidiary Sandia Corp. Last April he was appointed chmn. of the Army Scientific Advisory Panel. He is survived by his widow, 2 daughters & 2 sons.

Oskar Kalb, father of Herold Radio Chmn. Roland J. Kalb, and former internal auditor of the company, died Feb. 1 of a heart attack at his home in Riverdale, N.Y.

**Trade Personals:** Frank J. Rogers promoted from gen. mgr. to vp, Admiral commercial electronics div. (hotel-motel systems & special installations), headquartering in Newark, N.J. . . . Harold H. Howlett named secy., GT&E, succeeding Robert F. Briggs, retired . . . Glen P. Biegging, ex-GE, named to new post of mktg. vp, Packard Bell defense & industrial group . . . Paul J. Larsen, ex-Hughes Aircraft and former dir. of Civil Mobilization & Defense, Office of the President, appointed govt. relations dir., Du Mont Labs.

Jack G. Anderson, ex-Hoffman Labs mktg. vp, named a Stromberg-Carlson vp., reporting to James D. McLean, former Hoffman Labs pres., who became Stromberg-Carlson pres. last month (Vol. 16:3 p18) . . . Lawrence J. Epstein, ex-United Audio Products, appointed sales & merchandising mgr. of high fidelity & professional products, Siegler Corp. Bogen-Presto div. . . . Van M. Stevens Jr. promoted to asst. to the corporate dir. of commercial mktg. services, Raytheon.

Maj. Gen. John B. Medaris, retired head of Army's Ordnance Missile Command at Redstone Arsenal, Ala., elected chairman of Electronic Teaching Labs, Washington firm which pioneered in language instruction by use of recorders & other electronic devices . . . Frank H. Bower, ex-Motorola, named engineering administrator, Sylvania semiconductor div. . . . Earl J. Shelton, ex-Raytheon, appointed development dir., Eitel-McCullough . . . George C. Kanen Jr., ex-Philco, named military dept. senior program advisor for Dage TV div. of Thompson Ramo Wooldridge. . . . Jack E. Ricard named electronics div. national sales mgr. for Sampson Co., distributor of Hitachi products.

William A. White Sr., ex-publisher of *Danbury* (Conn.) *News-Times*, appointed head of Commerce Dept.'s Business & Defense Services Administration to succeed Horace B. McCoy, who resigned (Vol. 15:52 p19) . . . J. Albert Bertolacci named treas., Cornell-Dubilier . . . Roy S. Kullby & Robert P. Howington Jr. advance to partners in Chicago law firm of Pope, Ballard, Uriell, Kennedy, Shepard & Fowle, which represents Admiral . . . Sidney Brandt, ex-Loew's and Magnavox, named operations vp, MGM Records . . . Marshall Bartlett Jr. named mktg. mgr., audio products section, GE radio receiver dept.; George M. Miesenhelder appointed finance mgr., same dept. . . . John W. (Jack) Merritt resumes post of distributor sales mgr., Howard W. Sams & Co., after serving on a special assignment with Sams subsidiary Bobbs Merrill Co.

Arnold Sutta, Emerson, named pres. of Purchasing Agents of the Radio, TV & Electronics Industries, N.Y.; Edward Kovacs, Republic Electronic Industries Corp., elected treas.; Abe Schneiderman, Olympic, recording secy.

Tele-Dynamics Inc. was purchased by American Bosch Arma for an undisclosed sum last week from RCA Victor distributor Raymond Rosen & Co., Philadelphia, Pa. (Tele-Dynamics Pres. J. B. Elliott is chairman of EIA's small business committee.) Tele-Dynamics, which specializes in communications & telemetry equipment, will be operated as a division of American Bosch. It presently employs some 450 people, has 100,000-sq. ft. of plant & office space in Philadelphia. The sale was "initiated & negotiated" by Philadelphia broker Charles J. McCue & Co. Inc.

Curtis Mathes Mfg. Co., Dallas, introduced a new line of furniture-styled TV sets with 3-speaker sound systems. Included are 23-in. sets with tambour doors at \$299.95 & \$329.95, table 21-in. sets at \$199.95 & \$209.95 and other 21-in. sets at \$219.95 to \$269.95.



## Finance

### Officers-&Directors stock transactions as reported to SEC for Jan.:

Admiral Frank J. Kazda exercised option to buy 3,600, held 4,666. James R. Oberly exercised option to buy 4,400, held 5,424. Sylvio S. Rossate exercised option to buy 3,600, held 5,520.

Allied Artists. Roger W. Hurlock bought 200, held 18,800. Albert Zugsmith bought 13,100, held 136,000.

American Bosch Arma. Charles Allen Jr. sold 5,000 through Allen & Co., held 50,214 in Allen & Co., none personally. Frank I. Bertsch sold 100, held 500.

AT&T. F. R. Kappel bought 100, held 808.

Ampex. Philip L. Gundy exercised option to buy 1,000, held 1,550. Murray Innes Jr. sold 2,000 and 1,000 more from trusts, held 2,000 personally, 667 in trusts. Neal K. McNaughton exercised option to buy 250, held 266. A. M. Poniatoff sold 1,000, held 2,850.

Amphenol-Borg. Harold R. Egenes sold 500, held 1,633.

Audio Devices. Henry E. Mendes bought 100, held 2,000 personally, 105 for daughter.

Ayco. W. A. Mogensen sold 2,400, held 9,300. Benjamin H. Namm bought 500, held 2,806.

Cinerama. Bernard Goodwin sold 1,000, held 2,105.

Clarostat. Arthur Richenthal exercised option to buy 5,000, held 5,000 personally, 300 for wife, 100 for Charles J. Goldstein.

Clevite. Willard W. Brown exercised option to buy 2,000, held 3,000. O. P. Gokay exercised option to buy 1,000, held 1,800. Curtis B. Hoffman exercised option to buy 400, held 500. William G. Laffer exercised option to buy 3,000, held 6,229. Wilbur D. Prescott exercised option to buy 500, held 500.

Collins Radio. Arthur A. Collins bought 100, held 131,288 personally, 221,864 as trust beneficiary, 55,132 for minor children, 84,933 in trust for mother. M. L. Doelz sold 204, held 4. H. V. Gaskill bought 525 and sold 200, held 1,133. Robert S. Gates sold 200 from Trust A, held 20,325 in Trust A, 535 in Trust B, 1,267 personally. Albert H. Gordon bought 6,496 through Kidder Peabody & Co. and acquired 2,723 more through Kidder Peabody & Co. by exchanges of convertible debentures preferred stock, sold 8,653 through Kidder Peabody & Co., held 566 in Kidder Peabody & Co., 1,040 personally. S. J. Storm sold 256, held 1,442.

Consolidated Electronics Industries. Charles G. Munn sold 200, held 2,000. Pieter van den Berg exercised option to buy 2,500, held 3,750.

Corning Glass. William H. Armistead sold 2,000, held 1,000. William C. Decker sold 3,300, held 14,937. Thomas Waaland exercised option to buy 2,000, held 4,700.

Daystrom. William H. Westphal bought 100, held 300.

Decca Records. Milton R. Rackmil bought 700 as co-trustee, held 11,400 as co-trustee, 1,713 personally.

Emerson. Harold Goldberg bought 885, sold 200, held 1,553.

Filmways. William Cowan sold 1,515, held none.

General Dynamics. Ellsworth C. Alvord bought 2,880, sold 3,032 through holding company, held 5,495 personally, 14,568 in holding company, 10,484 in trust. Frederic de Hoffman sold 600, held 3,730. Vernon M. Welsh sold 1,000, held 9,000.

GE. John W. Belanger exercised option to buy 5,125, held 19,068. Lemuel R. Boulware exercised option to buy 4,570, held 18,070. James H. Goss exercised option to buy 7,522, held 9,442. George L. Haller bought 600, held 700. Edwin H. Howell sold 200, held 1,565. John D. Lockton exercised option to buy 2,841, held 12,360. Francis K. McCune exercised option to buy 1,000, held 9,339. Harold A. Olson bought 4,837, held 6,327. Harold E. Strang sold 1,600, held 9,240. William C. Wichman exercised option to buy 1,695, held 5,226.

General Precision Equipment. Joel Dean sold 500, held 1,600. George T. Link sold 2,472, held 500.

General Telephone & Electronics. Don G. Mitchell exercised option to buy 3,000, held 5,766 personally, 1,500 in Waldon Inc. Gardiner Symonds sold 100, held 1,000.

Globe Union. Ralph W. Conway exercised option to buy 200, held 2,200. William S. Parsons exercised option to buy 1,000, held 3,255. William M. Wanvig exercised option to buy 300, held 3,100. Remington H. Warner exercised option to buy 200, held 520 personally, 230 for wife.

IBM. Charles V. Boulton exercised option to buy 201, held 472. Edward E. Ford sold 2,400 from trust, held 72,336 in trust, 41,076 personally. Herbert T. Hansford bought 252, held 1,671. J. J. Kenney sold 450, held 1,500. L. H. LaMotte sold 850, held 5,359 personally, 10 in LaMotte Foundation. T. Vincent Learson bought 500, held 1,097. H. M. Sibley exercised option to buy 172, held 1,400.

International Resistance. George I. Black exercised option to buy 400, held 2,200.

ITT. Edward D. Phinney exercised option to buy 2,680, held 4,466. Paul F. Swantee sold 500, held 4,634.

Lear. Albert C. Keske sold 241, held 1,100. William P. Lear sold 30,000, held 392,768.

Litton. Glen McDaniel sold 600, held 19,900. Russell W. McFall bought 800, held 825.

Loew's. Ellsworth C. Alvord bought 760, sold 800 through holding company, held 1,760 personally, nine in holding company. J. Howard McGrath bought 250, held 500.

Loew's Theatres. Arnold M. Grant bought 500, held 10,500. Simon H. Rifkind bought 1,000, held 1,000.

P. R. Mallory. Charles A. Barnes bought 500, held 500. J. Taylor Foster exercised option to buy 1,836, held 3,684. F. E. Head sold 200, held 414. P. R. Mallory bought 1,000, held 80,636 pers., 17,994 in trust.

Microwave Associates. Julian Pathe sold 1,000, held 1,500.

National Telefilm Associates. Ely A. Landau sold 3,000, held 17,000.

National Theatres & TV. Samuel Firks sold 250, held 59,750.

Paramount Pictures. Louis A. Novins sold 500, held 1,791.

RCA. George H. Brown exercised option to buy 100, held 295. Elmer W. Engstrom exercised option to buy 600, held 3,143. Alan M. Glover exercised option to buy 300, held 564. Ernest B. Gorin sold 681, held 100. Pinckney B. Reed exercised option to buy 300, held 439. Robert W. Saranoff exercised option to buy 9,000, held 9,904. Frank Sleeter exercised option to buy 1,800, held 2,006. James M. Toney sold 84 and 25 more for son, held 163 personally, none for son.

Raytheon. David D. Coffin exercised option to buy 2,259, held 2,686. Carl J. Gilbert bought 500, held 500. N. B. Krim sold 2,000, held 450.

Standard Coil. James O. Burke sold 16,830, held 393,640 personally, 26,780 in Tripp Bldg. Corp. Robert C. A. Eland sold 1,000, held 4,150. Arthur Richenthal sold 5,000, held 31,066.

TV Industries. William Zeckendorf sold 1,910, held none personally, 24,835 in Webb & Knapp.

Texas Instruments. Bryan F. Smith sold 300, held 11,369 personally, 159 in trust.

Thompson-Ramo-Wooldridge. Burton F. Miller sold 300 from trust, held 8,700 in trust, 3,757 personally.

Trans Lux. Harry Brandt bought 1,250 for foundations, sold 1,100, held 33,980 in foundations, 160,730 personally, 17,000 for wife, 100 in Barvic Theatres Corp., 2,000 in Brapick Inc., 100 in Marathon Pictures Corp., 400 in Bipharm Corp., 400 in Pamela Amusement Co.

20th Century-Fox. Robert Lehman sold 1,000, held 9,700. Joseph H. Moskowitz sold 5,600, held 5,000.

Varian Associates. Edward W. Herold bought 150, held 150.

Warner Bros. Benjamin Kalmenson sold 10,000 in private transactions, held none. Jack L. Warner sold 1,900 in private transactions, held 225,055 personally, 1,400 in trust.

Westinghouse. C. H. Bartlett sold 500 held 275. R. D. Blasier sold 800, held 1,368. John W. Craig bought & sold 1,000, held 1,000 personally, 100 in trust. John K. Hodnette exercised option to buy 3,325, held 5,788. E. V. Huggins bought 100, held 2,126. Leslie E. Lynde exercised option to buy 250, held 2,903. George G. Main sold 950, held 400 personally, 400 in trust. L. W. McLeod sold 100, held 1,150. A. C. Monteith sold 975, held 3 personally, 1,000 in trust. Carlisle P. Myers sold 180, held 252. Russell B. Read exercised option to buy 225, held 693. Charles C. Shutt sold 300, held 1,025. Charles H. Weaver sold 700, held 25.

Motorola's 1959 net profits were more than 90% higher than the \$7,356,213 reported in 1958, and its sales were more than 30% ahead of 1958's \$216,590,325, Pres. Robert Galvin told Motorola management at the company's annual management conference in Chicago Feb. 5. He said preliminary results of the company's record year show a net in excess of \$14 million and sales well above \$280 million. Consumer electronics, mobile radio, Handy-Talkie equipment and semiconductors all contributed to the upsurge, he added, while Motorola's military electronics business remained about the same as 1958. He repeated the prediction that the company's 1960 sales will exceed \$300 million barring labor disturbances in major U.S. industries. He said that while Motorola intends to continue to diversify, it plans to continue to specialize in electronics. Galvin also indicated that the company hopes to acquire the electronics business of other companies as part of its expansion program in the next 10 years.

Transitron Electronics Corp., Wakefield, Mass. producer of semiconductor products, issued its first financial report to shareholders since its initial offering of stock to the public last Dec. (Vol. 15:46 p24). Leo & David Bakalar, chmn. & pres. respectively, reported sales of all product lines running at a good rate. For the 26 weeks ended Dec. 26, Transitron had a net income of \$3,807,262 (51¢ a share) on sales of \$21,984,611 (vs. \$13,068,718 sales in the year-ago period; comparative earnings are not available). In the 13 weeks ended Dec. 26, net sales amounted to \$11,829,026; net income totaled \$2,030,213, equal to 27¢ a share on the 7,502,500 shares of capital stock outstanding. Comparative 1958 figures are not available.

Dynamics Corp. of America has acquired control of Anemostat Corp. of America with the purchase of 77,395 additional shares of the Hartford company which manufactures air-diffusing & air-conditioning equipment. The shares were purchased from Securities Corp. General, an investment firm, for \$155,820 cash & 2 blocks of Dynamics-held Securities Corp. preferred stock. Pres. Raymond F. Kelley said Dynamics Corp. will operate Anemostat as a subsidiary. Dynamics Corp. now owns 84%, or 127,031 shares, of Anemostat's 151,000 outstanding shares. Anemostat, in 1958, reported earnings equal to 59¢ a share on sales of \$4,383,640.

Magnavox anticipates 1960 sales of \$135-\$150 million and is "shooting for a net of \$2.50 to \$3 a share," C. Wesley LeBlanc, asst. to Pres. Frank Freimann, told the Detroit Financial Analysts Society last week. High-aiming Magnavox (Vol. 16:4 p19) had 1959 sales of about \$107 million & earnings of some \$1.90 a share.



**Pentron Electronics Corp.**, Chicago maker of magnetic tape recorders & related electronic equipment, has asked SEC (File 2-16092) to register 250,000 common stock shares for public sale at \$3 per share. An underwriting group is headed by Stanley Heller & Co. Also reported in the registration statement is the purchase of 10,000 shares at 25¢ per share by Heller's senior partner Stanley Heller from Pentron's Pres. Theodore Rossman & exec. vp Irving Rossman. Most of the proceeds of the public sale would be applied to payment of outstanding 6% debentures.

**Savoy Industries** subsidiary Transelectronics, Ltd., has opened a production plant for electronic components in Freeport, Grand Bahamas. Savoy Pres. Louis Danenberg said cheaper labor & tax advantages prompted the Tulsa-based concern to erect the plant in the Bahamas. At the outset, output of the Freeport facility will be used by Savoy's Fort Lauderdale (Fla.) and Griffin (Ga.) electronic equipment plants. As production expands, the components will be offered to other equipment makers. Freeport's initial employment of 100 is expected to rise to more than 200 in a year.

**Tung-Sol** hit a sales peak in 1959 with a 20% gain over 1958's \$59.8-million volume, but the net approximated the \$2,643,842 (\$2.67 a share) earned in the preceding year. Vp-treas. H. Merle Darling explained that while sales soared past the previous high of \$64.1 million (set in 1957), the steel strike, competition and heavy expenditures for expansion of the company's semiconductor div. were drags on earnings. "Competition whittled down our prices on electron tubes, particularly in the renewal or replacement field," he said. "We think this trend will be reversed this year."

**Electronic Research Associates Inc.**, Cedar Grove, N.J. maker of specialized commercial & military transistorized devices & other electronic components, seeks SEC registration of 216,254 Class A capital shares to be offered in exchange for an equal number of Class B shares on a share-for-share basis. The company said that some stockholders may subsequently offer their Class A shares for public sale. Principal Class B holders now include vp Noah J. Gottfried (48,775 shares).

**Elco Corp.**, Philadelphia manufacturer of basic electronic equipment components, submitted an SEC registration statement (File 2-16072) for 88,135 common stock shares reserved for issuance on exercise of outstanding warrants. The warrants were issued to S. D. Fuller & Co., which underwrote a 1954 stock offering, and to Elco pres. Benjamin Fox & other key personnel.

**Healthy financial climate** is reflected by the higher dividends voted by 145 companies in Jan.—up from 101 in Jan. 1959 and a record for the month, reports Standard & Poor's Corp.

**Ampex** has gotten the nod from Stock of the Month Club Inc., Warwick, N.Y.

**P. R. Mallory & Co.** scored record earnings & sales for the year ended Dec. 31, 1959. Net income was up 51% from 1958 and 38% from 1957, the previous record year. Sales increased 26% over 1958 and 11% over 1957. For the year ended Dec. 31 (1958 & 1959 per-share earnings after pfd. dividends and both based on 1959 shares outstanding):

	1959	1958
Sales .....	\$86,504,443	\$68,286,563
Net income .....	4,339,042	2,872,526
Per common share .....	2.87	1.85
Common shares .....	1,441,090	1,409,584

**Dresser Industries** reports a sag in net income despite a sharp sales gain in its 1959 fiscal year. The Dallas-based corp. & subsidiaries (Dresser-Ideco, Southwestern Industrial Electronics div., etc.) report for the year ended Oct. 31:

	1959	1958
Net sales .....	\$232,309,621	\$225,287,985
Net income .....	9,171,131	9,882,233
Per common share .....	1.95	2.14
Common shares .....	4,709,547	4,612,283

**Belock Instrument Corp.** scored marked increases in sales & earnings in the fiscal year ended Oct. 31:

	1959	1958
Net sales .....	\$15,794,325	\$12,731,300
Net income .....	349,988	202,743
Per common share .....	40¢	24¢
Average common shares .	852,776	811,447

**Hewlett-Packard Co.** sales & earnings climbed sharply in fiscal '59. For year ended Oct. 31:

	1959	1958
Sales .....	\$47,745,073	\$35,653,353
Net income .....	3,899,941	2,571,952
Per common share .....	1.19	79¢

**Axe Science & Electronics Corp.** mutual fund reports strong gains in net assets for the year ended Dec. 31:

	1959	1958
Net assets .....	\$12,521,784	\$9,446,139
Net assets per share ....	12.42	11.99
Capital shares .....	1,008,346	788,093

**Howard W. Sams & Co.**, Indianapolis publishing, electronics research & engineering firm, and subsidiary Bobbs Merrill Co., report a 22% sales gain for the first half of fiscal 1960 over the same period of fiscal 1959 (\$5,857,904 vs. \$4,818,710). The figures cover July 1 to Dec. 31, and are before eliminating inter-company transactions. Pre-tax profits were \$647,549 vs. \$483,933—a 33% increase.

**Ling-Altec Electronics** sales in 1960 are expected to soar past \$75 million, compared with 1959's estimated \$45 million, Chmn. James J. Ling forecast last week. He would not estimate 1959 earnings, but hoped they "will be in the ball park" of an Oct. forecast of \$1.40 a share—or about \$2,240,000, based on 1.6 million shares outstanding.

**Reports & comments available:** GE, discussion, E. F. Hutton & Co., 61 Broadway, N.Y. 6 . . . Philco, analysis, Amott, Baker & Co., 150 Broadway, N.Y. 38 . . . Hoffman Electronics, review, Carreau & Co., 115 Broadway, N.Y. 6 . . . General Precision and Bendix Aviation, discussions, Bache & Co., 36 Wall St., N.Y. 5 . . . Telechrome Mfg. Corp., prospectus, Amos Treat & Co. Inc., 79 Wall St., N.Y. 5 . . . Tenney Engineering Inc., prospectus, Milton D. Blauner & Co., 115 Broadway, N.Y. 6 . . . Data-Control Systems Inc., prospectus, C. E. Unterberg, Towbin Co., 61 Broadway, N.Y. . . . Technicolor, profile, Feb. 1 *Forbes*.

**Common Stock Dividends**

Corporation	Period	Amt.	Payable	Stk. of Record
Allied Artists .....	Q	\$0.13¾	Mar. 15	Mar. 3
GE Ltd. ....	Stk.	3%	Apr. 6	Feb. 29
GT&E .....	Q	.55	Mar. 31	Feb. 23
Gen. Tire & Rubber ..	QQ	.25	Feb. 29	Feb. 15
ITE Circuit Breaker .	Q	.45	Mar. 1	Feb. 15
Lear Inc. ....	—	.10	Mar. 1	Feb. 11
Sonotone .....	—	.07	Mar. 31	Mar. 4
Standard Radio Ltd..	QQ	.15	Apr. 8	Mar. 18
United Artists .....	QQ	.40	Mar. 25	Mar. 11
Walt Disney Prod. ..	Q	.10	Apr. 1	Mar. 18



Walt Disney Productions reported a net loss & decline in revenues for the 13 weeks to Jan. 2 as TV income alone fell \$2,062,679, compared with the year-ago period. Treas. Paul Pease attributed the overall decline to "the continuing effect of the low profit margin that we have experienced on our recent theatrical releases coupled with a loss on the current *Walt Disney Presents* TV show." During fiscal-1960's first quarter, he said, the film concern derived no income from *Mickey Mouse Club* and *Zorro*, which are not being televised because of the disagreement with ABC about the right to license to other TV outlets (Vol. 15:48 p6). For 13 weeks to Jan. 2:

	1960	1959
Revenues .....	\$9,731,841	\$11,799,302
Net profit (loss in 1960) ..	(165,939)	629,838
Per common share .....	—	40¢
Common shares .....	1,628,023	1,581,011

Warner Bros. sales for the first fiscal quarter ended Nov. 28 were well ahead of the 1958 period, but net income was down because of a higher provision for federal income taxes (\$1.7 million vs. \$650,000 in 1958). Stockholders were told last week at the annual meeting in Wilmington, Del. that 2nd-quarter earnings will be "slightly less than in the first quarter." Secy. Herbert Freston said that while Warners' 1960-61 TV film schedule hasn't been arranged, there may be a shift in emphasis away from Western & adventure programming. The company's report for the quarter ended Nov. 28:

	1959	1958
Sales, film rentals, etc....	\$23,037,000	\$18,938,000
Net before income tax ...	3,453,000	2,572,000
Net income .....	1,753,000	1,922,000
Per common share .....	1.16	1.10
Common shares .....	1,505,196	1,745,196

RKO General, the TV-radio subsidiary of General Tire & Rubber Co. (4 TVs, 5 radio stations), was one of leading factors in increasing the company's 1959 net earnings to a record \$26,624,080 (\$4.84 a share). This was 136% over 1958's \$11,279,117 (\$2.06). Pres. William O'Neil, discussing the company's various subsidiary operations, said: "One of our best performances was turned in [by] RKO General. While we do not consolidate this division's sales in our figures, its earnings are consolidated and added substantially to our total." The parent company's consolidated net sales (excluding non-Canadian foreign operations, those of RKO General and A. M. Byers) totaled a record \$676,942,133 vs. \$469,782,099 in 1958.

United Telefilms Ltd. shareholders have approved a 1-for-4 consolidation of stock (Vol. 15:52 p20). Canada's *Financial Post* says "it is rumored that this is preparatory to the issue, probably in the U.S., of \$15 million 5½% 8-year convertible debentures." United Telefilms' present authorized capital is 6 million shares, of which 3,993,000 are outstanding. Pres. G. P. Cass has stated that the Toronto-based concern will expand by acquiring products in all phases of the entertainment field.

Meredith Publishing Co. (WHEN-TV & WHEN Syracuse, WOW-TV & WOW Omaha, KPHO-TV & KPHO Phoenix, KCMO-TV & KCMO Kansas City, Mo., radio KRMG Tulsa, *Better Homes & Gardens*, *Successful Farming*) reports a jump in net income to \$2,202,854 (\$1.69 a share) in the 6 months to Dec. 31, up from \$1,772,865 (\$1.37) in the year-ago period.

Magnetic tape sales totaled \$40 million in 1959 and will reach \$100 million by 1963, according to a forecast by Ampex vp John M. Leslie, gen. mgr. of Ampex's tape-making Orr Industries div.

## Foreign

Australia's favorite TV series is the Warner Bros. *77 Sunset Strip*, which last week was winner of the "Logie" award (named for British TV Pioneer John Logie Baird). The prize was given after an annual poll by Melbourne's *TV Week* magazine. Variety star Graham Kennedy, who hosts a nightly Melbourne TV show, was awarded a "Logie" as "star of the year," and Edd (Kookie) Byrnes of "77" (currently on suspension from WB in a contract dispute) was runner-up. Other U.S. export winners in the program category: *The Phil Silvers Show* and *Father Knows Best*. Owned by the News Ltd. of Australia (in which ABC-TV owns an interest), *TV Week*, modeled closely after *TV Guide*, now goes to one in every 3 Australian TV homes, the magazine's N.Y. office told us.

Ad revenue of Britain's commercial TV program contractors reached a total gross of \$162.2 million in 1959, up from \$135.5 million in 1958, reports *Advertiser's Weekly*. Top grosser was Associated-Rediffusion, with revenue of more than \$34.6 million. Granada was 2nd with \$32.6 million. The program contractors telecast 300,668 separate individual ads. The most popular TV spot was the 15-sec. variety, with 97,819 separate transmissions. The 30-sec. film commercial took 2nd place with 88,463 appearances.

British Marconi has sold more than \$28 million worth of TV equipment in the last 10 years, according to a new brochure published by the company. Other highlights: It has sold more than 550 TV camera chains (503 image orthicon cameras), 37 mobile TV units, 102 TV transmitters, 46 TV transmitting antennas, \$14 million worth of studio equipment. Interesting sidelight in the Marconi booklet: "Marconi's have also designed & manufactured a complete mobile [color-TV] unit for an American company."

"East Eurovision" network, linking TV systems in Communist bloc countries, is now under construction, according to Tass, which said programs would be interchanged among the Soviet Union, Czechoslovakia, Poland, Bulgaria, Romania & East Germany. A coaxial cable is being laid for the Russian-Polish link, the dispatch said. As to an interconnection with West Europe, Tass added: "Quite feasible technically, given a proper agreement, is inclusion of Warsaw or Prague in the Western European Eurovision system."

TV sets in Denmark now number 320,433, according to the latest report by the Danish Information Office on licenses issued, for a fee, to set owners. Seven TV stations now dispense the non-commercial video service throughout the nation. An 8th station is expected soon in Bornholm. Advocates of commercial TV still fail to make headway and were defeated decisively at the recent Nordic Council session on their proposal to introduce TV-radio ads in Denmark, Norway and Sweden.

Middle East's most powerful radio station has been opened near Mansura, Egypt, according to the Commerce Dept.'s *Foreign Commerce Weekly*. The 300-kw medium-wave facility carries broadcasts of Radio Cairo & Voice of the Arabs throughout the Arab world and in most of Africa. The United Arab Republic also plans four 100-kw short-wave transmitters, is building a TV-radio center at Cairo.

NTSC color system has been officially adopted by Japan after a long period of tests & experimentation.



# WEEKLY **Television Digest**

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## SUMMARY-INDEX OF WEEK'S NEWS

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**WITH THIS ISSUE:** "Investing in Applied Science," Special Supplement on buying electronics securities, by George Edgar, of Carl M. Loeb, Rhoades & Co. (story on p. 2).

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### Industry Image

**OUR CHECKLIST OF** what 12 organizations in government, advertising and industry have done for TV's image (pp. 1 & 5).

**DISC JOCKEYS & "3Bs"**—"babes, booze & bribes" at Miami convention—become major target of payola expose by Oren Harris & his House probers (p. 6).

**PAYOLA & DECEPTION REMEDIES.** Texts of FCC's proposed rules & legislation. Punishment: \$5,000 or 1 year, or both (p. 7).

**FORD'S VIEW OF FCC POWERS** includes conviction it has authority to review station performance. Says no one proposes "blue pencilling by govt. clerks" (p. 8).

### Congress

**OVERSIGHTERS' BILL PARADE** is led by Bennett, ranking Republican on House subcommittee, who proposes jail & fines for anybody who tries to "deceive" on TV or radio (p. 1). Dept. (p. 9).

### Foreign

**USIA'S FOREIGN TV REPORT** shows stations up 47% (p. 18).

### Film & Tape

**SUMMARY OF TV STRIKE SITUATION:** WGA still deadlocked with TV Alliance & major-studio TV units on key issues; network TV film strike delayed (p. 16).

### Manufacturing & Distribution

**OUT OF THE LABS** and into production come 2 new electron devices expected to have important TV potential—GE's tunnel diode & RCA's Nuvistor (p. 19).

**TRANSISTOR OUTPUT** lagging behind defense goals as result of Japanese competition, EIA states in final argument for govt. action. Japan's 1959 radio exports to U.S.—6 million sets (p. 19).

**1959 PHONO SALES** totaled 4.3 million units at the factory, 4.4 million at retail, for 2nd best unit sales year (p. 21).

**EIA'S NSRC SHUTS SHOP** following FCC's refusal to set up TASO-like all-industry group to test & evaluate stereo systems (p. 21).

### Programming

**THOSE FALL PROGRAM BLUEPRINTS:** our report on how new-season television will look on the 3 networks (p. 14).

### Finance

**CBS POSTS RECORD** sales & earnings in 1959 as sales climb 8% to \$444.3 million and income gains 3% to lift corporation to \$25-million profit plateau for first time (p. 24).

### Other Departments

**ADVERTISING** (pp. 2 & 12). **TECHNOLOGY** (p. 3). **AUXILIARY SERVICES** (pp. 3 & 11). **FCC** (p. 9). **NETWORKS** (p. 10). **STATIONS** (p. 13). **PERSONALS** (p. 18). **FOREIGN** (p. 18).

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**QUICK CHECKLIST OF GOVT.-INDUSTRY MOVES:** For your convenience in determining just where industry & govt. now are in their efforts to clean up & improve TV, we have compiled the chart on pages 5 & 6 showing just what each major agency or organization has done, plans to do, is considering doing—together with our estimate of what may happen. It's necessarily brief because it covers such a mass of material, but we think it provides a valuable quick reference.

**OVERSIGHTERS' BILL PARADE IS LED BY BENNETT:** House Commerce Legislative Oversight Subcommittee's report on its TV quiz investigation (Vol. 16:6 p1) last week produced first of expected flock of bills implementing its recommendations to correct industry's faults—and one legislative proposal was a humdinger.

Hitting hopper with bang for broadcasters was bill (HR-10241) by Rep. Bennett (R-Mich.), ranking minority Overseer, "to prohibit the broadcasting of material intended to deceive the listening or viewing public." It would set up 2-year jail terms and/or \$5,000 fines for anybody convicted of having anything to do with preparing or broadcasting programs "with intent to deceive"—theatrical illusions not excepted in bill as written. In addition, anybody responsible for commercials used on such TV or radio shows would be subject to same criminal penalties.

Sponsors of any programs which turn out to be rigged—whether or not commercials themselves are phony—would face jail under these terms of Bennett bill: "Advertising matter which is broadcast in connec-



tion with a program, and which is intended or calculated to promote the sale of articles or services, shall be held to be a part of such program. The term 'matter' includes all writing, signs, signals, pictures, and sounds of all kinds, or any combination thereof, disseminated or communicated by means of radio communication."

Bennett also introduced FCC station-discipline bill (HR-10242) permitting Commission to put wayward broadcasters on probation or under suspension when it decides that would serve "public interest, convenience and necessity." Instead of renewing licenses for 3 years or revoking them (only penalty now provided FCC for punishment of stations for misconduct), FCC could order "conditional" renewals for one-year periods or suspend them for periods up to 30 days.

Chances of action on Bennett bills seemed dim at this short election-year session of Congress. He's still waiting for Commerce Committee to do something about his measure (HR-5042) for FCC regulation of networks—another subcommittee recommendation—which he submitted nearly year ago (Vol. 15:9 p4). And if any legislative priority is given to broadcasting bills on Capitol Hill before adjournment for July political conventions, it probably will go to still-undrafted omnibus measure by Commerce Chmn. Harris (D-Ark.). It will be designed to carry out all of his subcommittee's wide-roaming proposals—from FCC control of station trafficking to FTC injunctions against any deceptive commercials. Multiple-purpose Harris bill "won't be ready for weeks or even months," one Committee source told us.

But Bennett bills are grim samples of threats which will confront broadcasters in wake of quiz findings by Oversighters, who moved on into headline-fertile field of payola hearings last week (see p. 6) while FCC came up with its own legislative ideas for excising payola & deception vices from industry (see p. 7).

**INVESTING IN APPLIED SCIENCE:** "There is no such thing as an electronics industry," says George Edgar of the research dept. of the big N.Y. investment house of Carl M. Loeb, Rhoades & Co., in describing his firm's approach to investments in electronics—or "applied science," as he prefers to call it.

To obtain maximum appreciation from investment in the rapidly-expanding electronic technology, buy into a specific "new product" at the frontiers of science—specifically on the component end. For greatest growth, buy into a company which specializes as much as possible in that new product. In a nutshell, this is the highlight of Edgar's "new concept" in electronics investing, which rejects many traditional theories about stock buying.

We found Edgar's approach to investment in electronics so interesting that we asked him to edit for publication an extemporaneous address he delivered recently in St. Louis, and we are passing it on to you as a Special Supplement with this issue—knowing that most of our subscribers, being personally involved in electronics, are active or potential investors in electronics. Of course, we neither endorse nor disown his specific stock recommendations, but we know you'll find his comments interesting & useful reading.

The analysis was made originally for security dealers and delivered under auspices of A. G. Edwards & Sons, St. Louis correspondents of Carl M. Loeb, Rhoades & Co. Edgar is a member of the N.Y. Society of Security Analysts and the Electrical & Electronic Analysts Group.

**TELEFILM'S LORELEI SONG:** Virtually every Hollywood producer now offering new telefilm shows to agencies & advertisers (Vol. 16:5, Supplement) has added a co-financing come-on, we're told by top TV admen in N.Y. The tactic isn't dictated by money shortage among leading producers. Producers known to be offering join-the-act deals include Desilu, Filmways, Four Star, ITC, MGM-TV, Paramount, Revue, Screen Gems and Ziv. Combined, these firms are offering 68 shows, many in completed pilot form. Nearly all have strong credit ratings.

Real intent of co-financing deals is 3-fold, agency men believe: (1) A sponsor isn't likely to bother with other pilots once he's decided on a telefilm co-financing investment. (2) He's even less likely to cancel the show once it's on the air, since he's now producer's financial partner. (3) Sponsor-producer "marriages" help producers to circumvent growing tendency (partly inspired by quiz-scandal cleanup) of networks to control program scheduling & physical production.

Standard TV film offer is the 50-50 split. If he'll underwrite a show's production, the sponsor will receive half the show's profits, particularly profits in a co-sponsorship sale, residuals from reruns, overseas sales. And sponsors are usually offered a larger-than-average voice in the show's production policies, casting, script choice, etc. Such deals aren't new (see p. 12).



Agencymen aren't happy about the trend, particularly TV executives at small & medium-sized agencies. Consensus of their gripes: Sponsors should stay out of show business, unless they have large, experienced, internal program departments (such as that of P&G). Most telefilm network shows operate at a first-run loss, and sponsors who visualize a quick profit will be disappointed; it may take years to recoup the investment in reruns. Agencies are bound to be dragged in to supervise production, and may lose money under the 15%-commission set up (because of added TV personnel) unless sponsor will consent to special-fee arrangement.

**CATV, COMING OF AGE, SEEKS COMPROMISE:** Community antenna business is in an important transitional phase, and board of National Community TV Assn. recognized this in its Washington meeting this week. Most of time was devoted to the legislation designed to put CATV under FCC's jurisdiction, which is now before Senate despite FCC's distinct lack of desire to take over field.

NCTA believes pending bill (S-2653) is both discriminatory & unworkable, though it has long favored regulation by Commission. Board is most eager to compromise, hopes to get Senate Commerce Committee to modify bill, particularly on provision designed to keep CATV systems from carrying programs also telecast by stations in their communities (Vol. 15:36 p4). Prospects seem at least fair.

CATV's penchant for federal regulation stems from desire for relief from uncertainties of state & local controls. In addition, federal regulation tends to produce stability—a sort of recognition that industry has solid status. With many systems now on market because of great tax benefits following exhaustion of depreciation, operators are eager to present the aspect of maturity to prospective investors. Along the same line, they're most pleased to note entrance into field of such large & shrewd investors as Jack Wrather & John Loeb, through purchase of major holdings in Jerrold Electronics, and TelePrompTer's acquisition of systems in Farmington, N.M. & Rawlins, Wyo. (Vol. 16:6 p5). We hear several more major sales now are being negotiated.

CATV is eager to come to terms with vhf booster operators, too. NCTA told FCC recently that it recommended simply accepting status quo for 5 years, putting almost no restrictions on boosters (or translators, as FCC calls them)—as long as no new ones are permitted in vhf. NCTA is considering suggesting that existing boosters not be required to shift to uhf for 10 years.

Lacking federal regulation, CATV financial data is hard to come by, is available in bits & pieces as operators choose to release it. One area with a marked vacuum is that of CATV systems' rates to subscribers. We've surveyed industry and have come up with first compilation ever published on patterns of installation charges & monthly rates (see p. 11).

**LIVE TRANS-OCEAN TV—WHO NEEDS IT?** Discovery of "atmospheric ducts" which could carry TV signals across the Atlantic (Vol. 16:5 p12) has revived a favorite prediction of electronics prognosticators: Live trans-oceanic TV will be "in general use" within the next 5, 10 or X years. While this is exciting, stirs the imagination, it also brings to mind this question: How much "general use" would we get out of it?

Biggest barrier to widespread use of transatlantic TV will be, not the pace of invention, but the time differential. On a normal day, what could we see during the prime evening hours of 7:30-10:30 p.m. (EST) via transatlantic relay? Well, we might catch a late late show at the Folies Bergere in Paris (the time there is 1:30-4:30 a.m.), but Congress wouldn't like that—at least, not while the kiddies are still awake. Or the streetwalkers on Picadilly Circus (London time 12:30-3:30 a.m.). If we let the Russians in on our relay, we could watch the early shift reporting to work at the Moskvitch auto plant (3:30-6:30 a.m.). With transpacific TV we could see the morning crowds on Tokyo's Ginza (9 a.m.-12:30 p.m.) during our prime time, or perhaps a Japanese-dubbed rerun of Rin Tin Tin direct from Nippon TV.

This isn't quite enough to sustain viewer or sponsor interest and pay the cost of live trans-oceanic relays on a regular basis. During the important evening hours in Europe, it's afternoon in N.Y.—not a good time to slot an expensive show, and shows from Europe will be expensive.

If trans-oceanic TV were a necessity—or even an important luxury—we'd have it now. For at least 5 years, communications technology & knowhow have been at a sufficiently advanced stage to build an island-hopping over-horizon Atlantic "scatter" relay. Cost: \$50 to \$100 million. Now the trans-oceanic-TV spotlight has shifted to space satellites and over-the-ocean air ducts. Probably cheaper, easier—but still too costly



for the little use TV would get from them—unless their installation can be financed for other types of military or civilian communication. Under such conditions, TV could go along for the ride now & then.

Yes, only now & then. The fact is, networks here & abroad aren't particularly interested in live trans-ocean TV—exciting as it would be for an occasional news or sports event. As for regular program exchanges with foreign countries—live TV wouldn't make them a bit easier than they are now. Most shows are on film or tape now—so foreign programs are easily available to us—but we rarely see them.

How about important spot news events? For prime-time live coverage, it would be best if we could arrange for news to break in the wee small hours of the European morning. But why break our necks to cover European news live when even our own domestic news is covered 2nd-hand via film or tape for transmittal at the proper news time period? Tape or film & jet plane produces good results on spot news far cheaper.

Once in a lifetime there is a Coronation in England, and some of the pageantry could be caught live while Americans are awake. Live TV would be at its best in transmitting the day-long Olympics. This year's Olympic games will begin at 9 a.m. (Rome time) and often continue as late as 11 p.m., for indoor events such as basketball. This means they'd start at 3 a.m. N.Y. time (midnight in Los Angeles), continuing until about 6 p.m. Fine. The Olympics are held once every 4 years. Even the Winter Olympics, in our own country, are being televised live only on weekends—mostly unsponsored.

Best summation of possibilities of the wonderful world of live trans-ocean TV: It's a swell idea. Networks would use it once in a while, if only for prestige purposes—but somebody else would have to pay to get it built—and it would be hard to convince most sponsors to pay what will probably be monumental transmission charges. Except for a few really worthwhile occasions each year, it would be an extremely expensive novelty—especially when you consider that most of our own domestic "live" shows, from N.Y. & Hollywood, are now on tape.

## Industry Image

TV Code subscribers totaled 380 stations (among 517 operating commercial outlets) for another new high at last week's end, 8 more having joined up since NAB submitted a roster of 372 to FCC as of Jan. 5 (Vol. 16:2 p3). New subscribers are WMSL-TV (Ch. 23) Decatur, Ala.; WSIX-TV (Ch. 8) Nashville, Tenn.; KMOS-TV (Ch. 6) Sedalia, Mo.; KRGV-TV (Ch. 5) Weslaco, Tex.; KTBC-TV (Ch. 7) Austin, Tex., KTWO-TV (Ch. 2) Casper, Wyo.; WOI-TV (Ch. 5) Ames, Ia.; KSTF (Ch. 10) Scottsbluff, Neb. (satellite of KFBC-TV Cheyenne, Wyo.). Also on Code subscription list are the TV nets, 20 film producers.

Most advertising is pure, according to Rep. Wilson (R-Cal.), who was a partner in Champ, Wilson & Slocum, San Diego ad agency, when he first went to Congress in 1953. By now it's "99 & 44/100% pure," he assured his colleagues in a *Congressional Record* statement commenting on a recent *Wall St. Journal* ad ("Advertising Versus Badvertising—A Few Quiet Reflections"). "It is the exception that is making the headlines these days," Wilson said. "It is the misleading claim, the excessive counterclaim, the absurd distortion, or the downright rude or crude commercial that is under attack. All of these are true exceptions."

"Some very bad advertising" is on the air, NAB Pres. Harold E. Fellows conceded in a speech to the Electric Institute Inc. at Boston. But he argued that self-regulation by broadcasters—not govt. control, which "spells the end of individual freedom"—should correct industry faults. "We are guilty in broadcasting of blatancy in many instances, of over-commercialism—not as that may be measured by govt., but as it might be offensive to the listeners as viewers," Fellows said. "We were lax in the case of the quiz scandals, and we have been lax in the case of payola." However, none of this should "constitute a launching platform for a campaign to change the Constitution," he maintained.

TV summit conference with the Senate Commerce Committee Feb. 19 on the industry's advertising & programming ills (Vol. 16:4 p2) will bring these participants together at 10:30 a.m. in room 5110 of the New Senate Office Bldg.: FCC & FTC members, NAB Pres. Harold E. Fellows, TV Code Review Board Chmn. Donald H. McGannon, ABC Pres. Leonard H. Goldenson, NBC Pres. Robert E. Kintner, CBS-TV Pres. James T. Aubrey, Advertising Federation of America counsel John J. Ryan, Assn. of National Advertisers vp Peter Allport, American Assn. of Advertising Agencies Pres. Frederick R. Gamble.

More govt. regulation of TV, unless TV self-regulation is successful—was the warning sounded to admen by 2 leading broadcasters last week. "The shadow of authoritarian control constantly hovers over us," Donald H. McGannon, pres. of Westinghouse Bestg. Co. & chmn. of NAB Code Review Board told an AFA district meeting in Boston Feb. 8. "Broadcasters must stand together in opposition to advertising matter or any other kind of program substance that clearly & violently offends public taste or is deceptive," he said. Clark B. George, gen. mgr. of WBBM-TV Chicago, similarly told the Advertising Execs. Club of that city: "It is time that we insure that no ambitious group elected to office is able to seize the power of TV . . . It is hoped that every TV station in the country will be guided by the [NAB] Code within a relatively short period."

"Clipp Plan" for NAB Code previewing of commercials, proposed by Triangle Stations' Roger W. Clipp and endorsed by FCC Chmn. Doerfer (Vol. 16:6 p12), is due for discussion at NAB's March 3 board meeting, NAB Pres. Harold E. Fellows informed Senate Commerce Committee Chmn. Magnuson (D-Wash.). The Senator had asked Fellows for NAB's position on the plan, and Fellows indicated that no final action had been taken yet, though he stated that Code activities should be expanded.



## GOVERNMENT & INDUSTRY ACTION ON TELEVISION

AGENCY OR ORGANIZATION	ACTIVITY	PROGNOSIS
CONGRESS	<ol style="list-style-type: none"> <li>(1) House Commerce Legislative Oversight Subcommittee recommended sweeping legislation to stop &amp; prevent abuses.</li> <li>(2) Oversight Subcommittee started payola hearings.</li> <li>(3) Senate Commerce Committee called extraordinary conference with networks, FCC, FTC, NAB, advertising groups on advertising policies &amp; practices.</li> </ol>	<p>Many bills, much talk, a few legislative hearings, little action by Congress this session.</p> <p>No end in sight. Meeting takes place this Friday. House Subcommittee will keep on carrying broadcasting ball.</p>
FCC (Federal Communications Commission)	<ol style="list-style-type: none"> <li>(1) Chmn. Doerfer's prime-time public-service network program suggestion accepted, as modified, by networks. Due to start in Nov.</li> <li>(2) Issued proposed rules &amp; legislation to curb deceptive broadcasts &amp; payola.</li> <li>(3) Conducted extensive hearing on FCC's powers &amp; policies in programming field.</li> <li>(4) Tightened renewal procedures for stations charged with violating specific laws or rules.</li> <li>(5) Chmn. Doerfer endorsed NAB Code Board previewing of new commercials.</li> </ol>	<p>Kudos from govt. &amp; public. Generally low ratings for the shows.</p> <p>Rules will be adopted.</p> <p>Will adopt renewal procedure requiring stations to show efforts to find &amp; meet communities' needs. Will drop present requirement that stations supply percentage breakdown of programs by category.</p> <p>Sustained pressure, more intense investigation of complaints.</p> <p>Previewing by NAB Code Board alone unlikely, but intra-industry cooperation will be greatly stepped up. Continued attacks on "poor taste" by Doerfer &amp; other Commissioners.</p>
FTC (Federal Trade Commission)	<ol style="list-style-type: none"> <li>(1) Called extraordinary conference with all networks &amp; NAB on advertising policies &amp; practices.</li> <li>(2) Expanded its TV-radio monitoring system.</li> <li>(3) Moved against payola for first time.</li> <li>(4) Stepped up campaign against fraudulent commercials, began citing agencies as well as advertisers.</li> <li>(5) Started close liaison with FCC &amp; Justice Dept.</li> </ol>	<p>Periodic check-up meetings with industry groups.</p> <p>More &amp; more monitoring.</p> <p>Steady flow of complaints for a while hitting most of record industry.</p> <p>Fewer complaints, reflecting new caution by advertisers &amp; agencies.</p> <p>Collaboration will grow.</p>
JUSTICE DEPT.	<ol style="list-style-type: none"> <li>(1) Recommended new laws to curb payola and to permit FCC to punish licensees with penalties less severe than revocation.</li> <li>(2) Stated that FCC &amp; FTC now have powers adequate to handle most problems, including poor programming, but haven't exercised authority vigorously.</li> <li>(3) Raised no anti-trust objection to Doerfer plan for network collaboration on public-service programming.</li> </ol>	<p>Will wait &amp; see what industry, FCC &amp; FTC do about recommendations.</p> <p>Will continue to extend anti-trust protection to industry efforts at program improvement, at same time maintaining tough anti-trust attitude on industry business practices.</p>
NAB (National Association of Broadcasters)	<ol style="list-style-type: none"> <li>(1) Expanded &amp; tightened TV &amp; radio codes to outlaw rigged shows, ban payola, clean up commercials, prevent fakery. Enrolled record numbers of subscribers (380 TV, 1,257 radio currently).</li> <li>(2) Designated task force of broadcasters &amp; NAB staffers for emergency handling of ethical &amp; legal issues confronting industry.</li> <li>(3) Intensified campaign to insure consultation &amp; co-operation by advertising groups &amp; film producers.</li> </ol>	<p>Increasing respect for code seals by industry &amp; public. No-nonsense administration &amp; enforcement by NAB.</p> <p>Standing NAB committee.</p> <p>NAB previewing of commercials unlikely, but self-interest liaison will grow among all branches of industry.</p>
TIO (TV Information Organization)	<ol style="list-style-type: none"> <li>(1) Created by broadcasting industry in 1959 to "improve TV image" through program of publicity, fact-dissemination.</li> <li>(2) Maintains liaison with NAB, networks, industry groups, via office of TIO dir. Louis Hausman.</li> <li>(3) Makes independent research projects and attitude studies.</li> </ol>	<p>TIO program's first effects should be felt this year.</p> <p>Greater awareness by broadcasters of TV's "bad image" areas; campaigns to improve them.</p> <p>More ammunition to rebut critics who attack TV on qualitative level.</p>
ABC-TV (American Broadcasting Co.)	<ol style="list-style-type: none"> <li>(1) Required its o&amp;o station DJs to sign a no-payola pledge last Nov.</li> <li>(2) Participating in 3-network agreement with FCC Chmn. Doerfer to have more prime-time public-affairs programming.</li> <li>(3) Gives closer scrutiny for excessive violence or sex in TV programs. Notifies offenders individually before airtime.</li> <li>(4) Setting up closer working liaison with advertising groups, associations &amp; govt. agencies.</li> </ol>	<p>Should be generally effective safeguard against recurrence of payola.</p> <p>Will program at least minimum level set for public-affairs TV.</p> <p>Will curb excessive violence in their programs.</p> <p>Less friction, fewer delays in cleanup programs.</p>
CBS-TV (Columbia Broadcasting System)	<ol style="list-style-type: none"> <li>(1) Was first network to stage major cleanup of quiz shows.</li> <li>(2) Created new program practices div. headed by vp Joseph H. Ream.</li> <li>(3) Issued numerous executive-level directives covering identification of program practices, giveaway merchandise, canned laughter, etc. Meeting with individual film producers to hold down shows' violence &amp; brutality.</li> <li>(4) Announced new program-acceptance policy this month, whereby network will decide which show goes where, with "hands off" policy on public-affairs programming.</li> <li>(5) Participating in 3-network agreement with FCC Chmn. Doerfer to have more prime-time public-affairs programming.</li> <li>(6) Setting up closer working liaison with advertising groups, associations &amp; govt. agencies.</li> </ol>	<p>Few, if any, shows of this type in future on CBS-TV.</p> <p>Frequent re-appraisal of existing rules, tighter changes where necessary in programming, commercials.</p> <p>Tighter regulation (possibly strictest of all 3 networks) on program &amp; commercial content.</p> <p>Greater network control by CBS-TV of program structure, as well as content.</p> <p>Since network is well above minimum level of plan now, CBS-TV may top all 3 networks in 1960 in total amount of public-service programming.</p> <p>Less friction, fewer delays in cleanup program.</p>

(Continued on next page)



AGENCY OR ORGANIZATION	ACTIVITY	PROGNOSIS
NBC-TV (National Broadcasting Co.)	<ol style="list-style-type: none"> <li>(1) Required executives to give depositions concerning quiz-fixing, payola.</li> <li>(2) Created new standards &amp; practices dept. headed by vp James A. Stabile.</li> <li>(3) Issued new directives covering identification of taped shows, quiz-prize practices, violence &amp; brutality, etc.</li> <li>(4) Participating in 3-network agreement with FCC Chmn. Doerfer to have more prime-time public-affairs programming.</li> <li>(5) Setting up closer working liaison with advertising groups, associations &amp; govt. agencies.</li> </ol>	<p>New safeguards at network level against recurrence of scandals.</p> <p>Frequent re-appraisal of practices, tighter rules for programs, commercials.</p> <p>Tighter regulation of program areas that have drawn criticism.</p> <p>Minimum level set now for public-affairs TV. Present plans call for more information shows than agreement requires.</p> <p>Less friction, fewer delays in cleanup program.</p>
AFA (Advertising Federation of America)	<ol style="list-style-type: none"> <li>(1) Has announced plan this month for greater self-regulation of local advertising by local ad clubs and Better Business Bureaus.</li> <li>(2) Has sent to membership a bill of specifics complementing ANA plan to establish advisory council, and announced AFA support of effort by advertising organizations, on local &amp; national level, to correct abuses &amp; maintain high standards.</li> </ol>	<p>Tighter regulation of local advertisers to conform to new national practices.</p> <p>Closer liaison with ANA, other advertising groups.</p>
ANA (Association of National Advertisers)	<ol style="list-style-type: none"> <li>(1) Approved 3-point program of advertising (all media) self-regulation at emergency meeting in N.Y. Feb. 2.</li> <li>(2) Establishing closer "working relationship" with FTC.</li> <li>(3) Setting up closer liaison with media's self-regulatory groups within AAAA, NAB, networks, etc.</li> </ol>	<p>Secures basic cooperation of its members, who represent 85% of national &amp; regional U.S. advertising.</p> <p>Less friction between FTC and ANA members.</p> <p>Smoother functioning of self-policing machinery, starting at advertiser level. Better understanding by clients of newest media regulations &amp; problems.</p>
AAAA (American Association of Advertising Agencies)	<ol style="list-style-type: none"> <li>(1) Has speeded-up process of having 4-A agencies act as watchdogs against "objectionable advertising" by other members. Failure to comply can bring expulsion.</li> <li>(2) Issued new TV "Interpretation of AAAA Copy Code" Jan. 19, putting stress on "good manners" in selling via TV in U.S. homes.</li> <li>(3) Setting up closer liaison with ANA, media, govt. agencies on questions of commercial practices.</li> </ol>	<p>Threat of public censure by other agency men may bring recalcitrant agencies into line.</p> <p>May spark more recommendations by agencies for "soft sell" commercials, improve content.</p>

**DISC JOCKEYS & '3 Bs':** It took just 3 hearing days last week for House investigators of payola to run through a witness list of suspect disc jockeys and get down to the apparent central point of the broadcasting inquiry—what went on at a Miami Beach hotel in May 1959.

