

MARTIN CODEL'S

AUTHORITATIVE NEWS SERVICE
FOR MANAGEMENT
OF THE
VISUAL BROADCASTING
AND ALLIED ELECTRONICS
ARTS AND INDUSTRY

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Full Text of Philco Reply to Dept. of Justice Complaint in Franchise Suit Published as Special Report With This Issue

PHILCO DENIES GOVT. ANTI-TRUST CHARGES: Philco lashed back at the Justice Dept. this week, emphatically denying charges in civil suit of last Dec. 15 that it violated anti-trust laws in distributor franchise agreements of last Aug. (Vol. 10:32,51). In answer filed March 2 in Philadelphia Federal Court, Philco asked exoneration on all charges, seeks dismissal of suit and requests final judgment entered in its favor.

Govt. has no intention of dropping any of the charges as a result of Philco's reply, a Justice Dept. spokesman told us. He said nothing in its answer changed any of the govt. allegations, as far as he could see.

Neither side is sure of next step in case. Both Govt. and Philco could await court action on latter's request for dismissal of charges and final judgment. Or Govt. could request a judgment in its favor. Or, as another alternative, they could proceed with pre-trial "discovery" process, in which depositions are taken on non-controversial aspects of case. Whole problem will have to be worked out in upcoming conferences of both parties, due to begin shortly.

Industry generally seems to be rooting for Philco, though other set makers obviously must refrain from public comment on case. Suspicion of many is that Govt. is on Philco's neck merely because its franchise agreements contain what a Justice official calls "police powers" -- meaning penalty provisions, such as requiring a distributor to buy back goods trans-shipped from his territory at cost & freight, cutting off shipments to a distributor when his inventory reaches a certain level. These provisions distinguish Philco's franchise agreements from others in industry.

Govt. suit asked court to void franchise agreements because of 3 provisions it contends are illegal: (1) Distributors are required not to sell Philco products to retailers outside their assigned territories. (2) Distributors must not deal in any product competitive with Philco. (3) Retailers "approved" by distributors must sell only to consumers in their territories, never to dealers.

(For continuation of this report, see Trade Report, p. 10.)

DE-INTERMIXTURE WEIGHED AS FCC PONDERS UHF: Puzzling how to help uhf, pressured by Senate Commerce Committee (Vol. 11:9), FCC held discussions this week, came up with nothing final. Commission asked Committee if it could delay its comments on Plotkin Memorandum until March 18 so that it could include statement on Jones Report, and delay was acceptable to Committee chairman Sen. Magnuson.

Of all "help uhf" projects, de-intermixture is the one most often mentioned. FCC Chairman McConnaughey told Senate committee he favors another look, and it's expected that a majority will go along with him -- but there's no telling whether Commission will actually vote to de-intermix.

There are 9 cities for which formal petitions for de-intermixture have been filed. All of them asked that the vhf channel or channels in town be designated educational or replaced by commercial uhf channels. In all cases, the vhf channels have at least gone through hearings, with most having initial decisions -- and in 2 cases, petitions ask that vhf operators shift to uhf.

Cities and channels involved in the petitions are these: Evansville, Ind., Ch. 7 and 9 (latter in Hatfield, Ind.); Peoria, Ill., Ch. 8; Madison, Wis., Ch. 3; Hartford, Conn., Ch. 3; Corpus Christi, Tex., Ch. 6 and 10; Waco, Tex., Ch. 10; Raleigh-Durham, N.C., Ch. 5 and 11; Tyler, Tex., Ch. 7; Schenectady, N.Y., Ch. 6.

Original petitions were denied in Evansville, Peoria, Madison, Hartford, Waco, Raleigh-Durham and Tyler. FCC has taken no action yet on Corpus Christi or Schenectady. Petitions for reconsideration of the denials are pending for Evansville, Peoria and Hartford; none has been asked for Waco, Raleigh-Durham or Tyler.

In giving reasons for denying de-intermixture petitions, Commission usually noted that vhf contestants had made heavy investments in hearings, relying on stability of allocation; that complete de-intermixture is frequently impossible because out-of-town vhf stations reach cities concerned; that petitions simply didn't make a convincing showing on how public interest would be served.

It's futile to speculate, at the moment, on Commission's ultimate actions on de-intermixture. It's even more speculative to guess whether FCC will explore even further -- into "extended de-intermixture," i.e., precluding the start of a second vhf in a city with one operating vhf, or taking the drastic measure of shifting any operating vhf stations to uhf.

Commission is deeply troubled and harassed, no doubt of it, as it reconsiders the allocation plan it fashioned during the 4-year freeze, and serious hitch that has developed in its efforts to provide a "competitive nationwide TV system."

It's pondering short-term and long-term problems -- of keeping existing stations going while providing a solid economic and engineering foundation that would support potential of thousands of stations rather than the hundreds now in prospect.

THEY MUST BE TELEGENIC--AND WELL-HEELED: Quite aside from the political pressures on Federal TV regulation, which have commanded so much publicity lately and which now point to the imminent blowup of the ill-conceived Edward Lamb "prosecution" by the FCC, with its share of turnabout ex-Communist witnesses (see p. 14), certain other aspects of the current Washington political scene are particularly significant to the industry. There's political, social and even commercial significance in:

(1) The candid statement by GOP national committee chairman Leonard Hall this week that his party, unable to hold a Congress majority in the last election, must pick, as he put it, "personable" as well as able candidates who must be able to "sell themselves over television." TV has changed everything about political campaigning, he told Republican women workers. "We can't go on the basis that anyone can win. Let's face it, we have to put our best foot forward."

The metaphor was somewhat mixed; he really meant "best faces forward" for in the next breath he urged the women to exert their influence to secure candidates who will appeal to the people when they appear in their living rooms via TV screens. It's impossible to assess how much of his acknowledged popularity with the voters President Eisenhower owes to his "telegenic personality," especially as evidenced in his new film-televised weekly press conferences -- but it must be considerable.

Full Text of Reply

Philco Corp. Answer to Department of Justice Civil Action

Charging Anti-Trust Violations in Franchise Agreements

Filed in United States District Court for Eastern District of Pennsylvania, March 2, 1955

(For text of Justice Dept. complaint and story, see *Television Digest*, Vol. 10:51 and Special Report therewith)

IN THE UNITED STATES DISTRICT COURT
 FOR THE
 EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA,
Plaintiff,

v.

PHILCO CORPORATION,
Defendant.

Civil Action No. 18,216

ANSWER

The defendant, Philco Corporation, answers the numbered paragraphs of the complaint as follows:

1. The jurisdiction of the Court is admitted. All averments of violation by Philco of the Sherman and Clayton Acts are denied.

2. Admitted.

3. Admitted.

4. Philco denies that it has violated the Sherman Act and further denies that any wholesale distributors of Philco products have participated as co-conspirators with Philco in any violation or violations of said Act.

5. Denied.

6. The averments of the first sentence are admitted. The averments of the second sentence are denied, except that it is admitted that Philco is one of a large number of companies which manufacture some or all of said products in quantity.

7. The averments of the first two sentences are admitted. The averments of the third sentence are denied except as hereinafter stated. Relatively few Philco Distributors sell Philco products in interstate commerce. Only an insignificant number of Retail Dealers sell Philco products in interstate commerce.

8. Denied, except as stated in answer to paragraph 7 and as hereinafter stated. Each Philco Distributor maintains a warehouse in the city or locality in which his place of business is located. The Philco products referred to are generally shipped in carload or truckload lots from Philco's manufacturing plants to the Distributor's warehouse, at which point the flow of interstate commerce comes to an end. Such products are subsequently sold by the Distributor in smaller quantities to Retail Dealers and delivered to the Dealer's place of business; and in the relatively few cases in which a sale in interstate commerce is involved, such commerce is terminated at the point of delivery. Individual units are subsequently sold and delivered to the consumer in intrastate commerce.

9. Denied.

10. Denied, except as hereinafter stated. The relationships between Philco and its Distributors and between the Distributors and their respective Retail Dealers who sell

Philco products are hereinafter described. Philco avers that these relationships and actions taken pursuant thereto are entirely proper and lawful, are fully justified by legitimate business considerations, and are reasonably ancillary and necessary to Philco's purpose of distributing its products in vigorous competition with numerous other manufacturers.

NATURE OF THE INDUSTRY

The radio-television and major home appliance industry in which Philco is engaged (hereinafter referred to as "home appliance" industry) is highly competitive. Philco is in direct competition with numerous television, radio, refrigerator, room air-conditioner, freezer, and electric range manufacturers; and its competitors include giant concerns, each having resources many times as large as those of Philco.

Substantial quantities of home appliances are manufactured for large retailers, chains and mail order houses under their own "private brand" trade names and are sold without the intervention of a wholesaler direct to the retailer. The balance and a majority of home appliances are nationally advertised and sold under the trademark and brand name of the manufacturer. They are usually marketed through specialized regional wholesale distributors who represent the manufacturer in a specific territory and have sufficient capital to do the necessary warehousing, to finance inventories and to provide credit extension to retailers. In some instances manufacturers set up wholesale distributing subsidiaries or use factory branches to perform these functions.

Home appliance wholesale distributors conduct their business in a different manner than jobbers who wholesale less complex "shelf" goods in the low-unit price field. Such goods present no installation, service or warranty problems and require no technical knowledge of the product and no training in servicing. Jobbers handling "shelf" goods almost invariably handle several competing lines. By contrast, in the home appliance industry the wholesaler is usually a true regional distributor who concentrates his merchandising efforts on the product of a single manufacturer of each type of home appliance that he handles.

Home appliances (except the "private brand" appliances) customarily move from the wholesale distributor's warehouses to retailers in the distributor's territory. The retailers resell them to consumers and in most cases handle installation, warranty and service. Nearly all retailers handle competing products of a number of home appliance manufacturers, and it is the duty and function of the distributor to persuade the retailer to promote the brand which he represents in preference to competing brands represented by other specialized distributors.

This system of distribution stimulates and does not restrain competition.

Home appliances of the types manufactured by Philco are characterized by increasingly complex mechanisms,

frequent style changes, and seasonal market variations. Retailers must carry in stock or have readily available a virtually complete line of the latest models, or sales will be lost to competing retailers. Any system of distributing home appliances, in order to be competitively effective, must accommodate itself to style and seasonal changes so as to make current models available to retailers and at the same time permit scheduling of factory production for maximum manufacturing efficiency and a minimum of fluctuation in factory employment.

Modern home appliances require skilled servicing, and, in most cases, both expert installation and instructions to the consumer. All manufacturers furnish warranties for the replacement of defective parts. The consumer expects the manufacturer to stand behind its products and to provide for their installation and service. The consumer regards the retailer from whom he purchases as the manufacturer's representative, and failure of the retailer to afford proper installation and effective service or to fulfill warranty obligations causes customer dissatisfaction with the manufacturer and all its products. Very considerable technological knowledge is required of the retailers in order to meet these obligations. One of Philco's largest competitors has sought to meet the problem by performing the installation, servicing and warranty obligations through a nation-wide subsidiary.

THE PHILCO DISTRIBUTION SYSTEM

Philco's system of distribution is universally accepted as lawful and is commonly used in industries in which the products merchandised require special technical knowledge and skilled service.

Since 1928 Philco has followed the principle of selecting a single regional Distributor to handle the wholesale distribution of its products in a specified and natural marketing area. Except in the four largest cities, where wholesale distribution is handled through a subsidiary, the Distributors chosen are independent local concerns. The marketing area assigned to each is as large as Philco and its Distributor agree can be adequately handled in the light of the size and ability of the Distributor's organization, as well as his working capital. It is also small enough for the Distributor to give close personal supervision and training to his Retail Dealers in the merchandising, installation and servicing of Philco products and the performance of warranty obligations.

Philco provides extensive and costly factory-training for its Distributors' servicemen, who, assisted by Philco experts, train the service organizations of the Retail Dealers; and the latter's installation and service activities are performed under the guidance and supervision of the Distributors. Replacement parts to fulfill warranty obligations are supplied by the Distributor to the Retail Dealer and by the latter to the consumer. Philco furnishes its Distributors and their respective Retail Dealers with information bulletins and service manuals which are kept constantly up to date.

Philco does not interfere with the Distributor's right to choose his Retail Dealers in his assigned territory. Philco does, however, urge its Distributors to select Retail Dealers who affirmatively desire to handle Philco products and feature them as a relatively important part of their total sales volume; who will provide honest retail salesmen trained to sell the customer an appliance suited to his needs; and who will willingly undertake and adequately perform their obligations to the consumer with respect to installation, warranty and servicing.

All Philco Distributors set up separate divisions of their business for distribution of Philco products; and many, acting upon their own volition, make the distribution of Philco products their major, if not their only, business activity. All have a common interest with Philco in the sale of its products.

Philco appoints only a single Distributor in each area and finds that the regional distribution system briefly described above is economical and efficient and produces sales of Philco products in larger volume than could be accomplished by any other method.

PHILCO'S CONTRACTS WITH DISTRIBUTORS

Since 1928 it has been Philco's practice to enter into a separate franchise agreement with each Distributor at the beginning of each calendar year. These uniform agreements set forth the terms of the arrangement for the ensuing year, but may be terminated with or without cause by either party at any time. While the form may vary somewhat from year to year, the substantive terms of the 1954 Distributor Agreement have been used for a number of years.

This form of franchise, insofar as pertinent, designated the Distributor's authorized territory and provided that Philco products would not be sold by the Distributor outside that territory. The Distributor agreed to maintain a separate department of his business for the sale of Philco products; to maintain an adequate sales force; to participate with Philco in promotion plans; to make expenditures for local advertising; to enter into retail agreements with aggressive and well financed Retail Dealers with adequate service facilities; and, in order to avoid overstocking and attendant evils, to make reports of sales and stock on hand.

The Distributor specifically agreed to be responsible for providing consistently high quality service for Philco products to Philco customers in his area and undertook to see that his Retail Dealers would maintain adequate servicing facilities and an adequate supply of service parts. The Distributor further agreed to be responsible for the placement of service work by Dealers who did not conduct service establishments of their own and to provide, at his place of business, permanent training facilities for Retail Dealers and independent servicemen, including shop and service clinics. The Distributor further agreed that if the Retail Dealer failed to discharge properly his warranty responsibilities, the Distributor would assume the Retail Dealer's unfilled responsibilities.

Under the regional plan of distribution the Distributor at all times knows what Retail Dealers are selling Philco products to consumers in his area, thereby enabling him to perform his obligations described above.

AGREEMENTS BETWEEN DISTRIBUTORS AND RETAIL DEALERS

Philco Distributors in turn enfranchise Retail Dealers to perform the retail function in the system of distribution. Philco suggests to the Distributors in January of each year a form of Retail Dealer Agreement for the year. Philco is not a party thereto but requests and generally receives copies of such contracts. Philco does not select or approve the Retail Dealers with whom its Distributors contract. The form of Retail Dealer Franchise suggested by Philco for 1954 was typical of those suggested in recent years. It set forth the Philco products the Retail Dealer would sell and the relations to exist between the parties for the coming year, but was terminable by either party at any time.

Insofar as pertinent, it provided that the Retail Dealer would display Philco products prominently, spend liberal amounts on local advertising, and participate in promotions; that the Retail Dealer would give expert service on Philco products by organizing and maintaining a service department or by contractual arrangement with a reliable service organization, and would follow the Distributor's reasonable recommendations with respect to the adequacy of his service organization; and that the Retail Dealer would fulfill his obligations in connection with the printed warranty issued by Philco to the original purchasers of Philco products.

MODIFICATIONS DURING 1954

In August 1954 Philco proposed to its Distributors an amendment to the 1954 Distributor Agreement and suggested a revised form of Retail Dealer Agreement for electronic products. Philco considered these modifications desirable to avoid the confusion in its regional distribution system that resulted when Philco products shipped to one Distributor's area were transshipped to other areas and sold to retailers not regularly franchised and not

trained in Philco's standards of sales and service. The amendment to the Distributor Agreement added to the territorial clause a provision that merchandise transhipped out of the Distributor's territory by the Distributor or his Retail Dealers for resale might be repurchased by Philco for the account of the Distributor. Said suggested Retail Dealer Agreement form contained a new sales function clause under which the Retail Dealers who signed would be bound not to sell the Philco products covered thereby to others than consumers at retail.

On December 7, 1954, Philco suggested a modification of said Retail Dealer Agreement form and a corresponding change in interpretation of its Distributor Agreements. These refinements further emphasized the functional responsibilities of the Distributors and Retail Dealers respectively. The suggested modification changed the sales function clause to provide that the Retail Dealer's function was the maintenance of a retail sales outlet and that if he should resell Philco products covered thereby at wholesale, he would furnish the Distributor with a written agreement by the retailer to whom the products were sold to assume and perform the usual service and warranty obligations with respect thereto. To make its Distributor Agreements consistent with this suggestion, Philco stated that it would interpret the repurchase provision added by the amendment of August 1954 as not applicable to products covered by the written service and warranty agreement of the retailer to whom they had been sold.

Further refinements were made in Philco's 1955 forms of Distributor Agreement and Retail Dealer Agreement, which supersede the various amendments of 1954. In the 1955 Distributor Agreement the territorial clause, after specifying the Distributor's territory, provides that if Philco products purchased by the Distributor should be resold by Retail Dealers within the territory to retailers outside the territory who do not maintain a competent service department or have not arranged with a reliable service organization to render service, the Distributor will reimburse Philco for costs incurred in assuring fulfillment of the usual service obligations, and that, if necessary, such resold products may be purchased by Philco for the account of the Distributor. The sales function clause in the 1955 suggested form of agreement between the Distributors and their Retail Dealers provides that the Retail Dealer's function in the distribution of Philco products shall be the resale of such products to consumers at a retail store maintained by the Retail Dealer.

Philco answers the lettered subparagraphs of paragraph 10 of the complaint as follows, such answers being qualified in their entirety by reference to the foregoing:

(a) Denied, except as stated above and hereinafter. During the period from August through December 1954, the amended agreement between Philco and its Distributors provided that the Distributor would not sell products purchased from Philco outside his territory. This agreement was reasonably ancillary to Philco's system of regional Distributors and to the discharge by the Distributors of their responsibility for the wholesale distribution of Philco products within their territories. Philco, through a subsidiary corporation, is aggressively engaged in foreign commerce. The Philco Distributors referred to in the complaint handle their own territories and do not wish and are not qualified to engage in foreign commerce. Products sold by Philco for use in the United States are not usable in many foreign countries by reason of differences in voltage, electrical specifications, and packaging requirements. Philco avers that any application its Distributor Agreement may have had to foreign commerce was incidental to Philco's lawful system of regional distribution and was not intended to, and did not materially affect such commerce.

(b) Denied. There is no such clause in Philco's agreements with its Distributors.

(c) Denied. There is no such clause in Philco's agreements with its Distributors. Although Philco believes that the form of Retail Dealer Agreement as suggested by Philco from time to time is in the best interests of the Retail Dealers and Distributors, Philco does not make any

requirement that its Distributors enter into any particular form of contract with their Retail Dealers.

(d) Denied, except as stated above in response to this paragraph 10.

(e) Denied, except as stated above in response to this paragraph 10.

(f) Denied. There is no such clause in Philco's agreements with its Distributors. Philco does not reserve or exercise the right to approve or disapprove the Retail Dealers or the classes or descriptions of retailers to whom its Distributors sell.

(g) Denied. Philco's so-called "inventory control" system, by coordinating the Distributors' reports of sales and stocks on hand with local and national sales trends, enables Philco to schedule its production and shipments efficiently and to stabilize employment and prevent lay-offs in its plants and the plants of its suppliers. The purpose of the system is to match inventory to sales; and the system does not restrict the sales volume of any Distributor or pertain in any way to the detection of violations of the Distributors' Agreements or to price cutting.

(h) Denied. Philco is not a party to any contracts between its Distributors and their Retail Dealers. The Distributors do not control the actions of Retail Dealers except to the extent that Retail Dealers have voluntarily entered into the contracts with them described above.

11. Philco denies all averments of conspiracy and illegality and further denies all averments of contracts, agreements and understandings except as stated in paragraph 10 hereof.

12. Philco denies all averments of conspiracy and illegality and further denies all averments of things done by Philco and others for the purpose thereof, except for things done in compliance with the agreements and for the purposes described in paragraph 10 hereof.

13. Denied.

14. Philco denies all averments of illegality and conspiracy and any implication of unreasonable restraint of interstate trade or commerce. Philco denies all other averments of the subparagraphs, except as hereinafter expressly stated.

(a) Philco Distributors are not equipped to perform their specialized wholesale functions except in their own territories and are not natural competitors of one another. Within their territories Philco Distributors encounter aggressive competition both from distributors, manufacturers' subsidiaries, and factory branches handling competing nationally advertised brands of home appliances at the wholesale level and from manufacturers who sell private brands direct to large retailers, chains and mail order houses. The allocation of territorial responsibility among Philco's regional Distributors relates solely to the wholesale distribution of Philco products, encourages and does not lessen competition, and has no adverse effect upon other manufacturers, their distributing organizations or the sale of competing products. As stated in response to paragraph 10, the arrangements between Philco and its Distributors were reasonably ancillary to Philco's lawful purpose of having its products distributed in aggressive competition with those of other manufacturers.

(b) Denied, except as stated in response to paragraph 10 and particularly subparagraph (a) thereof.

(c) The effect of the form of Retail Dealer Agreement for electronic products suggested by Philco from August through December 1954 (as described in response to paragraph 10), if such form had been accepted by all dealers handling Philco products, would have been that retailers in any region would have been required to look to the regional Philco Distributor as their source of supply if they wished to handle Philco products. Philco Distributors are at liberty to choose the Retail Dealers in their territories to whom they sell, and no retailers have been prevented from acquiring Philco products from their regional Philco Distributor except as the result of the exercise by the Distributor of his legal right to choose his

customers. The Retail Dealers who handle Philco brand appliances almost invariably handle similar appliances of competing manufacturers, and there are many thousands of dealers who handle other brands of appliances and do not choose to handle the Philco brand. The Philco distribution system affects only Philco products, does not substantially lessen competition in the sale of said products, and has no adverse competitive effect whatsoever upon other manufacturers, the distributing organizations or retailers handling their products, or the sale of their products. As stated in response to paragraph 10, the Retail Dealer Franchise forms suggested by Philco from time to time were reasonably ancillary to the lawful purpose of Philco and its Distributors to have Philco products distributed in aggressive competition with those of other manufacturers.

(d) Denied, except as stated in response to paragraph 10 and paragraphs 14(a), 14(b) and 14(c).

(e) Denied.

(f) Denied.

WHEREFORE, Philco Corporation respectfully prays that the complaint be dismissed and that final judgment be entered for it.

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(2) Fear that the shorter campaign next year, with the Republican convention in San Francisco moved forward to Aug. 20 and Democratic in Chicago likely to come also in Aug. (Vol. 11:8), may kick off a rush for national and local TV time to pack in as many appearances as possible in the short space before the Nov. elections.

"At first blush," said Sen. Neuberger (D-Ore.) on the Senate floor the other day, "this [short campaign period] might seem a desirable objective. Yet I confess to the fear that it will make big money more dominant than ever in our political life. A short campaign will not reduce the sums available for politics; it will merely mean that these sums can be concentrated more decisively and effectively."

"TV is astronomically expensive," the Oregonian continued, noting that a national hookup may cost \$75,000 and asserting that in the last New York mayoralty election a leading candidate withdrew "because he confessed that soaring TV costs made a \$1,000,000 exchequer necessary to be elected." He concluded:

"I am disturbed over the total impact of TV upon our national life. Through TV, it is possible to introduce theatrical techniques into politics. When we give additional dominance to such a medium, through shortening the period of time for candidates to reach the people, I am alarmed. I wonder if a 'blitzkrieg' on TV will not shape the public mind before a less favorably financed nominee can get his message to the people by slower and less costly means..."

"Some day shorter political campaigns may well be possible and desirable, but I believe they will be premature until we have solved the urgent problem of making TV -- and perhaps other media -- equally available to candidates irrespective of their financial backing."

2 NEW STARTERS, HEARST GETS MILWAUKEE: You can add 2 more vhf starters to log of TV stations in U.S., bringing total to 427 (112 uhf). All set to begin test patterns as this was written are KBET-TV, Sacramento (Ch. 10), first vhf in the California capital, which plans debut as basic CBS outlet March 20; and KLOR, Portland, Ore. (Ch. 12), second vhf in that uhf-pioneering city, which begins testing this week end.

KBET-TV goes on the air despite appeal to U.S. Court of Appeals by McClatchy (Sacramento Bee) and friend-of-court brief about to be filed by American Newspaper Publishers Assn., charging FCC with undue discrimination against newspaper interests. New 50-kw GE station is city's 2nd TV, first having been uhf KCCC-TV (Ch. 40), which started in Sept. 1953. Owners are local business group headed by Wm. P. Wright, as pres., and John Schacht, v.p. & gen. mgr. George Kapel, ex-WGN-TV, Chicago, is sales mgr.; Roger Van Duzer, operations mgr.; Vince Williams, production mgr.; Peter K. Onnigian, chief engineer. Base hour rate is \$600. Rep is H-R Television.

KLOR becomes Portland's ABC primary March 9, reports gen. mgr. John Schile, ex-KUTV, Salt Lake City. NBC outlet is Storer's uhf KPTV (Ch. 27) and CBS's is the Oregonian-Ted Gamble group's KOIN-TV (Ch. 6). Station has 25-kw RCA transmitter. Its principal owners are Henry A. White, retired banker & shipbuilder; Julius L. Meier, dept. store executive; Wm. A. Healy, furniture manufacturer; Stephen Thompson, lumber & paper. Base rate is \$500. Rep is Hollingbery.

* * * *

Hearst Radio's \$2,000,000 purchase of WTVW, Milwaukee (Ch. 12) was approved by FCC this week, subject to any action by Court of Appeals in Gran Enterprises Co. suit to stay transfer. Theatreman L.F. Gran, holding 38.5% of stock in the ABC outlet which started operation last Oct., had offered to purchase station on same terms and conditions, then filed for Ch. 12 but was rejected by FCC (Vol. 11:6). Comr. Henock dissented from sale approval, noting newspaper ownership (Milwaukee Sentinel), pointing to Gran offer, suggesting hearing should be held on local ownership, integration of ownership-management, concentration of mass media control. Comr. Bartley also dissented, noting his original opposition to merger resulting in WTVW "with particular reference to its impact on stimulating strike applicants and whether payoffs are involved." He stated: "I cannot agree with this transfer which involves a substantial profit to Milwaukee Area Telecasting resulting purely from the fact that it possesses a permit for an assigned frequency in which it has no ownership rights."

ALLOCATIONS PHILOSOPHY seems to be undergoing a change at FCC. While thinking about de-intermixture (see p. 2), Commission this week issued notice of proposed rule-making which would require stations to place transmitters within 5 mi. of border of principal city to be served—unless good reason for waiver is shown.

Up to now, Commission's policy has been to let transmitters be located anywhere, as long as they comply with mileage separations specified in allocations plan. This week's action is aimed at halting "market-straddling" and construction of "area stations."

Action was on petition of WKNX-TV, Saginaw, Mich. (Ch. 57), which is seeking to keep WJRT, Flint (Ch. 12) from building at site 15-20 mi. from Saginaw. WKNX-TV asked that applications such as WJRT be held inactive pending rule-making, but Commission denied request, said it would continue to act on case-to-case basis.

Proposed rule provides that those seeking waiver of 5-mi. rule give reasons for asking waiver. In addition, they'd be required to disclose all agreements with networks regarding affiliation and their plans for studios and local programming. Proposal is Notice 55-268, Mimeo. 16546, Doc. 11297, copies obtainable from FCC or from us.

In same policy vein, Commission sent "McFarland Letter" to WSTV-TV, Steubenville, O. (Ch. 9), saying it couldn't approve move of transmitter to Pittsburgh and sale to CBS for \$3,000,000 (Vol. 10:47) without a hearing. Letter stated: "In proposing a transmitter location only 3.5 mi. from the business center of Pittsburgh, the application appears to seek to establish a station operating on a Steubenville-Wheeling channel in a manner and to a degree inconsistent with the purpose for which that channel was assigned . . ."

These moves are part of a pattern forced by Congressional pressures. Influence of Plotkin Memorandum—though it was view of only one staff member, not officially endorsed by Senate Commerce Committee — has had an obvious effect.

Ch. 8 CP in Des Moines is in the works, after agreement was reached this week between Cowles (KRNT) and Kingsley H. Murphy Jr. (KSO), whereby latter is to acquire 40% of grant. Cowles had obtained favorable initial decision last Aug. (Vol. 10:35). Under agreement, Cowles will contribute up to \$35,000 to buy stock options of Murphy employes. After 3½ years, Cowles has option to buy out Murphy at price to be negotiated then. Murphy counsel Benito Gaguine, of Fly, Shuebruk, Blume & Gaguine, will become a v.p. of grantee concern.

Another appeal was thrown into the court hopper this week when WJIV, Savannah, contested final decision granting Ch. 3 to WSAV. Prime contention is that WSAV had begun construction before getting CP.

Latest action in celebrated case of grantee WPRO-TV, Providence (Ch. 12) was grant of STA by FCC, permitting station to build temporary tower and begin operating. However, Commission said STA is subject to action of U. S. Court of Appeals which is to hear argument in April on merits of appeal by WNET (Ch. 16) which has protested grant. WPRO-TV management says it will go ahead and build.

In oral argument before FCC this week, Miami uhf grantee WMFL (Ch. 33) urged that Commission look into Storer's plans for promoting conversions of receivers to receive his WGBS-TV (Ch. 23). WMFL counsel Leonard Marks said that there are reports that Storer is encouraging single-channel conversions; that Storer bought WFLL-TV, Ft. Lauderdale solely to get NBC affiliation; that WMFL principals told Storer they wouldn't protest if he'd promote all-channel conversions and agree to joint use of his tower. Storer counsel John McCoy stated that WMFL's overtures were "purest kind of blackmail"; that WMFL didn't offer to pay anything for use of tower; that Storer wasn't promoting single-channel conversions or selling uhf converters; that Storer is spending \$10,000 monthly in newspaper ads to convert the 50% of Miami sets still incapable of getting uhf.