In what had been billed as a week-long, searching, "objective" study of payola practices at TV & radio stations across the country (Vol. 16:6 p9), the Commerce Legislative Oversight Subcommittee spent 2½ days giving tough times on the stand to jockeys & ex-jockeys from Westinghouse's radios WBZ Boston & KYW Cleveland.

Then, with scarcely-concealed glee, the Subcommittee under Rep. Harris (D-Ark.) turned to the most titillating subject it has explored since it went into the investigative business 3 years ago. This was the "International Radio Programming Seminar & Disc Jockey Convention" last May 29-31 at Miami Beach's Americana Hotel, sponsored by Storz Stations. The agenda & proceedings were headlined by one Miami newspaper as "Babes, Booze & Bribes."

The Subcommittee recessed for a long Lincoln Day weekend after chief counsel Robert W. Lishman set the scene for coming episodes—probably this week—by introducing Americana records showing that 19 record companies picked up \$117,664 in tabs at the convention. Capitol Records spent \$19,812, Dot Records \$19,485, Roulette Records \$19,158, Columbia Records \$9,415, RCA Victor \$8,569.

One item among many convention "functions"—costing the record companies \$68,133 in all—was an all-night party ("Bar, BarBQ and Bkfast") at the Americana which set back Roulette Records \$15,415. According to the hotel's special services dir. Edward E. Eicher, this bill included 2,000 bottles of bourbon served to guests from among the 2,000-2,500 who turned up for the convention.

"I've heard 3Bs used as descriptive of the convention, but they weren't bar, barbeque and breakfast," Rep.

Moss (D-Cal.) observed slyly. "They made a headline."

Eicher also told Chmn. Harris that among the convention guests whose expenses were paid by record firms were Pat Boone and at least one politician, "the governor of Tenn."—who was ex-Gov. Frank Clement. "Maybe I'd better stop now," Harris laughed, looking around at his Subcommittee colleagues.

There were more titters when Lishman said the subpoenaed records might constitute "documentary evidence which may be of use to the Subcommittee at some future time." That time was expected to come with the scheduled Feb. 15 resumption of the hearings.

"That isn't all of it," Harris told reporters. "Wait till you get the rest of it."

Before recessing for the weekend, the Subcommittee had time to hear from only one delegate to the convention—Stan Richards, ex-jockey at radio WILD Boston. He testified his hotel expenses—including \$117.42 for some new sports clothing—was paid for by United Artists, and that he saw "nothing wrong" with that. Richards also said he had received \$6,225 from Mutual Record & Music Suppliers of New England, Boston record distributors, but denied he'd made "deals" to play their music on WILD.

"This seems to be the American way of life, which is a wonderful way of life," the voluble Richards assured the subcommittee. "It's primarily built on romance. I'll do for you. What'll you do for me?"

With variations, this was what most of the week's other witnesses maintained—more or less stoutly—as Lishman & Subcommittee members took turns grilling them on their personal finances earlier in the week.

"Apparently they forgot about operating in the public interest," Chmn. Harris said at one point. "This is not an indictment of the whole industry, but it reflects on the entire industry and should be a warning."

The witnesses included:

Wesley Hopkins, ex-jockey at KYW Cleveland, who



said he received \$12,000 in 1958-59 from record companies as "listening fees." He insisted that he didn't get the extra money for spinning the companies' products.

Joseph Finan, ex-KYW jockey, who testified that \$16,-100 he had taken in from record firms in addition to his \$40,000 annual station salary wasn't for plugging records, but for advising the companies on commercial prospects for their music. (Harris termed Finan's testimony "pathetic"—an adjective Finan protested bitterly).

Charles Young, ex-KYW librarian, who conceded that \$3,000 he was paid by record firms probably was meant to "influence" him but that he didn't let that dictate what music went on the air.

David Maynard, jockey at WBZ Boston, now on probation, who conceded he had received more than \$6,000 in gifts & cash, including payments on a new car, but said this was for off-station work promoting "record hops," etc.

Alan Dary, on probation as a WBZ jockey, said he had been paid \$400-\$500 in Christmas gifts by record firms in recent years, but none of it was for on-air plugs.

Much was made by Lishman of a 1958 block party at Brockton, Mass. which was promoted by WBZ on the air and in *Boston Globe* advertisements as a benefit for the Old Colony Mental Health Assn. In questioning WBZ gen. mgr. Paul G. O'Friel and society orchestra leader Lester Lanin, who played for 35,000 at the party, Lishman tried to show: (1) The party was a record promotion stunt, not a benefit. (2) WBZ exploited it as an example of the station's effectiveness as an ad medium in disparagement of newspapers. In a telegram to Harris, the mental health group's counsel Cortland A. Mathers protested "the public impression created." Mathers said he knew "of no occasion when a radio station performed a more useful service to any community."

Norman Prescott, ex-WBZ jockey, had been scheduled to go on the stand. But he asked to be heard in a closed session instead, and Harris refused to disclose what he said behind closed doors.

In contrast to the Subcommittee's capacity-crowd TV quiz hearings last year, the payola proceedings drew sparse houses last week. In constant attendance, however, was an Internal Revenue Service agent who sat quietly at a press table taking many notes. Another IRS agent was assigned at Washington hq to sift through the notes for any unreported disc jockey income.

Other Boston area radio station witnesses on the Subcommittee's future list—but uncalled—included Maxwell E. Richmond (WMEX), Robert S. Richmond (WMEX), Arnie Ginsberg (WMEX), Mel Miller (WMEX), Joseph Smith (WILD), Bill Marlowe (WILD), Don Masters (WHIL), Jack McDermott (WHIL), Lou Goldberg (WEZE).

Note: Asked about the House probe of TV quiz shows last year and the Subcommittee's new foray into payola, President Eisenhower said at his press conference last week that: (1) Public morality had forced a cleanup of fixed quiz shows. (2) Everyone should be working to see that such practices do not occur again. (3) Public morality is involved when the right of persons to use the airways under public license is converted to personal gain.

CBS-TV's editing dept. has been renamed the dept. of program practices. "In order to reflect the current expansion in responsibilities & areas of operation, Herbert A. Carlborg has been designated director, program practices, and William H. Tankersley has been designated director, program practices, Hollywood," a CBS-TV memo stated.

**PAYOLA & DECEPTION REMEDIES:** FCC last week hammered out details of its proposed techniques for dealing with rigged quizzes, payola, and the like: (1) FCC rules to govern station licensees, the only group under the Commission jurisdiction. (2) Legislation to cover everyone, amending the U.S. Code.

The proposed rule to curb payola was issued Feb. 5 (Vol. 16:6 p3). Last week anti-deception rule was released:

"Quiz programs and other contests of intellectual skill or knowledge; announcement.—(a) No television broadcast station shall broadcast any program in which the appearance of a *bona fide* game, contest, or competition of intellectual skill or knowledge is of significance if the licensee knows, or in the exercise of reasonable diligence should know, that the outcome of such event has been in fact prearranged, or participants or contestants have been provided with information, instructions or any other communication for the purpose of influencing the outcome, by any person acting in behalf of the licensee or in behalf of any producer, sponsor or advertising agency associated with the program, unless the prearrangement is disclosed by an appropriate announcement.

"(b) The announcement provided for in subsection (a) shall clearly and fully describe the nature of the prearrangement, or assistance rendered to the contestant or contestants, in such manner that the audience will be apprised that the program is not in fact a spontaneous or genuine contest of intellectual skill or knowledge. Such announcement shall be made at the beginning and the end of such program.

"(c) No license shall be granted to a television broadcast station having any contract, arrangement or understanding, express or implied, with a network organization unless the station has received satisfactory assurance from the network organization that any program of the type described in subsection (a) will be accompanied by announcements in compliance with subsections (a) & (b)."

To cover everyone on the payola front, the Commission suggested that the following new Sec. 1345 be added to Title 18 of the U.S. Code: "Any person who broadcasts or knowingly permits or causes to be broadcast, over a radio station for which a license is required by any law of the United States, any matter for which service, money, or any other valuable consideration is directly or indirectly paid, or promised to, or charged or accepted by, such person from any other person without making at the time such matter is so broadcast an appropriate announcement that such matter is paid for or furnished, as the case may be, by such other person, shall be fined not more than \$5,000 or imprisoned not more than one year, or both."

Deception could be attacked, FCC said, by adding this new Sec. 1344 to Chapter 63 of Title 18 of the Code: "Whoever shall wilfully and knowingly offer, devise, produce, sponsor, or present, or cause to be offered, devised, produced, sponsored or presented, or whoever shall wilfully and knowingly participate, or shall wilfully and knowingly cause any other person to participate in any program which is broadcast by any radio or television station operating pursuant to a license required by any law of the United States for which any money or other thing of value is given, awarded, or promised as a prize in a test or contest of intellectual skill or knowledge and which is offered or presented as a *bona fide* test or contest with knowledge that the outcome of such test or contest is prearranged or predetermined for the purpose of misleading or deceiving the public, shall be fined not more than \$5,000 or imprisoned not more than one year, or both."



**FORD'S VIEW OF FCC'S POWERS:** FCC Comr. Frederick W. Ford hasn't the slightest doubt that the FCC possesses both the authority & the duty to examine a licensee's programming output to determine whether he's operating in the public interest. He spelled out his views emphatically last week (Feb. 11) when he summarized the arguments of the 2 major opposing views within the FCC, in an address to the TV & Radio Advertising Club of Philadelphia. Comr. Ford came up with this conclusion on the rulings of the courts:

"Never has it been found that the Commission consideration of programming was illegal or contrary to either the Communications Act or the Constitution. And never has it been found that the Commission engaged in censorship. Moreover, the authority of the Commission has been upheld by the Attorney General of the U.S. in his recent report to the President, and by the Special Subcommittee on Legislative Oversight of the House Interstate & Foreign Commerce Committee. To debate the matter further would be unproductive."

He proceeded then to restate his proposal for a means whereby FCC would be able to make a judgment as to whether stations are programming in the public interest. Quoting from his Aug. 1959 speech, he said:

#### No Desire for Program Dictation

"It appears to me that one course the Commission could follow would be to ask the licensees to tell us in narrative form the broadcast needs of the community they serve and to then explain how those needs had been & are to be met. The broadcaster himself is in a far better position to do that than anyone else, because after all it is his basic & primary responsibility to determine those needs & to serve them, whereas our only function in this area is to assure ourselves as best we can that he is carrying out his primary responsibility in order that we can conscientiously make the finding that he will serve the public interest, which we are required to do by law.

"This solution seems so simple & so basic that it is very difficult for me to understand how there can be any disagreement about it. So far as I know, no one at the Commission has the slightest desire to tell any broadcaster that he should or should not broadcast any particular program. It has been my observation that we all feel very strongly that the broadcast licensee should serve the public interest and that he should make an accounting to the Commission under the law for his stewardship of the public property committed to his care.

"No broadcaster should ever feel that he is in a strait jacket of any kind or that his programming flexibility is fettered or his imagination is circumscribed. He should take seriously the burden & trust that the Congress has placed in him that he will properly exercise his privilege to serve all the public in his service area. How he is to do this is his problem, but that he must do it the law demands. Our problem is to determine whether he has done it & plans to continue to do it."

Ford analyzed the present FCC requirement that stations provide a percentage breakdown of their programming by category. "Its weaknesses are readily apparent," he said. "The data is purely quantitative, indicating nothing about the quality of the programs themselves. It necessarily relies on arbitrary definitions of program types & categories which really tell little of the spiritual, educational or entertainment content of the programs themselves. And most importantly, it does nothing to relate the programs to the desires & needs of the community."

**Paar Takes a Walk:** Annoyed at a Feb. 10 group vote by members of NBC's new standards & practices to scissor a questionable joke from his pre-taped show, the comedian-host of *The Jack Paar Show* walked out of his show Feb. 11 in full view of some 5 million TV homes—leaving the network with a tricky exercise in talent, viewer & advertiser relations on its hands.

The Paar show has proved a late-night goldmine for NBC-TV, grossing just under \$13 million last year from 51 sponsors which aired 1,512 commercials on a 151-station lineup. Even as Paar—whose income is \$500,000 a year—choked back tears to tell audiences "there must be a better way to make a living," the network was awaiting reaction to a Feb. 4 letter notifying advertisers of a hike in program charges (from \$1,635 to \$1,950, net), and was planning a week-long Paar tape junket to London in March. If Paar stays away from the show, NBC-TV may have to do some fancy sales footwork to keep some advertisers from departing.

At week's end, however, NBC-TV was expressing the hope that the whole thing would blow over and that the 3-day weekend for Paar (the Feb. 12 show was a taped summary of previous episodes in the week) would give him a chance to cool off. In any event, Paar's contract with NBC-TV runs until 1962, and it's not likely it will permit him to work for another network in the meantime. "The whole thing will give Jack a chance to be brought back on Monday 'by popular demand,'" said one NBC-TV official, somewhat cynically.

Afternoon papers in N.Y. last Friday gave the story a big page-one play. The press was generally favorable toward NBC's courage in running the taped walk-out without editing, and to the firm stance taken by the network's standards & practices machinery in maintaining an internal housecleaning. The last word was probably achieved by *World Telegram & Sun* columnist Harriet Van Horne who summed up her reactions to the tear-stained Paar swan song with: "All *The Jack Paar Show* needed to restore a sense of balance & proportion last night was a brief word from Eva Marie Saint."

"Broadcasting in the '60s" will be the theme of NAB's 5th annual conference of presidents of state bestg. assns. Feb. 24-25 in the Shoreham Hotel, Washington, where NAB Pres. Harold E. Fellows will be the keynoter. Other speakers & events at the sessions where broadcasting's current problems & outlook will be explored: Feb. 24—reports by NAB's radio vp John F. Meagher, TV vp Thad H. Brown Jr., chief counsel Douglas A. Anello, govt. relations mgr. Vincent T. Wasilewski. Voice of Democracy awards luncheon, Statler Hilton Hotel. Reports by state organization leaders, including John C. Cooper (Ala.), Carlton Dargusch (O.) Elby Stevens (Me.), Charles B. Brakefield (Tenn.), Jack Gilbert (Neb.). Feb. 25—reports by U. of Mo. Freedom of Information Center dir. Dr. Paul Fisher, FCC Comr. Lee, asst. OCDM dir. Lewis Berry, David E. Driscoll (radio WCBS N.Y.) of the National Industry Advisory Committee, Wasilewski, NAB public relations mgr. John M. Couric. Luncheon address by FCC Chmn. John Doerfer. The roundtable will be moderated by Pres. Fellows.

More than 18 billion TV-radio impressions were donated by TV stations in commercial network time for ad council campaigns in 1959 and not, of course, 18 million as typographically mis-noted in our Vol. 16:6 p8 item on public-service donations.



## Congress

North American Regional Broadcasting Agreement and the U.S.-Mexican AM treaty (Vol. 16:5 p7) will get quick Senate ratification, it was indicated last week. A Senate Foreign Relations Subcommittee headed by Sen. Morse (D-Ore.) voted unanimously after hearings on the long-pending pacts to recommend ratification—without reservations. The full Committee headed by Sen. Fulbright (D-Ark.) concurred. NARBA terms, negotiated by the State Dept. 9 years ago, cover radio allocations in Canada, Cuba, Dominican Republic, Jamaica and the Bahamas. The Mexican pact has been snagged since 1957. Both have been opposed by U.S. radio daytimers despite pleas for ratification by spokesmen for the State Dept., FCC and other segments of the broadcasting industry who argued that the agreements were needed to prevent international channel jumping.

Federal probe of agencies by the Senate Judiciary Administrative Practice & Procedure Subcommittee (which got almost nowhere last session—Vol. 16:4 p12) has won another go-ahead—but only after a spirited Senate floor debate on its merits. Chmn. Carroll (D-Colo.) was granted a \$115,000 appropriation for 1960 work by his subcommittee & 9 staffers (including an economist & accountant) in trying to overhaul laws & regulations covering FCC & 100 other agencies. It took some fast floor work by Carroll, however, to overcome tart objections by Sens. Ellender (D-La.) & Curtis (R-Neb.). Ellender argued that it was time to halt soaring Senate expenditures for investigations of “everything from juvenile delinquency to world health.” Curtis said inquiries such as Carroll’s threatened “legislation by staff rather than by elected Senators.”

“Lewdness & debauchery” are promoted by TV when such movies as 1948 French-made “The Devil in the Flesh” are shown on the air, according to Sen. Lausche (D-O.) He first lashed out at the film (shown at 11 p.m. Jan. 30 by WMAL-TV Washington) during Senate Commerce Communications Subcommittee allocations hearings, then went on the Senate floor to say that it’s “a mockery of decency” for TV to present the film, “which openly portrayed the illicit relations of a young married woman and her teenage lover.” He also assailed TV showing of “I Am a Camera” as an example of “programs which cannot have any other impact than to debauch & contaminate [nation’s] youth.”

Transistor radios donated by Admiral, RCA & Zenith are being sent around the world to 15 Voice of America listeners who participated in an audience survey to determine effectiveness of overseas English-language programs. Winners of the shortwave sets were drawn in Washington by USIA dir. George V. Allen from 65,000 replies from listeners who were asked to send in names, ages, addresses and occupations and identify programs they heard.

Communications Act changes complying with FCC requests, are proposed in bills by House Commerce Committee Chmn. Harris (D-Ark.) to relieve the Commission of the duty of filing annual personnel reports to Congress (HR-10261) and apply painting & lighting standards to unused as well as in-use towers (HR-10259). Similar legislation had been introduced by Senate Commerce Committee Chmn. Magnuson (D-Wash.) earlier (Vol. 16:6 p11).

Radio daytimer hours would be changed to 6 a.m.-to-6 p.m. from sunrise-to-sunset under a bill (HR-10275) by Rep. Pelly (R-Wash.). It’s similar to a measure (HR-9627) proposed earlier by Rep. Abernathy (D-Miss.) (Vol. 16:3).

## The FCC

Use of Ch. 9 in Baton Rouge temporarily by WAFB-TV (Ch. 28) was denied by the Court of Appeals last week as it vacated FCC’s Special Temporary Authority (STA) which had authorized the shift. The Commission had granted the STA over the objections of radio WIBR, a competitor for Ch. 9. The Court (Judges Burger & Miller, with Danaher dissenting) stated that the Commission didn’t show it gave attention to the objections raised, including the fact that there is common ownership & overlap in coverage between WAFB-TV & WDSU-TV New Orleans. The Court said that the Commission should have made “comprehensive findings on all relevant factors, including, but not limited to, the basis of the ‘public need,’ and, where appropriate, the question of concentration of mass media, in situations where (a) the public already has some service, or (b) where the ‘temporary’ operation may well last 2 or 3 years, or (c) where the investment of the ‘temporary’ operator is so large as to make his failure to prevail in the comparative hearing oppressive on him.” The Court showed skepticism about FCC’s assertion that WAFB-TV’s temporary operation wouldn’t influence its final comparative decision, saying: “It is suggested that to question this involves a challenge to the good faith of the Commission. But this is not a matter only of good faith. Ordinary human experience tells us that these factors have a force which cannot always be set aside by the triers no matter how sincere their effort or intent . . . they are mortal men.”

Third station for Providence will come much quicker if Ch. 6 is left in New Bedford area instead of being shifted to Providence as FCC proposes, according to Eastern States Bestg. Co. This organization and Wilson Bestg. Co.—competitors for Ch. 6 with WNBH New Bedford—had agreed to a deal leaving WNBH unopposed for the CP. FCC’s channel-shift proposal appears to have made the arrangement fruitless. Eastern last week asked the Commission for a special conference, *en banc*, hoping to dissuade it from the shift. It stated: “A prompt grant of the [WNBH] application offers the best & simplest method of securing additional service to the Providence-Fall River-New Bedford area at the earliest possible moment. Any other attempted method of obtaining such service would involve prolonged rule-making proceedings, show-cause proceedings, comparative proceedings and probably court litigation.”

Retrial of ex-FCC Comr. Richard A. Mack & Thurman A. Whiteside on Miami Ch. 10 conspiracy charges (Vol. 16:6 p11) was set last week for April 25 in U.S. District Court, Washington. In scheduling the second trial, Judge Alexander Holtzoff said Whiteside would be tried separately if Mack—now in a Miami hospital for mental examination—is unable to appear. Govt. attorneys were authorized to hire one or more psychiatrists to check on Mack’s condition and submit a report to the Court. Meanwhile, Mrs. Susan S. Mack sued him for divorce in Miami, alleging that Mack engaged in “habitual” drinking which made him “disgusting & intolerable.” Mack’s drinking habits also were noted in a hospital report read to Judge Holtzoff by Justice Dept. attorney Oliver Dibble. It said emotional & mental disturbances brought on by Mack’s trial troubles led him into consuming from one to 1½ pints of liquor a day, that he is tense, nervous & depressed.

WESH-TV Daytona Beach, Fla. has requested a waiver of FCC rules to identify itself also with Orlando.



Fresno-Bakersfield deintermixture proposal by FCC (Vol. 15:29 p6) was up for consideration again last week but Commission came to no decision. It's due for discussion Feb. 24. The Commission proposes to add Ch. 2, 5, 7 (educational) & 9 to Fresno, deleting Ch. 12, 18 (educational), 24 & 47. KFRE-TV would be shifted from Ch. 12 to Ch. 9, KJEO from Ch. 47 to Ch. 2, KMJ-TV from Ch. 24 to Ch. 5. Ch. 8 & 12 would be added to Bakersfield. All the Fresno stations would be required to operate from Patterson Mountain, 45 miles from Fresno. Last week, KFRE-TV asked the Commission to defer action, noting among other things that the stations wouldn't be able to provide service to Fresno from Patterson Mountain in compliance with the new engineering standards proposed by the Commission in its mileage-cut rule-making (Vol. 16:2 p4). It also argued that Fresno has no critical shortage of facilities demanding a quick decision.

Two applications for new TV stations were filed with the FCC last week—both for Ch. 4 Reno. One was from a local group headed by Robert L. Stoddard, owner of radio KBET there; the other by a group headed by Alex Gold of KSHO-TV Las Vegas and including Howard D. Johnson of KTLE(TV) Pocatello and Joseph Bloom, of the Forjoe TV rep firm. Total on file is now 114 (19 uhf).

Protest against microwave to feed Phoenix signals to a Yuma CATV system has been granted to KIVA Yuma by FCC, against Antennavision Service Co. The microwave is held up pending a hearing. Similarly, KSWs Roswell, N.M. has been granted a protest against Microrelay of N.M. Inc., which holds CPs for a microwave to bring Albuquerque signals to a Roswell CATV system.

Channel shifts for Columbus, Ga. & Dothan, Ala. stations were re-ordered by FCC Jan. 29 after WTVY Dothan dropped its fight against shifting from Ch. 9 to Ch. 4. In Columbus, WRBL-TV has assented to changing from Ch. 4 to Ch. 3, WTVM from Ch. 28 to Ch. 9.

Power increase of WABC-TV New York, sought by ABC through waiver of FCC rules, has been opposed by the Assn. of Maximum Service Telecasters and Scranton-Wilkes-Barre uhf stations WNEP-TV, WDAU-TV & WBRE-TV.

Technicolor Inc. is entering the radio-station ownership field through purchase of radio KICN Denver for \$575,000, in the name of Technical Bcstg. Corp., headed by Technicolor Pres. John R. Clark. The company plans to expand station holdings, is interested in both radio & TV.

KPAC-TV (Ch. 4) Port Arthur, Tex. has been granted authority to change from 16 miles north of Port Arthur to 27 miles northeast of the city and 32 miles northwest of Lake Charles, La., increasing height to 990 ft.

Translator CPs granted: Ch. 73 & 80, Rhinelander, Wis., to J. R. Karban; Ch. 74, Brownwood, Tex., to Brownwood TV Cable Service; Ch. 80, Wheeler County, Tex., to Wheeler County Translator System.

Allocations petitions: By radio WACO Waco, Tex., to add Ch. 12 there; by Western Mich. U., Kalamazoo, to switch city's education assignment from Ch. 74 to Ch. 46.

On protest of KGUN-TV Tucson, the power-height increases and site moves of KVOA-TV & KOLD-TV Tucson have been set for hearing.

CPs granted: Ch. 3, Douglas, Ariz., to Electron Corp.; Ch. 10, Roswell, N. M. to Roswell Telecasting Co.

## Networks

**NO NBC-KTVU DEAL?** A trade press story that NBC has negotiated the purchase of KTVU San Francisco for about \$7.5 million came as "a complete bombshell" to the management of KTVU, we were told last week by KTVU exec. vp-gen. mgr. and 25% owner William D. Pabst. The story simply "is not true," said Pabst, although he acknowledged that his station expects an offer to be made.

Elsewhere in San Francisco, there were reports that NBC's negotiations to buy its local affiliate, the *San Francisco Chronicle's* KRON-TV, broke down over the *Chronicle's* whopping asking price of \$16 million.

To reassure its employees that no sale deal had been consummated, KTVU issued this statement Feb. 10 to its staff: "Certain press stories which have appeared during the past few days have indicated or stated flatly that KTVU has been sold to NBC. This is not true."

There is an outside chance that the NBC station-buying deal may swing KTVU's way, although it hasn't so far. Pabst further noted that "KTVU may anticipate that the conditions of such a proposal will be presented in the immediate future, after which directors & shareholders will have to call a meeting to consider any such proposal." At the moment, such a move is impractical, KTVU officials told us, since stockholder Edwin Pauley (25%) "is currently vacationing in Mexico City."

NBC maintained a "no comment" stand last week.

On a related front, reports that RKO-General's Washington, D.C. radio WGMS has been sold to Dallas broadcaster Gordon McLendon were denied in N.Y. by William Winkler, asst. to RKO-General Pres. Thomas F. O'Neil. "McLendon's bid for WGMS is one of several, and we aren't accepting any offers until the current Boston-Philadelphia station swap with NBC is approved by the Justice Dept. and FCC," he told us.

Gasoline advertisers more than tripled network TV spending in Jan.-Nov. 1959, going to \$8,459,113 from \$2,772,895 in the year-ago period, reports TvB. Total Nov. 1959 network billings were \$58,138,086 (Vol. 16:5 p13). Leading network TV advertiser in Nov. was Procter & Gamble, with \$3,574,968 in total billings. Anacin tablets was the leading net-advertised TV brand with billings of \$888,280. The Nov. leader by product classification was food & food products, with a \$9,635,443 net-TV investment.

National advertising on TV topped \$1.240 billion in 1959 (gross time), up 15% from 1958's investment of \$1,078,360,000 by national advertisers in network and national & regional spot TV, reports TvB Pres. Norman E. Cash. (The figures do not include talent or local ad costs.) Cash noted: "In national advertising, TV continues to outdistance the media field. With gains of \$160 million last year, a larger increase than any other medium, TV in national advertising has moved even further ahead. Since advertising produces the sales that produce more advertising, it must be assumed that TV brings results."

Talent costs of CBC (performers, authors, composers, musicians, performing rights) are expected to top \$15 million in the 12 months ending Mar. 31, reported the English-language network's gen. mgr. H. G. Walker. Refuting charges of increasing use of American talent by CBC, he forecast a 34.3% drop in non-Canadian "imports" for the fall-winter season (Oct. 1959-June 1960), compared with the 1958-59 season.



## NETWORK SALES ACTIVITY

### - ABC-TV

**Ted Mack & the Original Amateur Hour**, Mon., 10:30-11 p.m., effective March 7.  
*Pharmaceuticals Inc.* (Parkson Advertising)

**American Bandstand**, Mon.-Fri., 4-5:30 p.m., participations.  
*Western Tablet & Stationary Corp.* (Bozell & Jacobs)

#### Daytime programming participations.

*Beech-Nut Life Savers* (Charles W. Hoyt),  
*Best Foods* (Dancer-Fitzgerald-Sample),  
*Borden Foods* (D-F-S), *Dinner Redy Corp.*  
(Foote, Cone & Belding), *Exec Mfg. Co.*  
(Hoyt), *Gen. Mills* (D-F-S), & *Whitehall Labs.* (Ted Bates)

**Leave It to Beaver**, Sat., 8:30-9 p.m., additional 13 wk. one-third sponsorship.  
*Ralston Purina* (Guild, Bascom & Bonfigli)

**Cheyenne**, Mon., 7:30-8:30 p.m., 14 additional one-sixths.  
*Procter & Gamble* (Benton & Bowles)

### CBS-TV

**Person to Person**, Fri., 10:30-11 p.m., alt. wk. sponsorship.  
*Allstate Insurance Co.* (Leo Burnett) &  
*Carter Products* (Ted Bates)

**Rawhide**, Fri., 7:30-8:30 p.m., alt. wk. one-thirds.  
*Gulf Oil* (Young & Rubicam) & *Hamm Brewing* (Campbell-Mithun)

### NBC-TV

**Journey to Understanding**, Part 3; half-sponsorship each of six 60-min. & ten 30-min. programs covering Pres. Eisenhower's & Premier Khrushchev's travels. First show Feb. 27, 9:30-10:30 p.m.  
*North American Phillips Co.* (C. J. La Roche), *American Motors* (Geyer, Morey, Madden & Ballard)

**Bonanza**, Sat., 7:30-8:30 p.m., alt. wk. sponsorships.  
*RCA* (J. Walter Thompson), *Procter & Gamble* (Benton & Bowles), *Du Pont* (BBDO) *Gold Seal* (Campbell-Mithun), *Johnson Motors* (JWT)

**Riverboat**, Mon., 7:30-8:30 p.m., **Overland Trail**, Sun., 7-8 p.m. & **Tales of the Plainsman**, Thurs., 7:30-8 p.m. one-third participations.  
*Procter & Gamble* (Benton & Bowles)

High-definition still-picture TV system for military or outer-space reconnaissance has been developed by CBS Labs and the first unit already has been delivered to an unidentified govt. agency. Capable of almost unlimited resolution, the system works this way: A photographic camera in an unmanned aircraft or rocket snaps a picture, which is automatically developed chemically. The resulting transparency then is revolved on a drum while it is scanned by a brilliant stationary spot of light from a CBS-developed "line scan tube." A photo-multiplier tube behind the film catches the resulting variations in strength of the light which modulate the transmitted signal. At the receiving station, the situation is reversed, the line-scan tube painting a picture on unexposed film which is then chemically processed.

ABC-TV & Popular Library are jointly promoting the network's *Untouchables* (Thurs., 9:30-10:30 p.m.) and a paperback version of the book on which the series is based. The show is plugged on the book's back cover as well as in point-of-purchase signs in paperback outlets.

## Auxiliary Services

### More about

**CATV RATE PATTERNS:** Our survey of CATV rate practices (see p. 3) shows great variations in the industry, attributable to many factors—availability of free signals, capital & operating costs of system, age of system, number of channels offered, affluence of community, experience of operator, etc.

Genesis of rates was simple. The first operators asked Milton J. Shapp, pres. of equipment supplier Jerrold Electronics, for his opinion about rates—because no one had any experience. Shapp weighed all the cost factors he could muster and came up with a \$125 installations charge and \$3.50 monthly fee. Many operators followed that pattern. In recent years, the trend has been toward a much lower installation fee and a somewhat higher monthly charge. We have analyzed responses by 232 system operators. Here's how they break down:

INITIAL INSTALLATION		MONTHLY	
Charge	Number of Systems	Charge	Number of Systems
None	20	Under \$3	16
\$1-\$10	22	\$3-\$3.50	63
\$11-\$25	43	\$3.51-\$4	44
\$26-\$50	36	\$4.01-\$5	63
\$51-\$100	40	Over \$5.01	24
\$101-\$150	48		
Over \$150	1		

We haven't attempted to weigh the foregoing, to determine whether the larger systems are clustered at one end or the other of the scales. Experienced operators tell us, however, that they believe the larger & older systems tend toward the smaller initial fee & slightly higher monthly charge.

Unique microwave operation, which proves that CATV & stations "can work very nicely where they have mutual interests," is claimed by Mont. CATV operator Paul B. McAdam, who also owns radio KPRK Livingston. A 600-mi. 7-hop microwave system not only carries Salt Lake City signals to CATV customers in Bozeman & Livingston but serves KGHL-TV Billings, which in turn provides an off-air pickup for KWRB-TV Riverton, Wyo. Moreover, McAdam tells us, he has firm commitments from 2 more TV stations to use the microwave. He adds that the \$210,000 microwave system couldn't have been financed without KGHL-TV's cooperation.

Medical promise of TV tape & recorders in diagnostic studies was outlined by Dr. Albert Jutras before the recent meeting of the Canadian Assn. of Radiologists. "Video-tape recording," he said, "implies possibilities far beyond the restricted capabilities of sensitized emulsions . . . is done simultaneously with fluoroscopy, thus eliminating successive [X-ray] phases, thereby decreasing the radiation exposure to the patient." Dr. Jutras said video tape's immediate playback, erasure and other features offer "tremendous savings in films, chemicals, processing labor, film storage and clerical work. Most important of all, it saves time for radiologists, consultants and patients."

Council on Medical TV of the Institute for Advancement of Medical Communication, N.Y., will meet April 20-21 at the National Institutes of Health, Bethesda, Md., to discuss techniques in televised medical education. Attendance is limited to members & invited observers.

Theatre Network TV has produced an 18-min. film illustrating new uses of closed-circuit TV as a business marketing medium. Titled "By Invitation Only," the film highlights past TNT closed-circuit meetings.



## Advertising

### More about

**Join-the-Act Deals:** "You'd be surprised how many sponsors would be willing to spend \$5 million—the time-&-talent price of a 30-min. series for a year on a network—just to protect a \$100,000 pilot they've backed," the pres. of a Park Ave. ad agency billing in the top 10 told us.

In essence, this is the sales strategy behind the growing number of co-financing offers being made by Hollywood telefilmmers to TV sponsors as the current program sales season quickens (see p. 2). Once a sponsor has a telefilm tiger by the tail, it's hard to let go.

Historically, some deals of this sort have been glowing successes. Ballantine's purchase of Sheldon Reynolds' original *Foreign Intrigue* ultimately paid for itself. The brewing firm and its agency, J. Walter Thompson, syndicated the show in many non-Ballantine TV markets. P&G part-ownership of *Fireside Theatre* and Schlitz's investment in *Schlitz Playhouse* proved good investments through extensive reruns.

Some deals, however—such as General Foods' investment in a \$100,000 MGM-TV pilot of *Father of the Bride* that never went on the air, or Young & Rubicam's equally large investment of agency money in a *Rob Roy* pilot—have been classic flops. Nobody concerned usually likes to remember such deals; least of all, producers who are offering co-financing arrangements.

Producers also hesitate to mention another caution: TV is a far more public medium than such investment areas as research, new products, mergers, etc. If a major public corporation invests in a flop TV show, there's a good chance the issue will emerge embarrassingly at the annual stockholder meeting—even though a program loss is a relatively minor factor in the billion-dollar business level of corporate giants which spend millions in TV.

Ethical drug sponsorship of new medical FM radio programming service is being sought by NBC-RCA. Cost of underwriting each 15-min. medical news segment of the program service is \$338,000 for 52 weeks, \$212,000 for 26 weeks. The system, announced by NBC-RCA last Nov. (Vol. 15:47 p10), is expected to begin operating next Sept. Sponsors will be allowed 3 min. of commercial time during each of the thrice-daily medical information programs. Several agencies, however, have expressed resentment of the plan. RCA has been selling time availabilities in the service on a direct basis to pharmaceutical advertisers, instead of working through agencies. Thus, agencies say, they will have to charge clients special service fees for preparation of commercials. In Washington, NBC scheduled a demonstration of the system at studios of WRC Feb. 19. A closed-circuit program from the Clinical Center of the National Institutes of Health will comprise a status report on Asian influenza by world authorities following the conclusion of a 3-day world conference on the flu.

### U.S. Station Rate Increases

Station	Base Hour	Minute	Date
WXYZ-TV Detroit .....	\$2500 to \$2600	\$700 to \$725	Feb. 1
WPIX New York .....	2000 (no change)	500 to 550	n.r.
KCMO-TV Kansas City .....	1350 (no change)	330 to 360	Mar. 1
WKY-TV Oklahoma City .....	950 (no change)	240 to 250	Feb. 1
KPTV Portland, Ore. ....	800 to 900 <sup>1</sup>	315 (no change)	Feb. 15
WHO-TV Des Moines .....	750 to 800	150 to 190	Feb. 1
KUTV Salt Lake City.....	650 to 700	200 (no change)	Mar. 1
KTBS-TV Shreveport .....	550 to 600	150 to 180	Mar. 1

<sup>1</sup> New Class AA (7:30-10 p.m. daily), Class A (6:30-7:30 Mon.-Sat., 5-7:30 p.m. Sun., 10-10:30 p.m. daily) hour remains \$800, Min. \$225.  
n.r.—not reported.

**Commercial Translator:** To meet the growing demand for overseas versions of U.S. TV commercials that maintain the original sales impact and "idiomatically conform to local custom," ex-NBC producer John Gres announced the formation in N.Y. recently of Round Hill International Productions, a new TV-radio-advertising service firm.

"The importance of effectively translating TV-radio & film material cannot be underestimated," said Gres, who used to produce Spanish-language versions of NBC shows sponsored by Firestone, Chesterfield & Sterling Drug. "More than 240 million people in 32 countries are currently being reached by commercial TV originating within their own frontiers or overlapping them."

Round Hill is currently under a non-exclusive contract with Alexander Film Productions, and is already at work translating or modifying commercials for such firms as IBM, General Motors, Pittsburgh Paint, American Motors, 7-Up, Citroen, Catalina Swimwear, and Kayser-Roth. The firm is ready to provide translations of air advertising into "any one of 50 foreign languages."

As an example of how American sales messages suffer in normal translation, unless modified, Round Hill executives cited the following case. A Kayser commercial featured the slightly coy, but effective, line: "You don't have a leg to stand on if you aren't wearing Kayser hosiery." In its original translation to Spanish, for use in Latin-American areas, the line emerged roughly as "You will have a leg amputated if you aren't, etc." Gres quickly came up with a new copy slant.

Libbey-Owens-Ford has filed a formal denial of FTC charges that camera trickery was used in TV commercials promoting Safety Plate Glass used in GM cars (Vol. 16:2 p15). Protesting FTC's complaint that L-O-F & GM misrepresented non-distortion qualities of the glass in side windows, the glass manufacturer maintained that "its advertisements were in all respects true & accurate statements, portrayals & demonstrations of the facts." The complaint should be dismissed, L-O-F said, denying that "this proceeding is in the public interest."

New reps: KBAK-TV Bakersfield to Peters, Griffin, Woodward Jan. 1 from Weed. WFBC-TV Greenville, S.C. to Avery-Knodel Feb. 1 from Weed. KNOP North Platte, Neb. to Bob Dore Jan. 1 from Hal Holman. KMOX-TV Sedalia, Mo. to Bob Dore Feb. 1 from Pearson. KAVE-TV Carlsbad, N.M. to Bolling Jan. 1 from Branham. WALA Mobile to Bolling Feb. 15 from H-R Television.

**Ad People:** Bruce A. Baker, pres. of Baker, Tilden, Bolgard & Barger, named a senior vp of Compton Advertising in a merger of the companies; Louis E. Tilden, BTB&B chmn., appointed Compton vp . . . Anthony J. Pan named a senior vp, Lennen & Newell . . . Alvin A. Achenbaum, Robert S. Zimmern and Aldon H. Sulger elected Grey Advertising vps . . . James D. Kysor retires as Foote, Cone & Belding media supervisor after 44 years in advertising . . . Dr. Wallace H. Wulfeck, William Esty exec. vp, elected vice-chmn.

### Obituary

Joseph R. Stauffer, 62, former mgr. of N. W. Ayer's radio production dept., N.Y., and head of TV program development when he retired in 1959, died Feb. 7 at his brother's home in Stamford, Conn. He is survived by his wife, a son, his mother and 2 sisters.



## Stations

**FTC Payola Cases Total 42:** Two more payola complaints involving 5 N.Y. record distributing firms have been filed by FTC in its drive to stop payoffs to TV & radio disc jockeys—and stations (Vol. 16:6 p8)—for broadcasting music.

Cases No. 41 & 42 were chalked up on FTC's scoreboard against Am-Par Record Corp. and Pamco Music Inc., 77 W. 66th St., and Pres. Samuel H. Clark, vp Harry Levine, secy. Edith Schaffer and treas. Simon B. Siegel; Herald Music Corp., Ember Records Inc. and Ember Distributors Inc., 150 W. 55th St., and Pres. Al Silver & secy.-treas. Jack Braverman.

Each was accused of giving money "or other valuable consideration" to unnamed disc jockeys for "exposure" of records, some of which were played 6-10 times daily on the unidentified stations.

At the same time, Alpha Distributing Co., 457 W. 45th St., N.Y. and its partners John Halonka & Harry Apostoleris, cited last month for payola practices (Vol. 16:2 p7), asked FTC to dismiss charges against them. They told FTC that the firm had "given valuable consideration to certain individuals in radio stations to test, promote and expose records." But the formal answer to the Alpha complaint maintained that the payments weren't illegal, that in any event FTC lacks jurisdiction.

Meanwhile, FTC Chmn. Earl W. Kintner was reported readying combat orders to his staff to put his crash program against deceptive TV commercials on a continuing, permanent basis. In the wake of last year's TV quiz scandals he doubled his agency's tiny broadcast monitoring unit as part of an emergency clean-up operation (Vol. 15:44 p12 et seq.).

Station-image studies are secondary factors in the overall time-buying judgment function, 2 ad-agency associate media dirs. told the RTES timebuying seminar in N.Y. Feb. 9. Ray Stone, Maxon Advertising, & Robert A. Wulforth, Dancer-Fitzgerald-Sample, agreed that the image factor was less important in TV network affiliates which have less opportunity for local programming. When asked from the floor whether there has been initiative on the part of advertisers to look for stations with public-service image "in view of the current Washington climate," both admen agreed that there was "no marked rash of advertisers seeking such an image."

Minneapolis Star and Tribune Co. (Cowles) has purchased the *San Fernando Valley* (Cal.) *Times* for an undisclosed sum from Russell A. Quisenberry, Claire S. Newberry & John J. Tuttle. Robert N. Weed, promotion & public service dir. of *Minneapolis Star & Tribune*, is now publisher of the *Valley Times*. *Minneapolis Star & Tribune* owns 80% of KTVH Hutchinson-Wichita and 47% of WCCO-TV & WCCO Minneapolis. Cowles Bestg. Co., operated as a separate entity, owns KRNT-TV & KRNT Des Moines and WHTN-TV Huntington, W.Va.

On-the-job training for academic credit is being provided by KFMB-TV & KFMB San Diego for senior students majoring in broadcasting at San Diego State College. The students work at the stations 6 hours weekly for 2 credit units, and are to be graded by its executives at semester's end. George Whitney, vp-gen. mgr. of the stations, said: "Every effort will be made to give the students as complete a picture of commercial operation as possible, by exposing the students to work situations in all depts."

Broadcast equipment exhibitors at NAB's 38th annual convention April 3-6 in the Conrad Hilton Hotel, Chicago, will be: Adler, Alford, Ampex, Caterpillar Tractor, Century Lighting, Collins, Conrac, Continental Electronics, Dage, Electronic Applications, Fairchild Camera, Foto-Video Labs, Gates Radio, GE, General Electronic Labs, General Precision, Harwald, Hughey & Phillips, Industrial Transmitters & Antennas, Kahn Research Labs, Kliegl Bros., MacKenzie Electronics, Metropolitan Electric, Minneapolis-Honeywell, Nems-Clarke, Muzak, RCA, Raytheon, Sarkes Tarzian, Schafer Custom Engineering, Telechrome, TelePrompTer, Telescript-CSP, Tower Construction, Utility Tower, Visual Electronics.

Novel film-splicing device, designed to reduce the number of man-hours spent editing commercials into syndicated film shows, has been developed by William L. Cooper Jr., WPIX N.Y. film mgr. The station has installed 5 of the "pixieola" units, 4 adapted to 35-mm film, one for 16-mm film. WPIX programs about 90 film shows a week. In pre-pixieola days, the station's editors spent up to 4 hours on each 30-min. show. Now, the time will be cut by nearly 75%. Camera Equipment Corp. is distributing the unit to other stations. The unit enables an operator to inspect, edit, insert commercials, view for scratches, framing and sound sync, measure footage and take up on a projection reel—in one operation.

Soviet Council of Ministers Chmn. D. S. Polyansky made his first live appearance on U.S. TV over WCKT Miami when he granted an exclusive on-air interview (10:30-11 p.m.) to newscaster Wayne Fariss. They had met last summer when Fariss accompanied the tour of Russia by U.S. governors. Following the telecast, Polyansky toured the station, noted it had "excellent facilities" for news gathering. WCKT scored a second beat last week by telecasting for NBC-TV network feed the first films of a machine-gun-punctuated disturbance near the Cuban rendezvous of Castro & Soviet Deputy Premier Mikoyan. The films were made by a WCKT staffer & flown to Miami several steps ahead of confiscation.

TV quiz-probe script, which gave a permanent place in broadcasting history to the House Commerce Legislative Oversight Subcommittee last year, actually was written earlier by a N.Y. grand jury, according to N.Y. District Atty. Frank S. Hogan. Pointing out that Chmn. Harris (D-Ark.) and his investigators had been given 12 volumes of jury testimony about the scandals, Hogan told a meeting of N.Y. County Grand Jury Assn. that the Overseers were "latter-day heroes" in the quiz exposes.

Public-service programming by WHIO-TV Dayton, which for 8 years has donated 30 min. weekly to the Dayton Council of World Affairs for the *It's Your World* discussion series, has won praise in Congress. Rep. Schenck (R-O.) said the station headed by James M. Cox Jr. "deserves the gratitude of all who benefit from [the programs] and justifies our pride in the owner."

NAB deadline for applications by station executives to attend the 2nd broadcasters' seminar July 10-22 at Harvard Business School is March 1.

Civilian TV engineers are being recruited by Army Pictorial Center, 35-11 35th Ave., Long Island City, N.Y. The jobs pay \$8,810.

RCA shipped a monochrome TV tape recorder last week to KXLY-TV Spokane.



## Programming

**THOSE FALL PROGRAM BLUEPRINTS:** Although the start of the fall TV season is a good 7 months away, autumn colors were in fashion at all 3 networks last week as sales & program executives mapped 1960-61 schedules. Such trial schedules—subject to everything from the temperament of show stars to shifting competition on other networks—will probably be revised, reshuffled & re-revised before being locked up for winter. But top N.Y. agencies were being given behind-closed-doors looks at such network planning:

**ABC-TV fall schedule:** There will probably be fewer basic nighttime changes at ABC-TV than at any other network, since most of the present schedule has shown real rating strength. New shows being discussed are similar to those that have made the grade. The action-adventure trend will continue, and ABC-TV will generally steer clear of prime-time blockbuster specials, musicals and variety programming. The number of weekly 60-min. film shows may reach 15.

For Monday, ABC-TV is considering a shift of the 8:30-9:30 p.m. *Bourbon St. Beat* to Tues. 9:30-10:30, with a new 60-min. property (possibly MGM-TV's *Asphalt Jungle*) dropped in as replacement. (The Ted Bates agency, a major customer at ABC-TV, is staunchly opposed to the "Bourbon" shift, and ABC-TV may abandon the idea.) A situation comedy package, *For Men Only*, may replace *Man with a Camera* at 10:30 p.m. Mon., with the remainder of the Mon.-night schedule unchanged.

On Tuesdays, the major change would be in the 9:30-10:30 p.m. slot, now occupied by *Philip Marlowe* and *Alcoa Presents*. The former is to be axed and the latter will move to 10:30 p.m., thus freeing the time for either *Bourbon St. Beat* or one of several 60-min. properties in which ABC-TV is interested. Also ended would be *Keep Talking*, now at 10:30 p.m. Tues.

Wednesdays will represent a real shake-up in ABC-TV's fall plans. *Bugs Bunny*, a 30-min. Warner Bros. cartoon show, and *Leave It to Beaver* are tentatively scheduled to replace *Court of Last Resort* and *The Charley Weaver Show* in the 7:30-8:30 p.m. period. Mid-evening Wed. shows (*Ozzie & Harriet*, *Hawaiian Eye*) would be unchanged, but at 10 p.m.—long the 45-min. arena of *Wed. Night Fights*—the shift would be from live sports to filmed cops-&-robbers, with the Screen Gems-ABC *Naked City* moving in and the fights moving to a Sat.-night slot.

Thursdays on ABC-TV are far from firm, apart from the high-rated Desilu *The Untouchables* at 9:30 p.m. Advance planning calls for either the 30-min. *Guestward Ho!* or 60-min. *Stagecoach West* at 7:30 p.m. (In the latter case *Donna Reed Show* will probably be moved to a Fri.-night slot). *The Real McCoys* will remain at 8:30 p.m., but the *Pat Boone Show* may shift elsewhere and *Take a Good Look* will probably be dropped.

Friday's early lineup is due for changing. Blueprinted tentatively for 7:30-8:30 p.m., replacing *Walt Disney Presents* (likely to shift to Sun. 6:30 p.m.) is a back-to-back pair of situation comedies, *Shaggy Dog*, based on the Disney feature film, and *The Flagstones*, a Screen Gems cartoon show, with Donna Reed following. The strong 77 *Sunset Strip-Detectives-Black Saddle* lineup will remain.

Saturday nights, as advance planning has it, will be tailored for a masculine appeal & an older audience, once past the 7:30-8 p.m. *Dick Clark Show*. Blueprints call for either a shift of *Lawrence Welk's Dancing Party* from 9 p.m. down to 8 p.m., or the substitution of a 60-min.

*Pat Boone Show* at 8 p.m. At 9 p.m., ABC-TV is considering a follow-up to its success with *The Untouchables*—a 60-min. action series from Warner Bros. called *The Roaring 20's*—which would, in turn, lead nicely into the fights (moved over from Wed.).

Sundays are visualized with *Disney Presents* leading an earlier-than-ever start of 3-network nighttime competition at 6:30 p.m., thus getting the jump on *Overland Trail* (NBC-TV, 7 p.m.)—which has the jump on *Maverick* (ABC-TV, 7:30 p.m.)—which has the jump on the *Ed Sullivan Show* (CBS-TV, 8 p.m.). No further Sun. changes are planned until 9:30 p.m., when *The Islanders*, a 60-min. MGM-TV property not unlike *Adventures in Paradise*, may be substituted for Warner Bros. *The Alaskans*. (This switch may be abandoned; *Alaskans* is currently gaining steadily in the rating lists, and ABC-TV may renew it in the fall, dropping *Islanders* in another harbor, possible Tues. night at 9:30 p.m.). *Winston Churchill's Memoirs* will probably go into the Sun. 10:30 p.m. slot, replacing *21 Beacon St.*

CBS-TV's fall schedule, at the moment, is only partially complete. It's known what shows are likely to be axed, but—in nearly every case—agencies aren't being told what the replacements will be. In general, CBS-TV planning calls for a few more 60-min. film shows, heavier emphasis on 30-min. situation comedy, a reduction in the number of entertainment specials on a pre-emption basis, and an increase in nighttime public-affairs series. First public showcasing of CBS-TV's fall plans is likely to be the upcoming Feb. 29 Washington meeting with network affiliates. Here's where the changes will probably come in the nighttime CBS-TV schedule:

Monday: *The Kate Smith Show* (7:30-8 p.m.) will probably be moved, and *Father Knows Best* (8:30-9 p.m.) is being dropped by the Rodney-Young production team.

Tuesday: The back-to-back *Grand Jury* and *Dennis O'Keefe shows* (8:30-9:30 p.m.) are likely to be ousted in favor of a 60-min. series. The remainder of the schedule is fairly firm, although there's some doubt the *Garry Moore Show* will continue at 10 p.m.

Wednesday: Changes are likely to fall in the early part of the schedule, with *Be Our Guest* (7:30-8:30 p.m.) *Men into Space* (8:30-9 p.m.), and *The Millionaire* (9-9:30 p.m.) likely to be axed.

Thursday is the night of heaviest CBS-TV shifting. Virtually everything between 7:30 and 11 p.m. is due to be bounced or moved elsewhere. (It's also a night in which CBS-TV may try to launch a magazine-concept brand of TV selling.) Only one show is pencilled-in for Thur., an Ivan Tors-Ziv action-adventure package, *Savage of the Deep*, in the 7:30-8:30 p.m. slot.

Friday: More heavy changes, with all the shows between 8:30 & 11 p.m. (*Hotel de Paree*, *Desilu Playhouse*, *Twilight Zone* and *Person to Person*) in doubt.

Saturday: No changes mapped.

Sunday: *Alfred Hitchcock Presents* (9:30-10 p.m.) will shift to NBC-TV, requiring a replacement, and *The Jack Benny Show* (10-10:30 p.m.) will go on a once-weekly basis.

A major change in NBC-TV's nighttime structure is now being tested on N.Y. agencies. In brief, NBC-TV is abandoning much of its stance as the prime champion of nighttime specials (this season's crop of some 200 specials, most of which have drawn so-so ratings & high cpm's, will be cut back to about half that level), and will emerge



with a fall schedule in many ways not unlike that of ABC-TV in the current season. Here are highlights:

Monday-night schedule is likely to be unchanged between 7:30 & 10 p.m. (*Riverboat*, *Tales of Wells Fargo*, *Peter Gunn*, *Alcoa-Goodyear*). At 10 p.m., however, *The Steve Allen Show* will probably be dropped in favor of one of several action-adventure 60-min. film packages being considered by the network.

Tuesday nights, the big question is *Ford Startime*, whose high costs & modest ratings at 9-10 p.m. are causing Ford agency men to be doubtful of its chances for renewal in its present form for the 1960-61 season. Otherwise, the now-local 10:30 p.m. period may be recaptured and the 10-10:30 *M Squad* shifted or dropped to make way for a 60-min. film show.

Wednesdays are relatively firm up to 10 p.m., at which point NBC may either drop a 60-min. adventure or private-eye series into the time periods now occupied by *This Is Your Life* and the previously-axed (by P&G) *Wichita Town*, or schedule a public-affairs show at 10:30 p.m.

Thursdays, NBC-TV is planning to lead the evening schedule at 7:30 p.m. with *Bonanza* (currently, Sat. 7:30-8:30 p.m.), replacing *Law of the Plainsman* and *Bat Masterson*, currently planning no changes in remainder of schedule—a series of 30-min. shows until 11 p.m.

Fridays, to counter ABC-TV's Fri.-night strength and the possibilities of stepped-up CBS-TV competition, NBC-TV will probably perform a complete program face-lifting. As with Thursdays, several basic plans are being considered. One is to put still another 60-min. adventure entry (undisclosed) in the 7:30-8:30 p.m. period, with at least one other show of a similar vein slotted prior to 10 p.m., at which time Hubbell Robinson's 60-min. "thriller" mysteries are scheduled to replace the veteran *Gillette Cavalcade of Sports*. Another Fri. plan is to use that day primarily as a showcase for major NBC-TV specials.

Saturdays will see more action-adventure & Western film programming going in, with *Outlaws* tentatively scheduled to replace *Bonanza* in the 7:30-8:30 p.m. slot, *The Deputy* moving earlier to 8:30 p.m. to replace *The Man & the Challenge*, and possibly one more 60-min. film show launched in the 9-10 p.m. period. Almost certainly in the schedule, possibly at 10 p.m., will be NBC-TV's *World Wide 60* public-affairs series.

Sunday-night audiences will get more back-to-back film programming of 60-min. shows, if present plans go through. *Overland Trail* (current replacement for *Riverboat* in the 7-8 p.m. slot) will continue, with *The Barbarians*, a Mahin-Rackin adventure film package, following from 8-9 p.m., replacing the *Sunday Showcase* series of live/tape drama specials. NBC-TV's *Dinah Shore Chevy Show* at 9 p.m. & *Loretta Young Show* at 10 p.m. will probably continue unchanged.

Editorial praise was heaped on TV last week by both the *N.Y. Times* and *N.Y. Herald Tribune*. Both singled out the same recipients: WNTA-TV Newark, the Ch. 13 station's *Play of the Week* and its presentation of Jean Giradoux' "Tiger at the Gates," and sponsor Standard Oil Co. of N.J. "Mature, adult entertainment . . . both Ch. 13 & Standard Oil are to be complimented & thanked for providing it," lauded the *Herald Tribune*. The *Times* went still further: "To see & enjoy this fine example of TV programming & advertising at their best is to raise the question why such occasions are so relatively rare. And why, for the time being at least, is this delightful play limited to us . . . lucky enough to live in this community?"

**More ABC News Specials:** ABC-TV is expanding its plans for prime-time public-affairs programming. Presently blue-printed is "at least one news special a month." This is not as ambitious as the plans of the other networks, but represents a 300% increase over the ABC score of 4 documentaries this season. Four are currently in production.

As part of the stepped-up program plans, ABC-TV announced a series of news department appointments & promotions Feb. 11, led by the naming of Thomas A. Velotta as vp for special products. Others include: John H. Secondari, named producer for special projects, and Mary Laing, Walter Peters & Helen Jean Rogers, appointed unit producers. Robert H. Fleming will succeed Secondari as ABC News Washington bureau chief. John T. Madigan has been named mgr. of ABC News N.Y. newsrooms.

**Hope May Leave NBC:** Bob Hope, who has been with NBC since 1934, may leave the network when his 10-year contract expires in June. The comedian told us his agent, James Saphier, is now in N.Y., negotiating with all 3 networks. He said his present TV sponsor, Buick, has already indicated its desire to renew for next season. NBC-TV owns 50% of Hope Enterprises, which was formed to produce movies as well as the comedian's TV shows. He still has a commitment to do 2 movies for that company. If a deal is made with another network, Hope will form a new production company.

Hope's 10-year NBC-TV contract contains escalator clauses which have provided for automatic raises during that span. It's estimated that the comedian has received approximately \$20-25 million (including production costs) for his TV shows during that period. A new Hope deal would probably be for 5 years, with options.

Hope was the first movie star to become a TV regular, signing with NBC-TV when he was one of Paramount's leading box office stars. "I'll never forget," he recalled, "the way [Paramount Pres.] Barney Balaban reacted, and the many wires I got from exhibitors all over the world telling me I was crazy to go into TV. I told Balaban if he would make me the same deal NBC-TV offered me, I wouldn't sign. He didn't answer."

Regarding post-1948 residuals, Hope said he thought the major studios should agree to put \$10-20 million into an actors' fund from the post-1948 revenue they receive. "I was paid \$50,000 for starring in 'Sorrowful Jones,'" he explained, "and right after that my price jumped to \$150,000. Today it's much more. Lucille Ball was in the same picture, and she got about \$10,000. Today the movie studios will realize a lot more from these movies because of the increased value of the star names, so I don't go along with their argument of 'We paid them once, so why should we pay them again?'"

\* \* \*

Most CBS-TV comedians are angry at the network's edict that comedy shows must be accompanied by an announcement that laughter "is technically augmented." Jack Benny, whose contract with the network expires this year, told us that when he first heard the order he wanted to quit. He even had talks with ABC-TV, and has been courted by NBC-TV. However, he has since cooled down and, "It looks very much as though I will stay with CBS," he said. "NBC-TV hasn't found it necessary to have such announcements. A studio audience may not like your material, but you're playing to millions of viewers who might. All of us try to use as much original laughter as possible. I protested to Bill Paley, and he said he understood, but didn't do anything about it. I think it's ridiculous."



## Film & Tape

**THE STRIKES CONTINUE:** Even the most optimistic observers can see no sign of an early break in the current deadlock involving the Writers Guild of America against the Alliance of Television Film Producers and the TV subsidiaries of the major movie studios. The WGA strike began Jan. 16 (Vol. 16:6 p16). The Guild's negotiations with the networks on TV film have collapsed, but a strike has been postponed pending further negotiations on live TV, radio and staff writers. WGA has given independent telefilmmers who are not associated with the major movie studios or Alliance an extension to March 12.

WGA and the Alliance held another meeting last week, but no progress was made on the important issues (Guild demands for residuals of films shown abroad and increased residuals in this country). The Alliance flatly rejected Guild demands for extra payment if the films are eventually shown on pay TV. Progress was made in some areas, involving speculative writing and rights in literary material, and talks are continuing.

WGA has not negotiated with the major TV-film operations since Jan. 14, when talks ended after the majors refused to grant any concessions on key issues. As for pay TV, the majors took the position that it was an extension of the boxoffice, and should be discussed in connection with the movie contract. There was no agreement on speculative writing.

### Rummaging for Second-Hand Scripts

Meanwhile, we learned, some telefilm companies are dipping into their backlogs of old telefilms to do remakes. This, they calculate, will enable them to hold out indefinitely in the event of a prolonged strike. Said one production exec.: "We are granted remake rights under the recently-expired Guild contract. Only if a script is based on a published story do we have to make another payment, and that's to the original author. We do not have to pay again the writer who did the teleplay. What's wrong with remakes? The movies have been doing this for years." WGA confirmed that producers can do remakes without paying the scripters again, but it is demanding such payments in its new set of proposals.

Production in TV has not been curtailed much by the strike. As far as can be learned, the only series which has run into problems is *Ford Startime*, which has held up several film shows because scripts are only partly written. Scripts for James Stewart, Greer Garson and George Gobel are involved.

The Screen Actors Guild is expected this week to announce results of its balloting of membership to seek strike authorization against the major movie studios. SAG is still in negotiations with independent movie producers. WGA, striking the major movie studios, last week contended that its strike has stopped work on scripts of 30 movies involving production costs of about \$50 million. WGA also reported progress by signing 3 more movie independents to contracts and termed its strike against the independents "virtually won." About two-thirds of the movie independents in Hollywood have signed since the strike began last Oct. 10, the latest being Otto Preminger, Kirk Douglas and Gary Cooper. The ticklish post-1948 issue is handled in these contracts by a stipulation that once an industry pattern is established the independents will accept it.

**Film's Assembly-Line Economy:** Faced with low budgets, high production costs and stiff competition, knowledgeable TV-film makers have been devising methods for grinding out their product without stretching their budgets.

Best gadget thus far discovered for this purpose, though, is a producer or director who can adapt himself to assembly-line operations. The rapid tempo & low budgets of TV bewilder & defeat the average movie maker. (Notable example: *Screen Directors Playhouse* of several years back, when that guild had prominent movie directors handle the 30-min. shows. Many came in over budget, most were poor, and the show was cancelled after one season.)

One producer, Gene Wang of *Philip Marlowe*, told us he avoids lavish production which would be lost on the TV screen. He also re-dresses sets so that they can be used repeatedly. He avoids footage by using a tighter story and narration. "It looks to the viewer as if we shot the footage and then did the narration. Actually the reverse is true," explained Wang. Dialog is kept to a bare essential, because under Screen Actors Guild regulations any actor who speaks even one line gets residuals. Scripts are therefore written so that lesser characters don't talk unless it's absolutely essential to the story. Sets are kept to a minimum. Occasionally Wang will borrow a lavish set used by a movie at Metro, where his series is filmed. He avoids using many extras. If, for instance, it's a big nightclub scene, the 2 or 3 characters in it indicate via dialog that the club isn't open yet, or it's after closing hour.

Walt Disney Productions last year filmed several *Zorro* episodes simultaneously, thereby saving considerably on sets & crew. Guy Williams, star of *Zorro*, told us at the time that it was confusing to memorize several scripts and rush from one set to another in this fast-paced operation. But it was done—and Disney saved money.

**TV Innocents Abroad:** American producers interested in filming TV shows overseas because they might be made more cheaply—should stay home. That's the advice of a Desilu Productions executive after working on a *Westinghouse Playhouse* film in Rome. Jack Aldworth, coordinator on the film—which starred Desilu Pres. Desi Arnaz—told us the 60-min. film originally had a 3-week shooting schedule and a \$125,000 budget. It took 4 weeks to shoot the film—and \$50,000 more than the budget allowed. The film, "Thunder in the Night," which will be telecast on CBS-TV Feb. 19, was shot at Cinema Espermantale.

Production expenses, explained Aldworth, are higher in Rome because they lack Hollywood efficiency. The studio wasn't properly equipped and, Aldworth told us, "It cost \$5 a sq. ft. to build a rush set; in Hollywood it would be \$2." Rome TV-film workers work "when they feel like it. Their attitude is that the sooner they finish the picture, the sooner they'll be laid off. So it's always *manana*. American technicians work hard, but the Italians just don't care," said the Desilu executive.

Lifting of the Japanese lid on foreign TV newsfilm last week is expected to be followed shortly by equally liberalized regulations on entertainment films. Currently, Japanese stations are prohibited from spending more than \$300 for a 30-min. U.S. TV-film show. Indications are that the dollar-control will be stretched to a \$450-\$600 limit this year, eventually go by the boards. As of Feb. 8, Japanese news media no longer were required to submit to the Japanese Finance Ministry applications for remittance of dollars to the U.S. to buy news & newsreels.



## NEW YORK ROUNDUP

Expected sell-out by Jack Wrather of his holdings in ITC (Vol. 16:6 p5) became a reality last week. Under the deal's terms, Associated TV Ltd. of London, hitherto a 50% partner with Wrather in ITC, becomes full owner. ATV's Michael Nidorf will take over as ITC chmn., replacing Wrather who will become a director. Other new board members will include Leslie Harris, now in charge of ITC overseas film production, Morris Wright of Kuhn Loeb, and ITC Pres. Walter Kingsley. Wrather's officially stated reason for his bow-out was that "the growth of the activities of my own company, the Jack Wrather organization, made my ITC duties more & more taxing. It has always been my principle in business to only have financial interests in situations that I personally could be active in."

Star William Reynolds & producer Dick Bare of MGM-TV's *The Islanders* were injured in a plane crash in Jamaica, B.W.I. Feb. 12. They were flying in the area of Montego Bay, where location photography for the 60-min. series (tentatively scheduled for Sun. nights on ABC-TV this fall) has been done. Both were hospitalized at week's end. Their plane was a twin-engined Grumman amphibian, used in the series.

Screen Gems will make barter deals (exchange of rerun film series for time, rather than cash) an integral part of syndication operations. Telescreen Advertising, SG's barter subsidiary created last June, is being placed under the supervision of syndication dir. Robert Seidelman and syndication sales mgr. Stanley Dudelson. Charles Weigert and Sidney Barbet have resigned as operating heads of the Telescreen subsidiary.

Student-produced TV film for a Columbia U. TV-radio course is slated for spring telecast by WPIX N.Y. Operating with virtually no budget, 6 members of the graduate school of journalism, in cooperation with the N.Y. depts. of health & air pollution control, are filming "The Hidden Threats," a grim reminder of the city's rats, smoke and poison problems. The amateur producers are working with camera & tape recorder on location, editing and adding music in Columbia's TV studio.

NBC has sold exclusive rights to its news & public affairs shows to TCN Sydney and HSV Melbourne, Australia. The 3-year contracts call for 87 hours of programming a year, including the network's daily news service, *World Wide 60* and *Chet Huntley Reports*. Programs will be jet-flown from the West Coast.

Manhattan Productions Inc., new packaging outfit formed by ex-Goodson-Todman producer Frank Abrahams, is preparing for syndication 260 new cartoon episodes of *Winky Dink & You*, former CBS-TV children's show. The syndicated version will follow the original format of home participation with plastic tracing kits to be sold by stations in mail-order deals, and by toy stores.

Ziv TV's *Tombstone Territory* will be spotted in 8 markets by Studebaker and in 9 by Brown & Williamson tobacco. B&W also will sponsor Ziv's *This Man Dawson* in N.Y., Los Angeles, Baltimore, Pittsburgh & Louisville . . . Ziv TV International has opened dubbing studios in Rio de Janeiro for re-voicing series in Portuguese.

Tod Andrews will star in Derel Productions' new series, *Bellevue Is My Home* . . . Phil Dean Associates, TV-radio publicity firm, will move Feb. 15 to 2 W. 46th St.

## HOLLYWOOD ROUNDUP

General Foods, whose sponsorship of *The Danny Thomas Show* on CBS-TV expires this season, is negotiating a new 3-year deal with Thomas. Involved in the discussions is the fate of a backlog of 215 Thomas films made over the past 7 years. Thomas wants to sell them as reruns, probably for daytime stripping. Negotiators say the likelihood of such a move seems "fairly promising."

Frank Sinatra, whose 3-yr. ABC-TV contract has expired, is also being courted by NBC-TV and CBS-TV. He, however, hasn't decided about his TV future. Associates tell us he will probably do a few specials. Sinatra still has commitments for 2 specials on ABC-TV this season, one to be telecast this week.

Revue Productions has named William Frye producer of special projects. Frye relinquishes his duties as exec. producer of Revue's *The Deputy* and *Johnny Staccato* to devote his time to new properties and produce 60-min. shows for various series, including *Ford Startime* . . . Crosby-Brown Productions has promoted Henry R. Flynn from gen. mgr. to vp-gen. mgr. and Peter Robeck to sales vp. Robeck has been mgr. of the firm's Eastern office.

Goodson-Todman and NBC-TV, in association with producers Al Lewis and Sid Dorfman, will roll the pilot of a new comedy series, *One Happy Family*, Feb. 19 . . . CBS-TV has set all of its regulars into its *Gunsmoke* series for next season . . . G-T also—in association with Fenady-Kershner-Kowalski and ABC-TV—will start production on the pilot of *The Yank* Feb. 26 at Paramount . . . TLG Productions has finished a video-taped pilot, *Figures & Fashion*.

Producer Ralph Levy has obtained his release from CBS Films, where he was to have produced a pilot. He joined Michel Productions as a producer and will produce in Europe the pilot of *Harry's Girls*, a joint venture of MGM-TV and Michel. The latter company is owned by Alan Jay Lerner.

J&M Productions, owned by Jack Benny, is preparing a pilot for a 30-min. situation comedy series entitled *Chuck*. The show will be filmed at Revue in March . . . The pilot of Screen Gems' *333 Montgomery Street* is being filmed in San Francisco. Gene Roddenberry is producer.

Ziv TV has signed Margaret Hayes to star in its *Time Out for Ginger* pilot . . . At the Hal Roach Studios, filming has resumed on *The Dennis O'Keefe Show* following a 7-week production hiatus.

Rod Taylor has been signed to star in *Hong Kong*, a new series planned by 20th Century-Fox Television. The pilot goes into production in March. William Self is exec. producer.

Alan Handley has been named producer-dir. for NBC-TV's "Annual Academy Awards Presentation," . . . Mildred Gusse is the new head of Screen Gems talent & casting dept.

Producer Herbert Hirschman of the *Perry Mason* series has asked CBS-TV for his release in order to form his own company & start production of several pilots.

AFTRA paid out \$506,000 in welfare benefit payments during 1959. The union now has total assets of \$7,249,977 in its pension fund and \$1,832,885 in the welfare fund.



## Television Digest

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**Personals:** Richard L. Linkroum appointed NBC-TV special programs dir., succeeded as special programs sales dir. by Edwin S. Friendly Jr. . . . Robert D. Kasmire appointed corporate information coordinator, NBC . . . Stephen J. McCormick elected news & Washington operations vp, MBS; Joseph F. Keating named operations & programs vp; Norman Baer appointed news & special events dir. . . . Dan Bellus, ex-KFMB-TV & KFMB (Transcontinent stations), named ad & promotion dir., Transcontinent stations.

Patrick J. Winkler named standards & practices vp, RKO General stations . . . Stephen A. Flynn promoted from head of sales services to dir., station sales, station clearance & sales services, NBC-TV; Joseph Iaricci promoted from contract services mgr. to sales administration dir. . . . Dean Craig promoted to telesales mgr., NBC-TV Pacific div. production dept.; Gino Conte named production services mgr.; George Habib appointed mgr. of unit mgrs. . . . Alvin H. Perlmutter made program mgr., WRCA-TV N.Y.; Eleanor Riger named mgr., public affairs dept.

C. Tom Garten named vp-gen. mgr., WSAZ-TV & WSAZ Huntington-Charleston, W. Va., succeeding Lawrence H. (Bud) Rogers, named exec. vp, Taft Bestg. (Vol. 16:2 p16) . . . Harry R. Lapham, ex-WTRF-TV Wheeling, appointed sales promotion dir., WCAU-TV Philadelphia.

Richard J. Muller, ex-WNBC New Britain-Hartford, named news dir., KDKA-TV Pittsburgh . . . Roger Hudson named N.Y. TV sales mgr., McGavren TV; Ed Gardner appointed Chicago TV sales mgr. . . . Ira D. Beck named Latin America supervisor of UAA & UA-TV . . . H. J. Schlafly Jr., TelePrompTer engineering vp, named dir of research & development div.; Edward Reveaux appointed vp for program & production div.; Nat C. Myers Jr. named vp for communications system div.—all new divisions . . . Everett G. Henry, ex-Office of Opinions & Review, succeeds William N. Krebs, retired, as chief of FCC's marine div.

Annenberg School of Communications at the U. of Pa. will add a multi-service communications center embracing TV-radio studios, book-film-tape-disc library and a 400-seat auditorium. Construction of the proposed \$1.6-million, 3-story structure (54,800 sq. ft.) will begin this spring, and occupancy will take place by Sept. 1961. Construction costs & early operating expenses of the school are being underwritten by the Annenberg Fund Inc. and the M. L. Annenberg Foundation, as a memorial to the late M. L. Annenberg. The school's educational program grants a master's degree in the communications arts.

## Foreign

**USIA'S FOREIGN TV REPORT:** "TV abroad boomed in 1959," reported the U.S. Information Agency in its quarterly analysis of foreign TV. As of Jan. 1, it stated, stations had increased 349 to 1,088 (up 47%) and receivers rose nearly 10 million to 32,909,000 (up 40%). The report excludes U.S. territories, Canada and U.S. armed forces stations.

Of the new stations, 282 were added in the Free World, 67 in the Sino-Soviet bloc. Of the new sets, the Free World gained 7.2 million—rising to 26.8 million—while the Sino-Soviet bloc increased 2 million to 5.3 million.

Most of the gain in transmitting stations was in small satellites. Italy added 91, W. Germany 61, Japan 38.

There were 56 countries with TV—the following getting their first stations in 1959: Chile, Haiti, Honduras, Panama, Lebanon, Nigeria, New Zealand. Russia is estimated to have increased its set count from 2.6 million to 4 million, its stations from 91 to 136.

The United Kingdom led the foreign countries in receiver distribution with 10 million, followed by Japan with 4,288,000, USSR with 4 million, West Germany with 3.5 million, Italy with 1,666,400, France with 1.4 million.

**TV in Japan:** Nippon's TV sets now number 3,463,447 according to the official figures of Nihon Hoso Kyokai (NHK), the government TV network. This is the official figure, but many Japanese don't register their sets with NHK in order to avoid paying the 300-yen (360=\$1) per month viewing charge. Unofficial figures put the real figure well over 5,000,000.

With sets & stations skyrocketing, many viewers now claim they shouldn't have to pay the monthly charge because they don't watch NHK. Two years ago Japanese viewers had their choice of 3 network stations; now they've 6, including 2 of NHK's. One is educational. (The NHK charge for radio listening is 85 yen a month.)

One out of 5 Japanese families now own (or are buying on the installment plan) a TV set. Japan now has 87 TV stations (44 are NHK, 43 commercial). The government has given preliminary licenses for 10 more NHK stations & 11 commercial stations due to go on the air this year. NHK has applied for 10 additional stations and commercial companies for 73 more. And the boom goes on.

TV's value & growth as an ad medium are seen in these statistics from the Dentsu Advertising Agency:

Year	Radio	TV
1956	\$36,111,000	\$ 5,556,000
1957	41,667,000	16,667,000
1958	43,611,000	29,167,000

However, says the Japanese government: "The advent of the television age will not necessarily insure prosperity for all TV companies. The mushrooming of new TV stations in metropolitan centers is bound to entail bitter competition, while provincial stations will have a difficult time arousing the interest of advertising sponsors, and procuring equipment & operating funds."

NHK & Nihon Television Network (NTV), which were granted licenses for experimenting on color television late in 1957, have since carried out technical tests. NTV (first commercial network in Japan) applied for a permit to operate an "experimental station for practical application." It is telecasting programs in color every evening of a standard that's drawing favorable comment from experts.



# Trade Report . . . .

FEBRUARY 15, 1960

**2 NEW COMPONENTS EMERGE FROM LABS:** Demonstrating the ever-decreasing lead-time between invention & production, factory output has been started on 2 new basic electron devices whose development in the labs was first announced less than a year ago. Both have intriguing TV possibilities.

Start of factory pilot production of tunnel diodes, announced last week by GE, probably opens biggest new field since introduction of the transistor. Advantages of the tiny new semiconductor device (Vol. 15:30 p16) make it look almost tailor-made—when prices come down—for battery portable TV. It is capable of higher oscillation frequency, lower noise, lower power requirements than transistor.

Pilot production prices of initial models are \$10 & \$12.50 each—down from lab-sample price of \$60 & \$75. As full-scale production is reached, prices are expected to drop far lower. RCA & General Transistor are now providing lab samples of tunnel diodes and are expected to announce pilot production soon. Also called the Esaki diode, after inventor Leo Esaki, Sony Co. semiconductor research chief, tunnel-diode pilot production is also expected next month by Sony.

As for the tunnel diode's TV applications, discussed by us last Aug. (Vol. 15:34 p15), a GE engineer told us last week that use in this field now looks "much more promising" but that "actual use [in TV] will depend on further cost reductions."

RCA started commercial production, meanwhile, of its first Nuvistor—a thimble-sized unit representing a breakthrough in tube technology. Initial price of this tiny, rugged low-power-consuming metal-ceramic tube is \$1.96 in a medium-mu triode version, principally for industrial applications.

TV & hi-fi uses for Nuvistor were suggested last March when RCA showed lab models (Vol. 15:11 p18). Pentode & beam-power tubes, due to be next Nuvistor types, may be ideally suited for these applications—but, again, price will have to come down before Nuvistor can compete with 50¢-\$1 tubes for TV applications. Nuvistors eventually will be priced competitively with standard receiving tubes, RCA said last spring—and when this happens, there's no doubt some TV makers will swing over to "Nuvistorized" models. This will mean much longer tube life, lower power requirements.

**DO TRANSISTOR IMPORTS HURT U.S. DEFENSE?** Even as newly available Japanese govt. figures placed 1959 radio exports to U.S. at 6 million sets—or 60% as high as domestic production of home & portable radios—the Electronic Industries Assn. last week told OCDM that semiconductor development & production capacity is lagging behind defense plans as result of low-priced Japanese competition.

OCDM's inquiry into whether defense readiness is being hampered by imported transistors—initiated at request of EIA—now enters investigatory stage. All comments have been filed, and the electronics div. of Commerce Dept.'s Business & Defense Services Administration has been assigned task of gathering data for OCDM's final consideration.

If OCDM finds Japanese imports a threat to U.S. security, it has power to recommend remedial action—in form of trade restrictions or agreements—to the President. It's expected within govt. that inquiry will be completed before year's end.

As filings came last week from EIA & AFL-CIO—the last to be submitted—paperwork box score stood this way: 15 statements from manufacturers and other groups backing EIA position, 3 opposing.

"There is already a lag in the development of germanium devices," EIA told OCDM in its final petition. "Companies no longer find it profitable to enter the germanium semiconductor field because of the threat of Japanese imports which has discouraged expansion in this area." Countering Japanese contentions that so-called "entertainment" transistors have little bearing on military readiness, EIA maintained that the consumer market finances research & development of military semiconductors, that heavy investments required for military semiconductor production facilities can be economically justified only by building them for mass output of consumer-product transistors.



Tracing growth of transistor imports & domestic output, EIA cited Japan's 1959 exports to the U.S. of some 25 million semiconductor devices (including those in finished products), valued at \$12.5 million—up from only 2,000 (at \$4,000) in 1956. On basis of Japanese production plans (200 million germanium consumer-type transistors per year), EIA estimated that at least 100 million units will be exported to this country annually, "to enable the Japanese to capture over two-thirds of the consumer-type transistor markets foreseen in the U.S. by 1962."

Domestically, 66% of U.S.-made transistors went into consumer products in 1958, said EIA, adding: "No industry will continue to expand production facilities or undertake costly research & development programs in the face of the inevitable loss of up to two-thirds of its unit markets."

Military requirements for transistors will multiply tenfold by fiscal 1965, EIA stated, quoting report of Electronic Production Resources Agency (EPRA). By 1964, EIA estimated, defense requirements will reach about 200 million transistors—about 2 1/3 times 1959 output and nearly 1 1/2 times estimated 1960 production. By that year, military will require some 72 million high-frequency germanium transistors, while 1959 deliveries totaled only about 2 1/2 million units. Even cold-war semiconductor capacity isn't yet in being, EIA argues—suppose there's a hot war?

Supporting briefs by U.S. semiconductor manufacturers testified that they would have to consider curtailing capital expenditures on transistor operations if imports continue to rise. Such statements came from Raytheon, Mallory, Industro Transistor, General Transistor, Rheem Semiconductor, Sylvania, CBS Electronics, Clevite Transistor Products and Tung-Sol. Other supporting statements were filed by Texas Instruments, Arvin, Radio Development & Research Corp., Sprague Electric, AFL-CIO.

Major opposition to EIA position was 119-page document submitted by Electronic Industries Assn. of Japan, Japan Electronics Export Promotion Assn. and Japan Machinery Exporters' Assn. Its principal points: (1) U.S. electronics industry has more than enough capacity to supply defense requirements. (2) Japanese semiconductor exports aren't displacing U.S. products so as to cause economic damage to U.S. industry—in fact, Japanese exports will taper off and fall as U.S. products improve & prices drop. (3) Military & non-military semiconductors represent separate markets and there is no identifiable economic relationship between the two. (4) Japan can make major contribution to U.S. mobilization by helping overcome shortage of trained personnel for research & development. (5) Japanese semiconductor progress is based on "2nd-hand technology" in form of research & development efforts conducted by U.S. industry; because Japan does not have big R&D budgets, it cannot compete with U.S. in military-type semiconductors.

Action to restrict semiconductor imports was also opposed by British-American Chamber of Commerce and the car-radio div. of the Robert Bosch Corp. (German Blaupunkt radio), Long Island City, N.Y.

#### **TV-RADIO PRODUCTION:** EIA statistics for week ended Feb. 5 (5th week of 1960):

	Jan. 29-Feb. 5	Preceding week	1959 week	'60 cumulative	'59 cumulative
TV .....	135,438	141,111	129,499	660,340	551,897
Total radio .....	379,076	383,424	290,190	1,731,836	1,406,081
auto radio .....	173,361	175,535	107,905	805,679	528,189

Sales of picture & receiving tubes in 1959 exceeded those of 1958 in both factory unit sales & factory price, but neither category set an all-time high. Here is the official 1959 picture & receiving tube summary, as released last week by EIA:

	TV Picture Tubes		Receiving Tubes	
	Units	Value	Units	Value
January .....	784,906	\$ 15,209,896	31,150,000	\$ 26,808,000
February .....	738,336	14,084,922	33,155,000	28,630,000
March .....	717,144	13,804,012	39,841,000	35,286,000
April .....	696,503	13,275,123	29,800,000	26,047,000
May .....	667,080	12,745,714	30,612,000	25,904,000
June .....	766,566	15,136,612	37,421,000	33,099,000
July .....	750,352	14,648,444	36,394,000	29,786,000
August .....	823,098	15,493,908	35,435,000	28,974,000
September .....	913,697	18,066,647	41,989,000	34,810,000
October .....	1,007,211	19,306,788	42,680,000	35,527,000
November .....	840,866	16,058,816	37,211,000	31,600,000
December .....	816,787	15,941,040	37,248,000	32,401,000
1959 Totals ..	9,522,546	\$183,771,922	432,936,000	\$368,872,000
1958 Totals ..	8,252,480	\$163,482,674	397,366,000	\$341,929,000

Hoffman solar cells' minimum conversion efficiency guarantee has been upped to 10% from 9%.

Legislation requiring all-channel TV-receivers—requested by FCC as a method of producing an audience for new-channel stations (Vol. 16:6 p20)—will be opposed by EIA. The manufacturers have informed Sen. Pastore (D-R.I.)—who said he would introduce the legislation at the request of FCC—that they want to testify in opposition whenever hearings are held. Last May, EIA decided on the position; authorizing Pres. David Hull and exec. vp James Secret to take the necessary steps. Last week, they made it official in a letter to Pastore. EIA's basic position is that it's unfair to force the public to pay extra for something it can't use and possibly may not use in the future.

Raytheon & Compagnie-Generale de TSF have signed an agreement for mutual assistance in microwave-tube developments, reports *Wall St. Journal*. Raytheon's amplifier & the French concern's carcinotron electronic tubes are used in military & commercial radar.



**1959 PHONO SALES:** Last year was a disappointing year in phono sales only from the standpoint of over-grandiose predictions early in the year. Full-year 1959 EIA sales figures show more than 4.3 million units sold at the factory (exclusive of 85,711 record-player attachments), compared with slightly less than 4 million units (plus 124,000 record players) sold in 1958. In unit sales, 1959 was 2nd best year for phonos—1957 being best with about 4.7 million phonos sold.

But dollar-wise, 1959 was by far the biggest year for phono sales. Factory sales totaled an estimated \$370 million vs. \$263 million in 1958 and \$351 million in 1957—the increase due to higher per-unit average price.

EIA also released for the first time phono retail sales figures—which show a total of 4,397,857 units sold last year to the public as against 4,303,611 sold by factories. Here are the official EIA units sales figures (complete packages only; no components), which update the 11-month table printed here last week (Vol. 16:6 p19):

	Factory Sales		Retail Sales	
	Monaural	Stereo	Monaural	Stereo
January .....	184,147	177,336	231,429	159,214
February .....	164,873	188,750	171,127	156,477
March .....	119,075	168,117	139,577	140,075
April .....	47,153	125,111	94,226	118,197
May .....	33,356	89,827	70,228	82,765
June .....	44,976	152,900	66,979	100,982
July .....	44,591	158,668	82,742	124,979
August .....	65,179	277,545	98,132	198,926
September .....	102,399	377,785	132,686	257,857
October .....	139,579	456,471	152,248	343,428
November .....	167,879	455,582	183,774	469,048
December .....	154,574	407,744	229,989	592,772
1959 Totals ....	1,267,781	3,035,836	1,653,137	2,744,720
1958 Totals ....	2,867,606	1,104,924	Not compiled	Not compiled

**EIA's NSRC Shuts Shop:** As expected, the EIA-sponsored National Stereophonic Radio Committee went out of active business last week as a result of FCC refusal to reorganize it into a TASO-like all-industry group to evaluate & test stereo systems (Vol. 16:5 p2). In a letter to FCC Chmn. Doerfer, EIA Pres. D. R. Hull said that NSRC, formed just a year ago, couldn't complete its work because of FCC's decision—but that a committee organization would be maintained on a standby basis. Hull pointed out that RCA & CBS, which refused to join NSRC for anti-trust legal reasons, had indicated they would have joined in an all-industry effort under TASO-type auspices.

"White we are disappointed in the Commission's decision, we recognize the complexity of the problem and accept the Commission's judgment in the matter," Hull wrote Doerfer. "We are prepared to submit to the Commission prior to March 15 a report of the work of the NSRC in the field of FM stereo standards. The work of the committee on AM & TV stereo standards will be terminated, but the committee will be maintained on a standby basis for the present should the Commission decide later to call on EIA for assistance on AM stereo . . ."

Hull reported that a pro-tem chairman of the standby group would be named soon to replace GE's C. Graydon Lloyd, who resigned because of new company duties.

NSRC thus becomes inactive with some of its most important work on FM stereo systems yet undone—including field testing, which was never begun. The lack of an all-industry engineering coordinating group is expected to delay completion of the Commission's FM deliberation, making it unlikely that FM stereo broadcast standards will be established this year.

General Transistor plans to complete this year a 50,000 sq. ft. plant in Hicksville, N.Y.

**Sarkes Tarzian's Expansion:** Consumer electronics field is next big target of broadcaster-manufacturer Sarkes Tarzian Inc., currently exploring a number of proposed products and already at work on several. The privately-held company owns WTTV (Ch. 4) & radio WTTS Bloomington-Indianapolis, WPTA (Ch. 21) Ft. Wayne, and WFAM-TV (Ch. 18) Lafayette, all Indiana, and has just put new FM affiliates on air in Ft. Wayne & Lafayette.

The Bloomington, Ind. firm headed by former RCA engineer Sarkes Tarzian has a diversified electronics manufacturing operation including TV tuners (its biggest division), semiconductors, variable capacitors and broadcast equipment. Its expansion has seen the addition of a magnetic tape div., and a consumer products section within the broadcast equipment div.

A couple of the firm's new consumer products have been developed around its broadcast operations. A low-priced FM radio—designed to sell at low profit for \$19.95—had been developed to help increase the audience for Tarzian's own new FM stations, being offered over the air through cooperating retailers. This approach held so much promise, the firm believed, that it recently offered the low-priced FM sets to other FM station operators on a limited-time basis. In the first month, 10,000 sets were sold this way, according to gen. sales mgr. Biagio Presti. After the expiration of the station offer, the FM sets will be put into general consumer distribution at a higher price.

Sarkes Tarzian is exploring a similar approach to the sale of uhf converters. It has developed a single-channel transistorized converter at \$12.95 to win viewers for WFAM-TV, may eventually offer similar units nation-wide.

Among other consumer products being explored—but not definitely slated for production—are FM auto radios & tuners, home tape-recorders. One of Tarzian's older consumer products is a tunable indoor rabbit-ear antenna which lists at \$4.95.

The new magnetic tape div. will manufacture tape for audio use initially, later may expand into telemetering & computer tape as well as video tape.

Another Tarzian product with a unique slant is an FM tuner for TV receivers, which has been selling to manufacturers for about a year. When built into a TV set, it permits its use as an FM radio, using the fine-tuning knob as a radio tuning dial.

The broadcast equipment div. makes TV transmitters, camera chains, studio & microwave equipment, and has just developed the first heterodyne-type microwave relay system (the type used by AT&T) to be offered for private use. The first such unit—a 5-hop system—was recently sold to an unidentified station.

The semiconductor div. (formerly rectifier div.) manufactures rectifiers, silicon & selenium diodes and other semiconductor products. The air trimmer div. makes variable capacitors.

Below-cost pricing by companies to drive small retailers out of business would be prohibited under a bill (HR-10235) introduced by Chmn. Patman (D-Tex.) of the House Small Business Committee. He said the measure amending the FTC Act is intended to prevent big firms from making "loss leader" deals with retail chains & supermarkets to halt competition by independent stores. Identical bills (HR-10236-10240) were offered by Reps. Evins (D-Tenn.), Multer (D-N.Y.), Steed (D-Okla.), Roosevelt (D-Cal.), Garmatz (D-Md.). Patman said that need for the legislation had been demonstrated by his Committee's food industry hearings.



**Trade Personals:** Larry J. Konrath promoted to controller, Packard Bell home products div. . . . L. H. Orpin, ex-Stromberg-Carlson, appointed RCA defense electronic products planning mgr. . . . Murray Fiebert, ex-Pacific Mercury, appointed gen. mgr. of Harman-Kardon's new electronics systems div. (computers & data processing); Ian Shivack named data systems vp; Allen Chertoff named research & development vp.

Lee D. Webster, Ling-Altec vp, promoted to exec. vp and a dir.; James O. Weldon, pres. of subsidiary Continental Electronics Mfg. Co., also named Ling-Altec dir. . . . W. Furneaux named pres., Aerovox Canada . . . Ernest A. Wester named vp-treas., Servomechanisms.

Fred H. O'Kelley Jr. named mktg. mgr., Raytheon commercial apparatus & systems div., with responsibility also for microwave cooking mktg. dept. . . . Fred Womersley appointed distributor operations mgr., Philco Corp. of Canada; Herbert C. Bell named contract sales mgr.

Louis M. Robb named to new post of mkt. development mgr., GE receiving tube dept. . . . Milton J. McGovern named national sales dir., TV Shares Management Co., which manages investments of TV-Electronics Fund . . . W. Walter Jablon named pres., Mark Simpson Mfg. Co. succeeding Mrs. Miryam Simpson, now chmn. . . . R. Fred Meinicke named sales mgr., Amphenol-Borg . . . Charles L. Alden named to new post of merchandising supervisor, Minnesota Mining & Mfg. magnetic products div. . . . Dr. Donald A. Dunn named dir of new Eitel-McCullough research div.

Realignment of Philco's public relations staff under Robert Jones, corporate PR dir., results in these new posts: Kenneth E. Kefauver, consumer products div.; P. Bernard Fleming, govt. & industrial group; H. Clyde Baker, research div.; Steven Madelaine, Lansdale div.; Charles Krauss, N.Y. representative; Paul Riblett, community relations; Mark Lutz, employe relations; Joan Barthelmy, stockholder & financial relations.

RCA's David Sarnoff Awards for outstanding achievement in science & engineering in 1959 were awarded last week to Dr. Leon S. Nergaard, RCA Labs, for "basic & practical contributions to the science of microwave electron tubes & thermionic cathodes," and to Duane C. Brown, RCA Service Co., for "development of original & effective solutions to complex problems of missile & rocket trajectories at the Atlantic Missile Range."

RCA Chmn. David Sarnoff & his wife have established a charitable foundation to further various scientific, literary, religious and educational organizations. Also listed as board members of The David & Lizette Sarnoff Foundation: Wilbur H. Friedman, James J. Fuld and Klaus Eppler, all N.Y.C.

Capehart veterans Charles Ward, onetime Western regional mgr. of Capehart when it was an ITT div., and Lowell Wood, former Capehart distributor, have formed Capehart Pacific div. of GFO Distributing Corp. to handle distribution of new Capehart TV & hi-fi lines in the West.

Philco furloughed 500 production workers (mostly in TV dept.) Feb. 12. A company spokesman said the layoffs followed the "normal seasonal pattern."

### Obituary

Milford S. Klinedinst, 49, ITT mktg. administrator, died Feb. 6 at his home in Ridgewood, N.J. Surviving are his wife and son.

Survey of tube & semiconductor production, consumption & trade—including imports & exports—in 9 European countries has been published by Commerce Dept. Prepared by electronics div. of Business & Defense Services Administration, *Electron Tubes & Semiconductors; Selected European Countries* contains descriptive text & statistical data for each country. It's the first of a series of 3 studies on tube & semiconductor trade in foreign countries and is available for 25¢ from the Superintendent of Documents, U.S. Govt. Printing Office, Washington 25.

Admiral's consumer electronics sales in Jan. were 39% higher than last year, Admiral Sales Corp. Pres. Carl E. Lantz reported last week, attributing the increase to popularity of 23-in. TV sets and to the impact of heavy ad campaign. He added that Admiral will soon answer Japanese transistor radio competition with "a new product [which] should help to slow down foreign exports."

"Music power rating," EIA's recommended standard for measuring output of hi-fi phono systems (Vol. 15:39 p15) has been approved by the manufacturer organization's standards committee. Copies of the standard, giving details of test conditions, definitions of terms and test procedure are available for 25¢ from EIA engineering dept., 11 W. 52 St., N.Y. 36.

### Finance

Electronics Investment Corp., the mutual fund headed by Charles E. Salik, reports a 50% increase in total net assets and a 30% rise in net asset value per share during 1959. A summary of company activity as of Dec. 31 (1959 per-share value is adjusted for 44½¢-a-share capital gains distribution during the year):

	1959	1958
Total net assets . . . . .	\$32,522,309	\$21,639,740
Net asset value per share	8.00	6.49
Shares outstanding . . . . .	4,063,913	3,347,376
No. shareholders (approx.)	26,840	21,000

Siegler will merge with Magnetic Amplifiers Inc. on the basis of one share of Siegler for 3½ shares of Magnetic common, subject to approval of stockholders & boards. Involved are the exchange of some 122,000 shares of Siegler for Magnetic's 428,200 outstanding common. N.Y.C.-based Magnetic produces aviation & missile electronic equipment, employs some 200 in N.Y. & Cal. plants, scored 1959 sales of more than \$3 million. Siegler Pres. John G. Brooks said Magnetic probably would become a division.

Andrea Radio Corp. stock will be offered to the public under the terms of a stock registration filed with SEC covering 120,000 common shares and warrants for the purchase of 5,500 common shares. W. C. Langley & Co., N.Y., will buy the common shares from Pres. F. A. D. Andrea; the Langley firm and S. W. Muldowny will buy the warrants from the company, for public distribution.

Reports & comments available: Philco, review, Thompson & McKinnon, 2 Broadway, N.Y. 4 . . . Bendix Aviation, discussion, Reynolds & Co., 120 Broadway, N.Y. 5 . . . ACF Industries, review, Fahnstock & Co., 65 Broadway.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
AT&T . . . . .	Q	\$0.82½	Apr. 11	Mar. 11
AB-PT . . . . .	Q	.25	Mar. 15	Feb. 19
CBS Inc. . . . .	Q	.35	Mar. 11	Feb. 26
Cornell-Dubilier . . . . .	—	.05	Mar. 11	Feb. 24
Fed. Pacific Elec. . . . .	Q	.20	Mar. 15	Mar. 1
GPE . . . . .	—	.25	Mar. 15	Feb. 26
Siemens & Halske . . . . .	—	14% cash,	subj. to Mar. 2 vote	
Times-Mirror . . . . .	Q	.25	Mar. 14	Mar. 2



Republic Pictures Corp. had a sharp decline in revenues & earnings for the 1959 fiscal year ended Oct. 31, Chmn.-Pres. Victor M. Carter related last week. He forecast gross revenues of \$25-\$26 million vs. nearly \$33.5 million in fiscal 1958, earnings of 22¢-25¢ a common share compared with 54¢ a year ago (shares outstanding continued at 2,004,190). Carter pointed out, however, that 9 of Republic's 10 units are now showing a profit. "We expect to bring the last one into the black in the next 60 to 90 days," he added. He attributed the decline in revenue to tapering film-distribution activities, said Republic has no intention of going back into the movie-making business which it abandoned in 1957. Republic is exploring the financing of TV and theatrical films made by others and currently is negotiating 3 such transactions. The distribution of TV & theatrical films accounted for about 20% of Republic's fiscal-1959 gross revenue.

Muntz TV Inc. nearly tripled earnings on soaring sales in the 4 months ended Dec. 31. Chmn. Floyd G. Dana estimated that Muntz accounts for about 1% of total TV sales. He forecast that the Chicago concern's share-of-market would rise to 3% this year, when Muntz is slated to produce 160,000 TV sets. The daily output will be stepped up to 550 sets from 400 by fall. As we noted last month (Vol. 16:2 p18), Muntz TV is dropping stereo-only production and will concentrate on TV & TV-stereo combos, Pres. Wallace A. Keil confirmed. For 4 months ended Dec. 31:

	1959	1958
Sales .....	\$4,089,453	\$2,433,839
Net income .....	513,002	174,311
Per com. share (after pfd.)	43¢	14¢
Common shares .....	1,165,376	1,165,376

General Precision Equipment recorded a 13-fold increase in earnings on a surge in sales in the year ended Dec. 31:

	1959	1958
Net sales .....	\$215,588,430	\$168,333,316
Net income .....	4,198,199	304,267
Per com. share (after pfd.)	2.63	—
Common shares .....	1,126,625	1,125,810

For quarter ended Dec. 31:

Net sales .....	\$59,168,125	\$45,560,885
Net income (loss in 1958)	1,154,571	(611,345)
Per com. share (after pfd.)	43¢	14¢

Harman-Kardon, Westbury, N.Y., producer of hi-fi components & equipment, netted a moderate profit increase on a slight sales gain in the 6 months ended Dec. 31:

	1959	1958
Sales .....	\$2,191,215	\$2,180,190
Net income .....	98,594	85,620
Per common share .....	22¢	19¢
Common shares (1959) ..	455,000	455,000

Skiatron Electronics hearing before SEC on charges that it filed a faulty stock-registration statement (Vol. 16:5 p22) will resume this week in Washington. The hearing was scheduled to be continued Feb. 10, but SEC postponed it until Feb. 15 because of the illness of Morton Carlin of Judson Commercial Co., N.Y. factoring firm, who had been called to testify. Meanwhile, SEC announced a further suspension of trading in Skiatron common stock.

Sprague Electric Chmn. Robert C. Sprague has sold 32,000 previously authorized but unissued shares of common stock to 2 unidentified institutional investors, pursuant to the authority of the company's board, Mr. Sprague announced last week.

Two-for-one stock split and a dividend increase were projected by Motorola's board Feb. 12. The directors voted to recommend to the May 2 stockholders meeting a 100% stock distribution July 15 to holders of record June 30—one additional share for each one held, along with an increase in authorized common shares to 6 million from the present 2 million. The board also announced its "present intention, if earnings warrant," to declare a 25¢ quarterly post-split cash dividend on stock of record June 30, the equivalent of a 33% increase over the present dividend rate. Motorola is now paying 37½% quarterly.

Victoreen Instrument Co. has acquired Chicago electronic-components maker John E. Fast & Co. with the purchase of all outstanding stock for \$700,000. Victoreen Chmn.-Pres. David H. Cogan (onetime CBS-Columbia pres.) said Fast will operate as a subsidiary, with Louis Kopinski Sr. continuing as president. "The coordination of distribution & integration of Fast products with Victoreen's should result in an addition of approximately \$5 million a year to the company's sales volume," Cogan forecast. Cleveland-based Victoreen produces electronic components & instruments.

Zenith stock-trading privileges on an unlisted basis are sought in an SEC application by the Philadelphia-Baltimore Stock Exchange. The stock is listed now on N.Y. & Midwest Exchanges.

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**CBS at Profit-Sales Peak:** Reflecting overall healthy glow of both the broadcasting & electronics business, CBS Inc. racked up record sales & earnings in its fiscal year which closed Jan. 2, Chmn. William S. Paley & Pres. Frank Stanton reported last week. Consolidated net income for network, o&o, manufacturing and research operations gained 3% to lift CBS Inc. to the \$25-million profit plateau for the first time. Net sales rose 8% over the volume of the preceding 53-week fiscal.

Major gains were netted by CBS-TV, which consistently outbilled the other TV networks in each of 1959's first 11 months (Vol. 16:5 p13). The network's 11-month total dollar volume of \$242,404,016 was 7.8% ahead of its cumulative billings in Jan.-Nov. 1958.

For the 52-week 1959 fiscal year ended Jan. 2 (1958 per-share earnings adjusted to reflect a 3% stock dividend):

	1959	1958
Net sales .....	\$444,311,000	\$411,800,000
Net income .....	25,267,000	24,429,000
Per common share .....	3.11	3.01
Average common shares .	8,129,481	8,117,942

NAFI Corp., the automotive trim & seat-cushion firm which diversified into broadcasting through the purchase of KCOP Los Angeles, KPTV Portland and radio KXYZ Houston, last week entered into a contract to buy all the outstanding stock of Cris-Craft Corp. for \$40 million.

**Cornell-Dubilier's Mergers:** Old-line components maker Cornell-Dubilier Electric Corp. seemingly was moving in opposite directions last week: acquisition of one company—and merger with another.

The big South Plainfield, N.J. capacitor manufacturer purchased for an undisclosed sum the machinery, inventories and other assets of relay-maker Standard Electro Magnetics Inc., said it would lease the acquired company's Walkersville, Md. plant and operate it as a division. At the same time, Cornell-Dubilier was making rapid progress on the road to merger with Federal Pacific Electric Co. and a new status as a subsidiary of the Newark, N.J. manufacturer of electrical transmission & distribution equipment. Meanwhile, C-D reported sales & earnings were up sharply in 1960's first fiscal quarter ended Dec. 31.

The impending C-D marriage with Federal Pacific is not entirely unexpected. They've been holding hands for some time. Federal & the family of Pres. Thomas M. Cole own some 25% of C-D's outstanding common; the 2 firms are establishing a joint development lab in C-D's Norwood, Mass. plant and are at work on electrical relays & motor controls incorporating electronic parts.

Federal Pacific stockholders have approved the acquisition of C-D's 512,390 outstanding common, have created a new class of 500,000 shares of 5½% convertible 2nd preferred stock (\$23 par value) which will be offered for the C-D common on a share-for-share basis. To provide for the conversion, Federal's authorized common was increased to 3 million shares from 2.5. Federal has 1,441,534 common shares & 581,040 Class B outstanding.

C-D stockholders last week, in a move to facilitate the proposed acquisition, granted voting rights to the company's 8,059 outstanding preferred shares. Although C-D's preferred is not sought by Federal, the exchange for the common shares will be tax-free if Federal acquires 80% of the total of C-D's common & preferred. C-D Pres. Octave Blake has advised stockholders that the Blake interests will accept the offer for their 16% interest in C-D if the exchange is tax-free.

Federal Pacific, Cole forecast, will earn \$4.5-\$5 million on \$78-\$80 million sales in the 1960 fiscal year ending June 30, compared with fiscal-1959 earnings of \$2.3 million on \$62.7 million sales. If the C-D acquisition goes through, combined net profits "might be \$6 million on sales of about \$115 million" in the first full year, he said. Cole noted that his firm's products are almost entirely electro-mechanical with moving parts, hopes to develop replacements using electronic components. Cornell-Dubilier, in addition to its major components-production activities, is U.S. & Canadian distributor for Toshiba transistors (Vol. 15:34 p 17). Federal Pacific exec. vp & C-D dir. Frank H. Roby reports C-D likely will sell some \$1 million worth of the Japanese imports in the next year. (C-D last month acquired U.S. Dynamics Corp., Boston producer of semiconductors & silicon rectifiers.)

Cornell-Dubilier, for the first fiscal quarter ended Dec. 31:

	1960	1959
Sales .....	\$7,409,651	\$5,932,977
Net earnings .....	377,565	54,643
Per common share .....	72¢	9¢
Common shares (1960) ..	507,390	507,390

International Resistance Co. racked up record sales & earnings in 1959 and forecast that sales this year will rise 15%, barring a downswing in the electronics market. Chmn. Charles Weyl of the Philadelphia components producer estimated 1959 earnings at \$1.7-\$1.8 million (\$1.25-\$1.30 a common share) on sales of \$19-\$20 million. Profits in 1958 totaled \$504,268 (37¢) on \$13,744,000 sales.

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# WEEKLY **Television Digest**

**SPECIAL SUPPLEMENT**

FEBRUARY 15, 1960

FEB 15 1960

"There is no such thing as an electronics industry . . ."

## Investing in Applied Science

By GEORGE EDGAR, Research Dept., Carl M. Loeb, Rhoades & Co.

Edited by Mr. Edgar from an Extemporaneous Talk in St. Louis Under Auspices of A. G. Edwards & Sons,  
Correspondent of Carl M. Loeb, Rhoades & Co.

A recent issue of *Newsweek*, devoted to the decade of the '60s, notes that there are 2 fundamental, dynamic forces in our economy. The first is the predictable growth of population; there will be 30 million new Americans over the next 10 years. The 2nd major force is the upgrading of consumer tastes. This upgrading, in the words of Sam Stedman [Loeb, Rhoades partner Samuel L. Stedman, described in Feb. *Fortune* as one of the 10 most influential men on Wall Street], means that there will be more people with more money to spend in more leisure time. As a result, where will they spend their money? They will spend it on the true growth industries: health, recreation, convenience and education.

The securities in these true growth categories are well known to you. They are the Polaroids, the Brunswick-Balkes, selected drugs such as Rexall, the Crowell-Colliers, the Grolier Societies, Diner's Club, Avon Products, and so forth. The area I am concerned with in this talk is new technology, which is also one of the truly valid growth areas.

But first, a few general comments about the stock market are in order.

### It's a generally high market

There are differences of opinion at Carl M. Loeb, Rhoades, as there are in any investment firm. But, generally, we regard this market as being high. However, we argue that there is no such thing as a stock market. We have a market of stocks. Since we are in the business of selling securities, what we must do against this general background of high security prices is guide our clients into those issues that are relatively attractive.