Personal Notes: Charles M. Underhill, ex-ABC-TV program v.p., joins TV staff of U. S. Steel, specializing on production of *U. S. Steel Hour* on ABC-TV; he replaces John Rust, who resigned to become independent TV producer . . . Wm. Thomson, formerly with Washington TV-radio attorney George O. Sutton, forms partnership, Adams & Thomson, with Albert F. Adams, ex-Ford, Bergson, Adams & Borkland, with offices at 800 National Press Bldg., phone National 8-0055 . . . Dr. Philip Eisenberg resigns as CBS research psychologist to form own research organization, Motivation Analysis Inc., 1140 Elberon Ave., Elberon, N. J. . . . Gordon Mills has resigned as DuMont Network midwest sales mgr., which has closed offices . . . Frank C. Oswald, administrative asst. to Edward Lamb and v.p. of WICU, Erie, recuperating at Toledo Hospital from severe heart attack . . . Robert F. Metzler assigned to NBC film div. as production supervisor for West Coast productions . . . Guy Runnion, ex-KABC-TV, Los Angeles, named news director of CBS-TV's new WXIX, Milwaukee . . . Gordon Moore promoted to national sales mgr., WMUR-TV, Manchester, N. H. . . . Wm. Carlier, ex-mgr. of radio WRBC, Jackson, Miss., named sales mgr. of WSLI-TV, same city . . . Ed Murphy, ex-WCAN-TV, Milwaukee & KSTM-TV, St. Louis, named operations director of upcoming WFRV-TV, Green Bay, Wis. (Ch. 5), due in April . . . Don McCune, from AM affiliate, named gen. mgr. of KFAR-TV, Fairbanks; John Miller, ex-WTPA, Harrisburg, Pa., named program director, Charles Gray chief engineer . . . Dennis Townsend, from radio affiliate, named program director, CHSJ-TV, St. John, N. B. . . . Lamont L. Thompson, ex-mgr. of CBS spot sales, San Francisco, now with network's TV spot sales in N. Y. . . . Wilbur M.

Fromm, ex-TV promotion supervisor, promoted to mgr. of adv. & promotion, NBC Spot Sales, N. Y. . . . John Kucera promoted to v.p. & director of broadcast media, Biow-Beirn-Toigo Inc. . . . J. Lingeman, ex-CBLT, Toronto named TV-radio director, J. Walter Thompson Co. Ltd. of Canada; Frank Flint remains Toronto TV-radio mgr., and Mariette Mineau heads French TV-radio, Montreal . . . Louis G. Bissell Jr. named TV-radio director, Reach, Yates & Mattoon Inc., N. Y. . . . Hal Thompson, ex-WFAA & KFJZ, named mgr. of Ft. Worth office of Free & Peters; Barney Kobres, ex-WLWA, Atlanta, recently TV-radio director of Quednau Adv., Tampa, named TV sales director, WSUN-TV, St. Petersburg; Fred H. Kenkel and Frank Stisser named v.p.'s, C. E. Hooper Inc. . . . Mann Holiner named head of Hollywood office, Ted Bates Inc., succeeding Austin Peterson, resigned, with Frank O'Connor named production mgr. . . . Eugene B. Dodson promoted to asst. mgr. of WKY-TV & WKY, Oklahoma City, in realignment of personnel following *Daily Oklahoman's* recent acquisition of WSFA-TV & WSFA, Montgomery, Ala.; Robert Olson named operations mgr. of WKY-TV, John Haberman national sales mgr., Joseph Jerkins production supervisor.

J. M. Clifford, NBC administrative v.p., elected pres. of network's newly-acquired Kagran Corp., which controls rights to *Howdy Doody*, *Author Meets the Critics*, etc. (Vol. 11:7). Clifford later announced that Edward L. Justin, a Kagran official, would be retained in a "principal operating position."

Michigan State College's 5th annual TV Workshop for brief credit courses in TV programming, production & management, has been scheduled for Aug. 1-19.

Telecasting Notes: "TV, with its commercials, has apparently enhanced the impact value of theatre screen advertising," according to Sindlinger & Co. survey for Assn. of Theatre Advertising Companies; some 6650 interviews, testing recall, were conducted in test cities of Waterville, Me.; Fayetteville, N. C.; Bucyrus, O.; Belleville, Kan.; Bonham, Tex. It's estimated about 12,000 U. S. theatres show sponsored films, varying from spots to full-reel subjects, but a lot of this business has recently gone to TV . . . Whereas movie industry not long ago was bemoaning closedowns of many theatres, another Sindlinger survey, this one for Council of Motion Picture Organizations, puts number of active film theatres in U. S. at 19,101, up 1136 in year; of these, 4062 were drive-ins . . . Hal Roach Jr., 36, became sole owner this week, by purchase from his father, of 18-acre Hal Roach Studios in Culver City, including various features and short subjects which bring his new Hal Roach Enterprises to estimated value of \$10,000,000; Roach produces for TV *My Little Margie*, *Public Defender*, *The Erwins*, *Passport to Danger*, *Racket Squad*, and also made at his studio are *Life of Riley*, *It's a Great Life*, *You Are There*, *Amos 'n' Andy*, *So This Is Hollywood*, *Where Were You?*, *Waterfront* . . . ABC Film Syndication Inc. (Geo. T. Shupert, pres.) is now exclusive distributor of *Douglas Fairbanks Presents*, *Sheena Queen of the Jungle*, *Life Can Be Beautiful* and, with Hal Roach Jr., will produce & distribute at least 2 new series as yet untitled; current ABC properties include *Passport to Danger*, *Racket Squad*, *The Playhouse*, *John Kieran's Kaleidoscope* . . . "New Millions for Old Pix" are seen by *Variety*, reporting that General Teleradio's *Million Dollar Movie* package of 30 features, for which it paid Bank of America \$1,250,000, has grossed \$2,000,000 thus far from first-run playings (up to 14 repeats weekly for each picture) in 70 markets and "could well hit \$3,000,000" exclusive of sale to Libby, McNeil & Libby in all Canadian markets . . . TCF Television Productions is name of new 20th Century-Fox TV subsidiary just set up under Sid Rogell (Vol. 11:9); executives, headed by pres. Spyros Skouras, conferring currently with networks and agencies, have stated they're prepared to produce anything from short subjects to spectaculars . . . Worthington (Tony) Miner, currently under NBC contract, producer of *The Medic* and other major TV shows, plans to film 3 new series for NBC: *Frontier*, a western; *Briefcase*, based on lawsuits, with cooperation of Calif. Bar Assn.; *Challenge*, with democracy theme, with cooperation of Fund for the Republic . . . North American rights to first showings of BBC's documentary series *War in the Air*, 15 half-hour films produced in cooperation with U.K. Air Ministry and telling story of impact of air power on world during last 20 years, have been acquired by CBC which is releasing them this month . . . Clete Roberts, who is subject of personality sketch in March 2 issue of *Fortnightly Magazine*, has formed Clete Roberts Productions Inc., 321 So. Beverly Dr., Beverly Hills, Cal., to handle own filmed *World Reports*; v.p. is attorney Joseph Brenner.

Authorized broadcasts of ball games do not constitute news in the public domain, N. Y. State Supreme Court held this week in granting injunction against Martin Fass, who allegedly used TV & radio broadcasts to compile play-by-play accounts of baseball games, which he sent by teletype of out-of-town radio stations. Complaint was brought by N. Y. Giants.

H. Leslie Atlass, CBS Chicago v.p., has filed petition in Tax Court of the U. S., Washington, challenging Internal Revenue Service demand for \$128,284 additional taxes for 1946-49. Revenue Service had rejected claims of \$121,423 losses on his Sunny Ridge Farm, also \$84,633 for entertainment, including \$42,959 for operation of yacht.

Voice of AMERICA's services to TV stations in foreign countries, now a sideline of the U. S. Information Agency's foreign propaganda operations, will be expanded to staff of 29 (from present 9) if Congress approves new \$1,100,000 program budget and \$160,000 personnel budget for fiscal 1955 starting next July 1. This would be part of \$18,200,000 radio budget in an over-all budget of \$88,000,000 sought this week from House Appropriations Committee by Theodore F. Streibert, USIA director.

There's no plan to operate TV stations in view of their limited scope of coverage, though Voice of America now operates 78 radio transmitters throughout the world with staff of 1617. Plan is to provide kinescopes, films and other material to the growing number of TV stations, govt.-owned or otherwise, in language areas where they would be acceptable. USIA already supplies some films, mostly newsreels, to 29 stations in 21 free world nations.

Growth of TV operations abroad, evidenced by log showing 137 stations in 35 foreign countries published in *TV Factbook No. 20* (pp. 238-242), to which more have been added since publication, impelled VOA industry advisory committee to set up TV subcommittee recently to advise on expansion into TV field. Subcommittee consisted of Howard Meighan, CBS; Chris Witting, Westinghouse stations; Jack Harris, KPRC-TV, Houston.

Expansion programs, it's planned, will be headed by a new top executive brought in from the industry. Present VOA services relating to TV are handled by Jack Gaines. Emphasis of USIA, of course, will continue to be on its vast radio broadcasting programs designed to pierce Iron Curtain, which report to Congress this week, covering July-Dec. 1954, shows are now going out in 34 languages.

* * * *

Theodore F. Streibert, director of U. S. Information Agency and onetime MBS pres., named by President Eisenhower to operations coordinating board of National Security Council, top-level policy group that succeeded old Psychological Strategy Board. Its chairman is Herbert Hoover Jr., Undersecretary of State; other members are Robert Anderson, Undersecretary of Defense; Allen Dulles, director of CIA; Harold Stassen, director of FOA; Nelson Rockefeller & Robert Cutler, special assts. to the President.

Alfred I. duPont Foundation, whose annual awards to TV-radio stations and commentator for outstanding performances in public interest will be presented at dinner March 25 in Washington's Mayflower Hotel, this week named to its awards committee Turner Catledge, managing editor of *New York Times*, and Dr. Susan B. Riley, pres. of American Assn. of University Women. Catledge replaces Ben McKelway, editor of *Washington Star*; Dr. Riley replaces Mrs. Oscar A. Ahlgren, pres. of General Federation of Women's Clubs. Other members: Mrs. Jessie Ball duPont, who established awards in 1942 in honor of her late husband; Dr. Hadley Cantril, director of Princeton's Office of Public Opinion Research; Dr. Francis P. Gaines, pres. of Washington & Lee U, which administers awards. O. W. Riegel is curator of Foundation.

Annual George Polk Memorial Awards for "distinguished achievements in journalism," created 8 years ago in honor of late CBS correspondent, go to commentator Eric Sevareid for his Washington radio coverage and his *American Week* on CBS-TV; NBC-TV public affairs dept., for atomic bomb documentary *Three Two One — Zero*; N. Y. municipal radio station WNYC, for distinguished community service. Awards will be presented April 7 at luncheon in New York's Roosevelt Hotel.

American Women in Radio & Television holds next national convention in Drake Hotel, Chicago, May 5-8.

Station Accounts: Good revenue producer, and an interesting & useful program besides, is *TV Classified* on WCSH-TV, Portland, Me., Mon.-thru-Fri. 3:30-3:45 p.m. & Sun. noon-12:15 p.m. At rates comparable to the local newspaper, usual type of classified and/or low-budget business messages is accepted—each set up on flip cards in special type, televised on live camera with staff announcer reading the copy as it appears and adding a commentary if time allows. Feature has been on about 5 months, carrying help wanted, positions wanted, lost & found, real estate, bank, auto, restaurant and what-have-you advertising—one ad even offering tailor-made dog collars! Says mgr. Jack S. Atwood: "Revenue-wise, it is worthwhile, besides making more potential advertisers aware of the value and effectiveness of low-budget TV advertising" . . . Alamac Knitting Mills Inc. ties in with Monsanto Chemical Co. (All detergent) and Norge washing machines to demonstrate washability of its synthetic knitted fabrics; TV-radio will be used in Aug. to back up magazine & newspaper campaign . . . Hi-V Corp. (orange juice) sponsoring alt. week *Ireland's Heritage*, folkways program produced with aid of Seton Hall U's Institute of Irish Culture, starting on WATV, Newark, March 10, Thu. 8-8:30 p.m., thru Franklin Bruck Adv., N. Y. . . . John Deere & Co. (farm implements) supplying its dealers with 27 one-min. films for local TV placement, prepared by Reid H. Ray Film Industries, St. Paul . . . Among other advertisers currently reported using or preparing to use TV: Cinch Products Inc., Los Angeles (cake mixes), thru Hixson & Jorgensen, Los Angeles; Ivano Inc., Chicago (Plumite drain cleaner), thru Ruthrauff & Ryan, Chicago; Milnot Co., Litchfield, Ill. (milk compounds), thru McCann-Erickson, Chicago; East Ohio Gas Co., sub. of Consolidated Natural Gas Co.,

Cleveland (ovens & burner units), thru Ketchum, MacLeod & Crove, Pittsburgh; Moto-Mower Co., Richmond, Ind. (power mowers), thru Clark & Bobertz, Detroit; Ideal Toy Corp., N. Y. (toys), thru Grey Adv. Co., N. Y.; Loma Linda Foods, Los Angeles (Gravy Quik instant gravy), thru Elwood J. Robinson, Los Angeles; Abbotts Dairies, Philadelphia (ice cream), thru Richard A. Foley Adv., Philadelphia; Brighton Fish Co., div. of Safeway Stores, San Francisco (Captain's Choice frozen seafood), thru Brooke, Smith, French & Dorrance, San Francisco; Carter Products, N. Y. (Bingo instant shave lather), thru Sullivan, Stauffer, Colwell & Bayles, N. Y.; Fradelis Frozen Food Corp., Los Angeles (frozen dinners), thru Mogge-Privett, Los Angeles; West Coast Airlines, Seattle, thru Miller, Mackay, Houck, Hartung Inc., Seattle; Chef Boy-Ar-Dee Foods Inc., N. Y. (spaghetti sauce), thru Young & Rubicam; Hills Bros., San Francisco (Red Can Brand coffee), thru N. W. Ayer, San Francisco; Effanbee Doll Corp., N. Y., thru Monroe Greenthal Co., N. Y.; Nu-Color Corp. of America, Los Angeles (Fabspray fabric spot remover), thru Edwards Adv., Los Angeles.

Broadcasting & Film Commission, National Council of Churches of Christ in the U.S.A., 220 Fifth Ave., N. Y. (Dr. S. Franklin Mack, exec. director) this week approved 1955 budget of \$1,405,000 for production of religious films and for TV-radio programs, up \$245,000 from 1954 budget. Newest TV program series planned will have outstanding churchmen in person-to-person interviews. About 1200 TV & radio stations carry Commission's various sustainer programs on behalf of 30 Protestant, Anglican & Eastern Orthodox communions, and Commission is considering whether to make them available for sponsorship.

TV techniques will be used to revitalize NBC Radio, whose top v.p.'s Wm. H. Fineshriber Jr. and Ted Cott both resigned within 2 weeks (Vol. 11:8-9). A new program concept, calling for 48-hour around-the-clock weekend network service of music & information, was disclosed by exec. v.p. Robert W. Sarnoff, in speech to Minneapolis Sales Executives Club, as first step in arresting what he called "the depressing downward trend of radio network revenue." He said new weekend service properly adapts network radio to age of TV, will use TV personalities and may be sold in partic. spots a la NBC-TV's highly successful *Today, Home & Tonight*. It may also use audio portions of some NBC-TV shows. "It will be a service that for the first time wipes away the artificial barrier between radio and TV, and brings the radio listener exposure to the great TV stars," he said. He cited fact that "the most popular individual radio network programs attract audiences of less than 4,000,000 homes; the top-rated TV shows reach up to 17,000,000 homes." Meanwhile, reports continued to circulate that Charles R. Denny, v.p. of NBC's o-&o stations, would take command of radio network, though NBC offered no comment. Note: Plight of radio was pointed up sharply this week when 2 big names, Edward R. Murrow and actor Edward Arnold, lost big sponsors. Ford Motor dropped its Mon.-Wed.-Fri. sponsorship of Murrow's Mon.-thru-Fri. 7:45-8 p.m. newscast on 121 CBS stations, while Hallmark Cards dropped its noted *Hall of Fame* on CBS Sun. 6:30-7 p.m., emceed by Arnold. On other side of coin, Doeskin Products, abandoning TV, will sponsor Dr. Norman Vincent Peale's religious program on NBC Radio starting April 4—first time his show has permitted commercial sponsorship in 20 years.