Mr. Stedman's philosophy, as you well know, has always been emphasis on growth . . . true growth. There are 3 other ways of making money in the market: (1) Buying cyclical stocks at the right point in the cycle; (2) buying companies which are in the process of being rehabilitated; and (3) buying an undervalued, overlooked stock that eventually will be recognized by the market. Each approach has its merits and its followers. However, Mr. Stedman and I are oriented more to growth because you can be wrong in your timing, but if you stay with a growth stock you will be right much sooner.

Vindication of this thesis was seen in the recent sharp decline in Polaroid and other growth stocks as the result of Mr. Khrushchev's visit. You saw how quickly they re-

covered and went on to make new highs.

In a nutshell, over the long run we are bullish on consumer spending, we are bullish on inflation, and we are bullish on advanced technology. Now we come to the area of electronics.

Please consider these remarks very seriously. There are gross misconceptions about electronics in the investment community and, as a result, gross excesses are taking place in the market. People are going to be hurt again, as they were during the uranium bubble. To avoid these misconceptions and pitfalls, and to be able to recognize the correct road to investment success in "electronics," I shall offer a new concept, a new approach, a new method.

### \$10 radios & \$2,000,000 computers

I will start by saying there is no such thing as an electronics industry. It is a myth. This is why: The engineer will tell you that electronics is any product built around a vacuum tube or its equivalent semiconductor device, such as a transistor. Using this definition, they say that electronics is a \$15-billion industry, that it is attractive, that it is dynamic. From the investment viewpoint, I say nonsense! This is not so!

If you look at this industry, you will see that it includes \$10 radios and \$2 million computers. How can you compare them? It includes 40¢ receiving tubes and \$10,000 microwave klystron tubes. It includes a company making a simple widget that goes on an obsolete bazooka. It will also, in the same category, include a highly sophisticated scientific group developing a new means of global communication using satellite relays. It includes radio and TV. Now we all know that radio and TV, as a business, is no different from refrigerators and waffle irons. Is there anything dynamic about it? Is there anything dynamic about receiving tubes? Is there anything dynamic about 2¢ paper capacitors that go into portable radios? Obviously not. So, you see, the electronics industry, according to the classical definition, includes large areas of business activity that are mundane and that are certainly un-dynamic.

What, then, are we looking for? I believe we are seeking growth. Growth comes from new products that create new markets. New products and new markets come from the fruits of applied science.

I believe you want to invest in the frontiers of science because it is science that is the basis of automation, it is



## Companies Recommended by Mr. Edgar

(Firms cited are Mr. Edgar's recommendations only and are used for the purposes of illustration.)

### Solid-state physics—

Investment-grade issues: Texas Instruments, Transistron.

Semi-investment issues: Fairchild Camera, International Rectifier, Philco.

Enterprising speculation: General Transistor.

### Passive components—

Blue chip: Sprague Electric.

Valid speculation: Aerovox.

### Microwave—

Investment grade: Varian Associates.

Semi-investment grade: Eitel-McCullough.

### Microwave instruments—

Blue chip: Hewlett Packard.

Others: Polarad, FXR, Electro Instruments, Microwave Associates.

Electronic metals—Fansteel Metallurgical, Kawecki Chemical.

Data processing—Control Data Corp., Electronic Associates.

### Data preparation—

Attractive issues: Friden, Farrington Mfg., General Time.

Speculative: Soroban Engineering, Digitronics.

Information technology—Itek.

Ultrasonics—Acoustica Associates, Branson.

Infrared—Barnes Engineering Co., Servo Corp. of America, Infrared Industries.

Magnetics—Indiana General Corp.

Nuclear energy—Nuclear of Chicago.

Closed-circuit & CATV—Jerrold Electronics.

Applied science—Ampex, High Voltage Engineering, Electronic Associates.

Speculative specialties—Hermes Electronics, C. G. S. Labs, Electro Instruments, Milgo Electronics, British Industries.

Standard conservative issues—RCA, Sprague Electric, Electronic Associates, Litton Industries, Texas Instruments, Ampex.

"Four great speculations"—Polaroid, Farrington, Fairchild Camera, Itek.

Attractive low-priced speculations—Hermes Electronics, FXR, Jerrold Electronics, CGS Labs, Barnes Engineering, General Transistor.

"A good, standard speculation"—Philco.

the main arena of our conflict with Russia, it will be the mainspring of the tremendous future upheaval in our standard of living. So never again think in terms of electronics; think in terms of applied science.

There are many applied sciences. An example of a specific area of applied science is drugs. In the future when you think of space-age stocks and electronics stocks, I would ask you to use the analogy of the drug industry because the drug industry is based upon specific sciences, such as biology and chemistry, out of which come new products. In drugs you are not investing in products; you are investing in the brain power that can create the products. The same is true of all applied sciences.

Other examples of applied science are metallurgy, new concepts of photography, chemistry, optics, and physics. I am not competent to discuss all of these with you, but I can discuss photography and physics, so I will confine myself to these specific areas.

The new approach that you will hear today has 3 clear-cut steps: The first is to select the specific technologies that are attractive, which I will enumerate later. The 2nd is to select the companies that give you maximum exposure to the specific technologies. The 3rd aspect to this

new approach is to consider the equity base (price times number of shares) and, other things equal, to favor the company with the smaller base. This is one of the most important concepts.

This new approach should not be considered the Golden Rule—there are many fine companies which will not qualify, such as IBM because of its large size, or RCA because of its widespread activities. In addition there are companies that make relatively mundane products but which have superlative managements. Therefore, treat this new approach only as a rough guide.

### Virtue of small companies

While the greater potential lies in the smaller equity base, this does not mean that you indiscriminately should concentrate on small companies. Obviously the requirements of your customers must be recognized. A large company giving good exposure to a specific, attractive technology would be suitable for institutional and conservative clients. But, for the businessman and the intelligent speculator, a package of small companies usually is more desirable.

These, then, are the 3 steps to the new approach. I will be specific later.

There are 2 other broad considerations. They are that, as a general rule, the consumer market for scientific products is unattractive. There are certain exceptions, such as the drugs, and one great exception—Polaroid Corp. It is a great exception because Polaroid is one of the few companies that has a basic patent position.

The 2nd general rule is that it is better to invest in the basic component than in the end system. This is very important, so let me explain what I mean.

We all want to invest in missiles. We all know many missiles are being developed. But we can never be sure which one will finally go up. We are never sure which missile will be canceled, which will go ahead. But we do know one thing: no matter what missile goes up, it will use transistors, diodes, rectifiers, magnetic amplifiers, exotic fuels, new metals, complex test and tracking equipment, and so on. These are the basic building-blocks for any missile system. Therefore, we prefer to concentrate on basic components.

In other words, buying a basic, sophisticated component to take advantage of all of the exciting things happening in hundreds of new types of end equipments and systems is like buying the oil industry through Halliburton Oil Well Cementing. You cover the waterfront with one investment vehicle.

### How science investing differs

In dealing with science we must change many of our classical investment rules because they simply do not apply. For example, the real asset of a good science company is brain power. So what difference does it make if it has a low book value? Therefore, one of the classical concepts that you must reject is slavish emphasis on book value.

Another problem in dealing with good science stocks is that they grow rapidly and have long-term validity, yet most investors—for some strange reason—feel compelled to sell on a double. When you find a good technical company, sound advice is to ride with it all the way. How many customers have come to you and cried bitter tears that they could have been rich if they had bought IBM 10 years ago? The truth of the matter is that they would have sold it out 10 times over. It is possible when you are dealing with true, dynamic growth to shoot for the 500% and 1,000% marks. So don't sell out on the first double.

Another classical predilection that we must dismiss is that of the dividend. A company that is growing fast cannot afford to pay significant cash dividends. The appearance of a significant cash dividend is often the sign of an unattractive stock.

Then there is the problem of the listed versus the unlisted. Our clients love listed stocks. They like to see the



prices dance on the tape or quoted in the daily newspapers. But, dynamic appreciation only too often occurs when a company graduates from the unlisted to the listed market. We, and our customers, must be aware of the great values and potentials that are among unlisted companies.

Another popular prejudice is the preference for large companies. Other things being equal, the small company in the right field, with the right management, will turn in much better investment results. Therefore, don't disregard small companies. A corollary of this, of course, is the known versus the unknown. Everybody likes to play a favorite which by definition already reflects an enthusiasm that probably has caused the price-earnings multiple to expand from 10 to 30 times earnings. You all know that we can make as much or more money from the recognition of a stock—as the complexion of its investment acceptance changes from white chip to red chip to blue chip—as from the growth of the company itself. Therefore, don't be biased against unknown companies.

#### Attitude toward high climbers

Investors have another problem in their reluctance to buy a stock that has risen sharply or which is selling at a historical high. Any time in the past 5 years when you bought Ampex it probably was selling at a historical high. But we still find people who say: "My goodness, look where the stock came from! How can you expect me to buy it now?" The important thing to consider is future potential, not history.

Another pitfall is the investor's penchant for diversified companies. There is nothing wrong with a specialized company, provided it is in an interesting area of specialization. For example, Ampex, Electronic Associates, and High Voltage Engineering are specialized companies. The correct application of our new method will often find us dealing with specialized companies. We can achieve diversification by buying a package of specialized companies.

Now that we have covered many generalities, we will get down to brass tacks.

I am going to discuss certain specific technologies that I think are attractive and suggest, to some extent, that you mold your thinking and investment program along these lines.

In the course of this discussion the names of many companies will be mentioned. However, this will be for illustrative purposes. I don't consider all of the companies attractive and in some cases I will so indicate. On the other hand there are many companies that qualify under our new formula, such as Haloid, which will not be mentioned because of time limitation. Keep in mind that it is a new philosophy that is being advocated here.

The first basic technology I recommend is solid-state physics. You all know what solid-state physics is, but you are not aware of it. A product of solid-state physics is the transistor. The trouble with most investors is that they think of the transistor as being an industry in itself. Solid-state physics (remember the analogy to drugs) is the science that created the transistor of which there are hundreds of different types. It also created diodes and rectifiers. In the future, it will give us tunnel diodes, thermoelectric generators, electronic refrigeration and electroluminescence (which means wall panels of built-in light).

*Newsweek* discusses something quite dramatic: thermoelectricity (the direct conversion of heat into electricity). This is also the principle of electronic refrigeration. These are things of the future. They will be tremendous new industries that will emerge out of solid-state physics. Therefore, you should not rush to the phone to sell your "transistor" stocks because a tunnel diode was discovered that is going to "replace transistors." The company that has solid-state physics technology will make the transistor . . . it will make the tunnel diode . . . some day it will make thermoelectric elements . . . and . . . some day it will make components for electronic refrigerators.

Solid-state physics is one of the basic new industries

of our age. From a commercial viewpoint, it was born only 5 years ago. It started with about \$35 million of sales in 1955. This year sales will be about \$350 million. I think sales will reach \$1 billion over the next 5 to 7 years in only those products presently being produced or soon to be introduced.

The interesting thing about scientific developments is that usually they do not replace anything. You heard that the transistor would replace the vacuum receiving tube. Vacuum-tube sales will be higher this year than they have ever been in the past, principally because the market for industrial and specialty tubes is growing rapidly. By the same token I believe that when the tunnel diode becomes a commercial product in three years, transistor sales will still continue to rise. Basic technologies create products that never were possible with the old products. Computers that we use today could not have been designed around vacuum tubes. So the new products of science generally do not replace anything. They primarily create new markets. This is the essence of growth.

A curious thing about solid-state physics, and the other technologies that we will mention, is that when you count the number of companies that provide meaningful investment exposure, you find a frighteningly small number of eligible vehicles.

For example, we think solid-state physics is an attractive business, and it is. Now RCA makes transistors and so does Texas Instruments. Two years ago when you bought Texas Instruments, you bought more transistors in every dollar of investment than you did in RCA simply because RCA also made a lot of radios and TV sets and things that had nothing to do with transistors. Other things being equal, therefore, Texas Instruments gave you better exposure to that specific development.

There are only 6 established companies that really give you meaningful exposure to solid-state physics. General Electric is a big producer of semiconductor devices (the term "semiconductor" is synonymous with solid-state physics), but you don't get enough of it in GE. The same is true of Westinghouse, Raytheon, RCA, Hoffman, Clevite, and so on.

#### Half-dozen in solid-state

The 6 meaningful investment vehicles in solid-state physics, in their order of size (equity base), are Texas Instruments, Transitron, Philco, Fairchild Camera, International Rectifier, and General Transistor.

Among these 6 you will find a stock for every appetite—from the conservative investor to the enterprising businessman and the intelligent speculator. Now let us look at this list of companies.

The first startling aspect about this list is the wide range of values that the companies command in the market—that is, their market price times the total number of shares outstanding. The present market values of these companies are, roughly: Texas Instruments \$700 million, Transitron \$350 million, Philco \$150 million, Fairchild Camera \$140 million, International Rectifier \$30 million and General Transistor \$22 million. Immediately we can see that the investment-grade issues will be at the higher end of the size ladder, because safety generally increases with larger size, while the speculations with greater potential will be at the lower end. After all, other things being equal, it is easier for a \$22-million or a \$30-million company to double in value than it is for a \$700-million or \$350-million company.

The second important statistic to consider is the total volume of business done by each company and the percentage that comes from semiconductors. Texas Instruments, whose revenues are approaching \$250 million, finds only about 30% of its sales in the semiconductor area. By the end of 1960, Fairchild Camera will have about 50% of its projected \$65-million volume in semiconductors. International Rectifier, whose sales are approaching \$15 million, finds about 60% of its business in semiconductors.



Philco will have a much smaller ratio, but I would like to discuss this company later on as a special situation. Transitron, doing a business of \$50 million, and General Transistor, with sales currently at the rate of about \$12 million, are the only 2 in the list whose business is virtually entirely devoted to semiconductors.

Therefore we not only find great differences in market size and dollar volume, but the relative proportion of semiconductor sales differs widely. Both factors are key in determining the quality of the investment, ranging from blue chip to intelligent speculation, and the degree of exposure to solid-state physics.

This type of analysis is essential in all of the other specific technologies.

My choices for investment-grade issues, where we must give up some dynamism in order to maximize safety, are Texas Instruments and Transitron, in that order. The semi-investment or red-chip issues are Fairchild Camera which, size for size, probably has the best technical group in the industry, International Rectifier and Philco. The enterprising speculation is General Transistor.

Strictly speaking, not all of these companies are directly competitive. There are many different aspects to the semiconductor industry. There are signal devices and power devices. There are germanium and silicon devices; grown junction, acid-etch and diffused devices, and so on. Semiconductor products are not like light bulbs that you take out of one socket and put into another. They are very unique gadgets. No company makes all of these products. Also, the art has so much room for advancement that widespread, early standardization is unlikely. Therefore, don't pay too much attention to the problem of competition for the next few years.

#### Market for passive components

The next area that is attractive is passive components. Semiconductor devices such as transistors or diodes are active components; they *do* something. These active devices need associated passive components, such as capacitors, that *control something*. The new active devices have created a market for new passive devices. The leading company in new passive components is Sprague Electric. It is a blue chip that has broken out of its 5-year plateau. I consider the stock cheap. In addition to making advanced passive devices, it is developing a semiconductor business under Philco license.

A valid speculation in passive components is Aerovox.

The 3rd attractive technology is microwave. In the *Newsweek* article referred to previously, Dr. Stephens of Stanford Research Institute was quoted as saying that the '60s would be the decade of microwave.

Microwave is not a specific equipment. It is not radar. It is not a relay station. It is a section of the radio spectrum that starts where TV leaves off and ends where infrared begins. It is high frequency, and high frequency has certain properties that make it useful in a broad range of different applications, as, for example, missile guidance, computers, radar, satellites, telemetry, tropospheric communications, and even electronic cooking. These are all specific applications that come out of the basic technology of microwave.

I told you before that we prefer to stress components. We tend to avoid the systems company. In microwave technology, we have a very convenient component. It is the microwave tube. It's hard to make and there are only 2 companies that give you meaningful exposure to it. They are Varian Associates and Eitel-McCullough. These are not the only 2 companies in the industry. Bendix makes microwave tubes; so do RCA, GE, Raytheon, Westinghouse, Sperry Rand and Litton. However, you get the most exposure to microwave tubes per dollar of investment from Varian and Eitel-McCullough.

Because of its larger size, broader technical base and longer seasoning, Varian is the investment-grade issue. Eitel-McCullough, which is somewhat statistically cheaper

but more speculative, is the semi-investment grade issue.

There is another area of microwave that is attractive—microwave instruments and test equipment. Here again, you find a very small number of eligible companies. They are Hewlett Packard, the giant and blue chip of the microwave instrument industry, and Polarad (not Polaroid), and FXR, which particularly appeal to me. Another excellent company is Electro Instruments. And the last in that small group is Microwave Associates. I must mention this fine company because it fits into the group. However, I feel that the stock around 28 is extremely high. On any significant reaction it deserves accumulation in speculative accounts.

In the areas of new "electronic" metals, there are only 2 companies: Fansteel Metallurgical and Kawecki Chemical. This is why Kawecki has been so active and strong lately. It has few shares, a small equity base, giving you maximum exposure to new metals, particularly tantalum. Tantalum is growing parallel with semiconductors because they are used together. They are "kissing cousins." Kawecki is by far the most interesting speculation. In the field of data processing, you have giants such as IBM and National Cash Register. I am not very interested in that group because the companies are so large. I don't mean to say that I would sell IBM out of a portfolio. It is a magnificent company. However, even among the giants we find 2 small companies that have unique positions and that merit a place in a representative science portfolio. They are Control Data Corp., which probably has the most advanced large-scale computer on the market today, bar none, and Electronic Associates which, though catering to the analog computer field, has captured 65% of the market.

There is another area of the data processing industry of which most people are unaware—data preparation or data handling. Our computers calculate with the speed of light, but we bring information to them on ox-carts, meaning that we hire batteries of girls, looking at original invoices, who manually prepare punched cards. This is the bottleneck. Therefore, this is the area to investigate. Data handling, as a market, some day will be as large as data processing, which currently is about \$750 million annually. The companies in this field that attract me are Friden Calculators, Farrington Mfg., and General Time. Two specialties that should not be bought indiscriminately, because they are very small and speculative, should appeal to the man who can take the risk. They are Soroban Engineering and Digitronics.

#### Exciting development at Farrington

Let me extract one company from this list—Farrington. Farrington makes a machine that reads! It will optically read an invoice or page of text and reduce it to computer language. The Air Force has a Farrington machine that reads technical Russian literature. It is hooked into an IBM computer and out comes the equivalent English. The Post Office has a Farrington machine that reads the addresses on your mail and routes letters automatically. American Telephone has several Farrington machines that prepare and read your dividend checks. Other blue chip users include *Reader's Digest*, National Biscuit, First National City Bank, Bankers Trust, Standard Oil of California, and Standard Oil of Indiana. Not bad for a beginning, eh? This is one of the most exciting new developments in office automation and this company may have a monopoly position. Potentially, it has a bigger market 5 years from now than Ampex had 5 years ago. It is a risky stock. It sells in the market for about \$40 million and has only about 30 installations in the field. It will lose money this year; it may break even next year. But think of the potential 5 years from now if this company has one-half of the market in automatic reading equipment! This market probably exceeds 15,000 machines at a yearly rental of \$20,000 each plus another \$50,000 per machine in related income from credit cards, embossing services and point-of-sale im printers.



There is a new specialized area of data processing called information technology. Modern society faces greater danger from being buried under a mountain of red tape than it does from the radiation of strontium 90. We solved only one-half of the data processing problem with our electronic business computers, insofar as they only handle arithmetic. But there is another aspect of paper work that these computers cannot control; that is the actual original document, such as a letter, engineering drawing, photograph, map, etc. We have not yet perfected a way to process automatically this kind of "graphic" information. But we will, and when we do, a new industry will arise that is called information technology.

#### Billion-dollar information-technology

Huge industrial corporations find that they design the same machine as many as 6 times a year, simply because they do not know that it has already been designed somewhere in another of their plants and the forgotten blueprints are gathering dust in the files. In the future, such companies will punch the parameters of a machine, such as a transformer, into this computer and out will come microfilm with the complete engineering drawings. This is one of the most important new industries. IBM is working on it and so are RCA, Thompson Ramo, Eastman Kodak, Magnavox and Itek. But Itek gives you maximum exposure because the bulk of that company's future activities will be in this new industry which will not enter a commercial phase for 3-5 years. But information technology will be a billion-dollar industry in the future. Itek has been financed by the Rockefellers and it has one of the most outstanding technical groups in the field. It represents a brilliant long-term speculation.

Photography is an applied science, and here we find our dear Polaroid. There is no need to elaborate further on this magnificent growth company. With less than 2 million 60-second cameras in use, and color, small cameras and industrial applications still to come, the surface has hardly been scratched. We consider Polaroid one of the great 10-year growth stocks.

Again in *Newsweek* you have read that the housewife of the future will wash her dishes and clothes with silent sound, or ultrasonics. Ultrasonics is a specific technology and only 3 companies give you maximum exposure to it: Acoustica Associates, Branson, and Narda Ultrasonics. I prefer Acoustica, but Branson is also valid.

Another specific technology that should interest the enterprising investor is infrared. Infrared begins where microwave leaves off and ends where visible light begins. It will have tremendous future application in the laboratory for analytical instruments, in the industrial plant for process control, along railroad tracks to spot hot boxes as trains pass by, and for space communication and anti-missile systems. Three small companies provide meaningful access—Barnes Engineering, Servo Corp. of America, and Infrared Industries. My clear choice is Barnes. It has a little over 300,000 shares outstanding and is earning about a dollar a share. At 25 times earnings the stock makes sense because the company may be on the threshold of a great upheaval. Perkin-Elmer, Electronic Corp of America, and Baird-Atomics also have stakes in the field, but I do not consider them appropriate vehicles at this time.

Another attractive specific technology is magnetics. There have been several exciting breakthroughs in the technology which have given this field a dynamic future. New types of ceramic magnets that are a magnitude stronger than conventional metal magnets, will create a revolution in the design of electric motors, and, possibly, automobile power accessories. Ferrite magnetic cores and magnetic drums are the heart of data processing memory systems. The most interesting and strongest company in the field, which also happens to be an investment-grade issue in my opinion, is Indiana General, which is slated to go on the Big Board soon.

In applied science there are 3 gems, 3 beautiful com-

panies that stand by themselves. They are so great, so strong technically, that they virtually are the entire industry within themselves. There is nobody within sight of them. They are: Ampex in the field of magnetic recording, GE notwithstanding; High Voltage Engineering in the field of synthetic radiation and ion propulsion (the space craft of the future may be propelled by atomic particles generated from synthetic radiation generators); and Electronic Associates in the field of general-purpose analog computers.

There are a few small specialties which must be treated carefully. They are not suitable for average accounts, but they are extremely interesting because their small size makes them potentially explosive should they encounter even moderate success. They are: Hermes Electronics, selling around 10. Included in this company's extraordinary technical staff are 3 Nobel prize winners who, related to the price, can be bought for \$3.33 apiece! For those who like low-priced speculations, this stock has real validity. C.G.S. Laboratories is a very small company. While its backlog is low, it has a strong technical group and some interesting proprietary products. Three hundred thousand shares, selling for \$10, means only a \$3-million equity base. There are the ingredients of a brilliant speculation. I would also like to mention, as being very interesting, Electro Instruments, Milgo Electronics, and British Industries.

There probably are a number of other specific attractive technologies that deserve a place in this new approach, but there is the problem of space limitation. However, I do want to mention 2 areas that have been omitted deliberately: The first is micro-modules or "minitronics," which has attracted the fancy of the market. Under this concept, an entire electronic circuit can be compressed into the space of a miniature device that now performs only one function. I think this development is overrated because it probably will be uneconomic for many years and, in the meantime, will find application only in such places as satellites where space and weight are compelling considerations. However, this whole subject is academic for the investor who has a position in solid-state physics because semiconductor companies are spearheading developments in this new field.

Another specific technology that does not appear relatively interesting is nuclear energy. The huge capital resources required in this business permit only the industrial giants to participate in the field, so the investor finds himself bumping up against the law of growth which says that big things do not display exponential growth. Radiation measurement and control instrumentation in nuclear applications is an extremely competitive field and a superbly managed, highly successful company like Nuclear of Chicago is the exception rather than the rule.

#### Over-the-counter list to be issued

Carl M. Loeb, Rhoades & Co. will issue shortly a list of over-the-counter securities which, in the electronics group, will include Dictaphone Corp., Hewlett Packard, International Rectifier, Philips' Lamp, Polarad Electronics, Sprague Elec., FXR, Itek and Thomas & Betts. There will be paragraphs on each of these companies. You will notice there has been some overlapping with my remarks.

Let us now go somewhat outside of the portfolio that arises from my approach. After all, we are dealing with human beings and they are not going to buy this new approach overnight. If they do partially, do not let them buy one stock. Say: "I want you to buy a package." These are specialized companies. There is always a risk in a specialized company, but you mitigate the risk by investing in several basic technologies or several specialized companies.

The standard conservative issues that we like are RCA, Sprague Electric and Electronic Associates. There are also the other acceptable blue chips: Litton Industries, Texas Instruments and Ampex. I may mention the same stock in different lists, but I am sure I don't have to explain that.



I consider particularly interesting as a semi-investment issue Philco Corp. I believe that Philco this year could earn \$1 per share from its solid-state physics business alone, which would by itself justify the present price of the stock. You get everything else for nothing. That is the concept here. I don't know what everything else is worth; I don't know the value of the white goods business and the defense business and the computer business. But I do know that last year Philco generated \$1.50 per share out of those businesses and I do know that management is being improved. Philco strikes me as a good, standard speculation.

Closed-circuit television for industry, military installations and schools, and subscription television via cable, are two impending new markets of great promise. Maximum exposure is best achieved through Jerrold Electronics which, despite its \$10-million size, is the strongest factor in the sophisticated business of distributing TV and FM signals over complicated coaxial networks. Here, again, we find one of the few really valid low-priced issues. The shares, around 8, earn about 35¢ on a fully converted basis and have a cash flow of about 50¢ per share. There is an interesting little specialty which I mention with some reluctance because there are only 88,000 shares in floating supply out of a total capitalization of 425,000 shares. Therefore, it must be treated judiciously. I don't know whether this has long-term validity because we have not checked it out yet. But we will. The company is Howard Sams. It's a publishing company, but it specializes in the publishing of technical material for the electronics industry. Its growth record is excellent and the concept of its business is intriguing. It may be a way of buying the electronics industry for 12 to 15 times current earnings. This fits into the concept of a Grolier Society and Crowell-Collier. While we have not yet checked it out, I did want to give you some insight into what we are thinking about.

If you were to ask me to select 4 great speculations with moderate risk but really extraordinary long-term appreciation potential, I would choose Polaroid, Farrington, Fairchild Camera and Itek. A package of low-priced attractive speculations would be Hermes Electronics, FXR, Jerrold Electronics, CGS Laboratories, Barnes Engineering and General Transistor.

It is obvious that the defense program is an important prop behind many of the stocks I have mentioned. You all have your own opinions about where the defense program is going. If you recall, when Khrushchev visited America the electronics group broke sharply. When other people in the Street said "sell out your defense stocks," we sent a wire to all our correspondents saying that they are going to come back. That's just what happened. I believe that the defense program will continue a long time. I believe that if it changes it will shift into the more sophisticated areas of new technology, the ones that I mentioned. I believe that if we do have an agreement with the Soviet Union, there will be a tremendous market for the control equipment necessary to police the peace. I also believe that if there is a real rapprochement on the military front with Russia, there will be a tremendous economic and technical competition with the Soviet Union, and that competition again will be in the laboratory and will be in these areas of advanced science.

Research and development depends upon money. It has been estimated that research and development expenditures have increased tenfold over the last 15 years and currently are about \$10 billion annually, of which only 5% represents pure research. This great increase explains the exploding importance of applied science and the acceleration of new discovery in our time. However, we must be aware that in the scientific competition with Russia one dollar of research in our country is considerably less than the equivalent dollar spent by the Russians. In any specific technology in our country there are many companies that compete with each other, that keep secrets from each other and, therefore, that duplicate, several times over, research programs leading to new or improved products. On the other hand, the highly centralized research and development in the Soviet Union avoids duplication. Therefore Russia probably realizes much more from fewer research dollars than we do. This is one of the key reasons that our own R & D programs have been so inadequate, and it is also the powerful argument for ever increasing expenditures that will find their way into the basic technologies. This is the fertile ground in which well-planted dollars should grow vigorously.

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# WEEKLY **Television Digest**

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

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**FCC JOGS UNBUILT UHSs,** gives 54 grantees 30 days to ask for oral argument or evidentiary hearing—or suffer cancellation (p. 2).

### **Film & Tape**

**60-DAY EXTENSION** gives TV producers more time to prevent actors' strike as the WGATV Alliance deadlock boils down to issue of overseas residuals (pp. 1 & 5).

### **ETV**

**AIRBORNE ETV DELAYED** because of tight schedule. Mid-winter start now planned. Ground-to-air transmission dropped in favor of airborne videotape recorders (p. 2).

**NEW GOVT. ETV GRANTS** to go to 6 colleges & universities for research projects in \$3-million audio-visual program under National Defense Education Act (p. 8).

### **Stations**

**COMPLETE AM-FM STATION DATA** provided by our 1960 radio directory, now in mails. All North American stations covered (p. 2).

**STORER PROGRAM MANUAL** offered to all stations on first-come basis. Govt. & Storer procedures & requirements covered in 9-section, 150-page document (p. 13).

### **Auxiliary Services**

**STATIONS VS. CATV ON THE HILL**—Lobbying by both sides, with Senators pushing for House action on Senate-passed booster bill (p. 3). Dept. (p. 24).

### **Manufacturing & Distribution**

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**TV TRENDS** for spring & summer lines: General price increases, industry-wide adoption of 19-in. tube for portables & table models, demise of 21-in. set (p. 17).

**RCA's SARNOFF & BURNS** outline areas of growth for company & industry. Company's 1959 sales totaled record \$1.395 billion, profits exceeded \$40 million (pp. 19 & 21).

**MORE RADIO IMPORTS** for brand-name merchandising. Packard Bell signs 15,000-a-month deal. Admiral counters with U.S.-made shirt-pocket 7-transistor at \$29.95 (p. 20).

**82 MILLION TRANSISTORS** sold by U.S. manufacturers last year at \$113 million, nearly double 1958's factory value. More than 20 million more imported from Japan (p. 20).

### **Congress**

**DISC JOCKEY "SQUIRCHING"** is charged at House payola hearings by Oren Harris, who says witnesses have been "retreating or drawing back" from truth (p. 3).

### **Networks**

**CENTRAL-AMERICAN TV NETWORK,** with ABC-TV as 51% owner & U.S. sales agent, to join together 5 countries (p. 9).

**1959 WAS 10.7% AHEAD;** network-TV's gross time billings rose to \$627,311,530 from \$566,590,401 in 1958; Dec.-1959's business was 8.8% better than Dec. 1958 (p. 10).

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**FCC PONDERES FREE DISCS & RECORD HOPS:** Free records & record hops are among more troublesome questions FCC is considering as part of its payola-plugola problems. Current thinking at Commission is that Communications Act forces it to require identification of those giving stations or employees anything of value.

Literal reading of the law, according to FCC attorneys, would require that each free record be announced as "supplied by so-&-so" at time of playing. However, they think that some all-inclusive announcement every 15 min. would pass muster as "reasonable." Something like: "Records in the following program were supplied by Blank Record Co." Of course, exact language would be up to stations.

Record hops present similar problem. FCC legalists don't see how they can avoid requiring announcement identifying those contributing to & benefiting from record hops. Though some at FCC regard foregoing as hair-splitting, they believe remedy rests solely in amendment of Communications Act.

**SAG'S 60-DAY EXTENSION:** TV's film makers, struck by Writers Guild of America since Jan. 16, got unexpected break from another quarter last week. Powerful Screen Actors Guild, whose contract with Alliance of Television Film Producers doesn't expire until March 31, offered Alliance a 2-month extension of its contract. SAG negotiators must get approval from their board tonight (22), considered a formality.



Producers understandably breathed sigh of relief because it's actors' union which would shut down production if it should strike. SAG's move surprised many because there appeared no reason for it.

Informed sources attributed the action to 2 motives: (1) SAG wants time to settle question of proposed merger with AFTRA, and its schedule is already crowded by prolonged negotiations with the major movie studios on the contract which expired Jan. 31.

(2) SAG strategists don't want their demands to be too closely allied to those of striking WGA, because they think this would force their hand in negotiation.

One thing remained abundantly clear in this development. WGA, which had assured its members SAG would call a strike and thus support the writers, was on a limb. If SAG board approves the extension, it leaves WGA with no hope of support from its sister union in the near future. (For details, see p. 5.)

**AIRBORNE ETV DELAYED:** That \$7-million Stratovision experiment with educational TV, planned by Midwest Council on Airborne TV Instruction (Vol. 15:42 et seq.), won't get off the ground by the start of school next fall. The target now is midwinter. Reason: simply too tight a schedule for everyone.

Another change: No ground-to-air transmission. Instead, video-tape recorders will be carried aloft, and all transmissions will be air-to-ground. It was decided that the ground-to-air transmissions would be costly, troublesome, unnecessary, likely to produce interference. The plan is to use a DC-7 plane orbiting in a 10-mile circle 23,000 ft. above Montpelier, Ind., 140 miles from Purdue U., where the activities are centered. Uhf will be employed—Ch. 41, 47, 53, & 59 from the planes.

**COMPLETE AM-FM STATION DATA:** Our 1960 Radio Station Directory is off presses and into mails to all full-service subscribers, consolidating all the AM & FM additions & changes reported during 1959 in our weekly AM-FM Addenda service.

The 230-page volume (up from last year's 202 pages) covers all North American countries. It's divided into 7 parts: AM & FM stations by state & city, AMs by frequency, FMs by frequency, AM & FM applications by state & city, AM & FM applications by frequency, AM & FM stations by call letters, FCC type-accepted transmitters & monitors.

For each station, data includes: Licensee name & address, management & engineering executives, technical facilities, network affiliation.

Radio growth in other North American countries is about at a standstill, compared with U.S. development. U.S. license & CP total rose during year from 3,423 to 3,527 for AM, 686 to 839 for FM. Canadian AMs went from 231 to 235, FMs from 32 to 33. Mexican AMs increased from 500 to 506, FMs from 1 to 4. Cuba was unchanged at 156 AMs, 5 FMs.

Extra copies are \$7.50 each, \$5 each for 3 or more, available from us at Box 700, Radnor, Pa.

**FCC JOGS UNBUILT UHFS:** Uhf CP-holders who have been waiting for someone to do something to give them a reason to build have been told to turn in their CPs—or give FCC good reason for being permitted to keep them.

There are 113 such grantees, 54 of which have applications for "extension of station construction completion dates." The 54 are being hit with "make up your mind" letters now. Balance will be queried as their applications come up.

Each grantee is entitled to oral argument if he wants it, FCC said. If full evidentiary hearing is requested instead, request may or may not be granted—depending on detailed facts alleged in each case. CP-holders are given 30 days to reply. Some of the grants date back to 1952. Said Commission, in part:

"The Commission has carefully considered the statement submitted with your application. It appears therefrom that delay in construction has been due not to any difficulty in the procurement of equipment or to an inability to complete construction because of reasons beyond your control, but rather to your voluntary decision to postpone construction because of your belief that the proposed station could not succeed financially under present economic conditions. On this basis, the Commission is unable to find that you have been diligent in proceeding with the construction of the facility authorized in your permit, or that you have been prevented from completing construction by causes not under your control. Therefore, the Commission has concluded that a grant of your application would not be warranted.



"You are hereby advised that unless you inform the Commission within thirty (30) days from the date of this letter that you desire to prosecute your application further, said application will be dismissed, your construction permit will be cancelled and your call letters deleted."

**STATIONS VS. CATV ON THE HILL:** Jockeying & lobbying were going great guns in Congress last week, as Western stations and CATV operators did their utmost to affect CATV & booster legislation. NAB's CATV committee met, promptly sought to prod Rep. Harris (D-Ark.) into advancing the Senate-passed pro-booster bill (Vol. 15:37 p3). At same time, committee members urged their Senators to tighten & force through the CATV-control bill (Vol. 15:36 p1).

CATV operators meanwhile, through NCTA, were attempting to persuade Senate Commerce Committee members to tone CATV bill down. Both sides were dubious about getting any action during debate on civil rights, or even during this session. It was difficult to get judgments about possibility of action on bills. However, Sen. McGee (D-Wyo.), one of staunchest pro-booster & anti-CATV members of Commerce Committee, had this to offer:

"I'm a little more optimistic about action on the booster bill in the House. As for the CATV bill, I'm hoping for action during a respite in the civil rights debate—or after it, by March 1. We have a very fair CATV bill, and the CATV people had agreed to it. Now they've backed off and are trying to go around the Committee. It's a breaking of trust."

Sen. Allott (R-Colo.), in a letter to Harris, urged action on booster bill, hadn't received reply by week's end.

## Congress

**DISC JOCKEYS ARE 'SQUIRCHING':** The House Commerce Legislative Oversight Subcommittee, which helped put "payola" into common American usage and has learned what "freebies," "lay-on," "hype" and "break-out" mean to disc jockeys, added "squirching" to its glossary of broadcasting probe terms last week.

The new word, derived from the hillbilly patois of his home state, was put into the Oversighters' record by Chmn. Harris (D-Ark.). He used it to describe what witnesses were doing as the Subcommittee plodded through the 2nd week of hearings on payola practices, which had first been scheduled for only one week.

In monotonous succession, Boston area record distributors & jockeys took turns on the stand to admit that money had been paid out by the former & received by the latter. But almost without exception, the witnesses insisted that the money wasn't payola for popularizing particular platters on the air.

As Arnold (Woo Woo) Ginsburg of radio WMEX Boston put it characteristically, \$4,000 he took in during the past 3 years from record firms was for "goodwill" & "tokens of appreciation"—not for on-air promotion of favored music.

"If you & the rest think we are going to swallow this as though it was just an incident, then you must think we're pretty naive, too," Harris told Ginsburg heatedly, protesting "all this reluctance, this squirching back on the facts." Interpreting the word later for reporters, Harris said it meant that the witnesses had been "retreating or drawing back" from telling the full truth.

Harris also suggested a big reason for the "squirching"—the knowledge that FCC could take away station licenses overnight. He didn't say so, but radio licenses in all 6 New England states will be up for renewal April 1, and it could be presumed that FCC will tell several of the licensees that renewal hearings seem to be indicated.

The Subcommittee got so bogged down in Boston testimony last week that it didn't have time before recessing

its hearing to get back to Miami Beach and the most exciting item on its agenda—a fun-&-frolic convention there last May, when record manufacturers picked up more than \$100,000 worth of tabs (Vol. 16:7 p6).

Jack L. Sandler, gen. mgr. of Storz Stations' WQAM Miami and vp of the radio chain which was official host at the convention, was served with a Subcommittee subpoena to produce a list of persons who attended it. But the Oversighters didn't get around to calling him, and testimony about the affair—to which girls were reported flown from N.Y. & Chicago—was put off, probably until mid-March.

Meanwhile, the liveliest incident at last week's hearings was provided by Harry Weiss, promotion man for Boston's Music Suppliers Inc. He threw a green, paper-covered book at UPI photographer E. Ed Alley and lunged at the cameraman in an effort to prevent him from taking a picture of the firm's Pres.-treas. Harry Carter. A Subcommittee staffer had to break it up, and the picture was taken anyway.

### Record Labeled 'Hit' Before Going On Sale

On the stand later, Weiss swore that it was part of his job to contact Boston jockeys, but that he was unaware of any payola passed out to them by his company, although other testimony indicated \$27,121 had been paid. He also testified that he used letterheads of radios WBZ, WBOS and WHIL to submit his own entries for "top 10" record popularity polls conducted by *Cash Box*.

Pleading poor health, Carter was excused from testifying in public, but the Subcommittee questioned him in a closed session, then released a transcript. In answer to questions put to him by Subcommittee counsel Robert W. Lishman, Carter conceded that his firm had managed to promote "Growing Love" on radio as a hit before the record was put on sale. It turned out to be a flop, Carter said.

Another witness heard in private was Pres. Samuel H. Clark of AB-PT's subsidiary Am-Par Record Corp., who also pleaded ill health. A former co-owner with Carter of Music Suppliers, he was asked by Harris whether ABC-TV's Dick Clark (no relation to Samuel) plugged Am-Par products on *American Bandstand*. Lishman noted



that 9 Am-Par records were played 30 times in a one-month period last fall. But Clark insisted that neither jockey Clark nor "any other disc jockey of his size or importance" would play records before they became hits. Clark also conceded that before he left the Boston firm in 1955 he made an "imprudent" agreement with Music Suppliers by which he was to be paid \$208 per month for 20 years, although his AB-PT contract required him to dispose of any interest in other record companies.

In still another transcript of private testimony made public by the Subcommittee, ex-WBZ Boston jockey Norman Prescott was disclosed to have testified Feb. 8 that in 3 years he collected \$9,955 from Music Suppliers, Dumont Record Distributing Corp., Mutual Distributors Inc. and Records Inc. He said he finally walked out of WBZ last July because: "I was ashamed of myself. I was ashamed of the industry." The first witness to admit that the payments were payola, he said the practice is nationwide.

### No Payola — Just Testola

In public testimony, Pres. Harry Dumont of Dumont Record Distributing Corp., acknowledged that he had paid at least \$8,830 to a dozen Boston jockeys & station librarians in 1958-59. But he maintained the payments were gifts for "testing" records & for "consideration in listening to my new releases for air play." He rejected suggestions by Lishman that he had agreed with the recipients to back up "concocted" & "fabricated" stories to explain the payments. In other testimony:

Maxwell Richmond, pres. of WMEX and radios WPGC Morningside, Md. & KBMI Henderson, Nev., said WMEX had been paid \$1,400 in 3 months in a deal with Records Inc. It was the first admission at the hearings that a station itself—as well as employes—had benefited from such payments. But Richmond said the money wasn't payola. It went to help defray costs of mailing out free records to listeners, he insisted.

Melvin Miller, WMEX jockey, said he had received \$450 from 5 record firms as "goodwill gifts."

Joe Smith, WILD jockey, offered a new twist. He said he collected royalties ranging from 1¢ to 5¢ from Coed & Dale record firms for every disc they sold in the Boston area, making \$700 on the Coed deal and \$450 on the Dale arrangement. Lishman brought out that ABC-TV's headliner Clark had had a financial interest in copyrights on one Coed record. Smith also acknowledged receiving about \$7,700 from other record manufacturers & distributors. But he said none of the deals influenced his choice of records on his WILD show.

Gordon J. Dinerstein, vp of Music Suppliers, said his company stopped "goodwill" payments to jockeys last Dec. after the Oversighters started their payola probe. But payola wasn't involved, he swore.

"I do not believe you," Rep. Moss (D-Cal.) told Dinerstein. And Harris broke in: "Public indignation is such that the American public is not going to stand for that kind of practice."

Conflict-of-interest laws governing conduct of govt. officials & employes need "substantial strengthening," Asst. Comptroller General Frank H. Weitzel testified last week. One of the first witnesses to appear in a series of hearings by the House Judiciary Anti-Trust Subcommittee headed by Rep. Celler (D-N.Y.), he said "constant & unwavering vigilance" by administrators of federal agencies was the best insurance against wrongdoing. But loopholes in laws should be closed to avoid "mischief," Weitzel added.

## The FCC

In St. Louis Ch. 2 "influence" proceeding (Vol. 16:5 p6), FCC's office of the general counsel filed its brief last week, concluding that no applicant or Commissioner should be disqualified, but that "a comparative demerit" should be assessed against KTVI (Ch. 2) "in the event that further licensing proceedings are held to be necessary by the Commission." The Commission attorneys asserted that there were "significant *ex parte* contacts by proponents" and that the proceedings should be set aside. The brief was signed by Edgar W. Holtz, James T. Brennan & Joel Rosenbloom. Deadline for the filing is Feb. 23, and the other parties are expected to file then.

Vigorous defense of FCC was written last week by Dartmouth govt. Professor Elmer E. Smead in a letter to the *N.Y. Times*, which had suggested editorially that some Commission members are men of "low quality." Author of *Freedom of Speech by Radio & TV* and a witness at FCC's recent hearings on programming & powers (Vol. 15:51 p4), Smead said the editorial opinion was "a perfect example of the devil theory of govt." Citing FCC's complex problems & referring to the hearings, he went on: "In this instance, the charge is baseless. The Commission is not negligent. In fact, it is providing a constructive leadership for the entire industry, and it is acting in a statesmanlike fashion."

Grand Rapids-Kalamazoo drop-in proposal, in which the FCC plans to assign either Ch. 13 or Ch. 11 to the area (Vol. 16:5 p1), was modified by the Commission last week to provide that Ch. 6 (instead of Ch. 3) would be substituted for Ch. 9 in Alpena, Mich. The reason, FCC said, is that Ch. 6 would offer less interference to Canadian stations. The Commission also: (1) Denied a request by Blythe TV Co. for the assignment of Ch. 25 to Blythe, Cal., on the grounds that it would conflict with the assignment of Ch. 25 in Sonora, Mex. (2) Dismissed without prejudice the petition of J. Patrick Beacom for the assignment of Ch. 14 or Ch. 15 to Ft. Pierce, Fla.

Protest against station ownership of BMI, by the American Guild of Authors & Composers (Vol. 16:2 p6), was turned down by the FCC on procedural grounds. However, the Commission announcement said: "The Commission stated it will consider all information brought to its attention which bears on the qualifications of broadcast licensees and, accordingly, the matters set forth in the pleading will be studied to determine what action, if any, is warranted." AGAC said 563 stations spurn non-BMI music.

Another protest against a microwave to serve a CATV system has been granted by FCC—that of KLIX-TV Twin Falls, Ida. against CPs authorized to Idaho Microwave Inc., which planned to feed a Twin Falls CATV system with the signals of KSL-TV, KCPX-TV & KUTV Salt Lake City. A hearing will be conducted.

Top-level TV conference of NAB, network and advertising organization executives with the Senate Commerce Committee, scheduled for Feb. 19 (Vol. 16:7 p4), was postponed last week by Chmn. Magnuson (D-Wash.) until March 1. The session was put off because several Committee members couldn't be on hand for it and others didn't want to leave the Senate floor during the civil rights debate which started last week. The March 1 conference will be held at the same time & place: 10:30 a.m., New Senate Office Bldg., Room 5110.



## Film & Tape

### More about

**SAG CONSIDERS WHILE WGA STRIKES:** Responsible sources at WGA and the Alliance of Television Producers agreed last week that their prolonged negotiations had boiled down to one key issue—the question of overseas residuals on telefilms. WGA was confident that if this could be settled, the other issues (such as increased minimums, pay TV and residuals in perpetuity) could be resolved. In fact, the overseas issue is the only one being discussed now. WGA seeks 4% of the foreign gross. But the Alliance remained as adamant in its refusal to grant such residuals as WGA was in its demands for them. Neither side expressed confidence of an early settlement.

WGA will have a membership meeting Wed. night (24) to update writers on the status of negotiations in TV & movies. There has been no progress on negotiations with the majors—they are deadlocked over the issue of post-1948 movies sold to TV—but WGA has signed 6 more independent movie companies, including Harris-Kubrick Pictures and 2 companies headed by Richard Widmark.

SAG's conflict with the major studios—also on the issue of post-1948's—remained unresolved, but a strike did not appear imminent, although the Guild's contract with the majors expired Jan. 31, and membership has voted authorization for such a strike. The vote (largest in SAG history) was 5,899 for, 1,199 against.

### Pension Fund Seen as Solution

SAG executives met with a group of actors at Tony Curtis' home last week, to say they seek a compromise. David Niven, who chaired the meeting, told us later: "The post-1948s are part of the actors' soft underbelly. We all worry about the future. I've been lucky, but many actors who are seen over & over again in old movies on TV suffer from it." Niven expressed his belief that the solution lies in a "generous" pension fund for actors, a belief shared by SAG. The studios have indicated willingness to grant such a fund, but the terms have yet to be settled.

Strangely, two virtually identical solutions for a pension-welfare fund (both entitled "a way out") were offered last week, one by *Variety*, the other by independent producer Richard Sokolove. Both suggested that the impasse could be destroyed by creation of a pension-welfare fund, with the majors to contribute 5% of the original cast costs of the post-1948 movies. The Sokolove plan was offered to the majors before the *Variety* plan appeared in print, but studios were cool to it, repeating their intent not to give the guilds any part of post-1948 revenue.

SAG leaders told us that if they give in on the residual issue they'll have to return \$600,000 in post-1948 money already collected from independents. (Independents have paid SAG this money under the so-called "Monogram Plan," which called for producers to give actors 15% of their original salary in post-1948 movies sold to TV. Warners and RKO have made separate post-1948 deals, Warner on a few of its pictures, RKO on its entire backlog. Altogether the Guild has collected about \$1.5 million in post-1948 movie residuals. The Monogram plan is based on the Aug. 1, 1948 stopgap clause.)

Meanwhile, SAG seeks to avert a future "post-1948" crisis—in its current contract demands the Guild wants a clause allowing actors appearing in post-1960 movies to make deals for extra pay when such movies appear on TV.

**Ampex's Road Show:** The latest symposium—in Washington Feb. 15-16 and 3rd of the series—gave station executives from the East & Southeast opportunity to tell how they use the VTR. Ampex people enjoyed their enthusiasm, of course, but they keep looking over their shoulders at slow-to-start but huge RCA, now stepping up production to catch up with a reported backlog of 100 orders. The competition will come to a peak at the April 3-6 NAB convention in Chicago, where it is reported RCA will use the slogan "I'm glad I waited for RCA." Ampex is countering with "I'm not a waiter. I'm an operator."

The symposium (idea of sales development mgr. Robert Day) held its first session in San Francisco Feb. 2-3 (Vol. 16:6 p15), its 2nd in Chicago Feb. 8-9. Day believes a 4th may be necessary—probably in Dallas. Because of the heavy interest by the military in Washington, he's considering a special showing for them. He reports that 600 VTRs have been sold, that 170 stations are equipped, that Ampex now offers 30-day delivery. The price is still \$52,950—unchanged since last year's NAB convention. Day placed heavy emphasis on the development of inter-sync, stating that it makes tape as flexible as any other program source (Vol. 16:4 p10). Production models, available by Sept., will sell for "under \$4,000."

Topics for each symposium meeting have been the same. All sessions have been taped, and Ampex will offer them to the industry by NAB convention time. Last week's speakers described at length how video tape drastically cuts overtime manpower, makes best use of local talent & programming material, increases local sales, improves quality of programs & commercials, removes "panic period" deadline pressures.

For example, Lawrence M. Carino, gen. mgr. of WWL-TV New Orleans, stated that VTR eliminates about \$20,000 annually in overtime manpower, that it earned the station \$30,000 from Gov. Davis's campaign. "We call the machine Old Sunshine," he said. WWL-TV has 2 recorders, is considering a 3rd to go in a remote truck.

Merl L. Galusha, mgr. of programming & technical operations of WRGB Schenectady, reported that his station now offers live-quality Sat. & Sun. programming without prohibitive manpower costs, that local money, once spent on syndicated film, is now flowing to the station in the form of locally-produced spots. "A local sponsor who wants a particular personality to sell for him can use him day & night," he said. He looked forward to "cracking the local dept. store business." Another use: GE, which owns WRGB, produced a 20-min. training tape (to be transferred to film) in 10 hours—"compared with 10 days required to shoot it on film."

The other speakers: Leroy Kilpatrick, operations vp of WSAZ-TV Huntington, W.Va., on "Efficient Scheduling of Crews & Equipment with VTR"; Lew Klein, program mgr. of WFIL-TV Philadelphia, on "Successful VTR Operating Policies"; Olin Terry, production mgr. of KFJZ-TV Ft. Worth, on "Production Techniques with VTR"; Carl Bergquist, program operations mgr. of WFLA-TV Tampa, on "One Machine Operation with VTR"; Eldon Brown, Ampex, on "Methods, Maintenance, Materials"; Joseph Roizen, Ampex, on "New Products & Techniques from Ampex"; Charles Anderson, Ampex, on "Design Philosophy & Future Prospects"; Jack Nettlich, Ampex, on "The Marconi Mark IV TV Camera."

Britain is a buyer's market for U.S.-made telefilms, CBS Films' Robert M. Baruch, international sales dir., warned an RTES audience in N.Y. Feb. 16. Most of the money made by U.S. firms in the international telefilm market involves filmed-in-Britain shows that avoid the TV quota ceilings placed on non-British film product (14% on commercial TV channels, about 10% on BBC-TV), he stated. For the average U.S.-filmed show, it's a case of "waiting in line," unless the show is "the best available," said Baruch.



**MPI's Anti-TV Move:** The keep-new-movies-off-TV plans of an exhibitor-oriented group seeking to buy TV & theatrical re-issue rights of post-1948 movies have aroused "considerable interest" among several banks & underwriters, Ben Marcus, spokesman for Motion Picture Investors Inc., told us Feb. 18. Marcus, who heads Allied Theatre Owners of Wisconsin, said "exhibitors are 100% behind the plan" to raise \$30 million for the purchase of post-1948 films with theatrical re-issue potential. He plans to meet with Walter Reade Jr., pres. of MPI and of Walter Reade Theatres, within the next 2 weeks to "proceed according to the original idea of purchasing the post-1948s." MPI hopes to raise \$25 million from underwriters, \$2 million from exhibitors and \$3 million from public subscription. There's been no reaction to MPI yet from film distributors.

The MPI move is not unlike the campaign by Britain's Film Industry Defense Organization, known in Britain as FIDO, which has attempted to block the sale of postwar films to TV through purchase of rights from a fund supplied by exhibitor donations and a small percentage of every movie ticket sale. FIDO recently got a jolt, however, when Associated-Rediffusion bought a package of 55 post-1948 films from Romulus Films and Independent Film Distributors Ltd. by simply buying both companies last month for about \$1.3 million.

ITC sales are continuing during the transition period in which control of the firm is passing to Associated TV Ltd. of London. *Interpol Calling* is now being launched in U.S. & overseas syndication, despite initial name-similarity problems (with the Danzigers' *Man from Interpol* on NBC-TV). In the market abroad, ITC has sold *Interpol Calling*, *Susie* and a 2nd year of *Lone Ranger* to TV outlets in Puerto Rico, and has had renewals there on 6 series for a total gross of \$110,000. An ITC branch office, with William Clapham named mgr., has been opened in Montreal, and a sale of the *Fury* series has been made to CBC for telecasting on both its English & French-language networks. General Foods, sponsor of the series in the U.S., has signed as co-sponsor for the Canadian *Fury* telecasts.

Last year's volume of Hollywood feature films, passed by that industry's Production Code Administration, was the lowest since the advent of TV—223. It compares with the peak figure for the decade of 432—in 1951. That figure dropped off in succeeding years to 368 in 1952, 354 in 1953, 303 in 1954. The drop was halted in 1955 by a tiny move back up to 305. This bullish movement remained a trend for two more years (337 in 1956 and 380 in 1957) but the industry started down again in 1958, with 287.

Ampex of Canada Ltd., a new affiliate of Ampex International S.A. (Fribourg, Switzerland), wholly-owned subsidiary of the Ampex Corp., has been formed to market all Ampex tape recording products in Canada. Marketing of Ampex video products will be conducted from the company's hq at 1458 Kipling Ave. N., Rexdale, Ont. Digital & analog data recorders will be marketed by a branch office in the Commonwealth Bldg., Ottawa.

TV Westerns go too far, believes Sen. Murray (D-Mont.). In the *Congressional Record* he inserted a "telling commentary" by publisher Don Coe of the Plains, Mont. *Plainsman* on such shows. "It's getting to be more than we can swallow," Coe wrote in his column "One Man's Opinion," reviewing recent Westerns. Cited was one episode in which "the bad guy" proposed to finish off a wounded "good guy" because "it's the Christian thing to do."

**Icy Reaction to Producer Demands:** Hollywood executives reacted negatively to demands of the Television Producers Guild, presented last week. Main proposals: Residuals (from \$100 to \$800 an episode depending on budget & film length) and recognition of TPG as a bargaining agency (Vol. 16:6 p16). The executives we checked opined that TPG is not a labor negotiating group because its members are part of management. And the Alliance of Television Film Producers, which has been given the demands, did not comment.

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Expansion of TV-film residual system to new areas (as sought by Writers Guild of America) would prompt other unions & guilds to demand slices of the pie. This could seriously affect the survival of the TV-film syndication business. So said Alliance of Television Film Producers Pres. Richard W. Jencks last week to the Hollywood Ad Club. Jencks didn't name the areas, but obviously meant overseas distribution. He said that in 1959 over 2,000 TV films were produced in Hollywood, as compared to over 200 movies, and estimated that two-thirds of show business employment there is in TV. Asserting that TV films have never received their proper recognition, Jencks elaborated that they are still smothered by the image of the movie industry and overshadowed by the publicity given to live network shows. He pointed out that TV films don't need the kind of publicity delivered for movies & TV spectaculars. He predicted that this decade will see "ever greater freedom & variety in the creation of popular entertainment, prepared for an increasingly sophisticated mass audience."

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Musicians Guild of America and the Assn. of Motion Picture Producers have signed a revised contract providing for a 400% increase in the minimum use of musicians for TV films produced by the major movie studios. The contract is expected to boost earnings of musicians working in TV at the majors by \$1 million this year. All the majors except Universal-International now have TV operations.

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Senate probe of foreign-made sound tracks used in U.S. TV films, as proposed last year by Sen. Morse (D-Ore.) following AFM protests against the practice (Vol. 15:23 p3), has been demanded by the AFL-CIO exec. council. Meeting in Bal Harbour, Fla., the council endorsed a resolution from the musicians' union which said an investigation would uncover "retrogressive, job-destroying" effects of imported canned music. The council also approved a NABET resolution warning that employment of U.S. TV workers is menaced by production of TV shows abroad through use of video tape.

Use of live & domestically-recorded music in American TV films was endorsed last week by the Cal. Democratic Council when it adopted an AFM-introduced resolution. The Democrats, meeting at Fresno, also supported a resolution introduced in the Senate by Sen. Morse (D-Ore.) calling for a Congressional probe of "runaway" music soundtracks—i.e., canned abroad & used in U.S. TV films.

Four Star Television is reactivating its *Four Star Playhouse* series of several seasons ago, this time with 6 stars. The lineup will include Four Star owners Dick Powell, David Niven and Charles Boyer of the original series, and negotiations are under way to add Joan Crawford, Lana Turner and Lauren Bacall. Talks are now being held with an agency regarding the series for next fall.



## NEW YORK ROUNDUP

Guild Films' merger with Vic Tanny's health-club chain lacks only Guild stockholders' approval to be complete, state Guild Pres. John J. Cole and Tanny. The latter will become the largest single shareholder of the muscles-&-movies combination as well as chmn. & chief executive officer, operating from the West Coast. Cole will continue to head N.Y. film-sales operations. Tanny is a heavy TV spot user, and Guild has lately been bartering many telefilm properties for unsold station time, of which it now has a sizeable backlog.

Ed Sullivan's Sylvan Productions has completed a 30-min. pilot of a projected dramatic anthology series to star Sullivan as host-narrator. It is titled *Win, Lose or Draw*. CBS-TV has backed the project financially . . . Another columnist, Bob Considine, may also have a TV show next season. He's been signed by Pathe News to host a 39-episode, 30-min. series titled *Men of Destiny* and based on old film footage picturing Thomas Edison, Theodore Roosevelt, Joseph Stalin, others . . . Tony Randall has been signed by the Billy Friedberg-Neil Simon production team to star in a Western situation-comedy series, *The Drumbeaters*, about a press agent in the 1870s. CBS-TV is considering the series for the fall.

Medium-priced TV movies play an important role in station film-programming by acting as a balance to high-priced, star-heavy feature films, said Atlantic TV Inc. Pres. Alfred H. Morton Feb. 19. Explained Morton, one-time NBC vp for o&o stations: "Station buyers should not fall into the trap which Hollywood experienced over the years—buying pictures for critical acclaim and not for box-office response. Particularly during rating months, the cost-per-rating point (of feature films to the station) becomes an important factor to cost-conscious film programmers."

International Productions Inc., in association with WKAQ-TV Telemundo, San Juan, P.R., is syndicating a 39-wk. 30-min. tape series, *Showtime in Puerto Rico*, designed specifically for U.S. Spanish-speaking markets, such as N.Y., Los Angeles & Miami. Puerto Rican TV talent will be employed in the bi-lingual series.

United Artists Associated 1959 sales exceeded \$10 million, according to Pres. Eliot Hyman. The figure covers leases to TV stations of UA's features, cartoons and other film product . . . ABC Films Pres. Henry Plitt has reported that gross billings for 1959 domestic & foreign sales were up 42.9% over 1958.

Ira D. Beck has been named supervisor for Latin America of United Artists Associated & UA-TV . . . Harold Schaffel has been appointed administrative coordinator of Screen Gems' business affairs dept. . . . John Houseman & Vincent Minnelli will direct the 32nd annual "Oscar" presentations, NBC-TV, April 4.

Joe Franklin's *Memory Lane*, a WABC-TV N.Y. 60-min. daytime blend of personality interviews & ancient silent movies, scored a major regional sale last week, with La Rosa Spaghetti signing for a daily 15-min., Mon.-Fri. segment on an 18-wk. contract.

ABC Films has sold a French-dubbed version of ABC-TV's *John Gunther's High Road* to the CBC French-language network. Procter & Gamble of Canada Ltd. will sponsor the series, retitled *Decouvertes* ("Discoveries").

## HOLLYWOOD ROUNDUP

Producer Herbert B. Swope Jr. has sued 20th Century-Fox Television for \$55,066.67 in salary. He claims the studio fired him Jan. 20, although his contract, by which he receives \$1,400 a week, runs until Oct. 23. He says he was in the midst of negotiations for settlement of his contract when the studio dismissed him, giving the Writers Guild of America strike as its reason. But production is proceeding normally despite the strike, alleges Swope. He produced *5 Fingers*, which was canceled last Dec.

John Robinson, producer of Four Star Television's *Wanted—Dead Or Alive*, has resigned to form his own TV company, Libra Ltd. Robert Ginter, Malcolm Stuart and Harry Wainwright are associated with him. Robinson finishes the final segment of *Wanted* this week . . . Terance De Marney, regular in Four Star's Johnny Ringo series, has left the show, the second regular to pull out. Karen Sharpe got her release 2 weeks ago. Both believed their roles too small . . . NT&T's annual stockholders meeting will be held March 15 in Los Angeles.

Voli Productions, just formed by Gene Kelly, will produce a new comedy-adventure series, *An American in Paris*, starring Van Johnson. The pilot is being filmed this week in Paris, with Kelly as producer . . . Desilu Productions is filming for ABC-TV the pilot of *Harrigan & Son*, starring Pat O'Brien. Cy Howard is producer . . . News Limited of Australia has opened a Hollywood news bureau to cover TV. Nona Teller is in charge.

Paramount Television Productions has taped a 30-min. pilot of a new series, *Celebration at Ciro's*, about the Hollywood nightclub. Ciro's owner, Frank Sennes, is exec. producer . . . Goodson-Todman, in association with Fenady-Kershner-Kowalski, plan to make a pilot for *Las Vegas Beat* in that Nevada town . . . G-T and Fenady-Kershner-Kowalski have signed James Drury to star in another pilot, *The Yank*.

General Foods has bought a comedy series, the tentatively titled *Andy Griffith Show* for next season, in a deal for 32 first-runs and 7 reruns. The pilot was made by Griffith's Griffink Corp., in partnership with Danny Thomas, Sheldon Leonard and Louis Edelman, and was seen on Thomas' CBS-TV show last week . . . General Foods, meanwhile, has renewed the Thomas show for next season.

ITC, which recently sold out to ATV (Vol. 16:7 p17), is paring its personnel of 30 in Hollywood. All but about a dozen are leaving the company, among them Ted Rogers, dir. of programming & production, and Bud Kay, chief story editor. Phillips Wyly remains as production administrator. ITC still plans to film 11 more *Best of the Post* episodes, to bring that series to 39—also *Frontier Correspondent*.

The Directors Guild of America voted Desilu Productions' *The Untouchables*, directed by Phil Karlson, the most outstanding directorial achievement of the year at its annual awards dinner.

To aid study of the proposed merger of SAG & AFTRA (Vol. 16:2 & 3), Screen Actors Guild last week sent copies of the David L. Cole report to its members.

Crosby-Brown Productions has sold *The Pioneers*, syndicated version of *Death Valley Days*, in 10 markets, including KCOP Los Angeles and WPIX N.Y.



## Educational Television

**NEW GOVT. ETV GRANTS:** Six colleges & universities share federal funds to finance educational TV research projects in a new batch of grants awarded by U.S. education Comr. Lawrence G. Derthick for audio-visual teaching studies under Title VII of the National Defense Education Act.

Following advisory-committee screening of applications received last fall for awards in the \$3 million audio-visual research program for fiscal 1960 (Vol. 15:45 p23), Derthick approved these ETV-related proposals:

Stanford U., Palo Alto (with Denver public schools): Four-year research "on the context of instructional TV."

Florence (Ala.) State College: State ETV network experimentation in eradication of adult illiteracy.

Florida State U., Tallahassee: Experimental analysis of effects of varying techniques on student tests in a study program basic to TV teaching.

Ohio U., Athens: Investigation of uses of film to improve TV teacher training.

U. of Chicago: Complementary uses of audio-visual media by teaching staffs.

U. of Tex., Austin: Study of TV's effectiveness in in-service education of elementary mathematics teachers.

Amounts of the individual grants weren't reported by Derthick, some being subject to further negotiation with the institutions involved. Also subject to final negotiations were additional contracts for audio-visual educational conferences, tentatively awarded to the National Education Assn., Washington; Portland (Ore.) State College; Sacramento State College; American U., Washington; University Film Foundation, Ames, Ia.; U. of Colo., Boulder.

Earlier, Derthick announced a new mass-media research program of small govt. grants (\$2,500 or less) to graduate students & teachers for study of audio-visual techniques. He said \$300,000 will be available to finance these grants to June 30. "This program will provide an unusual opportunity for promising young researchers to engage in exploratory studies," Derthick said.

The Office of Education also announced another by-product of the National Defense Education Act—publication of a 90-page manual for school administrators. Titled "Improving Instruction—Budgeting Your Audio-Visual Program," it's available free from the Audio-Visual Center, Indiana U., Bloomington, Ind.

Eight new uhf ETV channel assignments have been made by FCC for Alabama—in addition to its present 3 vhf & 4 uhf—to enable the state to establish a 2-program network. The following allocations were made: Ch. 29 Andalusia, Ch. 48 Birmingham, Ch. 18 Demopolis, Ch. 19 Dothan, Ch. 21 Florence (shifting it from Gadsden), Ch. 24 Munford, Ch. 22 Opelika, Ch. 14 Tuscaloosa. In the process, commercial Ch. 77 was substituted for Ch. 14 in Clanton, commercial Ch. 75 for Ch. 24 in Sylacauga. The Alabama Educational TV Commission now operates WAIQ (Ch. 2) Andalusia, WBIQ (Ch. 10) Birmingham, WCIQ (Ch. 7) Munford. The Commission also started rule-making to shift the educational in Kalamazoo from Ch. 74 to Ch. 46.

FCC needs "corrective action" to remedy its "completely indefensible" attitude toward educational TV, according to exec. secy. Edgar Fuller of the Council of Chief State School Officers. In Atlantic City for a meeting of the American Assn. of School Administrators, he maintained that FCC "has gone completely commercial," that "its policies on educational TV are not in the public interest." Until recently, Fuller said, FCC gave priority to ETV applicants for 3rd channels in cities where 2 commercial stations already were on the air, but now commercial applicants are getting the nod.

**Ford Foundation Grants:** The Ford Foundation announced educational TV grants totaling \$1,603,420 last week—over half of this going to universities in the U.S. Of this sum, \$73,640 is part of an appropriation earmarked for "further development of direct instruction by TV and for activating educational-TV channels." It was awarded as follows: U. of Me., \$20,500 for activation of an ETV channel in Orono; Western Mich. U., \$18,000 for exchange of TV college courses among 11 colleges & universities; Fla. Educational TV Commission, \$10,140 for development of ETV service for schools & colleges; Western Interstate Commission for Higher Education, \$25,000 for ETV cooperation in 13 Western states.

A grant of \$500,000 (one of the 2 largest) went to National Educational TV & Radio Center for radio broadcast exchange between the U.S. and other countries. Under this grant, the Bcstg. Foundation of America (Ford grantee since 1958 and programmer of English language news analyses, scientific & cultural talks and programs prepared by foreign broadcasting organizations) will combine operations with the new International Exchange Div. of NET. The other \$500,000 grant was awarded to Purdue Research Foundation for the Midwest Council on Airborne TV Instruction's experiment (Vol. 15:42 et seq.). This is the first major grant from the \$4.5 million appropriation approved by the Foundation last year. An additional grant of \$23,000 for the airborne ETV project was given to the National Bureau of Standards.

The U. of Texas received \$139,220 for an 11-college network series of TV courses; a grant of \$350,000 went to the National Education Assn. for completing studies on the use of the staff in secondary schools, and a Foundation-administered study on the prospects for ETV in secondary schools in India received \$17,560.

Short-spaced Ch. 9 CP—185.6 miles instead of 190—was granted by FCC last week for an ETV station in Savannah, to the Georgia State Board of Education. Reason for mileage cut was that a site meeting minimum spacing requirements couldn't be found without creating an air-navigation hazard. The ETV grantee agreed to accept any interference resulting from the operation of WTVM Columbus when it switches from Ch. 28 to Ch. 9, and WTVM said it would offer no objection to the grant. The authorization was made over the objections of the Assn. of Maximum Service Telecasters and adjacent channel WALB-TV (Ch. 10) Albany. No Commissioners dissented. The Commission concluded that the slight mileage cut was justified because it would produce a new station.

Postgraduate psychiatry course for general practitioners is being offered for credit by Wayne State U. via educational WTVS Detroit. The course, believed to be the first educational TV offering of its kind, embraces 50-min. lectures telecast weekly for 16 weeks, required reading, meetings of students & instructors for demonstrations & discussions. The course, taught by dept. of psychiatry faculty of the WSU college of medicine, will be accredited by both the college & the American Academy of General Practice.

FM educational network was inaugurated on an experimental basis last weekend with New York's municipally owned WNYC-FM as the originating outlet. Participating are Centenary College's WNTI Hackettstown, N.J.; WGPA Bethlehem, Pa.; WPPA-FM Pottsville, Pa.; and Penn State's WDFM University Park. Hours will be 5-6 p.m. weekdays & 3-7 p.m. Sundays.



**Blow to ETV** has been delivered in Washington by D.C. School Supt. Carl F. Hansen, who announced that the Capital's schools would stop using *Time for Science* after this term and won't support a foreign language course proposed by the Greater Washington Educational TV Assn. Hansen said the science program for 5th & 6th graders on WTTG didn't fit in with the schools' regular course and that it disrupted classroom routine. Other school officials indicated they had become disenchanted with ETV because it took up too much time, made pupils restive & inattentive, failed to get cooperation of classroom teachers. GWETA Pres. Mrs. Edmund D. Campbell was dismayed by the setback, but reported after a closed meeting with representatives of 14 other school systems of the area that they will keep *Time for Science* on the air. They'll meet again April 4 to decide whether to add the language course to the classroom TV schedule.

Weekly ETV audience of 750,000 viewers is claimed by educational WTTW Chicago, owned by the Chicago ETV Assn. Dr. John W. Taylor, exec. dir., reports the Ch. 11 station has telecast 17,000 programs of a general adult nature since its debut in 1955, that 20,000 students have taken its ETV college courses for credit, 50,000 others without credit. WTTW now offers 10 courses through its TV college, under the auspices of the Chicago City Junior College. Dr. Taylor, in a televised report to "citizen-stockholders," said the station has proposed an increase in operating budget to \$808,000 from last year's \$750,000, pointed out that in the past the station had raised some two-thirds of the budget through its own efforts (the balance from the public). Chief sources of revenue: producing ETV programs for the National ETV & Radio Center, the Chicago Board of Education; doing production, program and recording work for other organizations.

National ETV & Radio Center will offer video-tape facilities of all its 44 affiliated educational TV stations to Presidential candidates in the campaign this year, Pres. John F. White announced recently. In Washington for a quarterly meeting of NET directors at the Statler Hilton Hotel, he said Republican & Democratic nominees for the White House would be welcomed on all ETV outlets—and that any candidates of minor parties will be offered ETV time, too. Prospects for ETV legislation in Congress were discussed at a dinner prior to NET's Feb. 13 board meeting. Invited guests included Reps. Bennett (R-Mich.) & Avery (R-Kan.) of the Commerce Committee, Rep. Elliott (D-Ala.) of the Education & Labor Committee, and FCC Comrs. Ford, Cross, Hyde, Lee.

In-school ETV in N.Y. is reaching a record 494,370 public-school children weekly via WPIX Mon.-Fri. telecasts of the Regents ETV Project, reports the State Education Dept. In the 6 months ended Dec. 31, the audience increased 65% from the approximate 304,000 viewers in June. In the 16 months the Regents ETV Project has been telecast by Ch. 11, the initial weekly audience of 20,000 increased more than 1,471%. The figures relate only to N.Y. public-school viewers and do not include N.J., Conn. and Pa. public schools and N.Y. parochial & private schools which are known to use the WPIX programs to supplement their regular curricula. The ETV project reaches 16,479 classes weekly.

Tele-course in "Beginning Spanish" by Mich. State U. debuted last week (15) over WJIM-TV Lansing. The 4-credit course will be televised 7-7:30 a.m. Mon.-Fri. for 15 weeks. Tele-course in "Beginning Russian" is slated for fall presentation.

## Networks

**ABC-TV's Latin Network:** First Central American TV network, initially joining 5 TV outlets in 5 countries, will go into operation in "about 6 or 8 weeks," according to ABC-TV, 51% owner. The first presentation about the new Central American TV Network (CATVN) was made Feb. 19 to a N.Y. audience of agencymen & newsmen, with AB-PT Pres. Leonard H. Goldenson serving as host.

The private stations affiliated with the network will own 49% interest, it was explained by ABC international div. vp Donald Coyle. Interconnection of the stations will be by off-the-air pickup—possible because the transmitters are all located on mountain peaks and because of the short distances between Central American capitals.

Stations in the network will be YSEB-TV (Ch. 8) San Salvador, El Salvador; YNSA-TV (Ch. 8) Managua, Nicaragua; HRTG-TV (Ch. 5) Tegucigalpa, Honduras; TG-BOL-TV (Ch. 3) Guatemala City; Televisora de Costa Rica (Ch. 5) San Jose (in which ABC holds minority ownership). All except Costa Rica outlet are on air now.

Facts about CATVN presented to the admen: (1) ABC-TV in N.Y. will act as sales agent. (2) The network will have an initial circulation of some 50,000 sets, although 17-in. sets "at half of the U.S. price" will be made available, some on the basis of coin-box installment buying. (3) Program segments or spot adjacencies will be available to U.S. advertisers marketing products in Central America. (4) A Class-A hour on CATVN will be priced initially at \$575. (5) The market potential of the area is sizable, with a fast-growing population currently estimated at 12 million. (6) There will be program interchanges between the stations in the network, and between the network & ABC-TV via film.

Outlets in Panama are expected to join the network later. The area covered by the network imported \$125 million in goods from the U.S. in 1957, last year for which statistics are available.

**NBC's KTVU Offer:** A formal offer was finally made by NBC to KTVU Oakland-San Francisco on Feb. 19, we were told late last week by a station spokesman. Details of the offer, latest step in NBC's plans to acquire an o&o outlet in the Golden Gate City (Vol. 16:7 p10), were not disclosed by the station, nor by NBC in N.Y. The offer was being considered—but not yet accepted—by KTVU.

Within the next 10 days, KTVU dirs. representing 100% stock ownership will meet to consider the NBC offer and "possibly to arrive at a selling price." Stockholders are Ward D. Ingram (25.005%), William D. Pabst (25.005%), Harry R. Lubcke (.25%), Edwin D. Pauley (25.005%), Stoddard P. Johnston (4.945%) & Willet H. Brown (19.79%). Pauley is currently vacationing in Mexico and was "unaware of NBC's offer," KTVU said.

Other San Francisco sources told us, meanwhile, that another offer was being made to *Chronicle*-owned KRON-TV by NBC. (KRON-TV's price is reportedly \$16 million.) "No comment," however, were the reactions of KRON-TV gen. mgr. Harold P. See in San Francisco, and by NBC press dept. & station-relations officials in N.Y.

Annual ABC-TV Cellomatic presentation covering the network's programming plans for the 1960-61 season is scheduled for Feb. 24 in N.Y. at the Waldorf-Astoria's grand ballroom, 9:15 a.m. It will be repeated Feb. 29 in Chicago and March 2 in Detroit.



**TV Prospect List:** Where will TV advertising money come from for the spring & summer seasons? The answer may well be in a TV prospect list we saw in N.Y. last week. This list, prepared by one of the networks, covers 48 advertisers in 11 categories currently spending a total of more than \$50 million annually for advertising (including TV), much of it concentrated during the Father's Day-Mother's Day-graduation-bridal season and much of it in non-TV media. The list:

- APPLIANCES, RADIOS**
  - Admiral RCA Whirlpool
  - Carrier Sunbeam
  - GE Sylvania
  - Philco Westinghouse
  - RCA
- BOOKS**
  - Book-of-the-Month Club Doubleday
- CAMERAS**
  - Eastman Kodak Polaroid
- GIFTS, JEWELRY, WRITING SUPPLIES**
  - Avon Products Parker Pen
  - Bulova Sheaffer, W. A.
  - De Beers Consolidated Speidel
  - Eversharp U.S. Time
- GENERAL**
  - Cluett, Peabody Kayser Roth
  - Florist Telegraph Delivery
- LUGGAGE**
  - Shwayder Bros. (Samsonite)
- OUTBOARD MOTORS**
  - Outboard Marine
- SMOKERS SUPPLIES**
  - ASR Products General Cigar
  - Consolidated Cigar
- SHAVING SUPPLIES**
  - Gillette Shulton
  - Mennen Sunbeam
  - North American Phillips Yardley of London
  - Schick
- TRAVEL**
  - American Airlines National Airlines
  - British Overseas Pan American World Airways
  - Greyhound Trans World Airlines
  - Hertz United Airlines
- TYPEWRITERS**
  - Royal McBee Sperry Rand
  - Smith-Corona Marchant Underwood

When ABC-TV asked MGM-TV if it could have its new 60-min. series, *The Islanders*, ready for an April air start, the answer was no. MGM-TV, aside from the lack-of-time reason, prefers to begin the series next fall, rather than in the spring when seasonal viewer habits have already been established. MGM-TV sources told us last week that star William Reynolds & director Richard Bare are recovering from their plane crash in Jamaica (Vol. 16:7 p17). They had gone there for added footage for the pilot.

Jack Paar was the nation's most widely discussed TV personality even in the week before he left the show (Jan. 29-Feb. 4), reports Sindlinger & Company.

**NETWORK SALES ACTIVITY**

**ABC-TV**

Jubilee, U.S.A., Sat., 10-10:30 p.m.; Bronco-Sugarfoot, Tues., 7:30-8:30 p.m., Bourbon St. Beat, Mon., 8:30-9:30 p.m., Alaskans, Sun., 9:30-10:30 p.m., participations, effective July 2. *Polk Miller Products* (N. W. Ayer)

American Bandstand, Mon.-Fri., 4-5:30 p.m., participations, effective July 1. *Nucoa Margarine* (Dancer-Fitzgerald-Sample), *Borden Foods* (D-F-S) & *Elgin National Watch Co.* (J. Walter Thompson)

**Network Television Billings**

December 1959 and January-December 1959  
(For Nov. report, see TELEVISION DIGEST, Vol. 16:5 p13)

**1959 Was 10.7% Ahead:** Network TV's gross-time billings rose to \$627,311,530 in 1959, a healthy 10.7% gain over 1958's \$566,590,401 business, reports TvB. The year closed strongly. The Dec. volume of \$58,669,469 was 1959's 2nd highest monthly total (topped only by Oct.'s \$59,030,752). It was also 8.8% higher than Dec. 1958's \$53,938,821.

Each of the 3 networks scored 1959-over-1958 gains. Way-out leader in dollar billings was CBS with \$266,355,269, up 7.5% over the preceding year's \$247,782,734. NBC chipped a bit of CBS's lead with a 9% gain over its 1958 billings. ABC racked up the biggest percentage gain with a 22% climb.

	NETWORK TELEVISION					
	Dec. 1959	Dec. 1958	% change	Jan.-Dec. 1959	Jan.-Dec. 1958	% change
ABC	\$13,280,610	\$10,466,104	+26.9	\$125,665,324	\$103,016,938	+22.0
CBS	23,935,048	22,836,275	+4.8	266,355,269	247,782,734	+7.5
NBC	21,453,811	20,636,442	+4.0	235,290,937	215,790,729	+9.0
<b>Total</b>	<b>\$58,669,469</b>	<b>\$53,938,821</b>	<b>+8.8</b>	<b>\$627,311,530</b>	<b>\$566,590,401</b>	<b>+10.7</b>

**1959 NETWORK TELEVISION TOTALS BY MONTHS**

	ABC			CBS			NBC			Total
	1959	1958	% change	1959	1958	% change	1959	1958	% change	
January	\$10,647,078	\$10,647,078	0.0	\$22,129,248	\$22,129,248	0.0	\$19,299,853	\$19,299,853	0.0	\$52,076,179
February	10,024,460	10,024,460	0.0	20,806,220	20,806,220	0.0	18,053,828	18,053,828	0.0	48,884,508
March	11,565,031	11,565,031	0.0	23,265,395	23,265,395	0.0	20,728,315	20,728,315	0.0	55,558,741
April	10,309,263	10,309,263	0.0	22,077,285	22,077,285	0.0	19,739,816	19,739,816	0.0	52,126,364
May	9,946,570	9,946,570	0.0	22,298,271	22,298,271	0.0	19,674,494	19,674,494	0.0	51,919,335
June	8,930,114	8,930,114	0.0	21,171,128	21,171,128	0.0	17,984,845	17,984,845	0.0	48,086,087
July	8,391,470	8,391,470	0.0	21,269,782	21,269,782	0.0	17,883,111	17,883,111	0.0	47,544,363
August	8,205,520	8,205,520	0.0	21,137,261	21,137,261	0.0	17,298,527	17,298,527	0.0	46,641,308
September	8,724,938	8,724,938	0.0	21,196,220	21,196,220	0.0	18,525,685	18,525,685	0.0	48,446,843
October	12,537,020	12,537,020	0.0	23,610,441	23,610,441	0.0	22,883,291	22,883,291	0.0	59,030,752
November	13,103,250	13,103,250	0.0	23,458,970	23,458,970	0.0	21,765,361	21,765,361	0.0	58,327,581
December	13,280,610	13,280,610	0.0	23,935,048	23,935,048	0.0	21,453,811	21,453,811	0.0	58,669,469

Note: Figures revised as of Feb. 10, 1960. These figures do not represent actual revenues inasmuch as the networks do not divulge their actual net dollar incomes. The figures are compiled by Broadcast Advertisers Reports (BAR) and Leading National Advertisers (LNA) for TV Bureau of Advertising (TvB) on basis of one-time network rates or before frequency or cash discounts.

**Back Goes Jack:** With the announcement that Jack Paar would be back as star of the network's late-night participation strip March 7, following a 3-wk. vacation, NBC-TV's guess that the walkout would blow over (Vol. 16:7 p8) proved correct. "Bob Sarnoff & I are delighted," said NBC Pres. Robert E. Kintner, following a Feb. 15 letter from Paar to NBC in which he stated he was "fully aware" of his contractual obligations (until 1962, at an annual salary of about \$200,000 and not at \$500,000 as widely reported).

Inasmuch as Paar's contract allows him approximately the amount of time he has been absent from his show as vacation, and since there was no flurry of sponsor cancellations, the crisis last week seemed to have passed. The network told us late last week that there will be no change in NBC's attitude toward material used on Paar's show. "He'll be subject to network rules & regulations, just like everybody else," said a spokesman.

NBC termed its Boca Raton meeting (Feb. 15-16) for its Affiliates Board "harmonious." The stations expressed approval of NBC-TV summer program plans (in particular, the Roncom Productions plan to slot two 30-min. shows in place of the 60-min. Perry Como Show), the network's projected fall TV schedule (including the network's present plans to lead off each evening with 60-min. film shows); a 26-program list of projects in the hopper of programs & talent vp David Levy, the convention-election plans of NBC News vp William R. McAndrew, and the network's handling of the Jack Paar walkout.



**Stanton vs. Govt. Program Control:** Govt. control of TV program content would represent "imaginary short-term gains at the price of real long-term loss," said CBS Inc. Pres. Dr. Frank Stanton in N.Y. Feb. 18 as he received the annual Advertising Gold Medal Award presented by Vision Inc.-owned *Printers' Ink*. "The govt. is no more competent to dictate the contents of a medium that has technical limitations (*i.e.*, the spectrum) on the number of its outlets than it is to dictate to those that have economic limitations," added Stanton, who said it would be an easy step from Washington control of programming to a point where the govt. "also tells the only newspaper in town what it must print."

"A society that sees one more Indian bite the dust on TV is far safer than a society that sees one iota of its freedom of expression given up to its govt.," said Stanton. "This whole theory of benevolent censorship—anticipatory or by way of review—is mischievous doctrine. There is no conceivable way that it can be limited in degree or in nature. . . the road to Utopia is hard & rocky & uncharted."

High-level congratulations on his award were sent to Dr. Stanton in letter form from President Eisenhower. "This honor recognizes your leadership in a rapidly expanding field of mass communications . . . You have clearly discerned from the beginning the potentials for good that [the broadcasting industry] possesses, and you have accepted the responsibilities commensurate with those potentials," the President stated.

**No Election-Eve Monopolies:** Multi-network political simulcasts by a single party will not be accepted by CBS, the network's editorial board ruled on Feb. 18. The anti-monopoly policy was formulated "to avoid the dangers of such saturation purchases during political campaigns as would significantly diminish the choice by the viewing or listening public among programs." The ruling, however, would apply only to paid political programs and not to simultaneous broadcasts of "events of clear national or local significance."

CBS affiliates were informed of the new policy ruling Feb. 17 via closed-circuitcast in which Carl Ward, CBS-TV affiliate relations vp, explained the network's reasoning thus: "Last summer the Democratic National Committee ordered the 11 p.m.-midnight hour Nov. 7, 1960 (the night before the election) for political programming. Some time later, a similar order was placed by the Republican National Committee." The network subsequently learned that both political parties also ordered the same time period on ABC-TV & NBC-TV, he told the stations. Both committees were informed of CBS's decision Feb. 17.

No moves of a similar anti-monopoly nature are planned by NBC & ABC, we were told late last week. However, both networks have been studying the CBS move and may establish some ceiling on the amount of TV-radio time that may be sold to the major political parties as the election race nears the finish line.

Democratic National Chmn. Paul M. Butler objected promptly & vigorously to the CBS statement, said that the policy would permit the use of networks for White House messages which "often include direct or indirect political overtones." Said he: "We consider your policy to be illegal, unjust and discriminatory to the Democratic Party." He asserted that he would complain to FCC & Congress.

First Canadian FM network will be established in April by CBC, linking stations in Montreal, Toronto & Ottawa.

## Programming

**Nets Prefer Own Public-Affairs Shows:** News & informational specials are growing closer in both style & budget to entertainment specials, but there's little or no room for the outside package producer in this field. Programs of this type, networks insist, are best done in their shops.

The tightest control is being exercised by CBS-TV, which will probably have the largest number of public-affairs specials & series on the air next season—but the smallest percentage of non-network-produced shows of this category. NBC-TV & ABC-TV are more willing to talk about outside packages, particularly in the news-feature area, but there are signs that most doors will be closed to non-network producers eager to ride affairs.

The stiffening public-affairs policy applies to advertisers as well. Currently making the rounds of the 3 networks, for example, is a well-produced film documentary on missiles, done by David Wolper and optioned by Shulton Inc. No network has been willing to clear time, although officials who've seen it, admit it's a good job.

Irving Gitlin, CBS News creative projects, a top executive in the public-affairs field, expressed this attitude toward the sponsor's role in news specials: "I feel sponsors should have no participation in this kind of programming, as they do with entertainment programming. We are speaking of reportage, not entertainment. There's no position here for the sponsor to say 'You don't see that idea correctly. Here's how it should be done.'"

### Sponsor's 'Rights' Are Outlined

Gitlin doesn't have in mind British-style magazine-concept TV buying of what he calls "actuality" shows. "A sponsor is primarily buying concepts & personal reputations in this field," he explained. "He's right in asking for the track records of producers, an idea of the show's format, and the subjects to be treated. He will often have a choice of time periods, and can cancel if he doesn't like the show. It shouldn't be a blind buy."

There's little doubt also that CBS News thinking—and program budgeting—is headed toward popularizing the appeal of public-affairs shows. On Gitlin's own drawing boards are such projects as:

(1) "William Holden's Hong Kong," a 60-min. location-filmed special for the daytime *Woman* series that will star Hong Kongophile Holden as host-narrator. It will probably be repeated later in a nighttime CBS-TV slot.

(2) *The Desperate Years*, a 30-min. weekly series in dramatic form that will deal with the American Civil War "in a scrupulously accurate manner." It is tentatively slated for launching this fall. Material for the series will be drawn from the works of Bruce Catton.

(3) An untitled series of 6 prime-time specials dealing with the latest advances in medical research. (Note: Screen Gems is currently launching a 60-min. taped medical public-affairs show, but is aiming it at local-level syndication purchasers.)

(4) *Tomorrow*, a series of 6 informational specials, tentatively program-budgeted at \$150,000 each, done in conjunction with MIT, and due to be sponsored by American Machine & Foundry.

(5) A 39-week, 30-min. weekly documentary series dealing with outer-space research.

(6) *U.S.A.*, a 30-min. weekly show that will put a focus on human problems ("such as following a family—with new camera techniques—through some kind of real-life crisis").

What's the great secret in public-affairs programming? "It's having a good producer-director who's in firm control of a special or a series, and who has a point of view about the material and isn't simply trying to cover it," said Gitlin. Wouldn't a policy of network-only production create its own shortage of program ideas? "No," Gitlin told us. "I could fill up the whole day & night CBS-TV schedule—if they'd let me."

\* \* \*

Networks are going at public-affairs programming wrong, believes Tom McDermott, vp of Four Star Television, and that's why such shows have failed to attract



audiences. Said the ex-Benton & Bowles executive: "They take these things from people basically in the entertainment field and put them in the hands of public-affairs men—people who have been newsmen or college professors—who cannot present dramatic shows with the necessary impact & entertainment values. When I saw NBC-TV's public affairs show on Cuba's Castro, I said there go *Have Gun—Will Travel* and *Gunsmoke* ratings right up to the roof. They took one of the more important events of our times and made it come off as a dull travelogue." McDermott believes present public-service shows lack a point of view, an air of excitement which would attract viewers, and interesting presentations. Four Star has obtained the rights to Justice Douglas's book, *Almanac of Living*, and is planning it as a 60-min. Americana dramatic series. The company owns several other properties in the public-service category, but, said McDermott candidly, "I don't think the market will buy these. They want situation comedy, dramatic and the other such shows which they have come to expect from us."

More syndicated sports telefilms is one result of the current trend of telefilm distributors away from the action-adventure-crime formulas on which most syndicated shows are based. Ziv TV's latest local-level show, launched in station sales Feb. 15, is *Home Run Derby*, a 30-min. film series featuring leading major-league power hitters in a continuing homer contest involving \$250,000 in prizes for the season. Air dates for the Ziv series will coincide with the start of Big League baseball in April. And in Chicago, Peter De Met Productions has racked up syndication sales in 78 markets within 5 weeks for its filmed 60-min. *National Football League Presents* package covering 26 pro football games held in the 1959 season. De Met, who distributes through World-Wide TV Sales Co., is now blue-printing a syndicated horse-racing show.

Mass-appeal TV religious show is planned by script-writer-author (*The 13th Apostle*) Eugene Vale & 20th Century-Fox TV as a 39-episode, 30-min. telefilm series. The pilot episode will go before TCF-TV cameras "as soon as the WGA strike is over." Vale told us last week that "in view of the many recent attacks on TV, network reception to the idea is very good." The untitled project is "not a public-affairs show, in the usual sense," he said. Rather, it will be "a dramatic series with a non-clerical leading character & a family appeal." Previous religious shows, Vale indicated, have suffered from "a tendency of writers to write in an obscure form with specialized appeal." There'll be no Ben Hur-type flashbacks, said Vale, who will supervise creation & development of his project. "I don't intend to create an impression that religion existed only in Biblical times."

FCC members were impressed last week by the unique National Grass Roots Opera Co., the "house" company of WRAL-TV Raleigh. Commissioners and other guests witnessed a video-taped presentation in Washington, through facilities of WTTG, of Donizetti's "Don Pasquale," featuring singers who are full-time or part-time employees of the station. For example, the tenor is David Witherspoon, promotion & publicity dir. The group has received kudos all over the U.S., where it has been heard by some 600,000 people, according to Pres. A. J. Fletcher. WRAL-TV is offering copies of the tape to other stations at a small fee. WTTG supplied playback facilities for last week's presentation in Washington.

TV censorship mystery boiled up last week over a report that a protest by the National Council of Churches caused NBC to scuttle a TV play about an adulterous minister. George A. Heimrich, West Coast representative of the Council's Bestg. & Film Commission, said he was approached by NBC for script approval and that he warned NBC that his committee (predominantly clergymen) would "jump all over" the network if it went through with the play. A surprised NBC issued a statement that it had never submitted a script to Heimrich for approval, that it does not submit scripts for approval to the Council "or any other outside group," that it "has no knowledge of the cancellation of any TV play on its facilities involving a Protestant minister who commits adultery." No less surprised was the Rev. Dr. Everett C. Parker, head of a special committee of the Bestg. & Film Commission that is studying the operation of Heimrich's office. "Astounded" at the "censorship operation on behalf of the National Council [of Churches]," Parker declared: "Certainly Mr. Heimrich does not speak for the National Council nor for the committee which is studying the function of his office."

USIA's overseas programs, including Voice of America & TV operations, will be evaluated by a 9-member committee appointed by President Eisenhower. Members are Bridgeport, Conn. lawyer Mansfield D. Sprague, chmn.; C. D. Jackson, former special White House asst.; Philip D. Reed, retired GE chmn.; Under Secy. of State Livingston T. Merchant; USIA Dir. George V. Allen; CIA Dir. Allen W. Dulles; Gordon Gray, special asst. to the President for national security affairs; Karl G. Harr Jr., special asst. to the President for security operations coordination; Asst. Defense Secy. John H. Erwin II.

Demands for equal time to air labor's side of the Kohler strike case have been served on Metropolitan's WTTG Washington & 5 other stations by the United Automobile Workers, following FCC's rebuke to WTTG for its handling of the story (Vol. 16:1 p11). Citing FCC's criticism of failure by WTTG to identify the National Assn. of Mfrs. as the distributor of kines of Senate hearings on the strike, the UAW asked for "an equal opportunity at an early date" to give its views. In addition to WTTG, stations receiving the demand (all named as carrying the NAM-supplied film) were WNEW-TV N.Y.; KMOT Minot, N.D.; KSTP-TV St. Paul-Minneapolis; WDAY-TV Fargo, N.D.; KFYR-TV Bismarck, N.D.

Local public-service documentary found a one-time sponsor last week when WFIL-TV Philadelphia sold the second episode of its *Eyewitness* series to Sun Oil Co. Sun will forego its commercials on the Feb. 27 show, "The Day Your Heart Stops," giving the time to the Southeastern Pennsylvania chapter of the American Heart Assn. Copy will take note of February as Heart Month and of the following day as Heart Sunday.

Canon 35 progress report was slated for delivery by study committee Chmn. Whitney North Seymour before the National Conference of Bar Presidents Feb. 21 at Chicago's Edgewater Beach Hotel. The meeting (through Feb. 23) is being held with the American Bar Committee. Seymour's report was to review his meetings with media executives and attempts to obtain financing from foundations for a "study in depth" of the problem of TV-radio coverage of court proceedings.

Voice of America has started a new 20-min. program series in which U.S. college students discuss campus issues. Topic of initial broadcast: "Should University Publications Be Allowed Unrestricted Freedom of Expression?"



## Stations

**Storer Program Manual:** Demand for Storer's *Operating Manual* was so great (200 requests following our report in Vol. 15:44 p8) that the company has excerpted material for general distribution in a new *Storer Program Manual*. Copies are available to all stations on a first-come basis.

The 150-page loose-leaf document may be the first of its kind. NAB has covered much of the same material in various brochures but doesn't have them pulled together in one document. And, of course, other major broadcasters have made internal distribution of operating rules.

Some of the material is of general application, some of it Storer's interpretation & policy. The 9 chapter headings: Program Review Instructions, Storer Program Objectives & Controls, FCC Program Requirements, Copyrights, Property & Personal Rights, FCC Application, Complaint & Citation Procedures, NAB Program Codes, Federal Acts & FCC Rules, FCC Policy Statements, FCC & Storer Forms.

The manual was prepared by vp-secy. John E. McCoy, formerly a top FCC attorney who, among other things, headed TV & FM sections and prepared Commission renewal forms. Copies are available from McCoy at 1177 Kane Concourse, Miami Beach, Fla.

Industry image at station level has been introduced by WNDU-TV South Bend, Ind., U. of Notre Dame-owned station. A series of 5-min. TV programs "designed to give the South Bend TV audience a clearer & more comprehensive view of TV and what the TV industry is trying to accomplish" has been inaugurated. "Communication to the audience of the intents & purposes of a local TV station might help ease the rather sensitive position occupied by all TV today," gen. mgr. W. Thomas Hamilton said. The programs, hosted by Hamilton, will cover advertising & general welfare, broadcasting in the public interest, freedom under broadcast license, careers in TV, the TV Code and the TV generation. The WNDU-TV series is based on a general outline of similar programs recently suggested to stations by TvB.

WVET-TV Rochester, now sharing Ch. 10 with WHEC-TV, has proposed to FCC that Ch. 13 be allocated to Rochester and that it share the new channel with the Rochester area Educational TV Assn. WVET-TV said that it would absorb all costs—about \$500,000—of building & maintaining the ETV transmission facilities. Sharing both channels would give WVET-TV full-time operation.

Option to purchase 50% of WJPB-TV (Ch. 5) Weston W.Va. from J. Patrick Beacom for \$100,000 was exercised recently by Thomas P. Johnson & George W. Eby, owners of off-air WENS (Ch. 22) Pittsburgh, and FCC has approved the deal. The agreement was made when WENS dropped its competing application for the Weston channel.

Midnight Sun Bcstg. Co.'s TV-radio holdings are being sold for \$1.2 million to All-Alaska Bcstrs. Inc., headed by Randall D. Jansen & Edward W. Christiansen (½ each), principals of the CATV system in Ketchikan. The stations are KFAR-TV (Ch. 2) & KFAR Fairbanks, KENI-TV (Ch. 2) & KENI Anchorage and radio KTKN Ketchikan.

M. Robert Rogers, ex-pres. of radio WGMS Washington, heads a group buying Valley Forge Distribution Co., beer wholesaler, from Mrs. Carita Blum Sandler, who is a radio applicant for Laurel, Md. The price wasn't disclosed, but the firm has an estimated net worth of \$1.75 million.

Broadcast engineering conference papers scheduled for sessions in conjunction with NAB's 38th annual convention in Chicago April 3-6 include April 4—"The Present Status of Stereophonic Broadcasting," C. G. Lloyd, GE; "Sine Squared Pulses for System Analysis," Ralph Kennedy, NBC; "Improving Picture Quality Through Phase Equalization," R. S. Jose, RCA; "Automatic Logging of Operating Parameters in Lieu of a Manual Log for AM-FM & TV Stations," Granville Klink Jr., WTOP Washington; "A New Approach to Balanced Audio Levels," Robert B. Monroe, CBS-TV. April 5—"Effects of Tower Lighting & Isolation Circuits upon the Resistance of Various AM Towers," Vir N. James, consulting radio engineer; "Tunnel Diodes," Eric Gottlieb, GE; "Recent FCC Rule Changes," James E. Barr, FCC; "Determining the Operational Patterns of Directional TV Antennas," Dr. Frank G. Kear, Kear & Kennedy; "Constant Level Program Amplifier," John Birch & Charles King, Gates; "The Folded Unipole Antenna for Broadcast," John B. Mullaney, consulting engineer; "Experimental Operation of a Co-Channel Supplemental Transmitter to Provide Coverage Fill-In," Daniel H. Smith, WTEN Albany; "Manifestations of the Special Law of Electron Eccentricity in Broadcast Equipment," John W. Wentworth, RCA. April 6—"TV Automation," F. R. McNicol, RCA; "Aural Program Automation Techniques," Paul Schafer, Schafer Custom Engineering; "Maintenance, Key to Minimizing Video Tape Recorder Operational Costs," Joe Roizen, Ampex; "Video Tape Recording Interchangeability Requirements," K. B. Benson, CBS-TV; "Integration of Video Tape with Live & Film Programs," A. W. Malang & M. C. Worster, ABC; "The New IRE Roll-Off as Related to the Broadcaster," G. Edward Hamilton, ABC; "Improvements in TV Cameras," John H. Roe, RCA.

Small-town TV enthusiast Bill Daniels, who recently sold part of his CATV holdings—Rawlins, Wyo. & Farmington, N.M. (Vol. 16:6 p5)—believes in all kinds of community TV. Already an applicant for regular stations in Lamar, Colo. & Gallup, N.M., he's shooting for a full bag of 5 vhs through his Televents Inc. "We will see the day," he said, "when each city with over 6,000 population will have its own small TV station." He expects to lose initially, but is confident TV will repeat radio history.

Live demonstrations of GE's low-light image orthicon TV camera tube (Vol. 15:49 p8) will be conducted by GE engineers in about 25 broadcast stations throughout the country. Showings are scheduled this month in Milwaukee, Columbia, S.C., Minneapolis, Winston-Salem, Atlanta, New Orleans and Boston; for March, in St. Louis, Indianapolis, Pittsburgh, Detroit, Buffalo, Miami, Tampa, Jacksonville, Los Angeles, San Francisco, Seattle, Houston, Dallas and Oklahoma City; for April, Denver, Baltimore, Washington.

New Zoomar lens designed for 4½-in. image orthicon cameras has been developed and delivery of the initial unit has already been made. The new model 88 is designed to be interchangeable on all 4½-in. cameras and engages with the remote iris control in all ranges. It has a range of 2½ to 72 inches.

Add equipment exhibitors at NAB's April 3-6 Chicago convention (Vol. 16:7 p13): Standard Electronics, Bauer Electronics, Cellomatic. Another scheduled exhibitor—Nems-Clarke—has withdrawn from the list.

KTTV Los Angeles has acquired a \$150,000 mobile tape unit, which mounts an Ampex videotape recorder, 2 RCA cameras, a special effects unit and a film & slide chain.



Ticklish clash between government & privately-owned TV stations is developing in Edmonton, capital of Alberta and northern oil center. The city is now served by privately-owned CFRN-TV, carrying CBC programs, but that network announces its intention to apply to the Board of Broadcast Governors for a TV license in competition with other applicants. Applications close April 29 and the BBG hearings will take place in Edmonton May 11. List of applicants includes Edmonton Video Co., headed by R. A. Milner and Gerry Gaetz, vp & gen. mgr. radio CJCA; Northwest Television Co. Ltd., formed by radio CHED; Mayfair Bestg. Co. Ltd., headed by Alex Starko & associates; and North Gate Broadcasting Company Ltd., formed by Dr. Charles Allard & associates. If CBC wins application, CFRN-TV could lose its present CBC affiliation, causing a major upheaval in programming. CBC also announced it would not apply for TV license in Calgary, 200 miles south of Edmonton and the southern oil industry capital. Hearings there for a new TV outlet are scheduled for May 16. Closing date for applications is Feb. 29.

Board of Broadcast Governors has announced its intention to exercise the right of censorship & alteration of Canadian TV & radio promotion programs (to knock out promotions that create public nuisances & traffic tie-ups such as large crowds directed to areas in search of hidden treasures). Submissions on amendments to regulations will be heard by BBG in Montreal March 7 when 4 applications will also be heard for a French-language channel and 3 applications for an English-language channel (Vol: 16:2 p9). Another amendment to regulations will insert altered requirements to earn the program-approval appellation of "basically Canadian in content & character"—needed to qualify for 55% Canadian content in over-all programming. The new regulation requires films or reproductions to be made by a Canadian citizen, or by a company incorporated under Canadian law and having a majority of Canadian citizens as directors.

National Council of Broadcast Unions has been formed by the Canada-wide Canadian Labor Congress. The Council will co-ordinate the activities of CLC-affiliated unions in the TV, radio and film production industries on labor-management relations and "special problems." The founding unions of the Council: Canadian Council of Authors & Artists, National Assn. of Broadcast Employees & Technicians, International Alliance of Theatrical Stage Employees, and Canadian Wire Service Guild. Other CLC affiliates will be invited to join the Council.

Voice of Democracy winners from all states and D.C. have been announced. Judges in the 13th annual script-writing contest, co-sponsored by NAB & EIA with VFW cooperation, included FCC Chmn. Doerfer, Chmn. Magnuson (D-Wash.) of the Senate Commerce Committee, ABC vp John Daly. The top winner of a \$1,500 college scholarship will be announced at an awards luncheon Feb. 24 in Washington's Statler-Hilton Hotel, where Rep. Inouye (D-Hawaii) will be the principal speaker.

New international station (making it the 4th privately operated in the U.S.) has been granted in Dallas to Global Bestg. Co. (Albert L. Crain & S. Lee Braxton). The grantee proposes to transmit to British Guiana, Columbia, Ecuador, Venezuela, Surinam, Peru, Bolivia & Brazil. The other grants are WRUL Scituate, Mass., KGEI Belmont, Cal. and Crosley's experimental KQ2XAU Cincinnati. These are in addition to the 42 Voice of America transmitters.

WTMJ-TV & WTMJ Milwaukee raised \$4,648 for the March of Dimes in January.

Another payola complaint, charging 2 affiliated Midwestern record distributing companies with paying unnamed TV & radio disc jockeys for "exposure" of music, has been filed by FTC. Named in the case—43rd since FTC started its anti-payola drive (Vol. 16:7 p13)—were Garmisa Distributing Co. Inc., 2011 S. Michigan Ave., Chicago; Garmisa Inc. of Wis., 1907 W. Vliet St., Milwaukee; Pres. Leonard Garmisa & vp Edward Yalowitz of both firms, and treas. Myron J. Schulz of the Milwaukee company. Meanwhile 2 affiliated Chicago distributors, cited earlier by FTC for payola, demanded dismissal of the complaint against them. James H. Martin Inc., 2419 S. Michigan Ave.; Music Distributors Inc., 1343 S. Michigan Ave., and sole owner-Pres. James H. Martin said "the alleged practice" isn't deceptive or an unfair method of competition under the Federal Trade Commission Act. In another development, FTC & FCC exchanged letters formalizing a reciprocal arrangement by which FTC staffers will have full access to FCC's own payola investigation files (Vol. 16:6 p3)—and *vice versa*. The liaison agreement provided that information "made available by either agency to the other, and which is not a matter of public record, shall be solely for the internal use of the recipient thereof and shall not be made public without the consent of the agency furnishing the information."

Broadcasting's future was outlined this way by NAB organizational services mgr. Frederick H. Garrigus in a series of "educated guesses" for the Philadelphia chapter of American Women in Radio & TV: (1) "The same wide variety of programming." (2) "A considerably more cautious approach [to actions which might] indicate any moral lapses or downright dishonest action." (3) More "public interest, educational and world affairs programs." (4) Continuing "interest & support" of viewers & listeners. (5) "Considerably fewer commercials of questionable good taste." (6) "A more careful & thoughtful consideration" of meaning of "public interest, convenience and necessity."

"Radio at its best" is provided by Metropolitan's WNEW N.Y., Rep. Lindsay (R-N.Y.) told the House in a speech congratulating the station for winning the 1959 Brotherhood Award of the National Conference of Christians & Jews. He said WNEW "has consistently & conspicuously set the highest standards of morality & decency."

WSPA-TV & WSPA Spartanburg, S.C. simulcast a 30th birthday party for the radio station Feb. 17. The 90-min. show recreated the format of the station's 3-hour debut, with many of the original participants on hand. WSPA was the first AM & FM in South Carolina.