AT&T's new AM rates, filed with FCC this week, would permit purchase of network facilities on 8-hour-per-day basis instead of previous 16. Customer may now buy 8-hour service at \$4.50 per mile per month; up to now, cost has been \$6 for 16 hours or less. Next 3 hours after first 8 per day will cost 25¢ each; next 5 hours are 15¢ each.

"Play Marco" is no lottery, in opinion of attorneys for Paramount Pictures' KTLA, Los Angeles, whose license renewal has been held up by FCC pending study of the program (Vol. 10:52). The bingo-type program, KTLA informed Commission this week, requires public to submit nothing of value to station, sponsors or ad agency. Commission was concerned lest participants' visits to stores and making of toll phone calls constituted giving "something of value." KTLA counsel Arnold, Fortas & Porter stated that if participants give something of value to a third party—such as the price of a stamp to post office or payment to phone company for toll call—no lottery is involved. Ad agency Caples Co. said it had cleared program with local postal inspectors. Station reported that, although there have been telephone jams, there have been no complaints from official agencies such as police and fire departments, and that normal service was unaffected. Furthermore, it said, new system has eliminated jams.

"Television can sell soap, soup and cigarettes—it is our belief it can also sell salvation." Thus Rev. Dr. Louis H. Evans, of Board of National Missions of the Presbyterian Church in the U.S.A., announcing this week he has agreed to do 13-week half-hour films for commercial sponsorship this fall. Evangelist Billy Graham has also disclosed he's considering—and probably will accept—offers to appear on sponsored TV program comparable to that of Admiral-sponsored Bishop Sheen.

Rate increases: KPRC-TV, Houston, adds new Class AA hour (7-9:30 p.m. Mon.-Fri. & 6-9:30 p.m. Sat.-Sun.) at \$900, min. at \$180, Class A hour going from \$770 to \$750; KYTV, Springfield, Mo., raises base hour from \$200 to \$250, min. \$50 to \$60; WEHT, Henderson-Evansville, April raises base hour from \$200 to \$250, min. \$40 to \$50; WLOS-TV, Asheville, N. C., April 1 raises Class A min. from \$35 to \$50.

New reps: WSFA-TV, Montgomery, Ala. to Katz (from Headley-Reed); WINK-TV, Fort Myers, Fla. to McGillyvra (from Weed).

Network Accounts: Fabulous success of ABC-TV's *Disneyland* and prospective competition of new Disney program, *Mickey Mouse Club*, which debuts on same network Oct. 3 (Mon.-thru-Fri. 5-6 p.m.), has sent both CBS-TV & NBC-TV scurrying to acquire their own film cartoon programs for children audience next fall. Both are currently negotiating with United Productions of America, among others, for cartoon series. UPA is one of best-known producers in animation field, having won many awards for its shows featuring "Mr. Magoo" as well as for its animated commercials. In addition to the 'kiddies' show, NBC-TV is also reported interested in a cartoon show depicting lives of famous contemporary artists . . . Chesterfields to sponsor *Mr. Citizen* as replacement for *Stu Erwin Show* on ABC-TV starting April 20, Wed. 8:30-9 p.m., thru Cunningham & Walsh . . . Camels to become co-sponsor of filmed *Phil Silvers Show* due on CBS-TV next fall in undetermined time period, thru Wm. Esty Co. . . GE, for its Slumber Cover electric blanket, buys 8 partic. on NBC-TV's *Today* starting May 4, thru Young & Rubicam; Armour buys 4 partic. on *Home* starting May 23, thru Henri, Hurst & McDonald, Chicago . . . Old Dutch Cleanser buys twice-weekly partic. for 13 weeks on *Panorama Pacific*, CBS-TV's Mon.-thru-Fri. 7-9 a.m. show on Pacific network, thru Weiss & Geller, Chicago; Lorraine Burton Salad Dressing once-weekly partic. for 13 weeks, thru Howard M. Irwin & Assoc., Los Angeles; Kendall Co. (Blue Jay corn remedies) 12 partic. thru Leo Burnett Co., Chicago; Pioneer Rubber Co. (Neoprene household gloves), 10 partic. thru Carr Liggett Adv., Detroit . . . NBC-TV extends *Pinky Lee Show* to 6 days a week starting March 5, adding Sat. 10-10:30 a.m. period to its Mon.-thru-Fri. 5-5:30 p.m. schedule; it replaces *Happy Felton's Spotlight Gang* on Sat. . . Kent cigarettes to sponsor *Appointment with Adventure* on CBS-TV starting April 3, Sun. 10-10:30 p.m., thru Young & Rubicam.

Parlay whereby owners of WEMP, Milwaukee, acquire facilities of Lou Poller's WCAN (5-kw, 1250 kc) for \$250,000, while selling their 250-watt, 1340-kc plant for \$200,000, received FCC approval this week. Buying old WEMP facilities, for which it will get new call letters, is Foster & Assoc. Inc., owned by Gordon McLendon family of Dallas, vitamin-chemical mfr. James H. Foster, and C. W. Weaver—latter to be mgr. Also approved this week was \$70,000 sale of KMBY, Monterey, Cal. (250-watts, 1240 kc, CBS) to Frederick A. Gwynn, required by terms of merger whereby KSBW-TV absorbed shared-time KMBY-TV and retained radio KSBW (Vol. 11:5).

Pleading for reversal of TV-radio ban in House of Representatives imposed by Speaker Rayburn (D-Tex.), 2 Republican Congressmen this week asked Rules Committee to adopt H. Res. 99 which would permit House committees to decide individually on whether to permit TV & radio at hearings, as Senate committees now do. Appearing in favor were Rep. Bronson (R-Ind.) and author, Rep. Meader (R-Mich.). In letter to Rules Committee Chairman Smith (D-Va.), NARTB pres. Harold Fellows urged passage of measure—but Committee members appeared cool to any move to overturn Rayburn's ruling.

New TV audience survey covering 140 medium & small markets (163 cities) for which no current TV data is now available, was announced this week by American Research Bureau, National Press Bldg., Washington. "Abilene-to-Zanesville" study, to be released annually beginning late this month, is designed to provide information on: (1) percentage of homes having TV, (2) percentage able to receive each available vhf & uhf station, and frequency of viewing, (3) stations viewed most in each market daytime and evening.

New House subcommittee on transportation & communications under Rep. Harris (D-Ark.), named this week by Commerce Committee Chairman Priest (D-Tenn.), is preparing to look into several TV problems, but plans no big "investigations." Harris told us his 11-man group hopes to hold hearings on bills introduced by himself and Rep. Hinshaw to limit height of TV towers (H. J. Res. 138 & 139, see Vol. 11:4, 6). Though subcommittee hasn't yet determined its course, Harris said he personally feels it should take another look at Communications Act, that there are indications "some sections need revising"—particularly the "protest" section, subject of complaints by FCC and broadcasters. Hinshaw's subscription-TV bill (HR-524) is pending before committee, but Harris said there are no plans to take it up, nor does his subcommittee plan to look into uhf situation while Senate Commerce Committee is investigating it. He said he was "very much interested in the spectrum problem," and subcommittee March 10 begins consideration of possible allocations conflicts between military radio use and civilian air navigation aids. Other subcommittee members are Democrats Williams (Mass.), Mack (Ill.), Dollinger (N. Y.), Rogers (Tex.), Flynt (Ga.); Republicans Wolverton (N. J.), Hinshaw (Cal.), O'Hara (Minn.), Hale (Me.), Dolliver (Ia.).

WTAP, Parkersburg, W. Va. (Ch. 15) has been sold for \$124,609 to Zanesville Publishing Co., majority owner of WHIZ-TV, Zanesville, O. (Ch. 18), by Frank Baer-Howard Chernoff group, subject to FCC approval. In application filed at FCC, Zanesville publisher Clay Littick (*Zanesville Times-Recorder* and *Signal*) reveals WHIZ-TV operated in black "4 out of the first 7 months of [fiscal] 1954-55," but WTAP balance sheet shows deficit of \$157,542 as of Dec. 31, 1954, of which \$128,088 was incurred in 1954. WTAP lists \$252,054 in total assets against liabilities of \$334,595. Zanesville Publishing Co., which owns 63% of WHIZ-TV, did not file WHIZ-TV balance sheet, but revealed that its TV losses put entire publishing venture into red in 1954. Station went on air in May 1953 and by end of year publishing company's share of the loss amounted to \$39,299. For entire year 1954, company lost \$74,368 on TV station—but for last half of 1954, its loss from TV was only \$5982. "Prospects are that this amount will be reduced by the second 6 months" of fiscal year, said Littick, pointing to 4 months of profitable operation.

Long anticipated theatre telecast of a legitimate stage attraction now seems close to reality with the booking of 35 theatres for Broadway's annual ANTA *Album* March 28. Closed-circuit telecast will be joint benefit for ANTA (American National Theatre & Academy) and CARE, consisting of revue featuring theatre's top stars. Another novel theatre-TV presentation still in exploration stage is special benefit show sponsored by Jesuit order, possibly featuring Mario Lanza, to raise funds for the more than 100 Jesuit colleges and prep schools in U. S.

W. A. Sawyer's Northwest Radio & Television School, which started in Portland, Ore. and now operates schools in Chicago and at former ABC studios in Los Angeles, opens Washington school May 1 in 1627 K St. N.W. studios being vacated by WWDC. Resident registrar is Harry R. Shank, and training will include script writing, announcing, set design, music librarians, camera assistants, projectionists, radio operators, TV-radio servicing. It will also operate placement service for graduates.

Former boxing greats Jack Dempsey, Jack Sharkey and Luis Firpo, as "friends of the court," have joined appeal by ex-fighter Al Ettore of Philadelphia district court ruling that showing of old fight films does not invade fighter's privacy (Vol. 10:49). Defendants in suit are sponsor Chesebrough Mfg. Co. (Vaseline) and WPTZ, Philadelphia. Sharkey also filed separate suit against Chesebrough in N. Y. Federal court.

Color Trends & Briefs: A single color standard for all European countries is one topic of discussion for March 21-April 6 international parley in Brussels. Though each country went its own way in black-&-white, tremendously complicating border reception and exchange of programs, members of CCIR study group 11 have agreed to talk about single color standard for operations in Band 4—above 470 mc. A second topic is exchange of programs in black-&-white, covering methods of transferring programs from one system to another.

U. S. is sending 3 representatives who will participate largely on an advisory basis on color, because our color standards have been fixed. CCIR study group 1, on transmitters, will meet at same time. U. S. participants will be Charles Hirsch, Hazeltine, heading group; John D. Coleman, RCA; Matthew Jones, State Dept. telecommunications attache at Paris embassy.

Color TV tape, demonstrated in Hollywood last week by Bing Crosby Enterprises (25% CBS-owned), will be commercially available in about 1½ years, according to exec. director Frank C. Healey. A 4-min. recording of *The Women* was shown, taken from KRCA's telecast. Crosby officials stated that system demonstrated had already been superseded by new system on which experiments were to start this week. Healey said BCE will shortly have equipment capable of recording 16-min. program on 15-in. reel. He estimated that tape stock for hour program would run \$300-\$400 vs. about \$4000 for color film stock.

"There is still a large variance in the estimates on the probable production in 1955 of color TV sets, which use a considerably greater number of capacitors and resistors than black and white sets. It is believed, however, that there will be a steady increase during the year in the production of color receivers. Thus, while information on hand appears to indicate that there will be a decline of roughly 10% in the production of all types of TV sets in 1955, the increasing percentage of color sets should enable your company to maintain or even possibly increase its sales of components to the TV industry."—From 1954 annual report, Aerovox Corp.

Honest-to-goodness color spectacular, in anyone's book, will be colorcast of a A-bomb blast from Nevada, to be carried by NBC-TV during week of April 3-10. It's understood NBC-TV will originate other color events from site during week.

Novel color receiver, employing 3 tubes and dichroic mirrors, was developed by RCA's A. V. Bedford, recently granted patent for it. Set employs 2 tubes of same size for red and green images, but smaller tube with magnifying lens is used for blue image.

New color dot-bar generator, for adjusting convergence and linearity on both 21-in. and 15-in. sets, is being offered by RCA at \$147.50. Also offered, without charge, is kit for converting earlier generators for 15-in. sets so they may be used with 21-in. receivers.

March 7 week network color schedules: NBC-TV—March 7, *Peter Pan*, 7:30-9:30 p.m.; March 9, *Home*, aquarium show, 11:03-11:11 a.m.; March 9, *Norby*, 7-7:30 p.m.; March 12, *Max Liebman Presents*, "Connecticut Yankee," 9-10:30 p.m.

Canadian Assn. of Radio & TV Broadcasters holds 30th annual convention in Quebec's Chateau Frontenac, March 21-23. Among speakers: Thomas F. O'Neil, MBS pres.; John Karol, CBS radio sales v.p., latter speaking on "Radio's Resurgence."

NBC gross income was \$200,423,000 in 1954, up from \$176,052,000 in 1953 and representing 21.3% of RCA's total income of \$940,950,000 (Vol. 11:9).

M IAMI'S SECOND VHF, like St. Louis' and Pittsburgh's, looks like it will be an educational. New Ch. 2 WTHS-TV is expected to have old WTVJ Ch. 4 transmitter & antenna converted by end of March and to begin test patterns first week in April, reports Vernon Bronson, asst. director, Dept. of Radio & TV Education, Dade County Board of Public Instruction. However, programming will be developed "very, very slowly," he states, and won't go full scale until station finds "kind of educational program which will supply needs and service which cannot be supplied by the commercial broadcasters." Staff hasn't yet been announced. Granted Nov. 12, 1953, WTHS-TV was first educational CP to be questioned by FCC for lagging, then got 6-month extension (Vol. 10:41).

RCA shipped 12½-kw amplifier March 3 to WFAM-TV, Lafayette, Ind. (Ch. 59); on same day 25-kw amplifier went to KYTV, Springfield, Mo. (Ch. 3). GE shipped 35-kw amplifier this week to WRBL-TV, Columbus, Ga. (Ch. 4), and DuMont shipped 2-kw standby transmitter March 1 to WSPD-TV, Toledo (Ch. 13).

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

WFRV-TV, Green Bay, Wis. (Ch. 5), keeping to April 15 test pattern target, now hopes to begin May 1 as ABC & DuMont outlet, writes Don C. Wirth, v.p.-gen. mgr. It has new ownership setup following merger whereby owners of off-air WNAM-TV, Neenah (Ch. 42) get control (Vol. 11:9). RCA 5-bay antenna arrived this week and about mid-March will be installed on 463-ft. tower of *Green Bay Press-Gazette's* defunct WJPG-FM on Scray's Hill next to WBAY-TV (Ch. 2). DuMont 25-kw transmitter, now being checked out at factory, is due about April 1. Neenah studios of WNAM-TV will be used to supplement Green Bay facilities. Base hour will be \$300. Rep will be Headley-Reed.

WTVS, Detroit (Ch. 56, educational), has 500-ft. Stainless tower ready, plans to install 5-bay GE antenna early in March, reports exec. secy. Wm. E. Stirton, of Detroit Educational Television Foundation, which comprises 18 local organizations. Antenna and 12-kw GE transmitter are on hand, but "perhaps early next summer" is only answer as to target date. It will have studios at WDTR-FM, as well as at Wayne U and U of Detroit. Operating funds will come from fees paid by member organizations for time on air.

KFJI-TV, Klamath Falls, Ore. (Ch. 2) expects to start in late summer or early fall, reports mgr. Alan K. Abner for owner W. D. Miller. It has ordered 3-bay GE batwing antenna, already has 5-kw GE transmitter. Klamath Falls (pop. approx. 16,000) is about 55 mi. east of Medford's KBES-TV (Ch. 5). Rep will be W. S. Grant.