Capital Cities Bestg. Corp. (formerly Capital Cities TV Corp.) has moved its N.Y. offices to 24 E. 51st St. Capital Cities operates WTEN & radio WROW Albany with satellite WCDC Adams, Mass.; WTVD Durham, N.C.; WPRO-TV & WPRO Providence, R.I.

KNBS-TV (Ch. 22) Walla Walla, Wash. has affiliated with ABC-TV, station gen. mgr. Warren Grey and Robert Coe, ABC-TV station relations dir., have announced. The network's primary affiliates now total 100.

State Bestg. Assns. are expected to set record attendance with at least 45 of the 48 association heads at NAB's 5th annual conference for the presidents, Feb. 24-25 in Washington's Shoreham Hotel (Vol. 16:7 p8).

WGN Inc. Chicago racked up record TV-radio billings in 1959. WGN-TV business rose 29.1% over the 1958 gross; WGN gained 31.7%. Ward L. Quaal, vp-gen. mgr. of the Chicago Tribune-owned outlets, sees record billings for '60.



## Advertising

Denials of FTC charges that TV commercials misrepresented Palmolive Rapid Shave cream and Pepsodent toothpaste (Vol. 16:3 p8) were filed formally with the agency last week by Colgate-Palmolive Co., Lever Bros. Co. and their ad agencies. Colgate-Palmolive & Ted Bates, which protested FTC's complaint in newspaper ads last month (Vol. 16:5 p10), said there was no deception in commercials demonstrating a sandpaper-shaving test, that a mock-up was used "because of technical problems in the TV process which made it unfeasible to use sandpaper." Moreover, they said, the commercials had been discontinued. Lever Bros. and Foote, Cone & Belding said the challenged Pepsodent commercials, demonstrating the removal of tobacco stains from teeth, didn't mislead or deceive the public. In any event, the agency added, the commercials were presented "in good faith & with due care, in reliance upon adequate & responsible information with respect thereto." FTC was asked to dismiss both complaints.

Govt. indictments of ad media "might possibly be indictments of the society in which the media are performing," Donald H. McGannon, pres., Westinghouse Bcstg. Co. & chmn., NAB Code Review Board, told the Harvard Business School Club of Pittsburgh. "Is our economy and indeed our whole social system," he asked, "being too largely influenced by 'other forces,' notably the all-seeing eye of government?" Elsewhere on the TV image front, TIO dir. Lou Hausman attempted to define TV's function "in our democratic society." He told the Broadcast Advertising Club of Chicago that "TV's usefulness is its virtually universal acceptance & use." It will, he said, "never completely satisfy every special interest group."

Public relations men should "put themselves on the side of truth" to help ad clients stay out of trouble with FTC, Chmn. Earl W. Kintner told the N.Y. chapter of the Public Relations Society of America. Discussing the "crisis of confidence" brought on by broadcasting's quiz & payola scandals, he said "The public-relations advisor must point out that to so conduct one's business [as] to invite an FTC complaint is a mistake." Kintner called on PRSA members to "use your initiative & creativeness to keep your clients away from the borderline and on the safe side of truthful representations."

Complaints against advertising have risen about 40-fold since the payola disclosures, said *Wall St. Journal* Chmn. Robert M. Feemster last week, accepting the Indianapolis Advertising Club "Torch of Truth" award. However, he said: "The benefits of advertising should not be overlooked at a time when too many of our citizens are exercising panic-button-type alarm over some disclosures which are not typical by any means of the whole industry."

FTC Chmn. Earl W. Kintner, who has galvanized the advertising-policing agency into drives against deceptive TV commercials and payola practices since his promotion to the job last year, has been nominated by President Eisenhower for a full 7-year term starting in Sept. He is now serving out the unexpired term of John Gwynne, who retired.

New Ban TV commercials are being kept under wraps until April 1, when the revised deodorant spots are expected to hit network & spot channels, said Bristol-Myers' agency Ogilvy, Benson & Mather last week. Storyboard revisions of the Greek statue commercials were approved by NAB Code Review Board earlier this month (Vol. 16:5).

Bulova is returning to the radio time-break spots it used more than a decade ago, plus a heavy print-media campaign (magazines, Sunday supplements). The move completes a cycle for the watch firm. In 1949, Bulova cancelled radio spending in major markets, shifted to then-new TV, and virtually created the now-familiar 10-sec. ID spots. As TV grew, spot money was shifted to various types of TV network programming (participations, comedy, etc.). A similar TV-to-radio switch was also made last week by Hamilton Watch Co., at one time a fairly heavy radio user and more recently active seasonally in TV. On April 24, Hamilton will launch a 6-wk., 50-market spot radio drive built around one-min. announcements slotted in good-music programs on 75 AM & FM stations. But there will still be watch-firm footprints in the sands of TV time this season, despite the Bulova-Hamilton fade-out. Timex, which has gained short-term sales spurts as high as 300% in the wake of its jazz & musical specials, plans more of the same, most recently signing a forthcoming circus special on ABC-TV. And such watch concerns as Benrus, Elgin, Gruen, Longines-Wittnauer, Tissot, and the Watchmakers of Switzerland use network and/or spot TV in their current national or dealer co-op ad campaigns.

Pepsi-Cola spot TV is expected to hit \$4 million this year, a \$500,000 jump over 1959, we're told. The soft-drink firm's overall ad budget will jump to \$32 million this year, as compared with \$28 million last year. The parent company will continue a down-the-middle, co-op split of the total ad budget with local bottlers. Also stepped up will be network radio spending, expected to hit \$1.5 million this year. Kenyon & Eckhardt handles the account for the parent company & local distributors.

Best TV commercials, as singled out by the Hollywood Ad Club in its broadcast producers awards, included, for one-min. live, Bell & Howell (McCann-Erickson, producer Jerry Fairbanks); over one-min. live, Dodge Div., Chrysler Corp. (Grant Advertising, producer ABC); animated one-min., Calo Pet Food, (Foote, Cone & Belding, producer Cascade Pictures of Cal.).

New rep: WANE-TV Fort Wayne to H-R Television Feb. 1 from Petry.

**In Other Media:** Newspaper circulation has gained 43% since 1940 compared with a 24% increase in the adult population, reports the American Assn. of Newspaper Reps in a Feb. 6 *Editor & Publisher* article, refuting claims of newspaper atrophy. Other AANR findings: The average of 95 million daily-adult-newspaper-readers in 1956 increased to 102 million in 1958 and to more than 106 million in the first 9 months of last year. From 1957 through 1959's first 10 months, total hours spent reading U.S. dailies increased 20%. From 1956 to 1959, number of adult readers rose 11% vs. the 3% circulation increase.

**Ad People:** Walter T. Sattler, ex-BBDO, named Warwick & Legler vp . . . Dr. Arno H. Johnson, vp-research dir. of J. Walter Thompson and Advertising Research Foundation chmn., elected a dir., Advertising Federation of America . . . Russell Eller, Sunkist Growers' ad mgr., named "Advertising Citizen of 1959" by Western States Advertising Agencies Assn. in Los Angeles . . . Walter M. Swertfager resigns as senior vp., Lennen & Newell, after 13 years with the agency . . . Gerald D. Roscoe, ex-Bresnick Co., Boston, joins Donahue & Coe as vp & account supervisor.



# Television Digest

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**Personals:** Andre D. Gebstaedt, former ad mgr. of J. Arthur Rank Organization, joins ABC-TV as ad mgr., reporting to ad dir. Dean Linger . . . Robert H. Salk named secy., Corinthian Bestg. Corp., and continuing as programming dir. . . . Donn Colee, ex-WLOF-TV Orlando, Fla., named gen. mgr. of Metropolitan's WTVH Peoria, Ill.; his wife Lee Colee appointed sales dir. . . . David A. Bader, ex-Atlantic TV, named pres.-managing dir., Durham Telefilms (521 Fifth Ave., N.Y.), a new wholly-owned TV production & distribution subsidiary of Consolidated Durham Mines & Resources of Toronto . . . Ed Benham, chief engineer of KTTV Los Angeles, named SMPTE educational committee chmn.

Arthur Hamilton, station mgr. of radio WRCA N.Y., and Vincent Mitchell, mgr. of NBC-TV advance facility planning, appointed dir. and traffic mgr. of NBC political bestg. unit, headed by vp William S. Hedges . . . Gus Vanderheyden promoted to local sales mgr. of Notre Dame's WNDU-TV South Bend . . . Jay Hoffer, ex-ABC-TV, named mgr., radio KRAK Stockton-Sacramento, Cal. . . . Martin Mills, ex-Keystone Bestg. System & Biow Adv., joins Meeker Co. as dir. of research . . . John D. Stebbins, ex-Bolling Co., Chicago, joins Washington office of broker Hamilton-Landis & Associates . . . Basil J. Mezines promoted to asst. to FTC exec. dir. Harry A. Babcock.

Charles E. Tamm, ex-WHYN-TV & WHYN Springfield-Holyoke, Mass., appointed chief engineer, WENH-TV Durham, N.H. . . . Ann Mar, ex-J. Walter Thompson, named national sales coordinator, WBAL-TV Baltimore.

James E. Greeley, Washington TV-radio attorney, and the N.Y. firm of Spear & Hill form Spear, Hill & Greeley, with offices at 60 E. 42nd St., N.Y., and 821 15th St. N.W., Washington. Greeley & Thomas W. Hill Jr. are former members of RCA-NBC counsel Cahill, Gordon, Reindel & Ohl, leaving in 1958. Harvey M. Spear had his own practice before joining Hill. Greeley will continue to concentrate on TV-radio. Much of the Spear & Hill work is among investment bankers & transportation firms, including those controlled by industrialist O. Roy Chalk.

Meetings this week: RTES timebuying-selling seminar (Feb. 23). Dick Clark will speak on the teen-age market. Hotel Lexington, N.Y. . . . Fifth Annual conference of state bestrs. assns. presidents (24-25), Shoreham, Washington.

Divorce has been granted to Mrs. George B. Storer from the chmn. -pres. of Storer Bestg. Co., in Wauchula, Fla.

## Foreign

Marconi outbid 8 competitors—including 2 unnamed U.S. firms—with a \$1.78-million proposal for installing an external radio broadcasting system at Tema, Ghana, according to the Commerce Dept.'s *Foreign Commerce Weekly*. Total cost of the project, scheduled for completion early in 1961, will be 25% under the Ghana govt.'s budget for the project.

Netherlands TV homes now total 16% of households in that country, the U.S. Embassy there reports. Stimulated by a 13% cut by Philips in the price of its sets, sales of receivers last year exceeded 500,000 vs. 391,000 in 1958 and 291,000 in 1957. The Netherlands govt. is negotiating with the Independent TV Exploitation Co. (CTEM) and Netherlands TV Foundation (NTS) to introduce TV commercials.

Ecuador's TV regulations, established by the govt. for all applicants for operations there, provide for U.S. broadcasting standards, facilities of more than 250 watts, employment of at least 75% Ecuadoran personnel, financial guarantees of 50,000 sucres (about \$3,000). Licenses will be granted only to Ecuadoran firms, but non-Ecuadorans may participate in them.

Mail-order radio business has reached Kenya, Tanganyika and Uganda, where 12,000 Africans are on the initial mailing list of a new firm set up in Nairobi. It's already "paying good dividends" from mail orders placed from a catalogue (printed in Swahili & English) which lists everything from radio sets to kerosene lamps, according to the Commerce Dept.'s *Foreign Commerce Weekly*.

Australia's commercial TV service is being reviewed for major expansion. The Australian Bestg. Control Board has begun public hearings on applications for commercial service in the federal capital of Canberra and in 12 provincial areas in 4 states—New South Wales (4), Victoria (4), Queensland (3), Tasmania (1).

ETV in Chile has been started on an experimental basis by universities in Santiago & Valparaiso—but commercial TV development there won't come soon, the USIA reported from Santiago. Few TV sets are available in Chile, and to conserve resources, the govt. isn't issuing import authorizations for commercial equipment or receivers.

Communist bloc broadcasts increased 15% from 2,350 hours weekly in Jan. 1959 to 2,921 at the end of the year, reports USIA. Competing with the Soviet-Sino propaganda on the air, USIA's Voice of America broadcast 609 hours weekly in 37 languages. Biggest 1959 increase in Communist radio output was in the Near East, South Asia and Africa—up 50%.

Ethiopia invites bids until June 9 for the installation of a radio system & the training of personnel. Equipment includes one 50-kw, one 10-kw and 9 one- or 2-kw medium-wave transmitters, antennas, spare parts, etc. Information is available from consulting engineer George P. Adair, 1610 I St. N.W., Washington, D.C.

First privately-owned long-distance microwave for TV in England has been built by Pye Ltd. for commercial programmer ATV. Spanning 135 miles from Birmingham to London, it was designed to enable ATV's London management to watch rehearsals originating in Birmingham and to let London advertisers view programs from Birmingham.

"Dial 999," Scotland Yard mystery series, produced by Towers of London, is now in Paris to be dubbed into French for the CBC French-Canadian network.



# Trade Report . . .

FEBRUARY 22, 1960

**ACCLAIM FOR 'MUSIC POWER RATING':** One part of EIA's stereo de-confusion drive—a standard measurement of amplifier power—probably will be put to work soon by most or all major package-hi-fi manufacturers. A survey last week showed that those which haven't definitely decided to conform to the new standards are prepared to go along "if the others do."

EIA's "Music Power Rating" (MPR) was approved last Sept. after a committee from all major hi-fi makers agreed on the standard (Vol. 15:39 p15). Its purpose is to make amplifier power-output ad claims of all manufacturers directly comparable—along same lines as auto horsepower ratings. The standards & test techniques have now been circulated to all manufacturers.

Many package-hi-fi makers now use "peak power" ratings in their ad claims. These can be more than twice as high as a measurement of "continuous power." MPR is somewhat greater than continuous power, but considerably lower than peak power. It's roughly defined as maximum power output of an amplifier (within limit of 5% distortion) during first surge of music. Similar measurement has been adopted by Institute of Hi-Fi Mfrs. (and virtually all component hi-fi makers), except that distortion tolerance is much stricter—one-half of one percent—and amount of distortion must be stated in ad claims.

Our survey indicated most manufacturers welcome the new EIA standard and will switch over as soon as possible, or at least by the time 1961 stereo models come out. Some of the important manufacturers (examples: Admiral, RCA) answered equivocally, but are expected to go along. Magnavox officials were unavailable for comment. Here's roundup of responses:

Zenith will go along with MPR "right away," says mktg. exec. vp Leonard C. Truesdell. "This is very similar to the way we've been measuring our power anyway, and we expect to have to change only the rating of one portable model. We will switch to EIA's approved terminology exclusively in our June line."

RCA had no official comment, but informally it was understood that the company expects to adopt the MPR system if majority of other important hi-fi manufacturers do.

Admiral, not a member of EIA but represented on the committee which formulated the MPR standard, says it plans "nothing immediate, pending a study by our sales & advertising departments."

Motorola is "prepared to go all-out" for the MPR standard, consumer products exec. vp Edward R. Taylor said. He praised EIA for "trying to get common understandable terms for the whole industry."

Philco will adopt MPR as soon as possible—in June models or earlier.

Columbia Phonograph dept. is "fully in accord with the standards and will use them in any future advertising which mentions amplifier power," according to vp-gen. mgr. James J. Shallow. He pointed out, however, that Columbia has avoided making any power claims for more than a year because of the confused measurement situation.

Sylvania will incorporate the new standard in advertising "as soon as it is feasible to do so without obsoleting otherwise current material." Sylvania Home Electronics Pres. Robert L. Shaw expressed a common industry fear when he told us: "If all manufacturers don't support the standards, those who do might find themselves at a competitive disadvantage." Sylvania currently uses peak power ratings.

Hoffman and Packard Bell, leading West Coast producers, told us they will adopt the MPR standard.

**TV TRENDS—HIGHER PRICES, DEMISE OF 21-in.:** What will the "new-model" derby bring this spring & summer? Although designs & policies for "1961" lines are fairly well frozen now, and some spring portable drop-in lines are already in production, manufacturers are understandably reluctant to talk about plans. Informal conversations & public statements, when combined, add up to these trends:

TV set prices will rise—not sharply, but subtly—with most increases concentrated on popular 23-in.



models. First 19-in. sets will appear next month, in portable versions. Later, the increased emphasis on 23-in., together with introduction of 19-in. table model, will spell beginning of end of 8-year reign of 21-in. set.

Nobody wants to be pinned down on pricing, but set makers' formal & informal statements indicate something's got to give—and preparations are being made for increases in general price levels. Examples:

From RCA: "While we have not decided on prices for the new line this year, there is a strong possibility that all prices will be increased somewhat due to rising costs & the need for improved profit margins" at all distribution levels.

From Hoffman: "It appears to us that, based on higher labor costs expected this year, there is a very good chance prices will go higher." (Consumer products vp Ray B. Cox)

From Packard Bell: "Prices are expected to move up because of the rise in costs of tubes & labor, [even though] the industry will try to hold the line." (Home products vp K. R. Johnson)

From Motorola: "We're doing everything possible to maintain the present price level to distributors. We're keeping costs down as much as possible, but we also expect to assure the distributor & dealer a fair profit. We don't look for any major rises."



First 19-in. square-corner-tube portables are now in production. Although nobody's announcing any dates, it's our educated guess that Admiral will be first to introduce them—next month. Although Admiral officials won't comment, it's good bet the company will use 19-in. tube without bonded-on implosion plate in its portables. These tubes are in quantity production now, while there's only pilot output of bonded tubes.

The 19-in. situation is likely to boil down to this: Portables will use the non-bonded tube, which is almost as cheap & almost as lightweight as the 17-in.; table models will use bonded-shield & non-bonded tubes.

Sylvania probably will be first with a bonded-shield 19-in. table model, possibly in April—although the company will only say "before midyear." Sylvania Home Electronics Pres. Robert L. Shaw told us: "I don't foresee it replacing either the 17-in. portable or the 23-in. table model. The 19-in. table model should replace the 21-in. table model as we know it today and probably will be priced between the 17- & the 21-in."

Who else will have 19-in. sets this spring & summer? Just about everybody—dividing up between bonded-shield & non-bonded approaches.

The 23-in. set will completely steal spotlight from 21-in. this year—except in a couple of lines. Last year's holdouts will swing toward the square-corner approach. Experience with the new shape has been good, by & large, when backed by aggressive campaigns. RCA, for example says "sales indicate the 23-in. will outsell the 21-in. models despite higher prices."

How about completely new TV products this year? Most manufacturers are mum. But don't expect too much that's radical—witness Philco's experience with its now-discontinued separate-screen Predicta.

One exception is the battery portable. You'll probably see a few, and they won't necessarily be Japanese, either (Vol. 16:4 p15). Only manufacturer willing to tip its hand is Emerson, whose long-awaited transistor set turns out to be a 10-in. model (vs. the Japanese 8-in., Philco's 2-in. magnifying-reflex Safari). Pres. Benjamin Abrams told stockholders meeting last week that production will begin in April on the direct-view set, designed to retail at about \$250 (competitive with Philco and anticipated Japanese set prices). It will weigh 28 lb. and operate from rechargeable batteries. The 17-in model promised last summer is still in lab.

**TV-RADIO PRODUCTION:** EIA statistics for week ended Feb. 12 (6th week of 1960):

	Feb. 5-12	Preceding week	1959 week	'60 cumulative	'59 cumulative
TV .....	129,510	135,438	98,841	789,850	684,516
Total radio .....	358,817	379,076	211,545	2,090,653	1,693,849
auto radio .....	141,871	173,361	68,874	947,550	635,052

Fair trade study to determine economic effects of state price-fixing laws on small firms is being undertaken by the Small Business Administration. Plans for the survey, which will cover such factors as profit rates, inventory turnover, etc., in fair-trade & non-fair-trade areas, were outlined at a House Appropriations Subcommittee hearing.

RCA has been awarded a \$474,831,000 Air Force contract for work on the Ballistic Missile Early Warning System. RCA has been working on the radar-network project for more than a year and the award, in effect, formalizes & defines the contract. The award to RCA increases the Air Force investment in BMEWS to more than \$700 million.



**RCA'S HOME-ELECTRONICS PLANS:** Despite RCA's increasing emphasis on commercial & industrial electronics (see p. 21), Chmn. David Sarnoff & Pres. John L. Burns last week made it clear that the world's biggest electronics company does not consider consumer electronics a "stepchild" in any sense of the word. In fact, Gen. Sarnoff told a Feb. 17 dinner of the N.Y. Society of Security Analysts, the "earnings crest" of the consumer electronics field is not yet in sight.

U.S. broadcasting & consumer-electronic products together grossed \$6 billion last year, he said—more than 40% of the electronics industry's total volume. He predicted a rise to \$8 billion by 1965. Last year, he said, RCA's business was 54% entertainment products & services, 46% non-entertainment.

With record sales in 1959 and healthily improved earnings, the impression given by RCA's speakers at the dinner was one of extreme confidence & solidity—marked by their willingness to answer all but the most highly competitive questions frankly & openly.

For example: We asked Pres. Burns, following the meeting, whether RCA had lost its No. 1 standing in TV set sales in 1959. He replied that if color sets were included, RCA was still first, but in b&w sets it was "*comme ci, comme ca*"—meaning presumably that Zenith & RCA were neck & neck. He explained that RCA had lost nearly 2 months last year by being late with new models as a result of the changeover in management of its TV receiver operation.

Other highlights of the RCA presentation to the Security Analysts, at which Burns & other RCA officials answered questions from the audience:

#### Sarnoff Projects Doubled Color Output

**Color TV:** This subject drew greatest amount of questioning from the audience of investment specialists. Gen. Sarnoff, in his address, reiterated that RCA earned a profit on color TV sets last year and stated: "It is our present intent to double color-receiver production in 1960." Later, in answer to a question, consumer-products exec. vp P. J. Casella estimated 1960 color set production would be 50-60% higher than 1959, with sales up about 45%. Questioned about the inconsistency between Gen. Sarnoff's & Casella's remarks, Burns replied that it was easier for Gen. Sarnoff or himself to make the higher prediction—because Casella was responsible for production & sales.

Burns said that RCA's manufacturing & broadcasting operations together are not yet realizing a profit from color (due to NBC's absorption of many color telecasting costs), "but this year looks like it will be pretty close to break-even." NBC Pres. Robert W. Sarnoff said more advertisers were insisting on color commercials, but declined to guess when the color "advertising breakthrough" would come—the point where NBC could start charging full premium for color.

Color discussion was concluded when the inevitable question came from the audience: "How many color sets did RCA produce last year and how many will it make this year?" Quipped Burns: "I'm going to let Pat Casella evade that question." He did.

**Radio:** "We sold more radios last year than any other year since we opened for business," said Sarnoff. Casella filled in the figures for RCA's big 1959 and projected a bigger 1960: The company's radio sales last year were 38% above those of 1958, and 1960 is expected to be 40-42% better than last year.

**Foreign competition:** "It's formidable in certain areas,"

said Burns. "But this is the fastest-growing industry and there's room for all. RCA is not concerned at this stage with foreign competition." Echoed group exec. vp W. W. Watts, pointing to RCA's success in the radio & transistor field: "I don't know how we can complain about foreign competition. We welcome it and . . . can compete with it."

**Transistors:** RCA claimed the No. 1 industry position in entertainment-type transistors and said it was now emphasizing development of transistors in the computer & military fields. Said Watts: "We're doing as well if not better in percentage of the market in the entertainment transistor field than we have traditionally done in the vacuum tube field, in which we are the leader."

**Recording tape:** RCA has been making tape on an experimental basis for several years, said Burns, and plans to begin commercial manufacture of recording tape—including video tape—in about a year.

**Patent practices:** Answering a question, Burns conceded that there has been a decline in revenue due to the consent decree which ended RCA's role as official patent-keeper to the industry. There has been "considerable loss" of revenue in the domestic patent field, he said, offset somewhat by "growth in the foreign field." He added that RCA has cut down its patent organization, and no longer offers its lab facilities to the industry at large.

**Emerson's Year:** Last year was the 4th in the row during which Emerson showed a marked improvement in sales & profits, Pres. Benjamin Abrams told the stockholders' meeting last week in N.Y. He projected a 20% sales increase for 1960 and said company's 1959 TV sales—50% of which were in the portable category—were 20% higher than 1958. Radio sales were up 18%, Du Mont div. sales up 38%.

He reiterated that both the Emerson & Du Mont lines would feature color sets next fall, but added he didn't expect to realize a profit from color for 2 or 3 years.

Abrams revealed that Emerson's recent settlement of the FM patent suit brought by the widow of Major Edwin H. Armstrong (Vol. 16:6 p21) involves the payment of \$475,000 to Mrs. Armstrong over a period of 11 years. He also announced that Emerson would convert its govt. & industrial electronics div. into a new wholly owned subsidiary, possibly eventually seeking some public financing. The division's current backlog is about \$20 million. Emerson's reports on battery TV and its Japanese transistor radio imports will be found on pp. 18 & 20.

Edison radio-amateur award for 1959 will be presented Feb. 25 at a GE-sponsored banquet in Washington's Sheraton-Carlton Hotel to Walter Ermer Sr., 51, who operates W8AEU at his Cleveland home. He was selected from among more than 30 candidates for organizing & directing a 300-member voluntary emergency radio communications corps which served Cleveland on 23 occasions last year in floods, lost-children searches, etc. Judges were FCC Comr. Hyde, Robert Edson of the Red Cross, American Radio Relay League vp E. C. Handy.

Another "loss-leader" bill, amending the Federal Trade Commission Act to prohibit big retailers from putting small competitors out of business by pricing products below cost, has been introduced by Rep. Johnson (D-Md.). His measure (HR-10499) is similar to legislation proposed by House Small Business Committee Chmn. Patman (D-Tex.) and others (Vol. 16:7 p21).

Hoffman Electronics has changed the name of its laboratories div. to military products div.



**MORE RADIO IMPORTS:** Schism among radio manufacturers on the subject of Japanese imports continues to be as sharp as ever. Among the latest developments: Packard Bell joined the importers in a 10-year deal with a Japanese radio manufacturer, while Admiral came out with a powerful new all-American weapon against imports—a 7-transistor shirt-pocket radio to list at \$29.95.

Packard Bell's arrangement provides for initial shipments of 5,000 transistor radios a month, increasing to 15,000 in June. The sets will be sold in the U.S. under the Packard Bell name.

Admiral's new pocket set, with 7 transistors and 2 germanium diodes, will be merchandised as "guaranteed world's most powerful transistor radio for its size" and is the latest move by Admiral to compete with imports in both price & quality. The new set is smaller than the 7-transistor radio introduced by Admiral last fall at \$29.95.

Emerson is importing about 15,000 Japanese radios a month for sale under the Jefferson-Travis label, Pres. Benjamin Abrams told the company's stockholders meeting last week in N.Y. "We will increase this figure if demand is good," he said, "or we will decrease it if we find we can produce a similar model at a competitive price."

Japanese radio exports to the U.S. (including some items which were re-shipped to Latin American markets) totaled more than 6 million sets last year, up from 2.5 million in 1958. Of the 1959 exports, nearly 4 million had 3 or more transistors, about 1.6 million were in the "toy" category (one or 2 transistors) and less than 500,000 were tube.

Red China has begun production of TV sets, according to the New China News Agency, which reported recently that the Shanghai Radio Factory is now producing an 18-tube set. "The TV receiver is of a good appearance, excellent clarity & stability of image and pleasant tone," said the agency. "It can receive programs on 5 frequencies. All its electronic tubes are made in China. The image tubes & crystal tubes [sic] are imported."

**Canadian TV Slips:** Canada's TV industry wound up 1959 on the downgrade. Distributor sales to dealers during the year sagged to 405,965 units from 430,980 in the preceding year, reports the EIA of Canada. Paradoxically, 1959-over-1958 sales gains (even if small) were racked up by portables, consoles, 3-way combos. Principal contributor to the overall decline: table TV, which slumped some 25%. Indicative of Canada's more rough than ready TV market, Sylvania Electric Ltd. last year gave up the ghost, dropping TV production in favor of other products because "the outlook for the next 10 years does not indicate a sharp upturn in consumer demand for TV sets" (Vol. 15:45 p20).

The breakdown of total 1959 sales (corresponding 1958 figures in parentheses): portables, 67,979 (65,838); table models, 107,757 (135,739); consoles, 215,872 (215,504); combinations, 14,357 (13,899).

Even more grim was the Dec.-1959 vs. Dec.-1958 performance. All product types except combos ran behind the year-ago pace—and combos just barely made it into the winner's circle. Breakdown of Dec. 1959 vs. Dec. 1958 sales: portables, 4,350 (6,048); table models, 8,852 (13,509); consoles, 17,429 (19,656); combos, 1,577 (1,455).

RCA Frequency Bureau has moved its N.Y. office to 3 Hanover Sq., N.Y. 4.

**82 Million Transistors:** Transistor factory sales continued their rapid expansion in 1959. EIA reports that more than 82 million were sold, at a factory value of nearly \$113 million. Thus 1959 saw 75% more transistors sold at almost double the value of 1958's output. Transistor production rose from 1.3 million (at \$5.1 million) in 1954 to 3.6 million (\$12.3 million) in 1955, 12.8 million (\$37.4 million) in 1956 and 28.7 million (\$69.7 million) in 1957.

In addition to the 82 million domestically produced transistors last year, more than 20 million transistors were imported into the U.S. from Japan, all but about 2.4 million of them in end equipment—mostly portable radios. Here are the EIA figures of 1959 & 1958 monthly factory transistor sales:

	1959		1958	
	Units	Dollars	Units	Dollars
January .....	5,195,317	13,243,224	2,955,247	6,704,383
February .....	5,393,377	14,550,056	3,106,708	6,806,562
March .....	6,310,286	18,117,560	2,976,843	6,795,427
April .....	5,906,736	16,864,049	2,856,234	7,025,547
May .....	6,358,097	19,007,293	2,999,198	7,250,824
June .....	6,934,213	18,031,593	3,558,094	8,262,343
July .....	6,030,265	15,618,315	2,631,894	6,598,762
August .....	7,129,696	18,054,138	4,226,616	9,975,935
September .....	8,652,526	20,851,290	5,076,443	10,810,412
October .....	8,710,913	22,109,748	5,594,856	13,461,857
November .....	7,846,500	22,742,525	5,440,981	12,441,759
December .....	7,826,194	22,819,931	5,627,700	16,595,616
<b>TOTALS</b> .....	<b>82,294,120</b>	<b>\$222,009,722</b>	<b>47,050,814</b>	<b>\$112,729,427</b>

**Trade Personals:** Henry C. Gammell named vp & operations mgr., Motorola International S.A. . . . Edward Diamond promoted from secy.-gen. counsel to vp-counsel, Stromberg-Carlson . . . Louis M. Robb, former distributor sales administrator, appointed to new position of mgr. of mkt. development, GE receiving tube dept. . . . Ralph W. Peverley, chemical consultant of investment bankers Carl M. Loeb, Rhoades & Co., elected to board of Audio Devices (records & tape) . . . Charles J. Starner named mgr., high power design projects, RCA best. & TV equipment div.

Robert E. Lewis, Sylvania president, has been elected a trustee of Brooklyn Polytechnic Institute; Terry P. Cunningham named ad production dir., Edward L. Slater, ad dir., Sylvania; Richard C. Tonner appointed product line mgr., germanium drift & power transistors, Sylvania semiconductor div.; Dean M. Unger named product line mgr., germanium mesa transistors, same div. . . . G. Emerson Pray, ex-Dresser Industries, elected Ling-Altec vp for military contracts activities . . . R. V. Meraldi named management engineering mgr., RCA defense electronic products.

Donald S. Parris, dir., electronics div., Business & Defense Services Administration, receives Commerce Dept.'s Meritorious Service Award for "extremely competent performance of official duties for more than 20 years."

New electronics studies by Defense Dept. specialists include *Development of a Ruggedized Vidicon & Deflection Components* and *Design for Ease of Maintenance, 2nd Symposium on Electronics Maintenance*. They are available from the Office of Technical Services, Business & Defense Service Administration, Commerce Dept., the first (PB 161082) for \$1, the other (PB 161107) for \$3.50.

New publication devoted to new-product releases: *What's New in Electronics*, bi-monthly, controlled circulation, by Parks Publishing Co., 56 E. Walton Pl., Chicago, beginning March 10.

Harman-Kardon, manufacturer of hi-fi components, is now producing a low-cost FM tuner circuit for TV, radio & phono manufacturers.

Jerrold has reduced the dealer cost of its TV Receptor indoor antenna to \$2.40 from \$3.97.



Three federal grand juries in Philadelphia are investigating alleged price-fixing, bid-rigging and other anti-trust violations in the electrical equipment industry. Two groups of criminal indictments were handed up last week. The first batch charged the companies with allocating govt. & private business among themselves by deciding which would submit the low bid, and in some cases agreeing to simultaneous price increases. These manufacturers of power switchgear assemblies & circuit breakers used in the generation & transmission of electricity were indicted, along with company officers: GE, Westinghouse, Allis-Chalmers, I-T-E Circuit Breaker, Federal Pacific Electric Co. Second group of indictments charged price-fixing conspiracy in bushings, lightning arrestors, insulators and open-fuse cutouts, all used by electric utilities. Named in these charges were GE, Westinghouse, Lapp Insulator, Ohio Brass Co., McGraw-Edison, H. K. Porter Co., Hubbard & Co., Joslyn Mfg. & Supply Co., Porcelain Insulator Corp., I-T-E Circuit Breaker, A. B. Chance Co., Southern States Equipment Corp.

Transistorized remote-control amplifier for TV sets was announced last week by Admiral and presumably will be incorporated in some of the company's 1961-model sets. The 7-transistor chassis, marking the first extensive use of transistors in TV receivers, replaces the tube-type amplifier now used for wireless remote units in Admiral and other brand sets. Principal advantages: The set is always ready for instantaneous remote operation without the necessity of the operator going near the set (the power for the transistor unit is never turned off; Admiral says it costs only a few cents a year); smaller size; no warm-up period; no heat; longer life. The hand unit is unchanged, using the ultrasonic "tuning-fork" principle.

Admiral has doubled its field merchandising staff in a step-up of marketing operations, reports Admiral Sales Corp. gen. sales mgr. R. J. Bambery. John F. Geisel & Wallace M. Obermoeller have been named field merchandising specialists for major appliances. John F. Daly (ex-Motorola) & William R. Kuzelka (ex-Procter & Gamble) have been appointed for electronic-products merchandising. All report to Chicago-based field merchandising supervisor Larry L. Malin.

Philco International Corp. has acquired a "substantial" minority interest in Mexican manufacturer Cia. Mercantil Internacional, S.A., Mexico City. The Mexican concern produces & sells Bendix washers in Mexico under license from a Swiss subsidiary of Philco. Cia. Mercantil Internacional began distributing Bendix washers in 1940.

Reeves Soundcraft Corp. has purchased the disc-manufacturing facilities & inventories of Siegler's Bogen-Presto div. for an undisclosed cash sum. Reeves exec. vp Frank B. Rogers Jr. said the purchase price would be paid over the next 3 years. He forecast that profits from the acquisition would cover the price. N.Y.-based Reeves produces magnetic recording tape & blank disc records.

GE had record TV sales in January. TV receiver dept. sales mgr. Joseph F. Effinger said the gains were made across the board in all GE markets, attributed the results to "solid merchandising plans for the entire product line."

Sylvania will build a research & development center for electron tubes at Emporium, Pa. The first stage of construction is to be completed this year, the balance by 1963, said Sylvania Electronic Tubes Pres. Matthew Burns.

Hoffman Electronics' TV receiver sales in Jan. were 33% higher than in Jan. 1959.

## Finance

**SARNOFF SEES \$25 BILLION BY 1965:** "You ain't seen nothing yet," RCA Chmn. Brig Gen. David Sarnoff figuratively told the N.Y. Society of Security Analysts last week in a bubbling-with-optimism analysis of the electronics industry's growth pattern. Never one to pull his prediction punches, Sarnoff foresaw:

Today's \$14-billion electronics industry will grow to a \$25-billion annual volume by 1965.

Pacemaker of electronics' expansion will be commercial & industrial business—the "3 Cs" of computers, controls and communications—which will surge 250% to a \$7-billion-a-year business from today's \$2 billion volume.

Home-entertainment electronics will increase to \$8 billion from \$6 billion, "with their earnings crest still ahead." (See p. 19 for RCA leaders' analysis of home electronics.)

RCA will parallel industry growth. Its 1959 sales set a record—19% ahead of 1958—and profits rose 30%. Its forecasts for 1960: minimum increases of 10% in earnings, 10%-12% in sales.

Electronic-equipment servicing "is the fastest growing element in the industry. RCA employs almost as many people to service electronic equipment today as it mustered in the entire company before World War II," Sarnoff said.

Electronics' share of the defense budget will increase to more than 20% from 16% today. This represents a dollar volume of some \$10 billion.

In charting the scope & nature of electronics growth, Sarnoff noted that RCA was undergoing a "fundamental alteration" in character. "At the decade's start," he said, "we were dominantly an entertainment company, with only 12% of our business in non-entertainment fields. Last year, the proportion was 54% entertainment, 46% non-entertainment; and I expect this corporate mutation to continue on an accelerated basis."

### 'Money in the Bank' Computer Losses

Reflecting the broadened character of mutated RCA, the corporation is hinging a large part of its future on a heavy investment in the electronic-brain business. Sarnoff told the analysts that the computer business may reach \$1 billion this year, and more than double—to \$2½ billion—by 1965. "What must be spent, we are spending to establish RCA as a major participant in this still-formative industry," he said, noting significantly that RCA in 1959 "incurred what I call 'money in the bank' losses in data processing, and the losses will continue in 1960." He pointed out that dogged newcomer RCA last week opened an Electronic Systems Center in Wall St., is installing one in Washington, and will add 3 additional data-processing centers for business & industry before year's end.

In an expansive & confident mood, Sarnoff quipped that he was no newcomer to Wall St. He told the Society, meeting in its new quarters at 15 William St., that his own long career in electronics began just a few doors away, at 27 William St., onetime N.Y. office of Marconi Wireless Co.

Asked about his own investment in RCA's future, Sarnoff gave the analysts a "scoop." He had just exercised his option, he said, to purchase 20,000 shares of RCA (at about \$50 a share) to increase his holdings to 25,000 shares. (RCA closed Feb. 19 at 64½.)

In the Q-&A session that followed Sarnoff's address, various RCA executives noted: RCA's investment in data-processing is "tremendous" but still undisclosed; the break-



even point for RCA's burgeoning computer business is 2-4 years; no external financing for RCA's data-processing activities are required now, but outside money may be needed for the long haul.

"RCA is & always has been research-oriented," Sarnoff declared. "And it has not hesitated to blaze the trail with new products & new services. We do not wish to hide or to deny these facts. They account, in the largest measure, for the growth of our business, over the past 40 years, from one million to one-and-a-half billion dollars a year."

Sarnoff supported his point with a preliminary report of RCA's 1959 performance:

	1959	1958
Sales .....	\$1,395,000,000	\$1,176,094,398
Net profit .....	40,100,000	30,941,749
Per common share ...	2.65	2.01

Collins Radio has submitted an SEC registration (File 2-16135) for \$12 million of convertible subordinated debentures due 1980, to be offered for public sale by underwriters headed by Kidder, Peabody & Co. and White, Weld & Co. Interest & conversion rates, price and underwriting terms are to be supplied by the company in an amendment to the SEC registration. Initially, part of the proceeds would be used to reduce bank loans, including payment of \$4.5 million in 5¾% demand notes. Collins said recent expenditures included a \$1.6-million investment in Texiacal Inc., a real estate subsidiary, to finance new construction. Recently budgeted was \$4.5 million for machine tools & other equipment. Collins Chmn.-Pres. Arthur A. Collins & his family hold 170,000 shares (27.57%) of 1,935,749 common shares outstanding.

Houston Fearless Corp., Los Angeles producer of TV-studio, film-processing, microwave and other equipment, reports completion of negotiations for the acquisition of 2 Cal. concerns: Torrance-based Horky-Moore Associates, engineering & manufacturing company (1959 sales of nearly \$3 million), and Western Surgical Co., Ltd., Los Angeles maker of medical equipment (1959 sales of about \$7 million). Houston Fearless Chmn. Noah Dietrich noted that other acquisitions are in "stages of negotiations."

Audio Devices Inc. stockholders have approved the sale of the magnetic-tape maker's silicon rectifier div. to Lark Corp. of Chicago for \$425,000. Audio Devices, in a proxy statement, said that the rectifier division formed in 1957 "has incurred losses in its operations since it was created." In the 9 months ended Sept. 30, the rectifier operation lost \$425,495; sales totaled \$289,453. In the same period, the concern had pre-tax earnings of \$360,279 on magnetic-tape sales of \$3,855,733.

Keystone Electronics Co. Inc., Newark maker of special-purpose tubes & other electronic components, will offer 200,000 common stock shares for public sale at \$3 per share, according to an SEC registration statement (File 2-16115). An underwriting group for the offering (133,334 shares by the company, 66,666 by present holders) is headed by J. A. Winston & Co. Inc. and Netherlands Securities Inc.

Allied Artists Pictures reports a sevenfold increase in net income on a substantial sales rise for 26 weeks ended Dec. 26:

	1959	1958
Gross income .....	\$9,035,088	\$7,431,772
Net income .....	846,000	120,000
Per common share .....	92¢	11¢
Common shares .....	893,832	878,256

**GE Hits Sales-Profit Peak:** GE's 1959 sales & earnings were the best ever, Chmn. Ralph J. Cordiner reported last week. Profits rose 15% over the 1958 level and were 13% ahead of the previous high of \$247,851,871 (\$2.84 a share) set in 1957. Sales climbed 6% in 1959 over 1958 and edged slightly ahead of the heretofore record volume of \$4,335,664,061 achieved in 1957. Cordiner noted that GE's 1959 earnings-to-sales ratio was 6.4%, a "gratifying" increase over 1958's 5.9% ratio.

Principal contributor to GE's record performance last year was the components & materials group, which accounted for 27% of total sales and showed the greatest increase since 1958 of 4 major product groups. Transistors, other semiconductors, computers and other products of the "newer electronic technologies" were among the products having the fastest rate of growth, Cordiner said. Consumer products accounted for 26% of sales, defense products 25%, electrical apparatus 22%. Preliminary report for the year ended Dec. 31:

	1959	1958
Sales & services .....	\$4,349,508,529	\$4,120,769,801
Net income .....	280,242,123	242,942,533
Per common share ...	3.19	2.78
Average com. shares .	87,925,923	87,515,284

Crowell-Collier Publishing Co. reports 1960 sales & earnings of its radio & book divs. running well ahead of the 1959 pace. Chmn. Wilton D. Cole estimates that some \$2.3 million of Crowell-Collier's \$35-million-plus 1959 volume came from profit-making radio KFWB Los Angeles. Radios KDWB Minneapolis-St. Paul and KEWB San Francisco-Oakland showed a combined loss approximating \$450,000. Cole said the company may eventually buy TV stations but its current interest is confined to radio. "We intend to expand further through acquisitions of radio stations in major markets when they become available," he said.

Wall Street rumor, neither confirmed nor denied by principals, last week had Glen Alden Corp. merging with NAFI Corp., owner of KCOP Los Angeles, KPTV Portland and radio KXYZ Houston. Glen Alden Chmn.-Pres. A. A. List said his company is discussing merger with 3 manufacturing firms. Glen Alden, one of the nation's top 2 producers of hard coal, also has interests in theater operations, textiles, leather, oil & gas properties and auto parts.

Industro Transistor Corp. reports a net income of \$188,131 (35¢ a share) for the 6 months ended Dec. 31. Figures for the same year-ago period are not available.

Reports & comments available: RCA, discussion, A. M. Kidder & Co., 1 Wall St., N.Y. 5, profile in Feb. 15 *Forbes* . . . Magnavox, report, Goodbody & Co., 2 Broadway, N.Y. 4 . . . Allied Radio, review, Woodward-Elwood & Co., 840 Rand Tower, Minneapolis 2 . . . Electronics Industry, report, Merrill Lynch, Pierce, Fenner & Smith, 1422 Chestnut St., Philadelphia 2.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Balto. Radio (WFBR)	Q	\$0.10	Mar. 1	Feb. 15
Consol. Electronics ..	—	.25	Apr. 1	Mar. 15
Famous Players Can.	Q	.37½	Mar. 11	Feb. 24
GE Canada .....	Q	2.00	Apr. 1	Mar. 15
Hazeltine .....	Q	.20	Mar. 15	Feb. 29
Meredith Publishing ..	Q	.45	Mar. 10	Feb. 26
Sprague Electric .....	Q	.30	Mar. 14	Feb. 29
Thomp.-Ramo-Woold..	Q	.35	Mar. 15	Feb. 29
Time Inc. ....	—	.75	Mar. 10	Feb. 26



**Amphenol-Borg Electronics Corp.** scored record sales in 1959 with a 21.6% gain over the 1958 volume. Net income rose 28.4%, making 1959 the company's 2nd-highest profit year, topped only by 1957's income. Chmn. Arthur J. Schmitt noted that 1959 earnings of the components producer would have been higher but for consolidation expenses involving its Broadview, Ill. office-plant & Danbury, Conn. plant. The 1959 plant & equipment spending topped \$4.6 million. Schmitt forecast a 15%-20% sales gain in 1960, said earnings will reflect the increased volume, elimination of non-recurring expenses, and the advantages of the concern's new facilities. The 1959 preliminary report consolidates for the first time the earnings of wholly-owned subsidiary Amphenol (Great Britain) Ltd. and the company's equity in the undistributed earnings of a 50% owned affiliate. (The 1958 report is adjusted to reflect the consolidation, for comparative purposes.)

Preliminary report for the year ended Dec. 31:

	1959	1958
Net sales .....	\$56,451,533	\$46,430,851
Net income .....	2,926,605	2,279,434
Per common share .....	2.50	1.96
Common shares .....	1,172,044	1,163,210

**Arvin Industries** reports substantially better sales & earnings for 1959 despite a poorer 4th quarter due to the steel strike. Per-share results for 1958 in the table below have been adjusted to reflect a 25% stock dividend paid last April. Arvin's results for 1959 (fiscal year ended Jan. 3, 1960) vs. 1958 (ended Dec. 28):

	1959	1958
Net sales .....	\$66,174,567	\$54,015,225
Net income .....	2,031,058	1,487,878
Per common share .....	1.80	1.32
Common shares .....	1,129,709	899,225
For 3 months ended Jan. 3:		
Net sales .....	\$15,571,237	\$18,140,207
Net income .....	344,606	918,341
Per common share .....	31¢	81¢

**Tung-Sol Electric** reports record sales in 1959, with earnings slightly higher than 1958. The company explained that earnings didn't match the sales rise because the prices of products did not keep pace with costs, because start-up expenses on several new products were heavy, and inventories increased due to maintaining production during the steel strike. The preliminary report for the year ended Dec. 31:

	1959	1958
Total sales .....	\$72,345,248	\$59,809,166
Net income .....	2,712,552	2,643,842
Per common share .....	2.70	2.67
Common shares .....	924,321	896,067

**Federal Pacific Electric Co., Newark, N.J.** electrical equipment concern which is talking merger with Cornell-Dubilier (Vol. 16:7 p24), posted strong sales & earnings gains in the 6 months ended Dec. 31. (Common shares listed do not include 581,040 shares of Class B common in 1959 & 590,540 shares in 1958 which are not eligible for dividends):

	1959	1958
Net sales .....	\$36,931,369	\$27,788,192
Net income .....	2,052,390	1,347,150
Per com. share (after pfd.)	1.39	1.07
Common shares .....	1,441,534	1,202,379

**Gabriel Co.** sales increased last year over 1958, while earnings dropped slightly:

	1959	1958
Net sales .....	\$28,836,253	\$22,825,684
Net income .....	536,906	545,066
Per com. share (after pfd.)	77¢	80¢
Common shares .....	675,838	661,038

**Skiatron Case Needs End:** SEC attorneys put Skiatron Electronics & TV Pres. Arthur Levey & gen. counsel Kurt Widder on the stand last week for prolonged questioning about stock deals, then prepared to wind up hearings on their charges that the company submitted misleading information in an SEC registration statement (Vol. 16:4 p20).

The 3rd week of the proceedings, which could bring an SEC stop order suspending the stock-offering statement, was spent by the SEC lawyers retracing complicated Skiatron Electronics market maneuvers involving Levey and Matthew (Matty) Fox's Skiatron of America—and Widder's part in preparing the allegedly faulty statement.

At the week's end, SEC counsel planned to draft stipulations with Skiatron lawyers which would obviate the necessity for further hearings—or for calling Fox himself as a witness in the complex case. The proceedings will be convened again in Washington Feb. 24 to open the record for any agreements.

In his testimony, Levey told how he loaned 206,000 shares of Skiatron Electronics stock to Fox, sold 130,000 unregistered shares to relatives & friends when Skiatron's pay-TV system was a hot item in industry news 3 years ago—and made another sale of unregistered shares to 2 men identified only as Charles Grande & Jose Miranda. He said he didn't know these 2 buyers.

SEC lawyer Frederick Moss said Fox posted the stock as collateral for loans to promote pay TV, then defaulted on the loans, and that Skiatron Electronics' statement should have disclosed that Skiatron of America had a deficit of nearly \$3.3 million.

Moss also said that Levey's stock-buying friends & relatives had resold their shares despite SEC regulations against public distribution of unregistered stock which is sold privately. Levey said he had been given "investment letters" by the buyers indicating intent to keep them, and that he had been unaware they had been sold again.

Before the hearings were recessed Feb. 18, Levey conceded under questioning that Skiatron Electronics lacks funds now to put its pay-TV system in operation. And even if it had enough money on hand, he said, his company would be hard put to overcome what he said was lack of sympathy for the pay-TV idea among members of FCC & Congress. Levey insisted he still had faith in pay TV.

**Barnes Engineering Co.** more than doubled net income on soaring sales in the 6 months ended Dec. 31 (1958's income excludes non-recurring charges & credits):

	1959	1958
Net sales .....	\$1,928,417	\$1,002,992
Net income .....	151,390	65,245
Per common share .....	46¢	22¢
Common shares .....	327,170	299,570

**Litton Industries** posted strong sales & profit gains in fiscal-1960's first half. The income in the 1959 period includes a special credit of \$400,000 (11¢ a share) resulting from beneficial purchase of assets. For 6 months ended Jan. 31:

	1960	1959
Sales .....	\$77,400,000	\$56,900,000
Net income .....	3,248,000	2,724,000
Per com. share (after pfd.)	85¢	74¢
Common shares .....	3,752,848	3,556,142

**Western Union's** holdings in TelePrompTer Corp. have been increased to 91,026 shares, or more than 20% of the outstanding stock, as a result of the acquisition of 41,026 additional shares by conversion of a \$400,000 note.



Metropolitan Bcstg. Corp. reports record sales & profits last year. Included in the report are the operations of WNEW-TV & WNEW N.Y., WTTG Washington and radio WHK Cleveland. Not included are recently-acquired TV outlets WTVH Peoria, KQVR Stockton, Cal., and radio WIP Philadelphia. Still awaiting FCC approval is Metropolitan's purchase of WTVP Decatur, Ill. The report for 12 months to Dec. 31:

	1959	1958
Sales .....	\$16,543,422	\$14,427,752
Net income .....	1,416,108	302,035
Per common share .....	91¢	20¢
Common shares .....	1,549,012	1,549,012

Republic Pictures Corp. reports a sharp decline in revenues & income in its 1959 fiscal year (Vol. 16:7 p23). The film concern took a \$1,123,216 write-off against profits in 1959, representing all unrecovered advances to other producers, guaranteed bank loans made to producers and unused stories. For the fiscal year ended Oct. 31:

	1959	1958
Gross revenues .....	\$28,250,273	\$33,468,482
Net income .....	884,882	1,482,337
Per com. share (after pfd.)	24¢	54¢
Common shares .....	2,004,190	2,004,190

Unlisted trading of General Telephone & Electronics, Lear and General Dynamics common stock on the Detroit Stock Exchange has been approved by SEC.

Ex-MBS head Alexander L. Guterma was sentenced to 4 years & 11 months in prison and \$160,000 in fines Feb. 17 by Judge Lloyd F. MacMahon in Federal District Court, N.Y. Guterma was found guilty Jan. 27 of conspiring to defraud the government by willfully failing to file necessary reports with SEC & the N.Y. Stock Exchange (Vol. 16:5 p22). Also sentenced were Robert J. Eveleigh, and Guterma's 2 personal holding companies, Comficor Inc. & Chatham Corp. Eveleigh was sentenced to 2 years & 11 months in prison and fined \$10,000. Fines for Chatham & Comficor totalled \$130,000. F. L. Jacobs Co., which Guterma controlled when the violations were committed, will be sentenced in 2 weeks. Guterma still faces criminal trial in Washington on a Justice Dept. indictment for failing to register as a foreign agent of the Dominican Republic. In Washington, meanwhile, MBS lawyers negotiated a \$12,500 settlement of claims by that country against the radio network in a suit to recover \$750,000 paid in Feb. 1959 to Guterma for broadcasts favorable to the Trujillo govt. (Vol. 15:43 p10). In addition to MBS & Guterma, ex-MBS Chmn. Hal Roach Jr. had been named in the Dominican action in Washington's U.S. District Court, but Judge Richmond B. Keech dismissed claims against Roach.

### Auxiliary Services

**TV Traffic Cop:** TV's traffic-monitoring capabilities will be charted in an ambitious \$400,000 two-year highway test slated to get underway by early summer on Detroit's heavily congested Lodge Expressway. The test, described as the most extensive attempted anywhere, will use a 14-camera hookup to scan 3½ miles of the midtown expressway and feed the pictures to a control center. The monitor observers, guided by the TV projections of traffic conditions, will push buttons to close entrance ramps, to cut lane speed, to summon emergency aid, and guide traffic past congested areas.

"This will be a full-scale test of TV for both surveillance & traffic control," Detroit streets & traffic dir. Alger F. Malo told us. "In addition, it should provide invaluable data on functional design of highways and driving patterns on expressways."

Import of the Detroit test is its immediacy. Or, as Malo put it, "TV traffic control is a subject on which there has been much conversation & little action. To our knowledge, TV is not now being used for traffic regulation."

Actually, the Detroit project has been a long time developing, too. Tests conducted back in 1955 on the Lodge Expressway "established the feasibility of TV," Malo said, but the \$400,000 financing for the proposed research was not forthcoming until last summer. The financing comes from 4 sources: Federal Bureau of Roads, Michigan State Highway Dept., Wayne County (Mich.) Road Commission, the City of Detroit. The project comes under the jurisdiction of the Michigan State Highway Dept., will be administered by a policy committee chaired by dept. traffic engineer Harold Bauerle. The 2-year study will be made on the most congested stretch of the Lodge Expressway, which carries 140,000 cars daily—between 5,000 & 6,000 per hour one way at peak.

Indicative of broad sideline interest in the Detroit project is the action of safety dir. Robert N. Hoffman of the Automobile Club of Philadelphia, who called upon city officials to employ TV to solve local traffic congestion. "If this experiment in Detroit is successful," he emphasized, "it may well be a revolutionary method of avoiding tieups which plague the Schuylkill [and other] expressways."

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## SUMMARY-INDEX OF WEEK'S NEWS

### Networks

**NBC's KTVU BUY, KRON-TV's COMPLAINT.** \$7.5-million sale provokes bitter protest from KRON-TV, due to lose NBC affiliation. Station intends to "air serious public interest issues" (p. 1).

**NBC-TV's SUMMER BONANZA:** Minimum of 10 new shows planned to take TV out of summer doldrums (p. 8).

### Congress

**CELLER BILL TOO TIGHT.** FCC says in testimony by gen. counsel FitzGerald at House Subcommittee hearing on govt. conflict-of-interest laws (p. 5).

**FCC, FTC ON CARPET AGAIN** this week as House Oversighters resume payola probe. They also subpoena records of 6 more Miami disc jockey convention hotels (p. 4).

### Film & Tape

**NO BREAK IN FILM STRIKE.** Encouraged by U-I deal on post-1948s, WGA stiffens opposition; some producers begin to feel script shortage (pp. 4 & 11).

### Advertising

**COMPACT CAR DERBY:** U.S.-made small cars will be backed by \$20-million TV ad budget this year. Renault is sole foreign entry spending heavily in TV (pp. 3 & 10).

**ABC's SPRING SALES PITCH** drops underdog role, flexes sales & programming muscles with big batch of eye-catching statistics (p. 9).

### ETV

**FEDERAL AID TO ETV REVIVED** by House Commerce Subcommittee which permits \$52 million bill to go to full Committee for vote. Its fate is uncertain (p. 14).

### Manufacturing & Distribution

**"SMALL" TV MAKERS—BIG BUSINESS:** Our survey finds 1959 sales gains ranging to more than 100%, highly optimistic outlook for 1960 (pp. 15 & 17).

**NEW 18-IN. TUBE** for battery TV, developed by Kimble, dies a-borning. Most set makers hesitant about heavy expenditures on transistor TV design (p. 16).

### Finance

**RCA & ADMIRAL REPORT** banner years. Admiral doubles profit with a jump to \$3-million-plus, hikes sales 17%, readies 19-in. TVs. RCA confirms record sales & \$40 million profit (p. 18).

**TV-ELECTRONICS FUND** net assets climbed to \$314 million in fiscal quarter ended Jan. 31; net asset value per share rose 11.5% (p. 19).

### Stations

**DOERFER RAPS OVERSIGHTERS** for legislative proposals on TV-radio program controls, tells NAB state leaders' conference they threaten "grave danger" (p. 7).

**REACTION OF FCC-PRODDER UHF's:** Turn in unbuilt CPs. FCC clearing uhf band of "deadwood" in anticipation of general allocations moves (p. 3).

### Foreign

**CASTRO TIGHTENS SCREWS** on TV ads, banning foreign-produced commercials. Govt. seizure of Telemundo TV network leaves only 9 of 26 Cuban stations without Castro "intervention" (pp. 2 & 6).

### Auxiliary Services

**WIRED TOLL TV BEGINS** in Toronto suburb, Telemeter claiming 1,000 charter subscribers, 1,500 on waiting list. First week's programs: six 2nd-run movies, one live hockey game (p. 6).

**NBC'S KTVU BUY, KRON-TV'S COMPLAINT:** NBC bought San Francisco's independent KTVU (Ch. 2) for approximately \$7.5 million last week, after considerable on-&-off talk (Vol. 16:1 et seq.), and provoked a bitter blast from KRON-TV (Ch. 4) which will lose NBC-TV affiliation.

KRON-TV Pres. Charles Thieriot served immediate notice of plans to object to the sale, though he didn't specify forums he planned to use. "We are not going to stand still," he said, "and let NBC arbitrarily grab for itself a TV audience that we have built up for them over a period of years. This attempt to do so, in our minds, raises questions of whether any TV station can survive against the economic power in the hands of the networks. These are serious issues, directly affecting the public interest. We believe these issues should be aired, and we intend to take steps to air them." Asked to elaborate, Thieriot stated: "Many things are under study. We will do anything proper to protect our interests. These will be divulged as we progress."

P. A. Sugg, NBC vp for o&o stations & spot sales, responded: "I don't see what he means. If he has built up an audience, I'd assume that he has no problems. I don't know what he's going to air."

Speculation arose immediately as to whether KRON-TV would complain to Justice Dept. on basis of recent consent decree against RCA-NBC (Vol. 15:38 p3). Decree prohibits NBC from acquiring any station by threatening it with loss of NBC affiliation. NBC executives wouldn't comment officially on that point but



they asserted, first, that NBC didn't threaten KRON-TV, and, second, NBC didn't buy KRON-TV. It's thought that KRON-TV may protest sale to FCC on an "economic injury" plea.

In 4-station San Francisco, sale would leave KRON-TV independent, KTVU with NBC, KGO-TV with ABC, KPIX with CBS. KRON-TV's chances of getting network affiliation may be slim—what with KTVU & KGO-TV being network o&o's and KPIX owned by powerful Westinghouse.

KTVU exec. vp-gen. mgr. William D. Pabst assured staff that jobs aren't in jeopardy, that operating conditions will remain same during the 12-18 months expected before final transfer.

Sale was approved by KTVU stockholders Feb. 22. Base price is \$6.9 million. Then there are certain variables—about \$750,000 for equipment, profits of station before takeover, value of film library, etc. Estimated final total price is around \$7.5 million. Unusual angle is that RCA-NBC will make payment in RCA stock at \$62.25 per share, regardless of how it fluctuates until sale is consummated.

**CASTRO TIGHTENS SCREWS ON TV ADS:** New decree by Cuban govt. will have profound effects on American advertisers, agencies & commercial producers doing TV business in Castro's Cuba—a flat ban on all foreign-made TV & motion picture commercials.

In a separate move last week, the Castro govt. took over the 8-station Telemundo network and its affiliated El Mundo newspaper (notwithstanding early news reports to the contrary) as well as the General Motors distributorship and other enterprises in the \$40-million business empire controlled by Amadeo Barletta Sr. An Italian citizen, Barletta had taken refuge in the Italian Embassy in Havana at week's end.

Cuban govt. has now seized all or part of 18 of Cuba's 26 TV stations through its Ministry for the Recovery of Stolen Property. The only TV stations now without some govt. "intervention" (ownership) are the Mestre Bros.' 8 outlets in the CMQ-TV network. (For story on seizure of TV station properties in Cuba, see p. 6.)

The new TV-commercial decree, adopted by the Cabinet Feb. 20 but not officially released at press time, means that all filmed commercials must be re-made in Cuba. At least that's the interpretation we're given by TV & ad people with Cuban connections. About 50% of the Cuban TV commercials for U.S.-made items are currently being made outside Cuba.

Cost of re-shooting the commercials is only half of the problem. More serious may be the unavailability of raw film in Cuba. In its strict control over imports and dollar purchases, the Cuban govt. so far has refused to permit import of film rawstock, and supplies are low. Cuba makes no film stock. To import it, a supply of dollars and an import permit are required. Both must be obtained from the National Bank of Cuba. Isn't it logical that the permits & dollars will be granted? We asked that question of a Cuban TV source. The reply: "The govt. isn't always too logical. The situation can become very serious."

There are ample & excellent facilities for making commercials in Havana—biggest being CMQ-TV's complete studio & lab set-up, said to be equal to that of any independent producer in N.Y. There are also 2 major independent commercial producers in Havana.

Castro's TV-commercial import ban isn't unprecedented. Venezuela has similar restrictions, requires that all commercials be shot within the country, using local technicians, announcers & scenery. Mexico permits use of foreign film commercials, but the voices must be those of Mexicans. Cuba's Radio CMQ long has had rule against using foreign-recorded radio ads, and has sought to discourage foreign-made TV commercials. Cuban TV-radio unions have favored a ban to help build up & protect domestic TV-radio-ad industry.

Probably 50% or more of Cuba's TV advertisers are U.S. business firms—and there's plenty of advertising on Cuban TV. Stations there make their money selling spots rather than on program sponsorship. There are 2 to 2½ minutes of spots between programs—usually at least six 20-sec. announcements or three 40-sec. spots. Minute spots are rarely used.

In a related restriction, which will also hit TV, the new Cuban Central Planning Board—empowered to control all private enterprise—has banned the sale of all pharmaceutical products not made or packaged in Cuba. Most U.S. pharmaceutical firms have Cuban subsidiaries and some of them re-package there. Drugs are widely advertised on TV—and spokesmen from drug houses point out it will be difficult to obtain packaging material because of import restrictions.

More restrictions on trade are expected soon from the the Planning Board. Also due momentarily is the new TV-radio law, long under preparation.



**\$20 MILLION TV STAKES IN COMPACT-CAR DERBY:** An estimated \$20-million TV budget will backstop Detroit's hottest automotive trend this year: U.S.-made small cars. Huge sum, due to be scattered among all networks plus spot TV, represents about one-third of all U.S. auto money in TV. Anticipated 1960 sales of American compacts: 2 million units, or nearly one out of 3 cars sold.

Leader in 1960 compact sales to date is American Motors' Rambler (TV-sold on NBC-TV's Today, Jack Paar Show and Journey to Understanding), with 35,000 units sold in Jan. Close second is Ford's Falcon (NBC's Startime & Tennessee Ernie Ford) 32,000 units. Chevrolet's Corvair (NBC's Chevy Show, ABC-TV's Pat Boone Show) is third with 19,000. Studebaker's Lark and Chrysler's Dart & Valiant sold less than 10,000 each. Still more compacts are slated for TV-backed 1960 introduction—including Ford's new Comet, Buick's Invader, Dodge's Warrior and an unnamed Oldsmobile entry.

Effect on foreign import models is already being felt, just as we predicted last year (Vol. 15:31 p13). Demand for foreign compacts has leveled off from last year's 600,000 to annual rate of about 500,000 units. More recent figures indicate sales may drop to 480,000, representing 20% decline from 1959.

Nevertheless most foreign compacts continue to ignore TV as major sales weapon. Last year's sales leader Volkswagen, now lagging behind French-made Renault, still steers clear of network TV, but recommends spot as dealer-level medium. Others seldom, if ever, use TV.

Renault is single pro-TV exception among foreign-made compacts—and, significantly, it has overtaken Volkswagen to become top-selling import in U.S. Heavy network & spot TV push has been in action since Kudner Agency took over Renault's broadcast advertising last spring (Vol. 15:35 p12). Details on p. 10.

**LEE'S CHANCES LOOK GOOD:** FCC Comr. Robert E. Lee's prospects for Senate confirmation seem strong at this time. Senate Commerce Committee hasn't been delaying consideration of other Republican agency members—CAB, FTC, etc.—and there's no indication that Lee is in trouble. Some time ago, there was speculation that the Democratic-controlled Congress might choose to pigeonhole Republican nominees pending Presidential election, in hopes that a Democrat would be elected and substitute member of his own party. But Commerce Committee isn't acting that way.

Committee has been quite impressed with Lee's performance, notably his work on Conelrad and his pro-uhf campaign. Lee is undoubtedly most traveled and best-known personally among all Commissioners—for his Conelrad work has taken him out of Washington more than 225 days in last 2 years, during which he traveled over 50,000 miles. If he has any strong opposition in Senate, it hasn't shown its hand.

Lee's current term expires June 30, and the nomination is for a full 7-year term. He joined FCC Oct. 6, 1953 in a recess appointment (Congress not in session), was confirmed the following January.

**REACTION OF THE FCC-PRODDER UHFS:** Majority of those uhf grantees jogged by FCC to build or drop their CPs (Vol. 16:8 p2) are likely to simply shrug and turn in their permits. A spot check of grantees & their attorneys last week produced a strong indication that few see any point to spending any money on oral arguments or evidentiary hearings in an attempt to keep the grants—when they can't possibly assert that they'll build in the foreseeable future. A very few may choose to debate a bit with FCC, perhaps arguing the legal point that they're entitled to evidentiary hearing, not merely oral argument.

Reason behind FCC's sudden action, which surprised even its staff, is that it wants to clear decks for whatever general allocations action it may take. The move isn't a forecast of Commission decision, doesn't mean that an all-uhf move has been decided or that plans are afoot to give part of uhf to the military. What Commission wants is to minimize legal & procedural problems in event anything new is done with uhf.

Commission hit only part of the non-operating uhfs last week, hasn't decided what to do with others. It's inclined to be tough with those who never built—the 54 cited—but there's certainly a disposition to take it somewhat easier on those who built, operated, suffered, succumbed. ETV uhf CP-holders are also expected to get gentler treatment.

You may recall that vhfs were given similar FCC treatment dozen years ago, when all telecasting was a losing business and no one could predict when industry would turn a profit. It forced grantees to make up their minds, undoubtedly moved TV ahead by several years, bringing first service to many major markets.



**NO BREAK IN FILM STRIKE:** No progress whatever was made in Alliance of TV Film Producers-Writers Guild of America negotiations last week, as WGA strike entered its 7th week. WGA, which had been in a conciliatory mood the preceding week, was encouraged by its success in another field—its deal with Universal-International on post-1948 movies. As a result a longer strike was predicted.

U-I deal gives writers 2% of the gross on post-1948s, but allows for 40% distribution costs, which brings writer figure down to 1.2%. Screen Actors Guild, meanwhile, offered a 60-day extension of its contract expiring March 31 to producers outside the Alliance fold. The Alliance had previously accepted the bid.

Some producers are beginning to feel script shortage, but in most instances companies have sufficient stories to finish season. (For details, see p. 11.)

## Congress

**FCC, FTC ON CARPET AGAIN:** The erratic, catch-as-catch-can headline course of House TV-radio industry probers who spent 2 weeks trailing payola into Boston & Cleveland stations (Vol. 16:8 p3), turns back again this week to familiar territory—FCC & FTC.

Chmn. Harris (D-Ark.) of the Commerce Legislative Oversight Subcommittee summoned FCC Chmn. Doerfer to appear March 3 and FTC Chmn. Kintner March 4 to undergo questioning about "their actions & activities up to date" on payola practices.

The Oversighters' agenda after that is uncertain, but the always-tentative schedule of the Subcommittee takes in: (1) More exposes of payola, including goings-on at a Miami Beach disc jockey get-together last May. (2) Any number of related payola-plugola subjects in a 20-point probe outline, covering 27 cities, which Subcommittee counsel Robert W. Lishman drafted last Dec. (Vol. 15:51 p5). (3) Legislative reform proposals, including a year-old omnibus bill (HR-4800) by Harris himself (Vol. 15:8 p3) and Subcommittee recommendations early this month for laws against TV quiz fakery and other misdeeds within the industry (Vol. 16:6 p6).

Surest clue to the priority of proceedings following FCC & FTC sessions probably was provided last week when Subcommittee sources confirmed reports that staffers had been going the Miami resort rounds, passing out subpoenas for records of hotels where jockeys were quartered during the 1959 3-B ("Babes, Booze & Bribes") convention.

Account books of Miami Beach's Americana, convention hq where record firms spent more than \$100,000 to keep the jockeys entertained, already were in the Oversighters' record (Vol. 16:7 p6). Added to the subpoena list last week were Miami Beach's Bal Harbour, Shamrock Isle, Singapore, Balmoral and Beau Rivage hotels and Miami's Sir John.

### May Call Jack Paar on Plugola

Harris wouldn't indicate what the Subcommittee's timetable might be after this week, however. Nor would he say whether he has definite plans to call ABC-TV's American Bandstand headliner Dick Clark, who is under subpoena and whose name has been cropping up since the start of payola hearings—although not in connection with Miami Beach. Another possibility in the Subcommittee's future book of witnesses: NBC-TV's Jack Paar, who has been an unabashed plugger of unsponsored products on his late-night show. A Subcommittee source confirmed reports that NBC's standards & practices vp James A. Stabile was asked Feb. 17 for a kind of one segment of the Paar show for "a strictly preliminary check."

In other Congressional developments: Rep. Moss (D-Cal.) of the Oversight Subcommittee introduced a bill (HR-10605) requiring TV & radio stations to identify participants in "interview or discussion programs," announce whether the programs have been rehearsed, keep tapes of what they say for at least 90 days so that anybody mentioned on the air can have access to transcripts. Penalty for non-compliance by stations: One-week suspensions of licenses by FCC. Moss said the intent of his measure is to protect "individuals, corporations, companies and other organizations against defamatory or otherwise injurious statements."

Around-the-clock Senate debate on civil rights, scheduled by majority leader Johnson (D-Tex.) to start Feb. 29, made it uncertain that an already-postponed TV industry summit conference with the Senate Commerce Committee would be held March 1, as planned (Vol. 16:8 p4). As of last week's end, Commerce Chmn. Magnuson (D-Wash.) still had the session on his schedule, but all Senate committee meetings probably will have to be called off if Johnson holds the Senate in continuous floor session.

### Would Bar Manufacturers From Broadcasting

Rep. Sheppard (D-Cal.) suggested on the House floor (but introduced no bill) that the Communications Act should be amended to prohibit licensing of any TV or radio station to "any company which directly or indirectly owns, operates or controls, or has 25% or greater interest in, a company manufacturing radio, broadcasting, transmitting or receiving equipment." Sheppard said such an amendment would prevent a manufacturer from putting pressure on a station to buy its equipment under "threat that [the station's] network contract can be canceled."

Reps. Rogers (D-Tex.) & Macdonald (D-Mass.) also had some legislative suggestions. Oversighters Rogers said a new federal anti-bribery law ought to be enacted to prevent payola "deception, deceit and cheating" by record companies & jockeys. Commerce Committee member Macdonald said a 1958 law should be changed to limit low-cost 4th-class postal rates for mailing of educational records to records which really are educational. The cut rates apply now to all phono records, he pointed out.

Sen. Allott (R-Colo.) had some words of caution. Referring to the House payola disclosures, he told the Senate that the public has been "bombarded with a variety of testimony reported in a variety of ways," that in the "wake of this tumult have come suggestions, demands, orders and threats that someone must be made to pay." Allott argued, however, that FCC "is adequately prepared to handle gross misuse of our airwaves" and that the "networks have demonstrated a willingness & ability to properly control their programming." He added: "It is time now for us to pause & see what is being done, not plunge ahead recklessly with legislation."



**Celler Bill Too Tight, Says FCC:** Conflict-of-interest bills proposed to prevent ex-govt. employes from exploiting their experience for private gain (Vol. 16:8 p4) go too far, FCC gen. counsel John L. FitzGerald testified last week.

Appearing before the House Judiciary Anti-trust Subcommittee at a hearing on a half-dozen clean-govt. measures, FitzGerald singled out provisions in one bill (HR-2156) by Chmn. Celler (D-N.Y.) for particular criticism.

The FCC spokesman said that under Celler's proposals: "Former Comrs., officers and employes of the Commission would be permanently disqualified from ever participating, or aiding or assisting anyone in prosecuting a claim, contract, controversy or other matter in which the U.S. is a party or in which it is directly or indirectly interested concerning which matter they had any responsibility during their federal employment."

FitzGerald also was critical of a section of the Celler measure prohibiting ex-federal employes from doing business with the govt. for 2 years after they leave their govt. jobs. He pointed out the Communications Act now prevents ex-Comrs. from practicing before FCC for one year, but exempts those who have served their full terms of office. This is "as far as any legislative pronouncement of the Congress in this area should go," he said, arguing:

"It must be remembered that the Comrs. & employes of the Commission may have devoted most of the years of their professional experience to this specialized govt. regulatory agency. To prohibit them, after long years of service in the public interest in a highly specialized field, from using that competence for a period of 2 years after leaving such employment, appears to us to be inequitable."

#### "Why No FCC Code of Ethics?"

FitzGerald was questioned sharply by Rep. Rogers (D-Colo.) & Subcommittee counsel Herbert Maletz about FCC's failure to adopt a code of ethics of its own, as recommended in the Celler unit's 1957 report on the TV industry (Vol. 13:23 p3). FitzGerald said FCC felt that Congress itself should impose any such rules on agencies, that he himself never had read all of the 1957 report.

Meanwhile still another clean-govt. bill (HR-10657) was added to the Celler Subcommittee's portfolio by Rep. Fascell (D-Fla.). A refined version of American Bar Assn. proposals which have been languishing in the Senate Judiciary Administrative Practice & Procedure Subcommittee (Vol. 16:7 p9), Fascell's measure provides criminal penalties for all *ex-parte* approaches to FCC & other regulatory agencies.

Also referred to the House Subcommittee last week was a bill (HR-10575) by Rep. Lindsay (R-N.Y.) carrying out conflict-of-interest recommendations by the Assn. of the Bar of the City of N.Y. following a 2-year study. A companion Senate bill (S-3080) was introduced by Sens. Javits (R-N.Y.), Keating (R-N.Y.) and Proxmire (D-Wis.).

NARBA & Mexican AM Agreements were finally ratified by the Senate last week, by 76-to-8 vote, after pending 9 & 3 years, respectively. In the floor discussion, Sen. Morse (D-Ore.) said he had requested from the FCC an assurance that it doesn't have "a lack of sympathy with the plight" of daytime stations which are now foreclosed from extending their operating hours. Sen. Magnuson (D-Wash.), chmn. of the Senate Commerce Committee, voted against the treaties because he believes that within 5 years, the life of the treaties, the daytimers' hours could be extended through engineering innovations.

Anti-TV-ratings crusade by Sen. Monroney (D-Okla.), who has been calling for a full-dress Commerce Committee probe of the systems ever since he conducted brief one-man hearings on them in 1958 (Vol. 14:26 p2 et seq.), may be called off. "We may not be able to get to further study of TV ratings for some time," Monroney told the Senate, pointing to the Communications Subcommittee's preoccupation with other problems, such as allocations (Vol. 16:6 p2). And "we may be seeing a break in the clouds of rating-dominated TV" anyway, he added. As industry developments contributing to a "slight ray of light which could mean a new dawn," Monroney cited: (1) "Independence of ratings suggested by recent announcements of varied TV public service programs scheduled in prime time by the networks." (2) Abandonment by Trendex of "top 10" program listings "to introduce sanity to the business of evaluating the TV audience" through its "Dimensionized TV Audience Report." Monroney commented: "It has been my contention for some time that the ratings we have known in the past didn't make sense. We shall see if the new ones have a sane contribution to make."

## The FCC

No improper influence was brought to bear on FCC members in the St. Louis-Springfield deintermixture case, KTVI (Ch. 2) St. Louis asserted last week in its brief on the case (Vol. 16:8 p4). KTVI, which was given authority to operate on Ch. 2 after the channel was shifted from St. Louis, told the Commission: "During the pendency of the proceeding, [KTVI, through Pres.] Harry Tenenbaum, made *ex-parte* approaches & presentations to the members of the Commission for the purpose of influencing them to amend the notice of proposed rule-making by including the shift of Ch. 36 from St. Louis to Springfield as a subject to be considered in the proceeding. Following such *ex-parte* approaches, the Commission on Oct. 12, 1956, issued an amended notice of rule-making inviting comments on a proposal to assign Ch. 36 to Springfield by deleting it from St. Louis. The *ex-parte* approaches & presentations made by [KTVI] to enlarge the rule-making proceedings were not improper & did not deprive interested parties of the opportunity to file comments in support of or in opposition to the proposal." The brief of Sangamon Valley TV Corp., one-time applicant for Ch. 2 in Springfield, argued that KTVI should be disqualified for its approaches to Commissioners and that the FCC should void the rule-making decision which shifted Ch. 2 from Springfield to St. Louis. AB-PT and uhf WICS Springfield asserted that the status quo should be maintained because nothing in the record "taints, vitiates or voids" the FCC's original decision.

Sale of KEYC-TV Mankato, Minn. to KEYC-Lee TV Inc. has been approved by the FCC. Two-States TV Co. Inc., 60% owned by KNUJ Inc., transferred the CP to KNUJ Inc. for cancellation of \$40,000 indebtedness. KNUJ in turn assigned the CP to KEYC-Lee TV Inc., 70% owned by Lee Radio Inc. (KGLO-TV & KGLO Mason City, Ia.), for 10% of the stock in the new company. KEYC-Lee also got option to buy the transmitter site for \$6,600.

Fight over 770 kc produced an unusual tactic last week when radio KOB Albuquerque filed an application in N.Y., asking that it be considered competitively with the renewal of ABC's WABC. Both stations operate on 770 kc. KOB's N.Y. application proposed nighttime directional operation to protect KOB. WABC hasn't proposed a DA; its license expires June 1.



## Foreign

### More about

**CUBAN TV SEIZURE:** Castro's internment of the Amadeo Barletta TV-radio-newspaper-commercial properties (see p. 2) is one of the most serious moves made against businessmen by the Cuban revolutionary govt. Italian citizen Barletta heads an empire which includes the General Motors distributorship, an automobile assembly plant and a pharmaceutical importing business, in addition to his TV-radio & newspaper properties.

All of Barletta's businesses, including his key station CMAB-TV (Ch. 2) Havana with its Telemundo network of 6 satellites and his 2nd Havana station CMTV (Ch. 10) are now being operated by a govt. "interventor" pending a closed-door hearing. Despite fact that Barletta's newspaper *El Mundo* was not regarded as pro-Batista, the official charge against him is "illegal enrichment at the expense of the national patrimony and in connivance with high figures of tyranny." The govt. said Barletta's properties were taken over to determine if they were acquired with official protection at govt. expense during the Batista regime.

Barletta is a one-time Italian consul general in Havana, and the Italian govt. has stated that it will fight the confiscation action. The homes owned by Barletta and his daughter were also seized by the Cuban govt. Amadeo Barletta Jr., a U.S. citizen, co-owner of the Barletta properties (which also include Ambar Motors, GM importer, an auto & truck assembly plant and a pharmaceutical importer), is reported "safe" and presumably is in the U.S., although his interests in the properties have also been taken over.

Telemundo spokesmen told us that they believe govt. will assume all obligations of the stations and will fulfill all contracts. Sources close to Barletta called the charges "trumped up" and expressed doubt that his properties will be returned.

### 25% Stock in CMBF Network Seized

The govt. has taken over 25% ownership of another Cuban network—CMBF-TV Cadena Nacional, with 7 satellites and 2 Havana outlets, CMBF-TV (Ch. 4) & CMBA-TV (Ch. 7). However, it is said to be exercising no control, after seizing the stock owned by Alberto Vadia, who has left the country. The govt. has indicated no suspicion of the other owners of the CMBF-TV network—RCA distributors Julian Lastra & Miguel Humara (50%) and the Mestre interests (25%), which also own the CMQ-TV network.

First TV station to be impounded by the govt. was Gaspar Pumarejo's CMBJ-TV (Ch. 12), founded as an all-color station, and said to have been financed by Batista henchmen. Pumarejo currently is in Puerto Rico, where he is serving as an independent program producer with WAPA-TV San Juan.

CMQ-TV network, headed by Goar Mestre, is the only TV station entity which remains completely privately owned. Its key station, CMQ-TV (Ch. 6) Havana, feeds a network of 7 interconnected stations. CMQ-TV seems to be Castro's favorite station; he often uses its facilities—instead of those of the govt.-owned station—for his telecasts, and its weekly *Meet the Press* is must viewing for all up-to-date revolutionaries. Castro himself often appears on the show.

## Auxiliary Services

**WIRED TOLL-TV BEGINS:** With appropriate hoopla, the first regular (non-experimental) wired pay-as-you-see TV system went into operation Feb. 26 in suburban Toronto, offering about 1,000 subscribers 6 movies (but no first runs) and one live hockey game as the first week's toll programming.

Trans-Canada Telemeter, div. of Famous Players, the Canadian wing of Paramount Pictures, began its closed-circuitcasts to homes in Etobicoke, Ont. Telemeter claims that 1,500 homes are on the waiting list for installation, in addition to the initial 1,000 homes with Telemeter coin-box attachments already installed on their TV sets. About 300 new installations are being made each week. A Telemeter spokesman declined to estimate the break-even point in number of installations, but suggested that it may be somewhere between 3,500 & 5,000 homes.

Each Telemeter subscriber can tune 3 wired channels (Ch. A, B & C) in addition to the local on-air TV channels. Programming announced to date consists mainly of movies now running at Famous Players' neighborhood houses—at the same price as a single admission (\$1)—but no first-runs. First week's movies (their distributors in parentheses): "Journey to the Center of the Earth" (20th-Fox), "Nun's Story" (Warners), "7th Voyage of Sinbad" (Columbia), "Career" (Paramount), "FBI Story" (Warners), "Big Circus" (Allied Artists). Only non-film attraction scheduled this week is live telecast of Toronto-N.Y. hockey game from New York's Madison Square Garden (at \$1.50).

Pictures announced as future attractions are "Cash McCall" (Warners), "Gigi" (MGM), "Room at the Top" (Continental Distributors), "Wreck of the Mary Deare" (MGM), "5 Pennies" (Paramount), "From Here to Eternity" (Columbia), "North by Northwest" (MGM), "Rio Bravo" (Warners), "They Came to Cordura" (Columbia), "Have Rocket—Will Travel" (Columbia), "Shaggy Dog" (Disney-Buena Vista).

Installation of the Telemeter coinbox costs \$5, and there is no minimum viewing requirement—although a company spokesman did say the box would be removed if a family did no pay-TV viewing at all.

Paramount Pres. Barney Balaban, in Toronto for the Telemeter opening, told newsmen that the company's 2nd wired toll-TV installation will be in "the greater N.Y. area later this year."

Paramount's International Telemeter announced this week that it had achieved "a significant breakthrough in the economics of closed-circuit TV" in the Canadian system. New distribution equipment uses specially developed high-level voltage amplifiers which reduce the number of amplifier positions required by a ratio of about 14-to-1—meaning a saving of about 50% in maintenance costs. The production model amplifiers were developed & designed by Jerrold Electronics from Telemeter's specifications.

Microwave serving CATV operated by Helena TV Inc., Helena, Mont., remains suspended following a decision announced by the Court of Appeals. The FCC had ordered the microwave, operated by James G. Edmiston, to quit feeding signals of Spokane stations pending a hearing on the protest made by KXLJ-TV Helena. The Court said that the Commission's action was within its "statutory authority & discretion."



## Stations

**DOERFER RAPS OVERSIGHTERS:** FCC Chmn. Doerfer, who has a date—probably strenuous—with the House Commerce Legislative Oversight Committee this week (see p. 4), accused it last week of posing “definite threats to the American concept of freedom of expression.”

In a slashing attack on some of the Subcommittee’s legislative recommendations to reform broadcasting practices exposed by TV quiz scandals (Vol. 16:6 p1), Doerfer told NAB’s 5th conference of presidents of state bestg. assns. in Washington that “grave danger” to TV & radio lurks in proposals that FCC:

- (1) Devise “various conceptions of program balance.”
- (2) Determine “character of individual or a series of programs (other than those which violate specific laws).”
- (3) Conduct “public hearings in the community in which a station is located before the issuance of any broadcast license or renewal thereof.”
- (4) Monitor “programs to the extent necessary to determine whether the program balance is in the public interest.”
- (5) Arrange hearings “in the case of a sale, transfer, or assignment of broadcast facilities which are proposed within the period of 3 years after issuance of a license.”

Doerfer said these and other plans advanced by critics of the industry to give govt. more control over broadcasting lead toward a “paralyzing evil—and that is govt. paternalism, then bureaucracy and ultimately the autocracy of a benevolent despot or irascible dictator.”

### Approves Penalties for Quiz Rigging, Payola

The FCC chairman endorsed parts of the Oversight Subcommittee’s quiz-investigation report, however. He said he approved recommendations for legislation to make quiz-rigging & payola criminal offenses. He also favored a Communications Act amendment permitting FCC to invoke less-than-revocation sanctions on offending stations.

But he wound up his speech to the state broadcasting leaders this way:

“I respectfully submit that some of the recent proposals of the Subcommittee on Legislative Oversight, with respect to extensive program monitoring to determine balance in the public interest, are definite threats to the American concept of freedom of expression for mass media of communication.

“You should assume the duty to study the full implications of having a govt. agency monitor broadcast stations to determine program balance—a vague & indefinable concept at best.

“Congress & the people should be alerted to the dangers of creating a modern Pied Piper. He may lead broadcasting—one of the most powerful media of mass communication—down a road from which there is no return.”

Similar warnings were sounded earlier at the 2-day conference—attended by representatives of 46 of 48 active regional broadcasting groups—by NAB Pres. Harold E. Fellows.

In a keynote speech, Fellows said that demands for strict govt. supervision of programming raise the specter of a “Joseph Goebbels standing before a microphone in Nazi Germany and warping the minds & emotions of millions of people.”

At the same time, Fellows said, broadcasters must push on with “sincere desire” to rid the industry of abuses by more rigid self-regulation.

He urged a united front “in opposition to the temptation to control programs, to conduct a continuing & aggressive educational campaign to inform the members of Congress about broadcasting—and, most important of all, to so conduct our own affairs that we can speak always with pride & never with shame in defense of our own actions.”

In NAB staff reports to the state presidents:

Vincent T. Wasilewski, govt. relations mgr., said that “in many areas of govt. there is a distinct feeling that the industry is not going to regulate itself and laws will have to be passed to do it.”

Thad H. Brown Jr., TV vp, said “we are in very turbulent seas,” urged participants in the conference to go back to their home localities and spread the alarm.

Douglas A. Anello, chief counsel, said the industry is in sympathy with all efforts to wipe out payola practices, although he criticized as too vague FCC’s proposals to make payola a federal crime (Vol. 16:7 p7).

### Oppose Program Control, Support Self-Regulation

The state presidents responded by voting unanimously for a resolution which: (1) Opposed “any action which would result in supervision or control by govt. of radio or TV programming.” (2) Pledged “full support & assistance to the self-regulatory efforts of the broadcasting industry.” (3) Urged “all broadcasters to support these efforts through the Radio Standards of Good Practice and the TV Code of the NAB.”

The tight conference schedule included the Voice of Democracy awards luncheon (see p. 8), activities reports by a half-dozen state leaders, a briefing on the national defense emergency broadcast system by OCDM & other govt. officials, a wind-up roundtable caucus moderated by Pres. Fellows.

The final shop-talk discussion ranged over such subjects as promotional use of special license plates on station-owned automobiles, how to arrange effective lobbying dinners for members of state legislatures, intricacies of ASCAP contracts—and NAB’s Codes.

Liveliest exchange at the roundtable session came when secy.-treas. Dale Moore of the Mont. Bcstrs. Assn. remarked that his radio KCAP Helena didn’t subscribe to NAB’s Code because its restrictions on frequency of commercials didn’t suit his station’s needs. Fellows chided him, then launched into an attack on Code hold-outs generally. He got a burst of applause.

Just before they went home from this hair-down session, the conference delegates passed a resolution recommending that all state assn. station members “require” advertisers & agencies to stipulate in air-time contracts that their commercials comply with NAB’s TV and/or Radio Code standards.

New industry-image campaign has been suggested to TV & radio stations by RTES Pres. Frank Pellegrin. In brief, the plan urges stations to: (1) Use their own station breaks, 10-20 a day, for brief messages on what the station has done during the past year in public service area. (2) Have each station staff member write a series of 5-sec. messages plugging the station’s public-affairs accomplishments. (3) Exchange messages with other stations. First to apply a similar policy is WJXT Jacksonville, Fla., CBS affiliate, which has published a 12-page booklet describing its 444 hours of public-affairs programming during 1958.

“Operation Alert,” the annual civil defense exercise, kicks off with a Conelrad drill May 3, 2-2:30 p.m.



Santa Fe Ch. 11 applicant, Santa Fe Telecasting Co., aroused FCC's suspicions about the amount of work it has done in preparing its application, so the Commission is asking it "to furnish further information with respect to operating cost estimates & determination of local programming needs because proposed programming schedule & policy are virtually identical with those of other pending applications mentioning the same supplier of equipment." The transmitter maker is Electron Corp., Dallas, itself an applicant in several markets. All the applications have the same program policies & weekly schedules, word-for-word. The Santa Fe applicant proposed to operate 70 hours weekly, 43% live, with a staff of 12—at \$65,000 a year. FCC is eager to learn how this can be done. Among other applications also to be questioned are those in Grand Island, Neb.; Alamosa, Colo.; Reno, Nev.; Missoula, Mont.; Douglas, Ariz.

Voice of Democracy Contest, sponsored by EIA, NAB & VFW, was climaxed Feb. 24 with the big annual luncheon in Washington and announcement of the top winner—Richard J. (Rick) Smith, 16, the son of an Albuquerque FBI agent. The contest was one of the most successful of the 13 to date, according to the sponsors. It attracted more than 250,000 contestants, and more than 100 Congressmen attended the luncheon. EIA & NAB put up \$10,000 each for the contest—plus many man-months of staff work—while members of the VFW and state broadcasting associations contributed time at the local level. The 3 finalists, in addition to winner Smith, were: Mike Phillips, Burlington, Ia.; John W. Forssen, Munsonville, N.H.; Philip J. Smith, Cordova, Alaska.

TvB's guide to research services—who they are, what they do, & how they do it—has been prepared as a 62-page booklet for members. Covering ARB, Nielsen, Pulse, Trendex, Videodex, the study also summarizes the monthly scheduling of local market reports in important TV areas, provides a glossary of terms like "audience flow" and "quota sample," and gives a thumbnail summary of firms specializing in qualitative TV research. The study, incidentally, was largely inspired by our "Background" chart on rating services (Vol. 15:22 p12), said a TvB official.

Seal of Approval for TV weathercasting, recently awarded to WSFA-TV Montgomery, Ala. by the American Meteorological Society, is one of 15 which have been granted to stations by the Society's TV-radio weathercasting board. Primary requirement is that the station weathercaster be an AMS professional member. The Society's criteria for seal awards: technical excellence of the meteorological data, ability of the TV weathercaster to maintain viewer interest, educational value of the TV program, maintenance of a professional attitude by the TV weathercaster.

AP Radio & TV Assn.'s study of the AP national broadcast wire, due for completion in Sept., will be headed by F. O. Carver Jr., news dir. of WSJS-TV Winston-Salem, N.C. Subcommittee heads are Bill Garry, WBBM-TV Chicago, general news; John Wilson, KNON-TV San Antonio, sports; Jack Wagner, radio KNBC San Francisco, features.

RCA TV tape recorder shipments: Single monochrome units went last week to WFIL-TV Philadelphia, KFSD-TV San Diego, KRGV-TV Weslaco, and WCHS-TV Charleston, W.Va. Two went to Cadete-TV, Buenos Aires, 3 to Reeves Sound Studios, N.Y., and one color unit to NBC-TV, Burbank, Cal.

## Networks

**NBC-TV'S SUMMER BONANZA:** In an attempt to take TV out of the rut of summer film re-runs, NBC-TV will have at least 10 new series on the air this summer. The disclosure of the network's plans was made by David Levy, one of a group of panelists discussing "how are we to improve the quality of TV" at a Hollywood meeting of the Academy of Television Arts & Sciences last week.

Levy mentioned it only briefly, and when we asked him for details he replied that all of the summer projects haven't been finalized but 2 of the shows will be 30-min. film series which will be summer replacements for the *Perry Como Show*; Robert Stevens will produce a live dramatic series; Robert Alan Aurthur may produce a 60-min. dramatic series. Of the 10 new series, half will be live, half film. The Brewery Foundation will also sponsor a special this summer on NBC-TV.

The panelists—Levy, ex-JWT vp Cornwell Jackson, UCLA professor Dr. Abraham Kaplan, producer Fletcher Markle and writer David Swift—often digressed from the subject and discussed such varied matters as ratings, sponsor pressure and the agency role in TV.

Swift said many in TV are imitative and complacent, and that quality can't be found with a 3-day shooting schedule. Added Swift: "TV is not the medium of creative people. It's the advertisers' medium and they allow us on TV. Once we realize that we'll be better off."

Jackson defended the agency men, saying they are creative and they make a real contribution by intelligently funneling client restrictions—passing valid ones on to the producer, fighting against those they feel are unwarranted.

Levy blasted TV critics, saying they fail to look at the whole day's programming, but judge TV only by what is seen regularly on prime time hours. "Many of the most eloquent critics of TV are not watching TV—they are too busy writing about it," he said caustically.

Levy said complete artistic freedom has been given by NBC-TV to series such as *Project 20* and *Sunday Showcase* and to such creators as Stevens, Aurthur, Budd Schulberg, Reginald Rose. He said there is a growing trend to resist sponsor pressure.

In an attempt to improve the quality of TV, NBC-TV initiated *Sunday Showcase* and "virtually gave it away," when it could have sold that prime Sun.-night time for 2 half-hour Westerns, Levy declared. "Each show literally costs a fortune," he remarked.

**NBC's Cleanup Report:** Post-quiz-scandal steps designed "to meet the challenge to the integrity of broadcasting" were outlined last week in a letter sent by NBC Chmn. Robert W. Sarnoff and Pres. Robert E. Kintner to ad agencies and network clients. "Industry self-regulation can work and is working," stated the letter.

For those who have followed NBC's cleanup progress closely (Vol. 16:7 p6), there was little in the way of news. The joint letter reviewed: (1) NBC's policy of keeping advertisers advised of statements to the Harris subcommittee. (2) The network's moves to block "opportunities for quiz-show deception." (3) The creation & function of NBC's dept. of standards & practices. (4) Tightened regulations on such commercial areas as "warranties on the authenticity of demonstrations." (5) Program restrictions on "unethical practices." (6) Anti-payola measures on record shows. (7) Support by NBC of NAB's TV Code. (8) Cooperation with outside agencies.



**Prof. Treyz' Chemistry Class:** Coffee, Danish pastry and well-buttered statistics were served to N.Y. admen Feb. 24 by ABC-TV. The occasion: The network's latest spring-time sales pitch to major ad agencies, currently billed as "The Chemistry of Successful Selling."

The presentation, lavishly staged with a 5-screen Cellomatic presentation narrated by sales development dir. Bert Briller & TV sales dept. mgr. Henry W. Levinson, was notably different from past ABC-TV presentations. No longer was ABC-TV playing the homey part of the keep-your-eye-on-us underdog; this time, ABC was playing the slightly smug role of a network that's been giving the others a hard time in everything from ratings to sales, and is defying anyone to knock it off its perch.

Statistics as given by ABC-TV: In the 61 markets where there are 87% of U.S. TV homes and equal 3-network competition, ABC-TV has a Nielsen-estimated Dec. 1959 audience share of 34.9% vs. CBS's 33.4 and NBC's 31.7; ABC-TV's nighttime national cost-per-1,000 in peak hours is \$2.88 as against \$3.13 for CBS and \$4.15 for NBC; ABC-TV's daytime programming has increased its audience share 87% in just 15 months.

Several new shows slotted in ABC's fall lineup were given quick previews (although only such minor-league show talent as Johnny Carson and Pat Buttram actually made personal appearances at the N.Y. presentation). Most of them—*Naked City*, *The Islanders*, *The Flagstones*, *Stagecoach West*, *Bugs Bunny*, *For Men Only*, *Guestward Ho!*, *Harrigan & Son*—have already been presented to N.Y. agencies on a more informal preview level (Vol. 16:7 pp. 14 & 15) as potential fall buys.

AB-PT Pres. Leonard H. Goldenson and ABC-TV Pres. Oliver Treyz hosted.

**1959 Ad Volume Up 9%:** Reflecting strong gains by all major media but network radio & outdoor, the 1959 national ad volume rose 9% above the 1958 level, according to final *Printers' Ink* tabulations released last week. (For preliminary estimates, see Vol. 16:5 p.10.) Total magazines paced the gains, up 12%. Network TV notched the 2nd-best performance with an 11% increase. Following were business papers (7%), newspapers (6%). Best 1959 performance among all media categories: general monthly magazines, ahead 18%. Poorest performance: network radio, down 14%. For the month of December, national ad volume also gained 9%. Top gains were recorded by newspapers (14%), magazines (12%), network TV (9%). Network radio tumbled 11% in Dec. from Dec. 1958.

Medium	Index		% Change from		% Cumulative change
	Dec. 1959	Dec. 1958	1 month ago	1 year ago	
General Index .....	230	211	+ 3	+ 9	+ 9
Total Magazines .....	180	161	- 2	+12	+12
Weekly .....	193	182	- 2	+ 6	+11
Women's .....	141	114	- 1	+24	+11
General Monthly .....	235	198	0	+19	+18
Farm .....	91	95	-25	- 4	+ 4
Newspapers .....	206	181	+23	+14	+ 6
Network Television .....	487	447	- 1	+ 9	+11
Network Radio .....	25	28	+19	-11	-14
Business Papers .....	235	218	- 4	+ 8	+ 7
Outdoor .....	121	145	-23	-16	- 3

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

Russia has refused entry to CBS's Larry LeSueur, who was slated to re-open the network's Moscow news bureau. CBS was booted out of Russia in 1958, after its telecast of *Playhouse 90's* "The Plot to Kill Stalin."

**Sales Gold Medal for CBS:** What started out as a public-service gesture by CBS-TV may yet wind up with a modest profit, thanks to a sudden burst of both sponsor & audience interest in CBS coverage of the Winter Olympics.

Out-of-pocket costs to CBS News for the 10-day event are estimated at \$500,000. Renault (see p. 10) is the only CBS-TV network customer, with a one-fourth sponsorship at \$440,000 (due to be reduced considerably because of favorable discounts), but the Olympics package has also been carved up into a number of important regional buys. A few: Schlitz Brewing bought part of the Sunday shows for a sizable (over 100) station list; Union Oil bought a 25% slice of the total events for 22 West Coast stations; Liggett & Myers bought several stations on a market-by-market basis. The sales total "should pass the break-even."

Audiences have also been attracted in growing amounts. Multi-city Arbitron figures credit CBS with a 32.7 share for the Feb. 18 opening day, shares of 47.5 and 40.7 for Feb. 20, and an eye-opening 52.3 on Feb. 21.

TV-radio rights for the World Series & All-Star games have been extended for 5 years in a \$20-million deal signed last week by Baseball Comr. Ford Frick and NBC & sponsor Gillette. The new pact runs through 1966, increases baseball's yearly take by \$500,000. The current pact runs out in 1961. "My primary reason for making the extension agreement at this time," Frick explained, "is to assure the availability of sufficient funds for the future financing of the major league baseball players' benefit plan." The new deal increases the annual fee to \$3,750,000 from \$3,250,000, provides an additional \$250,000 for a 2nd All-Star game, gives baseball the right to cancel or renegotiate should a 3rd major league become eligible to participate in the World Series during life of contract. The players' pension fund receives 60% of the revenue.

One of TV film's richest deals was the one which wooed *Alfred Hitchcock Presents* from CBS-TV. The 2-year contract calls for a production outlay of approximately \$5 million for 78 episodes Hitchcock will make for NBC-TV.

**NETWORK SALES ACTIVITY**

**ABC-TV**

Daytime programming, eighteen 15-min. segs. over 13 wks. starting March 8.  
*Knomark Mfg.* (Mogul, Williams & Saylor)

**CBS-TV**

The Texan, Mon., 8-8:30 p.m., alt. wk. sponsorship eff. April 4.  
*Allstate Insurance Co.* (Leo Burnett)

As the World Turns, Mon.-Fri., 1:30-2 p.m., & Edge of Night, Mon.-Fri., 4:30-5 p.m., alt. wk. 15-min. segs.  
*Helene Curtis Industries* (Edward H. Weiss)

Douglas Edwards with the News, Mon.-Fri., 7:15-7:30 p.m., alt. wk. 15-min. segs. eff. April 13.  
*Philip Morris* (Benton & Bowles)

Captain Kangaroo, Mon.-Fri., 8:15-9 a.m., alt. wk. 15-min. segs. eff. May 11.  
*North Woods Coffee Co.* (Clinton E. Frank)

**NBC-TV**

Play Your Hunch, Mon.-Fri., 10:30-11 a.m., 5 wkly. 15-min. segs. over 52 wks.  
*Colgate-Palmolive* (various)



## Advertising

### More about

**RENAULT HOLDS ITS OWN:** "If we're going to sell in the American market, we must advertise in the American manner." That's the Renault philosophy as summed up to us by its U.S. ad. mgr., Ethel Norling. Renault's U.S.-oriented marketing policy has been translated into a \$5-million advertising budget, of which 50% goes into TV (see p. 3).

Renault's tactics bring results. Anticipated sales for the nimble, compact Renault are 130,000 Dauphines this year plus 30,000 of the newly-launched sporty Caravelles, an increase of 65% over last year's sales level.

Renault's network TV budgets are also up—\$1 million over last year's figure—and Renault's ad budget is "5 times larger than non-TV user Volkswagen," we're told by Renault's agency, Kudner. Volkswagen unofficially estimates sales of 130,000 units in 1960, or less than 10% increase over 1959. Last year Volkswagen sold 120,442 units to Renault's 91,073 in the U.S., virtually a reverse ratio.

Despite such generally discouraging trends as heavy trade-ins of imports for American compacts (26% of trade-ins for new Ford Falcons last month were foreign cars), TV-minded Renault nearly doubled its Dec. sales last year, jumping to 8,132 units from 4,757 in 1958. The partially-Renault-sponsored Winter Olympics on CBS-TV should produce an even greater increased rate of sales this month and next, Renault executives believe.

Renault's network TV buying is as diversified as the audience it is trying to reach. Since last Sept., programming has ranged from *Playhouse 90* to "Ed Sullivan's Invitation to Moscow," to "Moon & Sixpence," The Orange Bowl Game, *Tales of the Plainsman*, *Markham* and the Olympics.

To get the most audience mileage from TV dollars, Renault keeps on the alert for good buys in popular-appeal network shows. Renault left *Plainsman* in favor of *Markham*, for example, because the latter presented a "more favorable time period and station clearance." NBC was able to clear only 80 stations, whereas CBS-TV promised 180 stations, or the lineup of *Markham's* predecessor *Playhouse 90*, Kudner Renault account exec. James J. Cochran told us.

To reach "2-car families or higher-income car buyers attracted to the snob appeal of an imported auto," Renault has gone after network specials, generally with an international flavor. Immediate TV plans for specials are extensive; Renault hopes to have about one a month while continuing with a weekly series. Next on tap is ABC-TV's "Invitation to Paris," in April.

Renault-sponsored network shows are promoted heavily in dealer showrooms, and dealers and distributors are encouraged to use TV as a spot medium. Currently, Renault's Southwestern distributor enterprisingly backstopped Renault's Olympics sponsorship with a regional cut-in participation in the 10-day sports classic. Purpose: "To tell viewers just where they can buy the car they saw on the Olympics."

"1960 Newspaper Circulation Analysis" of the market penetration & coverage of all dailies in 50 states is being published by Standard Rate & Data Service, 5201 Old Orchard Road, Skokie, Ill. Price of the 350-pp. national edition: \$60. Individual state sections are \$10 each.

**Straight Talk From Rod:** TV-radio executives last week heard some un-Madison Avenue views on their industry—from an adman. Ex-Y&R executive Rodney Erickson, who is currently wearing a number of hats—including those of an NBC-TV political-coverage salesman and an independent consultant for Warner Bros.—saw magazine-concept TV as inevitable and took a few cracks at unreconstructed movie majors & public-service image improvement at Feb. 24 RTES luncheon. Erickson-at-a-glance:

**On Magazine-concept TV:** "The magazine-concept buy is coming, whether advertisers like it or not. Daytime is almost completely magazine-concept. Hanging onto program identification is the last stand of the stubborn advertiser who wants to please the fellows down at the University Club. There's really no excuse for a program that just serves up Grandma Firestone's music."

**On Public-Affairs Programming:** "None of us is working for the U.S. govt. to improve the cultural standards of TV. Just watch ABC-TV riding along with a string of Westerns and passing the public-minded boys at CBS & NBC. You must remember that no smart advertiser will buy low-circulation shows, although most of them like to talk about them."

**On Syndication:** "The syndicated film market is becoming more & more sharply limited by more network time. There's little economy any more in producing first-run syndication properties. The market is flooded with re-runs."

**On old-line movie majors:** "There's a new management coming to movie companies. It's got to. Too many of the big studios have been operated on a Ma-&Pa-candy-store basis. When the big brass make movies, it's like a great crap shoot; they shake the dice and if it's a success, the dollars roll in. When I was with Y&R, we went to see people like Darryl F. Zanuck to urge them to get into TV. We got turned down. I don't know where Zanuck is today. Probably he's still making pictures that don't make money."

**On TV-minded movie majors:** "Motion picture companies can save an advertiser money that independents can't. Majors have working capital, and don't get involved with Swiss banks and factors getting completion guarantees at 15% annually. They have casting facilities no independent can afford. They have a backlog of properties, sets, back lots, technical facilities. In the future, I see more TV activity by movie majors."

**Ad People:** David Mathews, network programming dir., Fuller & Smith & Ross Hollywood, named a vp . . . Robert P. Mountain, ex-Y&R, named McCann-Erickson senior vp; E. McCord Mulock Jr., ex-Grant Advertising, named McCann-Erickson vp . . . Bruce Doll named BBDO Los Angeles media dir. . . . G. Newton Odell, ex-Joseph Katz Co., named Compton vp . . . John V. Doyle, Harold J. Hubert & John W. Clason elected Campbell-Ewald vps . . . R. Richard Carens, Kenneth W. Price, Thaine A. Youst named vps of Doherty, Clifford, Steers & Shenfield . . . Cyrus C. Young appointed dir. of development, ARF.

Network TV participations for major advertisers exceed 300 per week, according to Broadcast Advertisers Reports' new *Network Spotlog*. For the week ending Feb. 4, 1960, BAR tabulated 83 companies using 323 in-program participations for 145 brands on the 3 networks. ABC-TV accounted for 243, NBC-TV, 63 and CBS-TV, 17. BAR plans to issue the *Network Spotlog* weekly so that admen, stations and reps can follow developments in the trend toward more network-level, magazine-type TV "insertions."



## Film & Tape

### More about

**NO BREAK IN TV STRIKE:** While movies and TV film are separate media, a movie deal last week had a strong effect on the current negotiations between WGA and the Alliance of Television Film Producers. Before Universal-International Pres. Milton R. Rackmil made his deal with WGA to cut writers in for a slice of post-1948 movies when they are sold to TV, an air of conciliation had marked the TV negotiations. The key TV issue is the WGA demand for 4% gross on films sold overseas, a demand the Alliance has consistently refused.