WIPR-TV, San Juan, Puerto Rico (Ch. 6, educational), granted Puerto Rico's Dept. of Education Feb. 2, hasn't ordered equipment yet, but plans Jan. 1956 start, according to Mariano Villaronga, Secretary of Education.

Status of FM spectrum was touched on by FCC Comr. Robert E. Lee in speech March 5 over radio WGMS, Washington, in conjunction with hi-fi fair. He said there's "no immediate danger" that other services will get FM frequencies, but warned: "We cannot indefinitely permit valuable frequency space to lay fallow, and the day may come when the public interest might conceivably require the consideration of some adjustment in the FM band." On other hand, he said, declining network revenues may induce AM operators to "take another look at the economics of FM," and decide that FM might be more attractive than maintaining "a multiple tower AM array tying up many acres of expensive, heavily taxed suburban real estate." National Assn. of Manufacturers recently petitioned FCC to let industry use unoccupied FM channels (Vol. 11:6).

OUTPUT, SALES & INVENTORY IN BALANCE: There's a heartening balance to preliminary TV figures for the first 2 months of 1955, which show retail sales roughly equal to the 1,350,000 sets produced. With sales and production thus "going steady," the inventories at all levels haven't risen above the 2,000,000 at start of year. The inventory situation is perhaps most encouraging aspect of a generally bright trade picture, in view of earlier warnings of an inventory buildup (Vol. 10:49-50, 11:4).

TV production totaled 176,887 in week ended Feb. 25, compared to 176,030 in preceding week and 171,434 in week ended Feb. 11. According to RETMA statistics, production in each of the 4 weeks of Feb. did not vary by more than 5000 units.

Radio production totaled 275,648 (149,023 auto), compared to 271,942 units week ended Feb. 18 and 261,827 week before. Radio production in Feb. was 1,070,000, against 770,000 in Feb. 1954. Two-month output was 3,000,000 vs. 1,640,000 in 1954.

RCA's PROGRESS IN COLOR TUBE PRODUCTION: Frankly soliciting color tube customers, RCA has been laying its cards on the table in series of 15 sessions at Lancaster, Pa. tube plant during last 3 weeks. Virtually all major set manufacturers have sent delegations and, though they're tremendously impressed by tube production progress, it's obvious that none is yet ready to make heavy commitments on tube purchases.

Story RCA is telling is this: Quality control has so reduced rejection rate that 7-8 out of every 10 tubes are good -- very close to black-&-white rate. Given even modest volume -- 250,000 or so a year -- RCA can make money at \$100 per tube and aim for cut in price before long. With present facilities, RCA could produce around 5000 tubes a month; this is much greater than was expected, thanks to the remarkable improvement in shrinkage. Goal for third quarter is a production rate of some 250,000 annually -- assuming there's demand for that many.

Part of RCA's basic pitch is to convince industry that 21-in. round metal-cone tube is "it" for the visible future; that rectangular may come eventually but isn't ready now. Among points made by RCA is that metal-cone tube provides its own shield from earth's magnetic field, whereas all-glass rectangulars need to add a metal shield. In addition, they say, rectangulars don't provide same savings in cabinet that they do for black-&-white sets, because of the magnets or coils needed around face of tube to control beams.

Along with report on tube progress, RCA engineers filled manufacturers in on improvements and simplification of components such as deflection yokes -- with price of these dropped as much as 50%.

Though delighted with cut of tube price from \$175 to \$100 a couple months ago (Vol. 11:1) and impressed with current production progress, set makers are still very cautious about color. Westinghouse pres. Gwilym Price reiterated opinion of many this week when he said mass market won't come until price drops to about \$500 -- and that he expects this won't happen until 1956-1957.

Emerson v.p. Dorman Israel said RCA showed "one of the best color pictures I've ever seen." He said that "RCA has an excellent engineering story," but he added that price and quality of the tube and its associated components are "only one factor" determining whether manufacturers will go into color heavily.

DuMont receiver mfg. mgr. Paul Eshleman stated: "The reduced shrinkage is amazing. From RCA's standpoint, if it can get any volume production -- say, some 300,000-400,000 units -- I wouldn't be surprised to see the price of the tube come down from \$100 to \$60. That could mean a saving of as much as \$120 in the manufacturing cost of the sets, but I don't see the set itself down yet."

CBS-Columbia pres. Seymour Mintz said: "\$100 is still too high a price for the picture tube to enable us to hit a production schedule for a mass market" and he added that "CBS-Columbia still has color sets to sell."

RCA itself has just about completed run of 3-4000 sets using 38-tube chassis

and adheres to originally stated plans to introduce the 28-tube "simplified chassis" set next quarter. Rate of production and price of latter have not been indicated. RCA officials say most of the 38-tube sets have been sold.

As for future prospects, RCA firmly believes color TV will take hold -- perhaps first as a "Cadillac class" item, then "sweeping the country." As a spokesman put it, "The industry is now in the Valley of Indecision."

PHILCO REPLY TO GOVT.—(Cont. from p. 1): Philco entered a sweeping denial of all the charges, contending that suit presents "a new and dangerous challenge to those manufacturers who are endeavoring to preserve the system of independent distributors. This was a reference to fact that Philco's 130 independent distributors were made "co-conspirators" in suit, while its 4 factory branches in New York, Chicago, Los Angeles & Philadelphia were exempted. Philco pres. James H. Carmine had previously implied that if Justice suit were successful, company might be forced into widespread factory distributorships operating directly under its control.

Philco's reply hit hard at charge of restricting competition, which is core of govt. suit. Far from restricting competition, Philco says its distribution system "stimulates competition." Rather than being illegal, it contends the agreements are "entirely proper and lawful, are fully justified and necessary to Philco's purpose of distributing its products in vigorous competition with numerous other manufacturers." Philco's competitors, the answer said, "include giant concerns, each having resources many times as large as Philco."

On territorial exclusivity, Philco said its distributors "are not equipped to perform specialized wholesale functions except in their own territories, and are not natural competitors of each other. Within their territories Philco distributors encounter aggressive competition from both distributors, manufacturers' subsidiaries and factory branches handling competing nationally advertised brands of home appliances at the wholesale level and from manufacturers who sell private brands to large retailers, chains and mail order houses."

Proper selection of retailers who can carry out all obligations to consumers is vitally important to any manufacturer, said Philco, and sales by untrained and unqualified dealers are harmful to the public and damaging to company's reputation.

"Modern home appliances require skilled servicing and, in most cases, both expert installation and instructions to the consumer," reply said. "The consumer expects the manufacturer to stand behind its products and to provide for their installation and service. The consumer regards the retailer from whom he purchases as the manufacturer's representative, and failure of the retailer to afford proper installation and effective service or to fulfill warranty obligations causes consumer dissatisfaction with the manufacturer and all its products."

In obvious reference to RCA, company said "one of Philco's largest competitors has sought to meet this problem by performing the installation, servicing & warranty obligations through a nationwide subsidiary." In this connection, it's interesting to note that Philco this week started own factory service -- in Chicago only. Spokesman said company has no intention of going into factory service nationally, a la RCA.

On controlling distributors' inventory, Philco said purpose of cutting off shipments after they reach certain level "is to match inventory to sales; the system does not restrict the sales volume of any distributor or pertain in any way to detection of violations of the distributors' agreements or to price cutting."

DuMont's "Decorator Ensemble" series, to be offered as spring line, consists of 4 basic 21-in. models with optional step-tables and swivel or caster bases. Norwood, table model with matching step-table & metal cabinet, lists at \$180 in cherry, \$200 in mahogany or blonde (step-table \$50 extra); Denver, table model \$210 in mahogany, \$220 blonde (step-table \$50 extra); Trevor, table model \$220 in walnut, \$230 mahogany, \$240 blonde (step-table or bases \$20 & \$50 extra); Lancaster, open-face console \$330 in mahogany, \$340 blonde (step-table or bases \$20 & \$50 extra).

Another price increase this week—this time by Crosley, which hiked its widely publicized 17-in. "Super V" table model from \$130 to \$140 in mahogany, \$140 to \$150 in blonde. It was third company in 4 weeks to hike prices, Philco and Hoffman having previously raised prices on several models by \$10-\$20 (Vol. 11:7-8).

Excise tax collections for TV-radio-phonograph industries totaled \$54,354,000 in period of July 1-Nov. 30, 1954, compared to \$55,748,000 in corresponding period of preceding year, reports Internal Revenue Service. Nov. collections were \$32,120,000 vs. \$33,128,000 in Nov. 1953.

Topics & Trends of TV Trade: Westinghouse's purchase of its N. Y. distributor Times Appliance Co. this week illustrates shift to factory-owned distributorships in major markets, a trend which has increased in last year or so and which figures to intensify even further rest of 1955 as some manufacturers seek tighter control under more competitive circumstances.

Admiral has been most active in replacing independent distributors with factory branches, adding 8 such branches in 1954 and one (Pittsburgh) thus far this year, for a current total of 20. Company recently set up subsidiary, Admiral Distributors Corp., to conduct its branch operations (Vol. 11:6). CBS-Columbia has replaced independent distributors with 5 factory branches. Emerson and Hoffman Electronics are among several companies which have been active in setting up branches recently.

RCA, Westinghouse & GE have wholly-owned nationwide distributing subsidiaries, supplemented by independent distributors. Philco and Motorola each has 4 factory branches, Zenith 3.

Main reasons for replacements of independent distributor are lack of sufficient capital to carry major lines and low profit margins as well as desire of manufacturer to control merchandise.

One manufacturer, anxious to preserve system of independent distributorships, tells us one solution to problem of undercapitalization might be smaller territories assigned to each distributor. All things being equal, he said he would prefer an independent distributor to a factory branch because the independent distributor is a businessman putting his own money into the operation and is anxious to protect that investment, plus fact that he's usually a local resident with some civic influence in the community he serves.

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Sparton's continuance in TV-radio business is in doubt, following union rejection this week of company's proposal to cut wages average of 18¢ an hour to reduce production costs. Sparks-Withington pres. John J. Smith, in letter to employes, presented 3 alternatives if employes rejected pay cut: (1) Get out of TV business. (2) Move plant from Jackson, Mich. to area where labor costs are lower. (3) Contract with other manufacturers to produce sets under Sparton brand. Charts attached to letters indicated Sparton workers are paid average of \$2.02 an hour, or 29¢ higher than industry average of \$1.73. Rejection of pay cut by members of Local 666, United Automobile Workers (CIO) was unanimous. Its contract with company expires in June.

All-channel receiver tax exemption bill (Vol. 11:7-8) will be considered by House Ways & Means Committee in "a month or 6 weeks," its author Rep. Ikard (D-Tex.) predicts. He says he's pleased with the manifestations of interest from the public so far, and he hopes to get enough background information from Treasury and other sources to "start getting it off the ground in the next week or so." His bill (HR-7040) is completely separate from current measure pending in Senate to extend some excise taxes (not including TV-radio-appliances) for another year.

Coin-operated 27-in. console will be introduced by Sentinel about May 1, for distribution through coin-machine outlets. To be produced in Los Angeles plant space recently acquired by Sentinel, set will give 15-min. of TV for 25¢, will be priced between \$1300 & \$1500, according to Art Welch, sales promotion mgr.

Shipments of radios to dealers, exclusive of auto radios, totaled 6,187,503 in 1954, compared to 7,243,073 in 1953, according to RETMA state-by-state report released this week (county-by-county tables available to members on request to RETMA). Dec. shipments were 1,059,166, compared to 711,554 in Nov.

Trade Personals: Merle S. Wick, CBS-Columbia financial administrator, appointed administrative v.p.; Will James, director of operations, named v.p. in charge of operations; Robert K. Hartman, director of govt. operations, promoted to v.p. in charge of govt. & industrial div. . . . Irving Sarnoff, Bruno-N. Y., and Mrs. Sarnoff leave March 15 for Tokyo, where they will visit son Pfc. Arthur Sarnoff; they will make tour of Far East, including Hong Kong, Bangkok, Honolulu . . . Louis G. Pacent Jr., Emerson works mgr., elected manufacturing v.p. . . . Gordon G. Hoit, Stromberg-Carlson exec. v.p., was chairman of American Management Assn.'s special electronic conference this week in N. Y. . . . Joe F. Dolland resigns as gen. mgr. of Magnavox TV-radio-phono plant at Greenville, Tenn. to become manufacturing v.p. of O. A. Sutton Corp., Wichita (air conditioners); W. T. Winter, ex-CBS-Columbia, named sales mgr. . . . Arthur G. Connolly, senior partner in Wilmington, Del. law firm of Connolly, Cooch & Bove and specialist in electronics patents, elected a director of Sprague Electric, which he has served as patent counsel since 1943 . . . T. J. Newcomb, replaced recently as Westinghouse TV-radio gen. mgr. by Edward J. Kelly, remains in div. as asst. to Kelly . . . Wm. S. Peters promoted to mgr. of Raytheon transistor sales, Chicago . . . W. E. Laswell, from Texas office, named Motorola southeastern regional sales mgr., Atlanta, replacing Dale Andrew, resigned . . . Lee Chism named Westinghouse TV-radio mgr. for Denver district, succeeding John Adams, transferred to Los Angeles as district mgr. . . . Edward L. Meehan, ex-Zenith, named CBS-Columbia midwest regional service mgr., Chicago; John Lewis, ex-DuMont, named southeastern service mgr., Atlanta . . . Paul H. Little, ex-Emerson Chicago, named sales promotion mgr., Waters Conley Co. (phonographs) . . . Wm. K. Headley, ex-Highway Safety Appliances Inc., St. Paul, named sales mgr., Spencer-Kennedy Labs Inc., Cambridge, Mass. . . . Ray E. Horner, ex-Air Force officer, joins GE as central district sales mgr. for light military electronic equipment . . . Alexander M. Poniatoff, pres. of Ampex Corp., Redwood City, Cal. (tape recording equipment) elected chairman, T. Kevin Mallen vice-chairman, G. I. Long pres. . . . John C. FitzMaurice named sales mgr. of GE tube dept. in Brooklyn-Long Island area, Theodore M. Weicker sales mgr. for Tucson-Salt Lake Phoenix-San Diego region . . . Charles Kriss, ex-RCA, Sylvania & Thomas Electronics, forms Kriss Electronics Inc., 191 Oraton St., Newark, to produce new & rebuilt CR tubes . . . Miss Marjorie E. Lenox, ex-Sylvania International, named asst. to Ernest A. Marx, director of DuMont international div. . . . John H. Pflieger, RCA mgr. of facilities accounting, corporate staff, elected vice chairman, facilities task committee, National Security Industrial Assn.

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DISTRIBUTOR NOTES: Admiral appoints Southern States Distributors Inc., 1065 NW 71st St., Miami (Lawrence E. Murphy, pres.) . . . Stromberg-Carlson: Graybar, 60 Florida Ave., NE, Washington (F. F. Jasperson, mgr.) . . . RCA Victor Distributing Corp., Buffalo, appoints Wm. J. Walsh appliance sales mgr. . . . Pittsburgh Products Tristate Co., Pittsburgh, appoints Jack Miller district mgr. for Crosley products . . . Kierulff & Co., Los Angeles (Motorola) promotes Arthur Eddy to radio merchandise mgr. . . . Canadian Westinghouse appoints F. Thomson consumer products sales mgr. of Hamilton, Ont. branch . . . Allied Appliances, Denver (Motorola) moves to 4425 E. 46th Ave. . . . Cooper Distributing Corp., Newark (Motorola) appoints Robert Barron sales mgr., replacing Frank Millman, resigned.