However, when WGA broke the news of its U-I deal at its membership meeting last week, it created a happy and militant mood among writers and stiffened their opposition to TV as well as movie companies (see p. 4).

WGA told members series affected by the prolonged strike were *Wagon Train*, *The Real McCoys*, Robert Taylor's *The Detectives*, *Wanted—Dead or Alive*, *77 Sunset Strip*, *Laramie*, *Bourbon Street Beat*, *The Donna Reed Show*, *Hawaiian Eye*, *The Alaskans*, *Johnny Ringo* and *Adventures in Paradise*.

Some of WGA's claims were disputed by producers of those series. Four Star Television vp Tom McDermott told us the WGA claims regarding *Detectives*, *Wanted* and *Ringo* were "absolutely not so," that he had sufficient scripts, and that *Wanted* has finished its production for this season. A Revue spokesman said there was no script shortage on *Laramie* and *Wagon Train*.

Screen Gems' William Dozier, vp in charge of Coast operations, said the *Reed* series has not been affected, but that *Father Knows Best* will end production sooner than planned—short 5 scripts. As for *Dennis the Menace*, production has been suspended for 2 weeks during which shelved scripts will be rewritten, and the series will probably wind up short 4 scripts, he said. Paradise exec. producer Dominick Dunne said he can film the series through April, that it may be short 4 scripts at the most. A Warner Bros. source told us the WB series mentioned by the Guild—*Sunset Strip*, *Bourbon*, *Hawaiian Eye*, *Lawman* and *Alaskans*—each will be short 4 or 5 scripts. *Real McCoys* will be short 9 scripts.

### Extent of Pilot Disruption is Disputed

WGA also told its members the strike has badly hit pilot film production, and that as a result many series which would normally be axed will be renewed. Our own check of production in Hollywood showed that while a few pilots may have been affected, the majority of those planned have been or are being filmed as scheduled.

During the meeting, a strike against the networks in TV film production was asked, but this was voted down. WGA's strategy is to delay such a strike pending outcome of its current negotiations with networks in live TV and radio. Talks with the nets on TV film have collapsed following webs' turndown of overseas residuals, other demands.

Meanwhile, Screen Actors Guild met with the major movie studios in their first negotiation session since Feb. 2, but the issues were not discussed. Instead the Assn. of Motion Picture Producers asked SAG for details on its negotiations with U-I and the independent film producers. SAG complied, and the majors said a further negotiation meeting will be held this week.

Rackmil's concession on the post-1948s is not expected to crack the AMPP wall. Warner Bros., Twentieth Cen-

tury-Fox, Metro-Goldwyn-Mayer, Paramount and Columbia have repeatedly said they will not give in to the guilds and unions on the issue of post-1948s, and the Rackmil move did not change their stand.

Columbia Pictures vp B. B. Kahane, one of the major studio negotiators, informed us: "We will not change our position. Rackmil months ago informed us he was withdrawing from AMPP, and we haven't considered U-I a part of our setup. I don't consider it a major company any more. It sold its studio [to Revue-MCA]."

SAG negotiations with U-I center around actors receiving about 9% from TV sales after U-I deducts 40% for distribution charges. However, no deal has been made, and when it is the SAG board must approve it. Agreement is near, however, and may be voted on this week.

### Majors Making Strike Preparations

With SAG having set a strike date of March 7 against the major movie studios, it appeared the SAG-majors meeting tentatively planned for Tues. might be the show-down session. SAG sources told us if the majors show any indication they may change their position, the strike date may be extended. However, the majors were making strike preparations, and there were substantial layoffs of production personnel.

Other strike news:

Directors Guild of America signed a contract covering film TV with CBS-TV and CBS Films.

The AFM pledged support to SAG in event of a strike and said it would observe picket lines. (However, AFM members don't work at the majors who have an agreement with Musicians Guild of America).

\* \* \*

Just where the U-I features, which may number as many as 300, will land for TV distribution isn't clear. U-I's pre-1948 backlog of some 600 features has been handled by Screen Gems, which launched 52 horror oldies in Sept. 1957 and has fed other U-I features into TV sales channels several times since then, but SG told us last week that no distribution deal for U-I post-1948s has been set, and none is likely to be. Other candidates for distribution honors are said to be ITC and NTA, with the latter reportedly being closest to a working arrangement for the U-I features.

On another post-1948 front, we were told last week that Jayark's "Blockbuster" package of 52 post-1948 films has been sold in 11 markets during the past 2 weeks, bringing the total to 91. As in most postwar film packages, there are several low-budget quickies (sample: "Wetbacks," with Lloyd Bridges) in the Jayark package. But there are also some hefty properties, such as the Warner Bros.-distributed "Marjorie Morningstar." Deals with the Hollywood guilds have already been made by Jayark covering the films.

The Jayark group is being aimed primarily at independent stations like purchaser WPIX N.Y. A principal Jayark sales pitch is that the trend toward 2-set TV homes (Nielsen now estimates the national figure at 17%) is likely to carve up the TV audience in several directions, reduce budget money available for network TV shows, and increase chances for TV movie viewing.

Reports that MCA is negotiating purchase of the stock in Overland Productions, which films *Wells Fargo*, were denied by Dale Robertson, star of the series, who said MCA hasn't even made an offer.



**More Revue Expansion:** MCA's Revue Studios, which acquired the Universal-International lot in Universal City, is embarking on its second expansion in less than a year of occupancy at its new home.

When it bought the studios, Revue moved from its Republic headquarters to the new lot, and immediately 4 new stages, dressing-rooms, a prop room, offices, etc. were built.

Now Revue plans to construct 5 more stages—one a process stage, the other 4 for regular production. This will give the 372-acre studio a total of 28 stages, second only to MGM which has 30. In addition to Revue's expanding TV film output, Universal-International leases space and stages from Revue for its movie production.

As for evidence of Revue's prosperity, last week the company received an order for 21 more first-runs for its *Markham* series, starring Ray Milland. The series will show first-runs during the summer season, and the new batch will take it to next Oct. Revue's *The Deputy* series, starring Henry Fonda, has also been renewed.

Commenting on the expansion program, one top executive told us: "I could use 15 more stages."

**Few New Series Sold:** With most sponsors and agencies apparently waiting to see all of Hollywood's pilots, few new telefilm series have been sold thus far.

New entries for next fall include *The Tom Ewell Show*, filmed by Four Star and bought by CBS-TV; *Thriller*, 60-min. anthology series filmed by Hubbell Robinson Productions at Revue, bought by NBC-TV; the tentatively titled *Andy Griffith Show*, filmed by Marterto Productions in association with Griffink Corp., bought by General Foods, and *The Lawyer*, 60-min. series starring Lin McCarthy, filmed by Hubbell Robinson's company for ABC-TV.

There have been a few renewals, such as *The Danny Thomas Show*, *The Deputy* and *77 Sunset Strip*, and there is a virtually automatic renewal of series such as *Gunsmoke*, *Have Gun—Will Travel* and *The Untouchables*.

While many pilots were filmed in Jan., there is also much pilot production in Feb., and the attitude on the part of the buyer seems to be caution—with a let's-take-a-look-at-all-of-them attitude.

Four Star TV is thinking about floating a public stock issue and using the funds for expansion, production, and acquisition of a studio. Pres. Dick Powell told us he has been approached by several brokers who want to handle such an issue, but said he and his partners—David Niven and Charles Boyer—haven't reached a decision. It's also understood Four Star has made preliminary feelers to Republic Pres. Victor M. Carter regarding purchase of the studio where Four Star now rents space.

CBS Inc. is reportedly investing \$450,000 in a new Lerner-Loewe musical, "Camelot," possibly hoping to repeat its resounding success as the principal backer of the team's earlier "My Fair Lady." The first year of "MFL" produced nearly \$900,000 as a return for CBS in Broadway & road-company profits and from sales of the Columbia Records original-cast recordings.

First privately produced ETV tape show for National Educational TV & Radio Center network (NET) is now being produced by Elliot, Unger & Elliot, commercial-production div. of Screen Gems. Titled *Hats in the Ring*, the 30-min. show will begin on the NET 44-station network April 3, later will be offered to commercial stations for unsponsored airing.

**NOW IT'S 60-MIN. STRIPS:** The 60-min.-film-show concept will be back bigger than ever next season, but this time the hot trend will be the use of hour-long film properties in a nighttime network version of strip programming.

Quietly being discussed at ABC-TV, we learned in N.Y. last week, is the idea of building an 11:15 p.m.-12:15 a.m. strip to be filled with re-runs of 60-min. network shows (of which, for example, Warner Bros. has nearly 500). The strip would operate on a Mon.-Fri. basis, primarily to buck NBC-TV's *Jack Paar Show*, and would be sold on a participation basis that approaches the magazine concept of TV advertising. Offering price by the network to producers: \$25,000 per re-run negative. There are no takers as yet, but the idea is being considered seriously by Warner executives, 20th-Fox, and other film firms.

NBC-TV also plans what amounts to an evening 60-min. film strip—an hour-long film show kicking off each evening's lineup at 7:30 p.m. Most shows in the strip are already on the air, but new ones will fill Fri. & Sat. slots. Here's how NBC-TV will look this fall on an across-the-board 7:30-8:30 p.m. basis: Mon., *Riverboat*; Tues., *Laramie*; Wed., *Wagon Train*; Thurs., *Bonanza*; Fri., probably Four Star's *Michael Shayne* or Gordon Kay's *The Blue & the Gray*; Sat., *Outlaws*. An exception to the 7:30 timing will be Sun., which will have *Overland Trail* at 7-8 p.m. but will also have the 60-min. *The Barbarians* starring Jack Palance (now shooting in Rome) in the 8-9 p.m. period now filled by the due-to-be-axed *Sunday Showcase*.

Block-booking anti-trust suit against 6 major TV-film distributors is scheduled for trial March 7 in N.Y. before Judge Archie O. Dawson. Defendants include Loew's Inc. (defended by Phillips, Nizer, Benjamin, Krim & Ballon); C & C Super Corp. (Mervin C. Pollack); Screen Gems (Schwartz & Frohlich); Associated Artists Productions, now UAA (Simpson, Thacher & Bartlett); NTA (Gollenbach, Goldenstein & Berell); United Artists (Gerald F. Phillips). The suit has been pending since 1957. Subpoenaed to appear as witnesses, thus far, are William Grant, KOA-TV Denver; Heyward Siddons, KOA-TV; George Storer, Storer Bestg.; John Wilson, former Screen Gems salesman; Joseph Hartenbower, KCMO-TV Kansas City; George Eby, United TV; Robert C. Franson, WTCN-TV Minneapolis; J. Edward Owens, Dallas, Tex.; & Otto Brandt, KING-TV Seattle.

Talent Associates & Paramount TV are close to a deal for TV co-productions, we're told in N.Y. by TA's press representative, Arthur Cantor. "The discussions are vague at this point, and nothing is firm," Cantor said, adding that "it won't include a buy-out of TA by Paramount." Whether the deal would involve taped or filmed shows (Paramount currently produces both) is not known.

NTA's tape-syndicated *Play of the Week* has been averaging sales in 5 markets per week since it went on sale 3 weeks ago. Latest stations to pick up the 120-min. dramatic series are WGN-TV Chicago; WAFB-TV Baton Rouge; KFSD-TV San Diego and WTOP-TV Washington, D.C. Latter station will enjoy the sponsorship of *Play's* WNTA-TV underwriter, Standard Oil of N.J. The series is now scheduled for 15 markets.

Closed-circuit business meeting linking 15,000 Pontiac dealers in 30 cities was produced and networked by Theatre Network TV Feb. 24. The telecast, 3rd TNT-handled meeting for Pontiac in the last 16 months and 9th for GM, originated in Detroit.



## NEW YORK ROUNDUP

Competitive bidding—the long-established practice of submitting film-commercial job bids to agencies on the basis of TV story-board estimates—will be dropped by MGM-TV, says Loew's Inc. vp Robert H. O'Brien. MGM-TV's attitude: We've established ourselves in 2 years of commercial production; if you want us, hire us.

CBS-TV's taped Winter Olympics coverage successfully settled a dispute over whether a faulty rink or carelessness caused Polish speed-skating finalist Elwira Seroczynska to fall in the last seconds of the Squaw Valley meet. A playback of CBS's tape of the race for judges showed the rink wasn't at fault, the Polish skater was.

MCA-TV's *Shotgun Slade* has now reached the 173-market total in syndicated sales. Biggest regional deals are with Blue Plate Foods (44 markets) and P. Ballantine & Sons (30 markets) . . . ABC Films' *Meet McGraw* off-network re-run series is now sold to stations in 51 markets, with 5 sales scored last week . . . Cal. National Productions' *Medic* re-runs are now syndication-sold in over 100 markets through CNP's budget-priced Victory Programs Div.

William M. Wolfson and Milton P. Kayle have been named vps of ITC. Wolfson will head administrative functions; Kayle will be in charge of legal & business affairs . . . Robert D. Graff, ex-NBC-TV producer, will head newly-formed Sextant Inc., TV & motion picture production company.

MCA Inc. and Gardner Adv. have terminated their 7-year association. Sudler & Hennessey succeed Gardner.

Burt Schultz & Associates has been named PR counsel for Rodney Erickson Enterprises . . . Fran Harris is the new head of TV dramatic dept., People & Productions . . . MCA TV Ltd.'s international hq will be situated at the offices of MCA Canada Ltd., 180 University Ave., Toronto.

Official Films' *Almanac*, 5-min. documentaries for strip programming, has been sold in 30 markets to date . . . MCA TV's *Johnny Midnight*, was bought recently by Warner-Lambert Pharmaceutical Co. for alt. wks. in Boston & Philadelphia; by Armour & Co. & Liggett & Myers for alt. wks. in Greensboro, N.C.

ABC Films' *People's Choice*, and *Meet McGraw*, were each sold in 13 markets recently. Total markets to date are 45 for "McGraw" & 98 for "Choice."

Noah Jacobs has been named NTA N.Y. sales mgr. in charge of syndication.

Rod Serling's controversial drama about the Warsaw ghetto, "In the Presence of Mine Enemies," is scheduled at last as a *Playhouse 90* presentation in May. Pre-emption time & date will be selected.

Brigitte Bardot has consented, at last, to do an American TV special—but male U.S. viewers who expect her to parade across 23-in. screens in a 23-in. bath towel are due for disappointment. General Artists Corp., her agent, will deliver a highly circumspect filmed interview show portraying the cinematic "sex kitten" as more of a tabby cat, i.e. "at home" with husband & new baby, and probably with Revlon sponsorship. Previous Bardot-TV: a brief Paris-taped appearance on NBC-TV's *Today*, a CBS-TV *Person-to-Person*, and some heavily censored old movies.

## HOLLYWOOD ROUNDUP

Walt Disney Productions is preparing a movie version of its Elfege Baca TV property . . . Video-tape editing course sponsored by Motion Picture Film Editors and Society of Motion Picture & Television Engineers at the U. of Southern Cal. has more than doubled in capacity, with 350 students enrolled.

Revue's *Johnny Staccato* series, originally signed for a 39-week deal, will leave NBC-TV March 24, after its 27th show. A settlement of the contract was reached by Revue and sponsors Salem and Bristol-Myers, which canceled the private-eye show.

Jack Wrather has put Sherman Harris, a Wrather vp, in charge of his hotel chain . . . Production on the pilot, *No Place Like Home*, planned for NBC-TV, begins March 2 at Desilu. Gordon & Sheila MacRae star.

Desilu's *The Untouchables* has been named the best sound-edited telefilm series for 1959 by the Motion Picture Sound Editors . . . Ziv TV is planning a new series called *Flight of the Robin*, with Rick Jason starring.

Producer Jay Sommers has signed Tom Poston for the lead in the pilot of *Double Take*, a comedy-adventure series, and Jan Sterling for another pilot, *Madame Senator*. *Double Take* will be a co-production with Filmways . . . Frank Sinatra, whose ABC-TV contract expires this season, tells us he hasn't yet decided on his TV activities for next season.

Seleg Lester has been named producer of the *Perry Mason* series. He replaces Herbert Hirschmann . . . NBC-TV's *Tennessee Ernie Ford Show* has been renewed for next season.

Hampshire Associates will produce the pilot of an adventure series, *The Code of Jonathan West*, for CBS-TV. Fess Parker will star in the series which will be produced by Harry Tatelman . . . Producers Aubrey Schenck and Howard Koch will film a Western pilot starring Richard Coogan for CBS-TV.

Four Star Television has finished the season's production of its *Wanted—Dead or Alive* series.

Don Taylor Productions has been formed by the actor-director, and he plans to pilot a comedy, *Octavius and Me*, which he will produce . . . Format Films Pres. Herbert Klynn has incorporated his animated films company in Nevada.

Twentieth Century-Fox TV, unable to get scripts because of the Writers Guild strike, will not put Ron Ely into his role as alternating star of *Adventures in Paradise* this season. The studio plans to use Ely as alternating star with Gardner McKay next season . . . CBS-TV has finished production of its *Have Gun—Will Travel* series for this season.

Four Star TV will have 8 telefilm episodes in production the first week of March. Included are 2 pilots, the *Peter Lind Hayes-Mary Healy Show* and *Willy Dante*, starring Howard Duff.

West Coast dept. of Elliot, Unger and Elliot, the commercial production div. of Screen Gems, grossed more than \$1,850,000 in its first year of operation. Joe Swavely and Dick Kerns head the dept., opened Feb. 1959.



## Television Digest

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**Personals:** Robert H. Van Roo named promotion & ad dir., WCBS-TV N.Y. . . . Joseph J. Jacobs has been named general attorney, Metropolitan Bcstg. Corp. . . . Julius Barnathan, ABC vp for affiliated stations & dir. of research, has been appointed to the Advertising Research Foundation technical committee . . . Tom Paro, ex-NBC-TV spot sales, N.Y., appointed WRC-TV Washington dir. of sales succeeding William E. Coyle, resigned.

William J. Faath, ex-CBS-TV, named business mgr., WCAU-TV Philadelphia . . . Stan Cohen promoted to program planning & promotion dir., WDSU-TV New Orleans . . . A. Richard Robertson appointed to new post of promotion & merchandising mgr., KRON-TV San Francisco . . . Martin Codel flies to Copenhagen and Geneva March 1 on business, after which he will visit 16 countries of Africa and the Near East to conduct a 3-month study of TV-radio; the associate publisher of TELEVISION DIGEST is accompanied by his wife.

Eugene S. Hallman named CBC programming vp, also continuing temporarily as English-language network programming dir. . . . J. E. (Ted) Campeau, pres.-gen. mgr. of CKLW-TV & CKLW Windsor-Detroit, named Mich. Brotherhood Week chmn. for radio & TV . . . Dr. Cornelius Traeger named medical editor, NBC-RCA medical radio system, the FM radio network aimed at physicians . . . Tom Calhoun named PR dir., KOOL-TV & KOOL Phoenix, Ariz. . . . George K. Ashenden becomes asst. chief, FCC office of opinions & review; Clarence F. Heister, ex-technical & allocations branch, succeeds him as engineering asst. to Comr. Craven.

A successor to NBC-TV West Coast program vp Alan Livingston is due to be selected in about a week, we're told by NBC-TV Western div. vp John K. West. Livingston resigned last week after 4 years at NBC-TV, due to a conflict with Eastern executives of NBC-TV over program policies, Livingston said. His contract had 2 more years to run, but the network agreed to his request for a release. He'll remain at his job until a successor is named, possibly Felix Jackson, ex-*Studio One* producer.

NBC-TV has rejected a proposal from the Academy of TV Arts & Sciences that a nominations show be telecast prior to the final Emmy Awards scheduled for late May or early June. Academy Pres. Harry Ackerman said he still favors a 90-min. nominations show—but now it's up to NBC to reactivate the idea, if not now, for future years.

Meetings this week: CBS affiliates & network officials special conference (Feb. 29-March 1). Speakers: Sen. Warren G. Magnuson (D-Wash.), Senate Interstate & Foreign Commerce Committee chmn.; Rep. Oren Harris (D-Ark.), chmn., House Interstate & Foreign Commerce Committee and House Legislative Oversight Subcommittee; FCC Chmn. John C. Doerfer; FTC Chmn. Earl Kintner. Shoreham Hotel, Washington . . . N.Y. State Assn. of Radio-TV Bcstrs. 3rd annual legislative dinner (March 1). Speakers: Louis Hausman, TIO dir.; Gov. Nelson Rockefeller. Sheraton Hotel, Albany . . . RTES timebuying-selling seminar (March 1). John F. Hurlbut, WFBM-TV (Indianapolis) promotion-PR dir., and Harold A. Smith, Needham, Louis & Brorby program promotion-merchandising mgr., speak on "It Takes 2 to Tango in Agency-Station Cooperation." Hotel Lexington, N.Y. . . . Assn. of Maximum Service Telecasters directors meeting (March 2). Shoreham Hotel, Washington, D.C.

Meetings next week: Southwestern Assn. of Program Directors for TV annual meeting (March 7-8). Shamrock Hilton Hotel, Houston . . . RTES timebuying-selling seminar (8). John F. Howell, CBS Films' vp-gen. sales mgr., and Herminio Traviesas, BBDO vp & TV-radio dept. mgr., speak on "Syndication as a Media Buy." Hotel Lexington, N.Y. . . . Audio Engineering Society West Coast convention (8-11), Alexandria Hotel, Los Angeles.

## Educational Television

**Federal Aid to ETV Revived:** The House Commerce Communications & Power Subcommittee, which has been sitting on the federal-aid-to-ETV idea since hearings last year (Vol. 16:4 p12), finally moved on it last week.

The Subcommittee headed by Commerce Chmn. Harris (D-Ark.) referred a modified ETV measure by Rep. Roberts (D-Ala.) to the full Committee, where it faces an uncertain fate without specific subcommittee endorsement.

The Roberts measure (HR-10609), a revision of a bill (HR-2926) he introduced last year (Vol. 15:23 p2), was on the agenda of an executive session of the full committee Feb. 25. But it wasn't reached and any vote on it was put off at least until March 3.

Unlike a Senate-passed bill by Sen. Magnuson (D-Wash.) which would authorize outright govt. grants totaling \$51 million to states & D.C. for purchase of ETV equipment, the Roberts measure would permit \$1 million grants to each state, D.C. and Puerto Rico—for a total of \$52 million—only if they put up matching grants.

Additional grants of \$10,000 for ETV station surveys would be permitted under the new House measure, however. And states claiming govt. money for station equipment would be given credit for expenditures already made for existing ETV facilities in computing how much matching money they'd have to put up.

In reporting out the Roberts bill without recommending that it be adopted, the Subcommittee in effect pigeonholed the Magnuson measure and buried a half-dozen similar House proposals at least a year old.

ETV grant of \$109,980 has been given the U. of Cal. by the National Science Foundation for the production of a special TV series on viruses for the National ETV & Radio Center. Eight 30-min. programs will be prepared.

**Correction:** Channels scheduled to be used by ETV Stratovision experiment, air to ground (Vol. 16:8 p2), are Ch. 72, 75, 76 & 78.



# Trade Report . . .

FEBRUARY 29, 1960

**'SMALL' TV MAKERS DO BIG BUSINESS:** There's nothing minor league about smaller TV-radio-phono manufacturers when it comes to battling majors for share of market. They're gaining ground.

Business is booming at lower echelons. Six manufacturers we contacted claimed an average 60% gain in 1959-over-1958 sales—compared with industry's over-all increase of some 10% in total TV retail unit sales, from 5.1 to 5.7 million sets. Two producers—Andrea Radio & Setchell-Carlson—reported runaway gains of more than 100%.

All view 1960 with bubbling optimism, forecasting sales increases ranging up to 60%. Only dour note came from Tech-Master Corp., which fell off 1958's sales pace by some 5% last year. However, Pres. Louis A. Lazoff told us the private label & custom installation firm is correcting conditions which caused decline, anticipates big 30-35% jump in sales this year.

Market within a market has been created by tenacious, sagacious smaller-than-giant firms. While the "majors" of industry battle noisily with ad-promotion-publicity hoopla for mass market, smaller producers quietly exploit & enlarge specialty sales areas largely ignored by majors. Pres. Joe Friedman of Trav-Ler Radio Corp., one of first manufacturers to enter TV field, sums it up: "We have a niche." However, "niche" doesn't mean nibbling at leavings. Many small producers rate themselves as "custom builders"—and more than one bristles at "small" label.

"TV industry has been whittled down to less than 20 producers, all strong & healthy," one executive told us. "Of these full-line producers, only a handful concentrate solely on home entertainment equipment. Yet the output & sales of some of these so-called 'small' producers compare very favorably with the performance of TV-radio divisions of some diversified electronic giants. If we were to appraise on a TV-only basis, some of the 'giants' would be lost among the 'midgets.'"

Patterns for survival & success in an industry dominated by giants are varied: Quality, customized product; private-label production; extra-profit margins for dealers; direct selling; specialty styling & installation; putting ad budgets into product & pricing improvements.

Typical is the attitude of old-timer Andrea Radio Corp., which is now expanding its distribution setup, seeks "profit-conscious dealers who are sick of cat-&-dog competition." Sales mgr. John M. Dierkes told us Andrea operates with a well-policed minimum retail price. "This policy may mean fewer dealers," he said, "but it also means better ones." Until 6 months ago, Andrea sold direct to dealers and only in N.Y., N.J., Boston. It has now added 6 distributors, anticipates 12 more by year's end, is spreading coverage from New England to Florida.

Technical advances also play role. Pres. W. J. Moreland of Conrac Inc., important maker of TV studio monitors which also produces Fleetwood TV, told us: "We make every effort to keep abreast and, if possible, ahead of the 'giants.' We marketed a 'twin panel' or 'laminated safety plate' tube months ahead of any of the majors. We used the Pittsburgh Plate Glass approach, etched the outside face of the safety glass, and actually pioneered this type of product in the home receiver market."

Setchell-Carlson notes as one of its prime success factors that it is "probably the most complete TV manufacturer under one roof." Asst. sales mgr. W. C. McKnight points out: "Cabinets, speakers, IF coils, flyback transformers and other components, as well as metal work & chassis, are all manufactured in the same plant. This, of course, makes for extreme ease of availability of all products."

Optimism for 1960 does not include color TV, even in this segment of industry where producers often tend to be more specialized & unconventional in design & styling. Indications are that 1960 will be exclusively b&w among small manufacturers. Typical comments: "We'll stay out of color at least another year," says Andrea's Dierkes, "we don't think it's quite ready." Trav-Ler's Friedman: "We tried color several years ago and made no headway with it. So far as we're concerned, a good gauge of the market is the absence of de-



mand for color from our private-label customers." Mattison Electronics Corp. Pres. Richard Mattison notes that color-TV's "bulk" is against it in this specialty field. "Today's trend in furniture styling is to slim, streamlined lines," he told us. "Color's size & bulk put it in opposition to the furniture trend." Tech-Master's Lazoff: "We were ready for color 3 years ago, but there was no profit in it then, there's no profit in it now."

For the success formulas of 7 smaller TV producers, and details on their outlook for 1960, see p. 17.

**BIRTH & DEATH OF 18-IN. BATTERY TV:** Illustrative of the mad on-&-off race for battery portable big-screen transistor TV is short & unhappy tale of a brand new 18-in. tube designed for cordless TV.

One of best-kept secrets of industry engineering, tube was designed by Philco and Kimble Glass for a proposed direct-view battery TV set. Tube had 122-degree deflection, but cut down on power required to drive it by constricting the neck to bring yoke components nearer to electron gun. Despite its big screen area (159 sq. in.), tube could be made as short as 10½ in. in front-to-back measurement.

Philco is understood to have dropped that particular design after bulb had been developed, presumably because of cost & engineering problems. So early last week, Kimble announced it was offering samples of the bulb to the industry. But by weeks' end, according to industry sources, the design was dead and presumably Kimble had dropped plans to manufacture it. Philco declined comment.

Big problem in battery portables is power drain of large-screen tube—and while every major manufacturer has a "true portable" in the lab stage, we know of no specially designed low-drain picture tubes now being made for battery sets. So it appears that any true portables introduced in near future will use conventional small-screen tubes—while set makers' market researchers try to determine whether there's enough potential demand for battery portables to justify spending a fortune on tooling up for an entirely new concept in TV design—one of major expense factors being the development of low-power large-screen picture tubes.

**TV-RADIO PRODUCTION:** EIA statistics for week ended Feb. 19 (7th week of 1960):

	Feb. 12-19	Preceding week	1959 week	'60 cumulative	'59 cumulative
TV .....	121,577	129,510	115,909	911,427	800,296
Total radio .....	378,670	358,817	273,854	2,469,323	1,967,825
auto radio .....	153,661	141,871	106,066	1,101,211	740,704

**Trade Personals:** John D. Houlding, ex vp-gen. mgr., elected pres., RCA Victor Co. Ltd. (Canada); RCA consumer products exec. vp P. J. Casella, former pres., continues as exec. committee chmn . . . Z. W. Pique, ex-Hughes Aircraft, appointed Hoffman Corporate mktg. vp; Donald C. Bright, ex-RCA, named gen. mgr. of new industrial electronics div. . . . Frank A. McCall, ex-RCA, named consumer products dir., James E. Stewart, communication products dir., Motorola International S.A. . . . Clyde K. Huxtable, ex-Montgomery Ward TV-radio-musical instrument dept. mgr., named TV product line development mgr., RCA Sales Corp. . . . Robert J. Haldeman named Packard Bell controller.

Robert G. Urban named a mktg. dept. vp & asst. to the mktg. vp, Philco consumer products div. . . . Bernard Amos, ex-Magnavox, named Sylvania Home Electronics radio & stereo hi-fi design mgr.; George P. Lyon promoted from product planning supervisor to administrative engineer . . . Clarence F. Van Epps promoted from mfg. dir., Stromberg-Carlson electronics div., to new post of purchase analysis dir. . . . Harry A. Gilbert appointed to new post of vp for coordinating departments and aiding expansion, Blonder-Tongue Labs.

Kenneth C. Moritz, ex-Raytheon semiconductor div. sales mgr., appointed to new post of General Instrument semi-conductor div. mktg. vp, succeeded at Raytheon by Henry F. Schunk, formerly Raytheon training center & plant mgr., Lewiston, Me. . . . Jack R. Alschuler named to new post of national equipment sales mgr., Sampson Co. (Hitachi distributor) . . . George A. Peck, ex-Stromberg-

Carlson, named pres. of Dresser Industries subsidiary Southwestern Electronics . . . George Griswold Jr. named publications dir., Bell Labs . . . Donald T. Fowler named to new post of mgr., Litton Industries components group . . . Emmet G. Cameron named Varian tube operations group vp, Howard R. Patterson instruments & equipment group vp, Ralph W. Kane foreign operations vp, in Varian realignment . . . C. L. Caldwell, ex-Radiation Inc., joins Airtronics Inc. as mktg. Dir.

Spencer H. Bellue, Osborne Electric Co. vp, elected pres., Western Electronic Manufacturers Assn. (WEMA); A. N. Curtiss, RCA, treas.; E. T. Clare, Convair Astronautics, vp; M. R. Dilling, Tally Register Corp., vp; Samuel A. Ferguson, Sylvania Electronic Systems, vp; Gould Hunter, Eitel-McCullough, secy.

**Obituary**

George Thomas Fielding, 76, retired GE executive, died Feb. 21 at his home in Stamford, Conn. A veteran of 20 years of service with GE, he served as dir. of market research and 2nd in command of the mktg. div. He was granted 35 patents on appliances, displays and merchandise items. He is survived by his widow, a son, a daughter and a grandson.

George W. Borg, 71, Amphenol-Borg chmn. and founder of Borg-Warner, died Feb. 21 at his home in Delavan, Wis. He is survived by his wife, a son, a daughter and 2 sisters.



**More about**

**'SMALL' BRANDS ARE BIG:** Although they vary widely in size, merchandising methods and specialty, the so-called lesser TV brands have 2 things in common—satisfaction that they've found their place in the competitive set market and optimism for the future (see p. 15). Here are summaries of comments by 7 manufacturers in that category:

**American TV & Radio (ATR brand):** "Our 1959 business was approximately 50% higher than 1958," gen. mgr. Albert Goffstein told us, "and the outlook in 1960 is exceedingly bright." ATR does no private label business, "concentrates all operations in the high-quality set field, has a unique method of merchandising directly from factory to franchised TV technicians." ATR does no consumer advertising.

**Andrea Radio Corp. (Andrea brand):** Racked up a 105% sales gain in 1959 over 1958, is "budgeted for a 60% increase" this year. Sales mgr. John M. Dierkes said Jan. & Feb. sales are some 60% ahead of the year-ago volume. Andrea stresses quality, custom-made receivers, sells with a one-year warranty which covers entire set, including cabinet. Current emphasis is on 23-in. models which, Dierkes believes, will put finis to 21-in. by year's end. Andrea will introduce a 19-in. (bonded-tube) portable in July or August.

**Conrac Inc. (Fleetwood):** Sales in 1959 were up 35%. However, Pres. W. J. Moreland told us: "Had it not been for a disastrous fire which completely destroyed our production facilities in early August, our 1959 sales would undoubtedly have been at least 70% ahead of 1958 . . . In 1960, I confidently believe that Conrac's sales will increase another 50% over 1959." Conrac sells its Fleetwood TV line direct to dealers, does no private-label production of home TV sets, goes in for consumer as well as trade advertising. The 1960 ad budget is double that of 1958's. Although Moreland believes that "the smaller TV producers will tend more toward private-label production [in 1960], I do not anticipate that Conrac will follow this trend." Conrac is a leading producer of broadcast TV equipment & industrial closed-circuit gear, does some 20% of its industrial production for private labels.

**Mattison Electronics Corp. (Mattison):** Its 1959 sales gained 10-15% over 1958, prospects for 1960 are "excellent." Mattison produces a high-price TV-radio-stereo line (\$1,200-\$2,000 range), does no private-label production, sells direct, and moves some 90% of output in N.Y.C. alone. Mattison TVs use 24-in. & 27-in. tubes, but 23-in. models will be introduced shortly. Pres. Richard Mattison said his ad campaigns are limited to dealers. The concern also produces a low-end stereo-radio line (\$100 range) which is sold nationally via distributors and directly to "time-payment" houses. Some 25% of Mattison's stereo-radio production is for other labels. Success formula: "good markups for dealers, a lot of product for the price for the customer."

**Tech-Master (Videola):** Pres. Louis A. Lazoff told us sales dropped some 5% last year because Tech-Master lacked remote tuners and other TV features that "are costly to get into, but that customers want." This year, Tech-Master customers will get what they want, because "either you get in step with the parade or get out." Some 10% of the firm's business is direct-to-consumer TV, the balance divided between private-label & custom production. He forecasts a 30-35% sales gain this year.

**Trav-Ler Radio Corp. (Trav-Ler & Sonora brands):** Pres. Joe Friedman expects a 40% jump in sales for the

1960 fiscal year ending April 30. TV production divides roughly 50-50 between house brands & private labels. House brands are sold both direct & via distributors. Success formula: "We offer a quality product at a price which enables our dealers to compete but still make a proper profit. Our cost of selling is lower than that of the majors. Trav-Ler does no consumer advertising. We stand to gain little by trying to compete with the majors in advertising. We put ad expenses into the product & price structure."

**Setchell-Carlson (Setchell-Carlson):** "Our 1959 business is over 100% higher than that of 1958 and we are looking forward to an extremely good year in 1960," asst. sales mgr. W. C. McKnight told us. Success formula: Setchell-Carlson caters to "public's increasing appreciation & demand for highest quality, appearance and performance." Setchell-Carlson does no private-label production, sells through distributors, advertises direct to consumer. McKnight says several "impartial magazines show that features of Setchell-Carlson are well ahead of most other brands and no one other brand equals the total features in Setchell-Carlson products."

Although he anticipates a good year for his firm, McKnight states: "Our opinion of the outlook for the entire TV industry is not as bright. We note that the production figures of the various manufacturers are very high and feel that there will be a supply of this merchandise which will result in dumps. We anticipate in 1960 the small-to-middle-sized TV producers will be squeezed in various dumps from large manufacturers and the survival of these smaller manufacturers will depend upon the quality of their products and their ability to financially weather these dumps."

RCA accused Philco of using "threat" of an anti-trust suit as a "weapon" to negotiate a licensing deal under which RCA paid Philco \$3.5 million over a period of 10 years. RCA made the charge through counsel Bernard G. Segal as the trial in Philco's 3-year-old patent anti-trust suit against RCA, GE & AT&T (Vol. 13:3 p2) got under way last week in Philadelphia federal court. RCA attorneys charged that the Philco complaint originally was drawn up in 1946, although the suit was not filed until 1957, and asked dismissal of all claims preceding Jan. 14, 1953 on the basis of the statute of limitations. Philco, which is asking \$150 million in treble damage claims on the allegation of illegal patent practices, denied the RCA charges and stated that the 1957 suit was based on facts disclosed in the Zenith anti-trust suit against the same defendants and could not have been prepared in 1946. Judge Thomas J. Clary reserved decision on RCA's motion to dismiss the pre-1953 claims.

Investigation of Japanese transistor imports was urged by IUE (AFL-CIO) in a statement filed with OCDM in connection with the EIA-requested inquiry into the question of potential damage to the electronics industry's defense-readiness. In our story Feb. 15 (Vol. 16:7 p19), the statement was erroneously attributed to parent AFL-CIO. A spokesman for IUE, whose members work in many of America's electronics plants, stressed that the union's statement did not support EIA's contention that imports are damaging to national security, but only went so far as to support the plea for an investigation.

Hoffman Electronics' distributors convention and showing of 1961 lines will be held June 12-15 at Las Vegas. Consumer products sales vp Paul E. Bryant said 50% more dealers than last year are expected to attend this summer's meeting.



Minimum wage rates for the electronic component parts industry under the Walsh-Healey Act covering govt. contracts will be set for the first time by Labor Secy. James P. Mitchell following public hearings opening March 29. EIA & NEMA spokesmen are expected to head a list of industry witnesses when the long-delayed proceedings get under way in Room 200 of the Railway Labor Bldg., 1st & D Sts. NW, Washington. Labor's case will be argued by IUE & IBEW representatives. Determination of the rates will be based on a wage survey conducted last year by the Labor Dept.'s Bureau of Labor Statistics (Vol. 15:35 p15), which showed more than 65,000 production workers were employed by the industry in 457 establishments whose govt. contracts totaled \$60 million annually. The components case was initiated at a labor-management conference at the Labor Dept. in Oct. 1958, but got snarled in a wage-hour div. proposal—since dropped—to include electronic equipment for missiles in the aircraft industry category of govt. contracts. Minimum wages for workers on electronics end products for missiles will be determined in not-yet-scheduled separate proceedings.

Foreign trade conferences with representatives of 40 U.S. industries, including electronics products, have been initiated by Commerce Secy. Frederick H. Mueller to get recommendations on govt. actions "that will be most meaningful in opening world markets." Motion picture executives meet March 1 with officials of Commerce's Bureau of Foreign Commerce and Business & Defense Services Administration in the first conference of the series, which will run through 1960. "There is much that can be done further to increase markets for American goods as a result of lowering restrictions by our trading partners [in the General Agreement on Tariffs & Trade (GATT)]," said Mueller.

Magnavox's annual clearance sale of TVs, radios and phonos will be conducted from March 14 to April 2. TV specials of the sale include the 17-in. Westchester table model, priced at \$169.90 from \$199.90; 21-in. Magnavision consolette, down to \$199.90 from \$215; 21-in. Americana consolette, \$229.90 from \$269.90; 21-in. Cavalcade console, \$249.90 from \$299.90, and Stereo Theatre TV-stereo combo, \$339.90 from \$389.90.

Packard Bell is negotiating with a Japanese radio manufacturer, but has signed no contract such as the one mentioned in these pages last week (Vol. 16:8 p20), a company official told us last week. The announcement of an agreement, which originated in Tokyo, was "premature," Packard Bell said. "We're exploring possibilities just like everyone else," said a spokesman, "and we may have an announcement by April."

Canadian radio makers sold 770,285 sets last year to rack up the highest annual volume since 1950. Record-player sales, however, dipped for the 2nd consecutive year, to 202,114 units from 220,558 in 1958, 243,153 in 1957. TV sales declined for the 4th successive year (Vol. 16:8 p20), down to 405,006 units—just a little more than half of 1955's record 806,253.

Olson Radio Warehouse Inc., Akron, has denied FTC charges in a complaint filed last Dec. that it made deceptive pricing & savings claims, failed to disclose clearly the foreign origin of products and misrepresented guarantees on them. The firm and its officers Irving & Sidney Olson and Albert Schultz asked dismissal of the complaint.

Radio receiver sales for 1959 in the Southern Cal. area were 88,139. This figure tops all years since the Electric League of Los Angeles began compiling in 1955.

## Finance

**RCA's Banner Year:** RCA last week added detail to the bright picture of 1959 performance painted earlier by Chmn. David Sarnoff (Vol. 16:8 p21). To some 163,000 stockholders went the annual report. It confirmed that sales rose 19% to a record \$1.395 billion, topping the previous high of \$1,176,277,000 set in 1957. Profits soared 30% to \$40 million—but still well under 1955's record \$47.5 million.

Commercial business (manufacturing & service) accounted for 41% of RCA's total 1959 income. Defense contracts chipped in 34%, NBC 23%, radio-telegraph business 2%. Chmn. Sarnoff & Pres. John Burns told stockholders that virtually all major operating units improved earnings, that NBC led all networks in dollars gained in gross billings, that NBC's o&o's set sales & profit records, that RCA defense business jumped 54% to \$470 million; backlog was \$325 million. For the year ended Dec. 31:

	1959	1958
Sales .....	\$1,395,620,000	\$1,176,094,000
Net profit .....	40,142,000	30,942,000
Per common share ...	2.65	2.01
Common shares .....	14,126,621	14,031,114

**Admiral Doubles Profit:** Pres. Ross D. Siragusa had a cheerful report for the Admiral Corp. board last week. Preliminary figures indicate that 1959 earnings topped \$3 million—more than double 1958's profit. Sales were up some 17%. Further, forward-looking Admiral was ready to break the market with the industry's first 19-in. portable TV set, confirming our recent report (Vol. 16:8 p18).

"Plans have been finalized for the mass production of a complete line of 19-in. TV sets beginning next month," he said. "This new screen size should enable Admiral to widen its lead in the portable TV field in the months ahead." [The new sets are due to be shown at distributor meetings this week.] The new 19-in. tube, he said, "fits in the same size cabinet as the 17-in. tube, yet provides a 10% larger picture." Commenting on the 23-in. tube, Siragusa said its acceptance has been so pronounced that industry leaders believe 23-in. TV sets will account for the major share of large-screen sales this year.

Preliminary report for the year ended Dec. 31:

	1959	1958
Consolidated sales .....	\$199,000,000	\$170,777,126
Net income .....	3,000,000	1,375,017
Per common share .....	1.70	58¢
Common shares .....	2,405,471	2,372,476

Loew's Inc. was re-named Metro-Goldwyn-Mayer Inc. last week and began trading on the NYSE under a new ticker symbol: MGM. Pres. Joseph R. Vogel told stockholders that earning prospects for fiscal 1960 (ending Aug. 31) are "very bright," but are contingent on averting a studio walkout by members of SAG. He noted that since the company initiated licensing of films for TV showing, some \$56 million in contracts have been signed, of which \$31 million is still to be earned. During the 1959 fiscal year, Loew's granted 42 additional licenses, mostly to smaller TV stations on 7-year contracts. These new contracts will produce more than \$5 million.

Sprague Electric Co. (not Chmn. Robert C. Sprague, as might be inferred from our Vol. 16:7 p23 item) has sold 32,000 previously authorized but unissued shares of common stock to 2 unidentified institutional investors. Mr. Sprague's personal holdings were not involved.



**TV-Electronics Fund Gains:** Record gains were racked up by Television-Electronics Fund, Chicago-based mutual fund with 91.7% of its assets in electronics, nucleonics and allied fields, during fiscal 1960's first quarter ended Jan. 31. Pres. Chester D. Tripp reported total net assets of \$314,067,611—up from \$244,105,822 in the year-ago quarter and a record for any fiscal quarter in the fund's history. The net asset value per share rose 11.5% to \$7.14 (vs. \$7.04 a year earlier), after adjusting for a 2-for-1 split which became effective Jan. 29 and for the adding back of a capital gains distribution of 62.5¢ made in Nov. 1959. Stock outstanding rose to a record 41,678,926 shares, up 20.2% over the year-ago total. The number of shareholders increased to a new high of 108,443, a 27.7% gain over the 84,930 shareholders recorded Jan. 31, 1959.

Portfolio changes in common stock since the close of the 1959 fiscal year Oct. 31 (Vol. 15:49 p22): Added were 25,000 shares of Pitney-Bowes, market value \$850,000; 17,000 Texaco Inc., \$1,277,125. Holdings were increased in Allis-Chalmers, Carborundum Co., Curtiss-Wright, Ford, GE, GM, Hoffman Electronics, United Utilities. Holdings were reduced in Consolidated Edison of N.Y.C., GT&E, Southern Cal. Edison, Walt Disney Productions. Holdings were eliminated in General Precision Equipment Corp.

**Boston Herald-Traveler Corp.** reports a drop in earnings despite a rise in revenues in the year ended Dec. 31. Treas. Roger P. Talmadge said newspaper profits declined sharply and more than offset a "comfortable" increase in profit netted by its TV outlet, WHDH-TV Boston. Radio WHDH duplicated its 1958 performance. Talmadge said that revenues from broadcast operations increased to \$7,045,303 from \$5,269,145 in 1958. Subsidiary WHDH Inc. was able to pass along part of its earnings to the parent company in the form of a \$200,000 dividend paid late in 1959. Consolidated report for the year ended Dec. 31:

	1959	1958
Net revenues .....	\$31,083,273	\$28,977,012
Net income .....	895,319	1,173,755
Per common share .....	2.18	2.99
Common shares .....	411,472	391,878

**Crowell-Collier Publishing Co.** (radios KFVB Los Angeles, KDWB Minneapolis-St. Paul, KEWB San Francisco-Oakland) posted marked gains in sales & earnings in the year ended Dec. 31 (per-share earnings are based on number of shares outstanding at end of 1959):

	1959	1958
Net sales .....	\$35,491,211	\$29,099,414
Net income .....	5,209,670	4,320,729
Per common share .....	2.03	1.69
Common shares .....	2,558,294	2,198,432

**Thompson Ramo Wooldridge** hit a sales peak in 1959, anticipates an even higher volume this year. "Increased emphasis on non-military business saw approximately a 100% growth in the level of semiconductor & non-military electronics business," the company reported. Sales in the electronics, missile and space categories alone rose to \$167 million from \$89 million in 1958. Sales to the automobile industry were up 30%. For the year ended Dec. 31:

	1959	1958
Net sales .....	\$417,748,953	\$340,621,767
Net income .....	9,743,918	8,979,232
Per com. share (after pfd.)	3.02	2.86
Common shares .....	3,119,503	3,024,983

**Dominion Electrohome Industries** tallied record sales in 1959 but wound up with a 31% drop in profits (Vol. 15:52 p20), Pres. C. A. Pollock reported to stockholders last week. The Kitchener, Ont. TV-radio-phono producer attributed the profit decline to various factors: consumer confusion over stereo, "selloff" of monaural products, "some non-recurring problems & expenses due to field failures of purchased components, delays in deliveries which increased costs & significantly reduced our manufacturing & sales volume," long-term research & reorganization activities, others. Pollock noted that "sales for January & orders on hand as of Feb. 1 are well ahead of 1959," but foresaw "a competitive year ahead with many problems to be solved." Preliminary report for 1959 (shares outstanding reflect 3-for-1 split early in 1959):

	1959	1958
Sales .....	\$15,423,000	\$15,421,000
Net profit .....	379,000	552,000
Shares outstanding .....	417,800	108,170

**General Telephone & Electronics** has filed an SEC registration statement for public sale of 775,000 shares of common stock to raise an estimated \$58.12 million for expansion programs. The statement didn't list an offering price but said it will be supplied in an amendment.

\* \* \*

**GT&E** sales rose 20% in 1959 to top the billion-dollar level for the first time, confirming Chmn. Donald C. Power's January forecast (Vol. 16:5 p24). Sylvania's parent organization also established new records for net income, per-share earnings, assets. Power said Sylvania's earnings were some 74% ahead of 1958 and accounted for 41% of GT&E's 1959 net of \$72.3 million. For the year ended Dec. 31:

	1959	1958
Total revenues .....	\$1,081,056,000	\$859,156,000
Net income .....	72,300,000	59,500,000
Per com. share (after pfd.)	3.40	3.07
Average com. shares	30,996,000	19,134,000

**Telecomputing Corp.** posted sharp sales gains and an increase in income (including a special tax credit of \$217,719 or 9¢ a share) in the quarter ended Jan. 31:

	1960	1959
Sales .....	\$11,741,991	\$8,564,676
Net income .....	469,656	456,883
Per common share .....	16¢	17¢
Common shares .....	2,912,086	2,554,111

**NAFI Corp.**, automotive-accessory, boating (acquiring Chris-Craft Corp.) and broadcast (KCOP Los Angeles, KPTV Portland, radio KXYZ Houston) concern rebounded sharply from 1958's losses to rack up a 1959 profit topping \$1 million. Preliminary report for the year ended Dec. 31:

	1959	1958
Sales & other income....	\$23,354,720	\$22,035,326
Net income (loss in 1958).	1,048,619	(382,951)
Per common share .....	1.06	—
Common shares .....	987,655	987,655

**International Resistance Co.**, Philadelphia components maker, tripled earnings on a 44% gain in sales in 1959:

	1959	1958
Sales .....	\$19,800,000	\$13,743,865
Net profit .....	1,783,859	504,268
Per common share .....	1.29	37¢
Common shares .....	1,379,398	1,354,898



Desilu Productions' net income multiplied nearly 5-fold on a strong sales increase in the 39 weeks ended Jan. 30 (compared with the 40-week period ended Feb. 7, 1959):

	1960	1959
Gross income .....	\$17,553,899	\$14,943,740
Net income .....	708,121	141,730
Earned per share .....	61¢	12¢
Common & B shares ....	1,155,940	1,150,000

Oak Mfg. Co., Chicago components producer, scored a 59% gain in earnings on a 19% sales increase in 1959. Sales in the final quarter totaled \$4,984,649 and were the highest for any 1959 period. The backlog of orders was 20% higher than at the end of the preceding year.

For the year ended Dec. 31:	1959	1958
Sales .....	\$18,442,747	\$15,537,850
Profits .....	991,685	624,426
Per common share .....	1.51	95¢
Common shares .....	655,894	655,894

Transitron Electronic Corp. stock is now listed on the N.Y. Stock Exchange. Ticker symbol: TRN.

Textron Electronics Inc. has been admitted to trading on the American Stock Exchange. Symbol: TEI.

NT&T will reopen its exchange offer to remaining NTA stockholders and warrant-holders, according to NT&T Pres.-Board Chmn. B. Gerald Cantor. NT&T acquired a majority interest in NTA through an exchange offer Feb. 16, 1959 and now owns 1,114,636 shares representing 87.27% of a total of 1,277,197 shares of the common stock of NTA. It also owns warrants to buy 346,590 shares of the common stock of NTA, representing 79% of the total of 440,955 shares for which warrants are outstanding. Cantor said the new exchange offer will be substantially the same as that made last year. The initial exchange basis was \$11 of NT&T's 5½% subordinated debentures due March 1, 1974 and a warrant for the purchase of one-quarter share of NT&T common stock for each NTA share.

Skiatron Electronics hearings by SEC on charges that the pay-TV company filed an inaccurate & inadequate stock registration statement (Vol. 16:8 p23) resume March 7 for a run of at least another week. SEC attorneys told us they expect to call more brokers to the stand to testify about a maze of financial dealings between Skiatron Electronics & its licensee Skiatron of America, headed by Matthew (Matty) Fox, who also may be a witness. Stipulations between SEC & Skiatron Electronics on admitted facts in the case were entered into the record at a brief session in the proceedings Feb. 17. Meanwhile, SEC ordered a further suspension of trading in Skiatron Electronics common stock through March 6.

Jerrold Electronics board will be enlarged with the addition of Thomas L. Kempner, partner in the investment house of Carl M. Loeb, Rhoades & Co., and Cal. oilman-showman Jack Wrather. Wrather and John L. Loeb, senior partner in Loeb, Rhoades, recently acquired more than 33% of Jerrold (Vol. 16:6 p5). The additions to the board were to have been finalized at a stockholders meeting Feb. 27.

Electronics Capital Corp., the small-business investment company specializing in electronics, has purchased \$300,000 in 5-year convertible debentures issued by Ultronic Corp., San Mateo, Cal., convertible into 33⅓% of total Ultronic capital stock. Headed by Ronald D. Meredith, 3-year-old Ultronic specializes in precision electronic components.

Aerovox Corp. more than tripled profits in the year ended Dec. 31. Net income totaled \$668,394 (77¢ a share) compared with \$216,690 (25¢) in 1958.

Reports & comments available: Westinghouse, study, Reynolds & Co., 120 Broadway, N.Y. 5 . . . P. R. Mallory, memo, Herzig, Farber & McKenna, 39 Broadway, N.Y. 6 . . . Industro Transistor Corp., analysis, William Norton Co., 9 Maiden Lane, N.Y. . . . Federal Pacific Electric Co., prospectus, Georgeson & Co., 52 Wall St., N.Y. 5 . . . Douglas Microwave Co. Inc., report, Simmons, Rubin & Co., 56 Beaver St., N.Y. 4.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
American Bosch Arma.	Q	\$0.30	Apr. 15	Mar. 21
Amphenol-Borg .....	Q	.35	Mar. 30	Mar. 16
Arvin Industries .....	Q	.25	Mar. 31	Mar. 7
Bell Tel. Canada .....	Q	.55	Apr. 16	Mar. 15
Bendix Aviation .....	Q	.60	Mar. 31	Mar. 10
Bulova Watch .....	Q	.15	Apr. 1	Mar. 11
EMI Ltd. ....	Int.	5% cash	.....	.....
Globe-Union .....	Q	.25	Mar. 10	Mar. 1
Hoffman .....	Q	.15	Mar. 31	Mar. 15
MGM Inc. ....	Q	.30	Apr. 15	Mar. 18

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