Raymond W. Durst Jr., 21, only son of the pres. of Hallicrafters Co., who in 1953 had to leave Notre Dame engineering college as a junior due to illness, died in Chicago's Passavant Hospital Feb. 27.

Electronics Reports: Licensing of industrial microwave, moving it out of developmental class, is current objective of FCC, which has called industry conference for March 14. During last 2 years, RETMA and other groups have been collecting data on microwave equipment and systems to aid Commission in formulating new rules (Vol. 10:41).

Growth of microwave has been orderly, despite "developmental" label, but demand is growing at such a rate that Commission believes specific rules are required. Oil and gas pipelines are heaviest users of microwaves, having some 75% of mileage, but other industries are moving in, finding large savings possible. So far, only intercity microwave is authorized, but such organizations as department stores are seeking intracity systems—for branch store credit checking etc.

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Oliver J. Greenway, operations v.p. and director of International Resistance Co., Philadelphia, has been sworn in as consultant to Electronics Div. of Commerce Dept.'s Business & Defense Services Administration, headed by Donald S. Parris. His major assignment will be to confer with electronics manufacturers on industrial defense problems, "including steps which may be taken by manufacturers to protect their facilities against attack, sabotage or natural disaster and to provide for continuity of production and management under emergency conditions" (Vol. 11:1).

The 3 military services had unobligated balance Jan. 1 of more than \$1 billion on hand for aviation electronics procurement and an unexpended balance of \$2.38 billion, reports Feb. 28 *Aviation Week*. Obligations for aviation electronics and communication equipment July 1-Dec. 31, 1954 totaled \$420,263,000 for the 3 services; expenditures for same period totaled \$318,724,000. In addition, the 3 services had unobligated balance Jan. 1 of \$811,522,000, unexpended balance of \$1.84 billion, for guided missile procurement. Guided missile obligations during last 6 months of 1954 totaled \$411,006,000, expenditures \$232,447,000.

Thor Corp., big Chicago washing machine manufacturer, plans bigger plunge in non-consumer electronics, it was revealed this week by chairman Arnold H. Maremont following agreement whereby Bendix Home Appliances takes over production of automatic washers for Thor, effective March 31. Currently producing electronic relays and controls, Thor will use capital derived from sale of its automatic washer plant at Cicero, Ill. to expand in electronics. Buyer of plant has not been disclosed.

Hupp Corp., Detroit, announced it is negotiating for purchase of electronics business of Brown-Allen Chemicals Inc., parent company of Standard Piezo Corp., Carlisle, Pa. (crystals) and its subsidiaries Standard Transistor Corp. and Allied Mfg. Corp., West New York, N. J. (TV components). Brown-Allen's electronics properties are said to include "certain arrangements with Siemens & Halske," large German electrical & electronics firm.

Associated Missile Products Corp. is new Pomona, Cal. firm specializing in development & production of guided missile ground-handling and check-out equipment. Raymond Crisp is pres.-gen. mgr.; Dr. Joseph Tampico, v.p.-research & development; Samuel H. Depew, v.p.-customer relations; Earl R. Skaggs, v.p.-products engineering; Robert L. Hull, secy.-treas.

Melvin L. Jackson, ex-Airborne Instruments Laboratory, Mineola, L. I., named v.p., C.G.S. Laboratories Inc., Stamford, Conn. (components).

Chief Signal Officer Maj. Gen. George I. Back will address luncheon meeting of RETMA's electronics industry committee at New York's Roosevelt Hotel, March 20.

Do's and Dont's in management-union negotiations, submitted by TV-radio management consultant Richard P. Doherty in speech before American Management Assn. executive conference in Los Angeles recently: (1) Avoid negotiating against the clock. (2) Be wary of horse trading. (3) Beware of clauses which provide for "mutual" decisions or determinations. (4) Don't think only of settling immediate contract. (5) Don't treat each provision as separate document. (6) Don't negotiate a "blind" contract. (7) Don't permit union to introduce individual grievances during general contract negotiations. (8) Don't get perturbed by union contentions of "inequities." (9) Don't be alarmed by table pounding and strong language. (10) Don't underestimate significance of non-wage provisions. (11) Don't lack competent advisors. (12) Don't rely on oral agreements. (13) Don't make agreements with a negotiator who lacks binding authority. (14) Don't be afraid of a strike. (15) Don't forget your employes while negotiating a contract.

Dallas oilman H. L. Hunt's Facts Forum Inc. now has 4 TV-radio discussion shows on the air, is planning a fifth titled *The Infil-traitors*, and spends about \$4,000,000 a year on them—mostly for production costs, since more than \$3,000,000 worth of time is given free by stations with some 60 local commercial sponsors. Reputed richest Texas oil millionaire of them all, Hunt and his activities are subject of article headed "Where One Texan's Money Goes" in recent *U. S. News & World Report*. It discloses that weekly *Facts Forum* on film (30-min.) and sound recordings (15-min.) go to 80 TV & 265 radio stations; weekly 30-min. *State of The Nation*, 400 MBS radio stations; *Answers for Americans*, 50 TV & 138 radio stations; *Reporters' Roundup*, 350 MBS radio stations.

RETMA publishes 12-p. booklet, *Your Television Antenna System*, explaining in laymen's language need for antenna, description of basic types of antennas, installation practices and reasons for periodic inspections. Booklet is available free from TV dealers, service technicians & local Better Business Bureaus.

Illustrating crackdown on TV-radio repair "gymps," Brooklyn couple who operated Sutter TV Service Station were sentenced to 6 months in jail this week after being convicted of bilking customers of more than \$350,000 over 5-year period.

Nobel Prize for Dr. Lee deForest is being urged by Hugo Gernsback, the publisher, who is gathering testimonials from scientists, engineers, bodies of learning, industrial leaders and others for forwarding to the Nobel Fund, Stockholm.

New community operations div., headed by Wm. H. Miller, has been established by Jerrold Electronics Corp. to manage community antenna systems in which it holds interests.

Dr. R. Bowling Barnes, pres. of Olympic Development Co., will receive first \$1000 Beckman Award in Chemical Instrumentation at American Chemical Society meeting in Netherland Plaza Hotel, Cincinnati, April 2.

Maj. Gen. James O'Connell nominated as Chief Signal Officer of the Army to succeed Maj. Gen. George I. Back, whose term expires April 30.

Bonnell W. Clark, 71, retired Westinghouse v.p. in charge of sales, ex-pres. of National Electrical Manufacturers Assn. and of National Assn. of Electrical Distributors, died March 3 in Stamford, Conn. Surviving are his wife and 3 daughters.

Mervyn M. Millikan, 57, v.p. of Electronics Corp. of America, died in Cambridge, Mass. March 4 of a heart attack.

Financial & Trade Notes: DuMont Laboratories Inc. reports 1954 gross income of \$92,843,000 compared to \$91,450,727 in 1953. Net earnings were \$7,597,000, equal to \$3.17 per common share; this figure, however, includes \$6,727,000 profit after capital gains tax on recent \$9,750,000 sale of WDTV, Pittsburgh (now KDKA-TV), to Westinghouse (Vol. 10:49 & 11:2). Earnings from operations for 1954 were \$870,000, or 32¢ per common share. In 1953, net income was \$1,544,362, or 60¢ a share.

Arvin earned \$2,231,198 (\$2.50 per share) after taxes of \$2,399,395 on sales of \$53,372,757 in 1954, compared to \$2,255,000 (\$2.53) after \$2,437,146 on \$73,395,197 in 1953. TV-radio div. accounted for 29% of total income in 1954, compared to 34% in 1953. Chairman-pres. Glenn W. Thompson commented in annual report that 1955 will prove "a most satisfactory year," adding that growing number of 2-set TV homes and increasing number of stations are creating new sales opportunities. He also stated demand for popular-priced radios continues "surprisingly strong."

Aerovox Corp. consolidated sales were \$23,017,000 in 1954 compared to \$27,065,000 in 1953, while net profit after taxes was \$552,000 (77¢) after write-off of losses suffered at New Bedford plants during Hurricane Carol, compared to \$1,074,600 (\$1.54) in 1953. Damage claims have been partially settled, company receiving \$807,000 insurance against total estimated loss of \$1,428,000.

Storer Broadcasting Co. reports 1954 net earnings of \$3,680,779, equal to \$3.23 per share based on 1,100,000 common and Class B shares outstanding prior to 2-for-1 split Feb. 25, 1955. Earnings compare with \$2,186,415 (\$1.70) in 1953. For last quarter, earnings were \$1,324,804. Annual report, with further details, is due to be released in about 2 weeks.

Tung-Sol Electric earned \$2,077,062 (\$3.15 per common share) after taxes of \$2,225,000 on sales of \$39,052,458 in 1954, compared to \$1,780,882 (\$3.07) after \$2,112,000 on \$40,017,549 in 1953. Net working capital at end of 1954 was \$14,779,665, up from \$9,235,345 at end of 1953.

General Precision Equipment Corp. consolidated report for year ended Dec. 31, 1954 shows net sales rose to \$123,332,634 from \$87,763,925 in 1953 and \$54,326,849 in 1952. Net earnings were \$3,436,349 (\$6.49 per share) compared to \$3,436,349 (\$5.09) in 1953 and \$1,255,278 (\$1.88) in 1952.

Stewart-Warner 1954 net income was \$2,757,000 (\$2.05 a share) on sales of \$92,882,000, compared to \$4,081,000 (\$3.04) on \$128,798,000 in 1953—the drop due largely to reduced military shipments.

Dividends: Admiral, 25¢ payable March 31 to stockholders of record March 16; Arvin Industries, 40¢ March 31 to holders March 14; Wells-Gardner, 15¢ March 15 to holders March 4; American Phenolic, 12½¢ April 29 to holders April 14; GE, 40¢ April 25 to holders March 18; Capitol Records, 15¢ March 31 to holders March 21; Decca Records, 17½¢ March 30 to holders March 16; Olympic Radio, 5% stock April 15 to holders March 25; American Electronics, 12½¢ March 15 to holders March 9; Standard Radio Ltd. "A," 15¢ April 7 to holders March 18; RCA, 25¢ April 25 to holders March 15.

Allied Electric Products Inc., whose founder-chairman Nathan Chirelstein died Feb. 19, filed Chapter X petition in Federal district court in Newark this week, Judge Modarelli appointing pres. Charles Penk and attorney Martin Moroney as trustees to continue operation under \$50,000 bond. Judge's order states debts exceed \$250,000, stays civil suits by creditors of stockholders. Financial statement filed with court shows liabilities of \$1,884,872, assets \$2,970,139.

TELEVISION-Electronics Fund Inc. reports total net assets of \$79,231,366 (7,275,265 shares) as of Jan. 31, 1955, up from previous quarterly report showing \$55,868,018 (5,901,271 shares) on Oct. 31, 1954. During the quarter, it added 7000 shares of ACF Industries Inc. at market value of \$337,750; 5000 Consolidated Electronics Industries, \$176,250; 800 Consolidated TV & Radio Broadcasters Inc., \$19,400; 2600 Electric Controller & Mfg. Co., \$131,300; 30,000 Elox Corp. of Michigan "A," \$187,500; 15,000 Elox "B," \$93,750; 10,000 Food Machinery & Chemical Co., \$486,250; 10,000 Litton Industries Inc., \$150,000; 11,000 Ryan Aeronautical Co., \$363,000; 12,600 TelAuto-graph Corp., \$403,200. Eliminated from portfolio were 9000 American Bosch Arma Corp.

Fund added to its holdings in these stocks during the quarter: Addressograph-Multigraph, Allis-Chalmers, ABC-Paramount, American Chain & Cable, AT&T, Beckman, Bell & Gossett, Boeing, Borg-Warner, Bulova, Chemical Products, Columbia Pictures, Cornell-Dubilier, Corning Glass, Cutler-Hammer, Curtiss-Wright, Eaton Mfg., Eitel-McCullough, Garrett, General Controls, GE, General Tire, Globe-Union, Goodyear, Hammond Organ, Hoffman Electronics, IBM, International Nickel, I-T-E, Liquidometer, Magnavox, Minneapolis-Honeywell, National Acme, National Cash Register, North American Aviation, Northrop Aircraft, Paramount Pictures, RCA, Reliance Electric, Remington-Rand, Royal McBee, Sangamo Electric, Sperry, Sprague, Square "D," Stewart-Warner, Taylor Instruments, Texas Instruments, Thompson Products, Tung-Sol, 20th Century-Fox, Warner Bros., Worthington Corp.

Part of holdings in the following were sold during the quarter: Admiral, Burroughs, Clark Controller, Clevite, Emerson Radio, Theodore Gary & Co., General Dynamics, Hazeltine, IT&T, Robertshaw-Fulton, Stromberg-Carlson, Sylvania, United Aircraft, United-Carr, Western Union, Westinghouse Air Brake.

Bache & Co. Market Letter of Feb. 4 foresees "excellent growth prospects for the television and radio business" and suggests these as representative stocks that have substantial attraction for capital appreciation: Admiral, CBS, Hoffman, IT&T, Motorola, Philco, RCA, Raytheon, Sylvania, Tung-Sol, Zenith. In special study for its Feb. 14 edition, United Business Service, Boston, states it's "convinced of the excellent growth to come in the electronics field" and recommends every investor have a stake in it. UBS suggests that those who can afford to take greater risks might buy a few of the lesser-known electronics issues, listing the following: Aircraft Radio, Allied Control, American Electronics, Ampex, Eastern Industries, ElectroData Corp., Electronics Associates, Electronics Corp. of America, Hycon Mfg., Laboratory for Electronics, W. L. Maxson, Norden-Ketay Corp., Panellit Inc. In its fortnightly review of Feb. 21, Carl M. Loeb, Rhoades & Co., New York, refers to electronics as a "healthy billion dollar baby" and discusses RCA, Philips of Holland, Raytheon, Collins Radio, DuMont.

Walter Winchell's stock market tips on his Sun. night ABC-TV show, while strikingly demonstrating the "pulling power" of TV, drew such criticism at Senate Banking Committee's hearing on stock market operations March 4 that there's talk of some sort of curb on TV-radio. Even Sen. Bush (R-Conn.), onetime member of CBS board, urged steps to "put an end to this irresponsible business of giving out market tips." Winchell said he has no financial interest in any company, bought only U. S. bonds.

The record business is up, too: Capitol Records Inc. reports 1954 net income of \$733,718 (\$1.53 per share) compared to \$690,154 (\$1.43) in 1953.

American Bankers Assn. survey shows 247 banks will use TV advertising this year as against 180 in 1954.

COMPROMISE national-regional football TV plan was revealed this week, then suddenly withdrawn for revision when it was indicated Big Ten wasn't satisfied with it. NCAA TV committee's originally announced plan—which was not sent to member colleges for ratification this week as planned—was designed as compromise between eastern colleges' announced position in favor of national telecasting and Big Ten & Pacific Coast conferences' all-out push for regional TV.

The withdrawn proposal envisioned 5 nationally telecast "game-of-the-week" programs and 5 days of regional telecasts. Nation would be divided into 3 zones—eastern, central, far west—with no team permitted to appear on a regional or national network more than once and no regional games to cross zone lines. TV committee also said exceptions would be made for schools wishing to televise sellout games on a local basis—a bone of contention in former years.

The plan would have taken NCAA out of the business of negotiating with networks and sponsors, since it provided for free negotiation by each school to arrange terms of sponsorship with advertisers and networks.

NCAA TV committee is expected to revise its plan after further meetings next week in New York. Plan was withdrawn after U of Illinois athletic director, having heard details of NCAA proposals, told Illinois State Senate education committee that the Big Ten "may be divorced from the NCAA."

Low-power rule proposed by FCC, which contemplates construction of satellites and operation with 100-watts ERP, drew comments in addition to those reported last week (Vol. 11:9). GE favored rule but suggested Commission suspend requirement that lower side-band be attenuated, stating that this would "materially reduce the cost of a low-power transmitter" without appreciable degradation of signal. Gates Radio, endorsing rule, said it could supply the following for less than \$60,000: transmitter, 200-ft. antenna, transmission line, dual projectors, video control, sync generator, dual vidicon chain. It also suggested that one vhf channel be set aside for low-power operation, for "local" stations, as is done with several AM frequencies. Joint Committee on Educational TV said it's "highly in favor" of rule but suggested that low-power stations not be limited to cities with population under 50,000. U of Arizona said low power would permit it to start transmitting with 2-camera vidicon chain it now uses on closed circuit. Radio stations WCTC, New Brunswick, N. J. and WIRA, Ft. Pierce, Fla. spoke up against satellite principle, fearing invasion by repeaters of big-city stations.

Two TV applications were filed with FCC this week: for Walla Walla, Wash., Ch. 5, by J. Elroy McCaw, owner of KTWV, Tacoma (Ch. 13), 25% owner of KONA, Honolulu (Ch. 11), 75% owner of WINS, New York, with holdings in 5 other AMs; for Hattiesburg, Miss., Ch. 9, by Harold M. & Dave A. Matison Jr. (who hold interest in 5 Miss. & La. AMs) and clothier Milton J. Fine. Fine & Dave Matison formerly held stock in Hattiesburg Bcstg. Co., Ch. 9 applicant now scheduled for hearing. [For further details about applications, see *TV Addenda 20-H* herewith; for complete listings of all grants, new stations, applications, etc., see *TV Factbook No. 20* with Addenda to date.]

Govt.-industry tall tower committee of Air Coordinating Committee (Vol. 11:4) held organization meeting March 4, plans second meeting soon, at which aviation industry spokesmen will state arguments against tall towers and TV spokesmen will give their side. FCC Comr. Robert E. Lee and CAA chairman F. B. Lee are co-chairmen.

End the Lamb hearing and renew license of WICU, Erie—that's substance of petition filed this week with FCC examiner Herbert Sharfman by attorneys for Edward O. Lamb, who argued Broadcast Bureau in 5½ months of hearings had "failed to make out a prima facie case" of its subversive-association charges against the Toledo broadcaster-publisher-industrialist. At same time, they asked Commission to delete from the hearing Lamb's countercharge that FCC personnel tried to induce false testimony against him and offered at least one bribe for false testimony. Broadcast Bureau is expected to reply to petition next week, and oral argument would be next step. Another pending motion by Lamb's attorneys would strike out testimony by Broadcast Bureau's first witness, ex-Communist Wm. G. Cummings. Meanwhile, Federal grand jury in Washington opened its secret investigation of the testimony of turnabout govt. witness Mrs. Marie Natvig by quizzing Broadcast Bureau attorney Thomas B. Fitzpatrick and investigator Robert D. J. Leahy.

Subscription TV became hot subject before N. Y. City Council this week, after Council pres. Abe Stark introduced resolution urging FCC not to approve pay-as-you-look TV. He said that such systems would leave low-income families watching "little more than mediocre shows and third-rate movies," while all good shows would have to be paid for. He said that poor free shows would tend to drive children out of the home, increasing juvenile delinquency. Fee-TV proponents immediately jumped Stark. Byron Bentley, pres. of National Theatre Arts Council, vowed that subscription TV would breathe new life into legitimate theatre. Skiatron pres. Arthur Levey said that pay-TV was no threat to TV; that it would bring into homes high-grade programs and events now out of reach of low-income groups. Zenith pres. E. F. McDonald stated that fee TV would merely supplement free TV and urged public to write to FCC and encourage favorable action.

National Assn. of Broadcast Employees & Technicians (NABET-CIO), representing some 2500 network engineers, script writers & editors, this week rejected new contract proposal from NBC-TV & ABC-TV (Vol. 11:6). Under proposal, NABET was to relinquish jurisdiction over film production to International Alliance of Theatrical & Stage Employes (IATSE), thereby opening way for both networks to join CBS-TV in producing own films. CBS-TV already has right to film own shows under separate agreement with IBEW. NABET pres. Cliff Rothery said there will be further attempts to negotiate a settlement before strike is called.

In wake of Storer decision by Court of Appeals last week (Vol. 11:9), in which FCC was told it couldn't limit ownership of stations to specific number, Commission will seek appeal to Supreme Court, provided Solicitor General concurs; consultations between the two will be held. Everyone else seems to be sitting tight, meanwhile, though Senate Commerce Committee is certain to consider whether or not it should establish numerical limits which FCC is now forbidden to set.

Edward Lamb Enterprises, Toledo, has purchased assets of Rasch Mfg. Co., Kansas City manufacturer of water heaters. Lamb interests about 2 years ago acquired White Products Co., Middleville, Mich., major manufacturer of electric & gas water heaters.

Action on McConaughy nomination to FCC will be taken next Wed., March 9, by Senate Interstate & Commerce Committee, with confirmation by Senate expected shortly thereafter.

"Electronicam" may be name of new method being perfected by DuMont for shooting film at same time live show is being televised (Vol. 11:8).

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SUMMARY-INDEX OF THE WEEK'S NEWS—March 12, 1955

14 1955 **BOOMING ELECTRONICS INDUSTRY** headed for \$20 billion-a-year business by 1964, predicts industry expert, giving detailed breakdowns (p. 1 & Special Report).

NBC BUYS BUFFALO UHF WBUF-TV, which resumes operation; network will shift affiliation away from vhf WGR-TV when contract expires (p. 3).

BINGHAMTON & TUCSON STATIONS SOLD: Walter Annenberg buys WNBF-TV for \$3,000,000, Harry Maizlish group buys KVOA-TV for \$450,000 (p. 2).

COLOR GETS ITS BIGGEST BOOST to date from 2-hour "Peter Pan" telecast, probably most successful single show in history of TV (pp. 2 & 11).

JUSTICE DEPT. "ON THE ALERT" for network anti-trust violations; Commission still unable to agree on reply to Plotkin & Jones reports, due next Friday (p. 3).

UNWRITTEN TALL-TOWER "BAN", imposed by Pentagon, spurs demands for showdown on whether FCC or military has right to control tower heights (p. 4).

GUARANTEED ANNUAL WAGE, to compensate for automation, sought by labor this year in electronics industry; auto talks watched for guide (p. 12).

DISCOUNT HOUSES AND FAIR TRADE to get thorough review by Govt. in next month, with prospect of hot political fight in offing (p. 14).

CORPUS CHRISTI Ch. 6 grant to KRIS due after Baptists drop out; educators get Ch. 2 in Andalusia, Ala.; WTVI granted shift to St. Louis' Ch. 36 (p. 6).

TV'S OWN ACADEMY AWARDS, annual "Emmy" presentations, may soon outstrip moviedom's "Oscars" in popular interest; first award telecast a success (p. 7).

NEWSPAPERS INCREASINGLY CRITICAL of TV in speeches and ads, but ANPA spokesman says it's not part of organized campaign (p. 9).

CBS & NBC BILLINGS SET RECORDS in Jan. PIB report, with over \$33,000,000 in billings by 4 TV networks; network radio slips badly (p. 16).

THE ELECTRONICS INDUSTRY—WHAT'S AHEAD: Whether you're a telecaster, manufacturer, distributor, dealer or what-have-you -- certainly if you're interested in investment in one or the other facets of the electronics fields -- we commend to your attention this week's speech by Sylvania's finance v.p. W. Benton Harrison before the Financial Analysts of Philadelphia, which we send you herewith as a Special Report. In a field where marvels, even statistical, are becoming commonplace, Mr. Harrison, a one-time professional security analyst himself, who went to Sylvania from General Aniline in 1951, spells out the fiscal course the industry is taking better than anyone else has yet done, in our opinion. He had an assist, of course, from RETMA's statistical chairman Frank Mansfield, Sylvania's knowledgeable sales research director.

Read the whole thing to get its real import, especially if you're charting a course for your own particular field of electronics endeavor. Suffice here to note Mr. Harrison's confident remark that electronics as a whole "has a growth potential beyond the scope of most other industries" and that it's now a \$9 billion business which by "conservative estimate" should go to \$20 billion annually by 1964.

It's a rosy picture of a dynamic industry, altogether, which Mr. Harrison paints, based as he says on "realistic projections of sales trends that have become well established." For example, he reports that this will be an "excellent TV year" but hastens to show that better ones are ahead; that govt. business will go up from \$2.5 billion this year to more than \$4 billion by 1964 -- on peacetime basis; that markets for home radios, car radios, replacement tubes & components, servicing, etc. are consistently on rise; that wholesale & retail mark-ups, running about \$2 billion this year and last, should rise to \$4.2 billion in 10 years; that non-military & industrial uses and markets for electronics products & services have "no ceiling"; that broadcasting revenues (TV & radio) which last year aggregated \$1.14 billion will rise to \$3 billion in the years 1958-60, hit over \$5 billion by 1964.

BINGHAMTON & TUCSON STATIONS SOLD: Pioneer WNBC-TV, Binghamton, N.Y. (Ch. 12), only outlet in city, fed by all networks, was sold this week with its radio adjunct WNBC (5-kw, 1290 kc, CBS) to Triangle Publications, headed by Walter Annenberg, publisher of Philadelphia Inquirer. Price was \$3,000,000, less about \$300,000 in net quick assets, and station will be operated under the direction of Triangle's WFIL-TV mgr. Roger W. Clipp, with gen. mgr. Geo. Dunham remaining in that capacity. Howard Stark, broker, handled deal whereby John C. Clark interests, pre-freeze founders who control about 80% of stock, will leave TV-radio station field.

Among other station deals still cooking, one was disclosed this week -- sale of KVOA-TV, Tucson, Ariz. (Ch. 4) with radio KVOA (1-kw, 1290 kc, NBC) to partners Harry C. Maizlish, Frank Oxarart & Morton Sidley. They operate KFVB, Hollywood, are paying about \$450,000 for the properties, said to be on "borderline" of profitability. Sellers are KTAR Bcstg. Co., operating radio KTAR and TV station KVAR in Phoenix, whose principals are John J. Louis & family (Needham, Louis & Brorby, Chicago ad agency), with pres.-gen. mgr. R.B. Williams also selling his 10.13%.

'PETER PAN' MAY PROVE TO BE COLOR TRIGGER: The spark that will ignite color TV may have come this week in the form of NBC-TV's phenomenally successful Peter Pan program (see p. 11). It provided most widespread, longest (2 hours) and most pleasing exposure to color ever given to the public.

At every level of industry, there's hope and belief that this impact, if followed up promptly and properly, will give color the kind of impetus that first championship fights, World Series, political conventions, etc. gave to black-&-white in 1946-50. Networks are scurrying to find programs of comparable impact -- but they're mighty rare. Nevertheless, more big spectaculars are in the works, and, combined with more regular color shows promised by networks (Vol. 11:8), they could prove to be the stimulus everyone has been waiting for.

"The influence of Peter Pan," said Irving Sarnoff, of Bruno-N.Y., biggest RCA distributor, "gave TV in general and color in particular a stature it never before enjoyed. And we think it gave color its biggest shot in the arm yet." In week preceding Peter Pan, he said, Bruno-N.Y. sold more color sets than in the whole period since deliveries of 21-in. began in Dec. He said he'd obtained 350, sold them all -- with nearly all now in hands of consumers, not dealers.

"Sixty days ago you couldn't even talk to a dealer about color," he said. "They don't feel that way now. There's more faith in color, more enthusiasm for it, and I think nothing is going to stop it."

Brother of the RCA chairman, Mr. Sarnoff feels 3 elements are necessary to "trigger" color: (1) Combined efforts of whole industry. (2) Program continuity and quality. (3) Price. He said he didn't know price to be placed on new 28-tube sets to be delivered in April-May, but he doubted that it will be under present \$895.

Motorola exec. v.p. Robert Galvin termed show "the most significant single shot in the arm color has ever had." He said one eastern distributor sold 6 sets immediately after the show while other distributors have shown marked increase in enthusiasm for color. "Half dozen such shows would be wonderful," he said, "but I don't know how well the networks can afford them."

Another manufacturer with high hopes for color declared: "If we were able to announce more shows like Peter Pan, industry could sell 25,000 sets right away. But remember that this was a onetime shot -- and who knows how many more like it we can expect?" The things that will make color click in a big way, he said, will be a "\$495 price" and "a good program schedule" -- but he wasn't very hopeful about the price factor, at least in the near future.

RCA officials exude confidence and enthusiasm -- but they're very cautious about commenting on future plans. They say that all but a few dozen of the 3-4000 run of 38-tube sets have moved to distributors and that nearly all have been sold to public. "Right now," says an executive, "we could sell more sets if we had them, but of course we're waiting for the new 28-tube chassis next quarter. One phenomenon of the current situation is that, whereas we had hoped the dealers would keep at least demonstration models, most of them have sold out entirely."

NBC BUYS BUFFALO UHF, TO SHIFT FROM VHF: Faltering uhf got another hypo from NBC, again at expense of a vhf affiliation, when the network this week purchased recently silenced WBUF-TV, Buffalo (Ch. 17). NBC will affiliate it in lieu of 6½-month-old WGR-TV (Ch. 2) when that station's contract expires in Aug. 1956.

WBUF-TV quit the air 2 weeks ago (Vol. 11:9), second uhf in city unable to make a go of it, but resumed operation March 9 with ABC schedule and with film. It has no studios, having recently sold them to WGR-TV. NBC states it will continue under present management (Sherwin Grossman & Garry Cohen) who lost some \$450,000 in operating the station since Aug. 1953. NBC is paying \$312,000 cash.

WGR-TV ownership (George Goodyear, Myron Kirk, et al) was flabbergasted at sudden and unexpected turn of events, while NBC undertook to impress FCC and public with "further proof," as pres. Pat Weaver put it, "of NBC's faith in the future of uhf as a broadcasting medium...[This] will preserve the investment of millions of dollars which the people of the Buffalo area have made in uhf receivers.

"We believe our purchase will give encouragement to all uhf broadcasters and will eliminate the unfavorable implications which would have resulted from the failure of uhf to survive in Buffalo market. The full resources of NBC will be placed behind WBUF-TV to develop uhf service as comparable as possible to vhf."

NBC also recently purchased WKNB-TV, New Britain-Hartford (Ch. 30) in deal involving \$800,000 (Vol. 11:2) that's being held up by objections of its New Haven vhf affiliate WNHC-TV (Ch. 8). It's apparently intent, with RCA blessing, on getting further into uhf as quickly as possible and by precept and example in uhf operation stemming tide of failure that has engulfed 39 uhf stations (112 now operating).

There are several ironies in surprise deal, aside from fact that a network is forsaking assured vhf audience in favor of yet-to-be-built-up uhf. NBC becomes owner of an ABC affiliate, mainly GE-equipped, unless WGR-TV can stop transfer and unless WGR-TV elects to shift to ABC before NBC contract expires. Counsel for WBUF-TV is the ex-FCC stormy petrel, Harry Plotkin, who also is of counsel for the New Haven vhf which is fighting similar encroachment of the Connecticut uhf (Vol. 11:7).

Another interesting angle: NBC was unwillingly forced out of vhf affiliations in Buffalo and in Norfolk by CBS more than year ago, now is forcing 2 vhf affiliates out -- and vhf cries of "ouch" further emphasize how dependent TV stations are on network affiliations. As has CBS in Milwaukee, where it bought and now operates uhf WXIX (Ch. 19), NBC shows additional confidence in long-term growth of uhf; it also assumes burden of increasing receiver conversion in Buffalo, where up to 40% is now claimed, for sake of proving uhf is here to stay. It plans to hike the Buffalo uhf power, like one on Mt. Higby, to 1 million watts.

* * * *

Note: Sale of defunct WTOV-TV, Norfolk (Ch. 27), uhf which went dark last Oct. 3, was approved by FCC this week -- and new owner, Hyattsville (Md.) used car dealer Temus Bright (Tim Brite Inc.) states he plans to start it anew and run it as independent in 3 weeks or month. He paid about \$95,000 for station, including the assumption of \$63,000 owed RCA on equipment, acquires 3½ acres of ground, buildings and TV plant. His mgr. will be A.V. Bamford, ex-Oakland radio operator, recently in Hollywood programming, with Phil Bate, ex-Philco, as chief engineer. He may start another used car business in Norfolk as part of his new project, he said.

JUSTICE DEPT. ON NETWORK ANTI-TRUST: While FCC was trying to figure out what to say in its report next week to Senate Commerce Committee on questions raised in Plotkin Memo, industry leaders were trying to figure out exactly what Justice Dept. said in its report submitted to the Committee this week.

Justice Dept. pledged vigilance, revealed no specific plans -- and as result there was complete disagreement on how much reading-between-the-lines was called for. Network spokesmen said they regarded it merely as a pro forma reply.

"We emphasize that we regard the questions raised by Mr. Plotkin's Memorandum to be of great importance," said brief report submitted by Deputy Attorney General Wm. P. Rogers. "It is essential in a free society that access to a medium of com-

munication as influential as TV be limited only by the public interest and the inherent nature of the phenomena that make broadcasting possible."

All Federal anti-trust laws apply to networks -- that's Justice Dept.'s view as indicated in its report -- despite 1948 case in which Supreme Court upheld lower court decision "which intimated that different standards of accountability" apply to networks. But Rogers passed the buck to FCC in answer to Plotkin's question whether abolition of chain broadcasting regulations would promote freer competition and more effective regulation of networks.

Govt. is "on the alert for information indicating that any network is engaged in a violation" of anti-trust laws, said Rogers. "It would be inappropriate to report on any particular complaints, but you may be assured that we will continue to investigate any complaints submitted..." More complete report from Justice Dept. has been requested by Chairman Magnuson "as soon as convenient."

(Copies of Justice Dept. report may be obtained from Senate Interstate & Foreign Commerce Committee or we'll get one for you.)

* * * *

FCC has yet to come to agreement on how to respond to Plotkin & Jones memoranda; another meeting is set for March 14. There may well be several different comments submitted because of inability of commissioners to agree. It's certain Comr. Hennock will have one, and it's likely one or more of the others will have separate views. The Commission's reply is due next Fri., March 18.

No one expects FCC to commit itself to drastic moves. Some members feel that "another look at de-intermixture" is warranted. Others claim that the amount of good to come from de-intermixture is negligible. As for wholesale moves to uhf, one member said: "If I were sure that were the answer I'd go for it -- but I'm not." His opinion is that de-intermixture would rob rural viewers of service, and he feels that FCC's first duty "is to provide at least one signal to everyone in the country before trying to create more competition in the big cities."

One top FCC staff member may have summarized majority view when he said: "It's obvious that there's no quick answer. In the long run, I think the FCC can improve the situation -- though I don't think it's as bad as some claim it is. But it should be remembered that the FCC is only one element in the whole picture. There are the advertisers at one end and the set manufacturers at the other. They operate in a normal free-enterprise manner, and that's the way it should be. I think the Senate committee could learn a lot by asking representatives of the top agencies and manufacturers to present their views."

SHOWDOWN DUE IN TALL TOWER STALEMATE? Exasperated applicants for high towers are looking to FCC to override the Pentagon's unwritten ban on towers over 1000 ft.

Showdown could come as soon as next week -- or in 6 months, or indeed not at all. While the Commission is anxious to encourage maximum coverage via high towers, at the same time it is fearful of overruling the military. It has authority to do so, and high-tower applicants are watching to see if it will stand up against what they consider "arbitrary and capricious" action by the Pentagon.

Though they deny their actions are arbitrary, plain fact is that the 3 military members of Washington Airspace Subcommittee (which advises Commission on the aeronautical aspects of tower proposals) have opposed all proposals for towers over 1000 ft. that have been advanced within the last 4 months.

This despite fact that Regional Airspace Subcommittee had given unanimous approval in every case -- and despite fact CAA & CAB representatives on Washington Subcommittee voted for approval in each case.

Military failed to get the 1000-ft. ban put in writing last January, when the top-level Air Coordinating Committee (ACC), parent of Airspace Subcommittee, couldn't agree on it, and instead ordered industry-govt. study of whole high tower situation (Vol. 10:48 & 11:3). Meanwhile, ACC ordered subcommittee to continue considering tower proposals on case-to-case basis, using same criteria as it has in past. The industry-govt. study finally got under way last week, may take 6 months.

Now pending before FCC are 3 tall-tower applications which lack unanimous approval by Airspace Subcommittee because of military opposition. FCC has 2 choices in these almost unprecedented cases: grant application despite Armed Forces' opposition (which it has never done before), or call hearing, letting the military appear and state their specific objections.

FCC is clearly not satisfied with the reasons given by the Pentagon for opposing recent high tower proposals. (In one case, tower merely was called "a mental and physical hazard".) Commission this week asked ACC to request subcommittee members to be more specific in listing their reasons for tower turndowns. ACC took up Commission's request, drew promise from Air Force to give more details.

The recent cases of military tower turndowns: WSLA, Selma, Ala., 1993-ft. tower; KSWs-TV, Roswell, N.M., 1610-ft.; KGEO-TV, Enid, Okla., 1356-ft. In Little Rock, Ark., KARK-TV recently made informal inquiries about possibility of building a tower higher than 1000 ft., was told it would be disapproved. Still unapproved is the 2003-ft. tower proposed by WHAS-TV, Louisville (Vol. 11:8), tallest yet.

Interesting sidelight on the 1000-ft. situation is case of WJRT, Flint, Mich. Originally it had planned 1049-ft. tower, but changed height to 999 ft. Its tower proposal breezed through Washington Airspace Subcommittee last week.

First test case may come next week when FCC considers request by KGEO-TV to make immediate grant for new tower, despite opposition by military.

The Enid, Okla. station now has 816-ft. tower 5 mi. from city airport, 12 mi. from Air Force base, less than 2 mi. from intersection of 2 air routes. It proposes 1356-ft. tower at new site 28 mi. from both airfields, 9 & 10 mi. from nearest air routes. Proposed new location was endorsed by city airport mgr. and air base commandant as safer than old one, is considered necessity by station since current site provides poor reception in Enid and station has consistently lost money (see p. 10).

Station wants immediate grant overruling military members of subcommittee, fears it can't hold out the 6 months or more it would take to wait for hearing.

* * * *

Adding to high tower blues are 2 Congressional resolutions, which not only would make it difficult or impossible to build any new tower over 1000 ft., but might effectively block renewal applications by stations with existing tall towers. H.J. Res. 138 & 139 were introduced by Rep. Harris (D-Ark.), chairman of House communications subcommittee, & Rep. Hinshaw (R-Cal.), member of that subcommittee, who is being considered for presidency of Air Transport Assn., trade group favoring tower ban.

SUBSCRIPTION TV's most ardent opposition, movie exhibitors' Joint Committee on Toll TV, is busily girding its loins for coming struggle before FCC. This week, it appointed new public relations counsel, Robert S. Tappinger & Assoc., N. Y., and offered its services to "other groups which already are interested in presenting the views of various public interests against the toll plan for home TV audiences." JCTT also announced that Cohn & Marks would continue as Washington counsel. In addition, it is considering hiring as economic consultant Dallas Smythe, ex-FCC, now a professor at U of Illinois, who has also worked for Joint Committee on Educational TV.

Meanwhile, the extraordinary success of NBC-TV's *Peter Pan* (see p. 11), led Zenith v.p. H. C. Bonfig, in speech this week before Chicago chapter of Robert Morris Associates, to predict subscription TV would bring 50 or more Broadway productions into the home each year—at a fraction of regular boxoffice prices. He ventured that pay-as-you-look TV has excellent chance of getting going this year.

Our recent report on the "silent men" of the pay-TV controversy—the operators of networks and stations (Vol. 11:9)—elicited prompt reaction from Leon P. Gorman Jr., mgr. of WABI-TV, Bangor, Me. (Ch. 5). Stating that he has been "carrying on a running battle with the subscription TV people since about 1948," he enclosed copy of letter he had written to NARTB recently, stating in part:

"It seems to me that these subscription people—and all their drum beaters—are living 'schmoos', walking, talking Al Capp-ish human beings who are everything to everybody. About the only thing they haven't promised is to stop the coming and going of the tides. If you're an educator, they promise educational shows; if you're a politician, be our guest and have a political program; if you're a housewife, then nothing but the finest of Hollywood's most lavish productions for you; if you're a sports fan, then it's Hialeah, ping pong, baseball, horseshoe pitching and bean bag throwing anytime you want it. There are stamp collecting shows for stamp collectors; poetry shows exposing Shakespeare for Baconian enthusiasts; and 'How-to-Find-Uranium-Without-Leaving-Your-Home' for the poor, the hungry and the hopeful. And, last but not least, to the poor beleaguered TV station man—be he uhf or vhf—they promise untold wealth and unlimited happiness and long life."

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"First permanently established and solely owned closed-circuit network for large screen business meetings" was announced this week by TNT Tele-Sessions gen. sales mgr. Fanshawe Lindsley. Tele-Sessions now has installations in 41 cities, using GPL projection equipment, operated under contract by RCA Service Co., available for use in theatres, hotels & auditoriums.

Personal Notes: I. E. (Chick) Showerman, onetime NBC central div. v.p., recently named gen. mgr. of Hearst Radio's WISN, Milwaukee, has taken over management of newly acquired Ch. 12 WTVW, Milwaukee (Vol. 11:10), with John J. McPartlin, ex-WNBQ, Chicago, named asst. mgr. this week by D. L. Provost, Hearst TV-radio v.p. . . . Vincent A. Francis, gen. sales mgr. of KGO-TV & KGO, San Francisco, winner of local Junior Chamber of Commerce's Man of the Year award in 1954, promoted to new post of sales mgr., ABC-TV western div., San Francisco . . . James H. Burgess, sales director of WLWC, Columbus, named national sales rep for all Crosley stations working out of Cincinnati; Charles R. Dodsworth, ex-sales chief at WLWD, Dayton, replaces him at WLWC and George Gray, ex-WKNA-TV, Charleston, W. Va., replaces Dodsworth . . . Thomas N. Dowd's name is added as Washington law firm, prominent in TV-radio, changes to Pierson, Ball & Dowd . . . Albert J. Feigen, ex-Federal Power Commission, joins Dempsey & Koplovitz, Washington attorneys . . . Wm. Fox, program director of KFMB-TV, San Diego, promoted to gen. sales mgr. . . . Winter Horton promoted to exec. director, KFSD-TV, San Diego . . . Jack Nedell promoted to commercial mgr., WGBI-TV, Scranton . . . George Turner, ex-DuMont film director, named exec. asst. to Herbert Jacobs, v.p. & gen. mgr. of TV Inc. . . . Stanley Chambers promoted to national sales mgr., KTLA, Los Angeles, Robert Mohr continuing as sales mgr. . . . H. Needham Smith, sales mgr. of WTRF-TV, elected pres. of Wheeling Ad Club . . . Stephen J. Machcinski Jr. promoted to gen. sales mgr. and coordinator of TV-radio sales, Adam J. Young Jr. Inc. . . . James C. McCormick, ex-sales mgr., Jack Douglas TV Productions, formerly with Ziv and Mayers Adv., joins Hollywood office of H-R Television Inc., which has new phone number: Hollywood 2-6453 . . . Richard B. Rawls, mgr. of KPHO-TV & KPHO, Phoenix, elected pres. of Arizona Broadcasters Assn., succeeding Charles Garland, KOOL-TV . . . Edward R. Beach resigns as v.p. & secy., Benton & Bowles, to become v.p. & a director of International Affiliates Inc., producer of foreign movies & TV films . . . David Y. Bradshaw named TV-radio mgr., Young & Rubicam . . . D. H. Humm named TV-radio time-buyer, Charles W. Hoyt Co., N. Y. . . . Pat Weaver, NBC pres., returned from Europe this week . . . R. A. Borel, director of WBNS-TV, Columbus, left March 9 for month in Germany . . . Frank E. Mullen, onetime NBC exec. v.p., now consultant with offices at 8949 Sunset Blvd., Hollywood, resigned this week as pres. of Vitapix-Guild Programs Inc.; Kenyon Brown, KWFT-TV, Wichita Falls, was elected pres. and Edward E. Hall exec. v.p. . . . John H. Dodge promoted to eastern administrative sales mgr., NBC-TV network sales dept., reporting to Walter D. Scott, administrative sales mgr.

Latest Armed Forces TV station is new Ch. 8 low-power installation at Keflavik Airport, Iceland. It's 4th station to be established by Armed Forces TV Service of Defense Dept.'s Office of Armed Forces Information & Education (Lt. Col. Mel Williamson, chief, TV branch). AFTS now ships 60 hours of film and kines to the stations weekly, hopes to have 10 stations on air by July 1. It already has approval for new TV installations at Thule, Sonderstrom Fjord and Narsassuak, Greenland and at Ramey Air Force Base, Puerto Rico (possibly uhf). Also being considered are stations in Okinawa, Guam and elsewhere. (For list of existing Armed Forces TV stations, see *TV Factbook No. 20*, p. 55).

George J. Podeyn, 65, who joined old WEA, New York (now WRCA) in 1923, helped develop the NBC network, was its Pacific Coast mgr., died March 8 in Greensburg, Pa., where since 1940 he had been mgr. of radio WHJB. Surviving are his wife and 2 sons.

CORPUS CHRISTI Ch. 6 grant soon is in prospect, with dropout this week of Baptist General Convention from competition with KRIS. In petition for dismissal, group said "no consideration" is involved, and reason for withdrawing is to get service going quickly. Cowles grant of Ch. 8 in Des Moines moved a step closer when FCC Broadcast Bureau recommended immediate grant, now that KSO has pulled out (Vol. 11:10).

There was one CP this week, educational Ch. 2 grant to Alabama Educational TV Commission, for Andalusia. Also authorized was shift of WTVI, Belleville, Ill. (Ch. 54) to St. Louis' Ch. 36, which was relinquished by now-silent KSTM-TV.

Channel shifting which would permit WWLP, Springfield, Mass. (Ch. 61) to move to Ch. 22 was issued as proposed rule-making, along with counter-proposal by Rhode Island Board of Education which would give WWLP Ch. 36 instead of Ch. 22. CP-holder KAKI, Visalia, Cal. (Ch. 43) asked that its channel be moved to Fresno, citing "economic reasons."

Three uhf CPs were turned back: WCNO-TV, New Orleans (Ch. 32); KMIV, Miami, Okla. (Ch. 58); WNAM-TV, Neenah, Wis. (Ch. 42).

Proposed purchase of WKNB-TV, New Britain, Conn. (Ch. 30) by NBC and its shift to Mt. Higby (Vol. 11:2) were endorsed in comments filed with FCC this week by Dr. F. E. Engleman, Connecticut commissioner of education, and General Teleradio-Hartford Times' WGTH-TV, Hartford (Ch. 18). Opposition was filed by WATR-TV, Waterbury, Conn. (Ch. 53) which feared NBC's ownership of station in area would make competition for major network affiliation too great.

Application of WHAS-TV, Louisville (Ch. 11) for 2000-ft. tower (see p. 5) was opposed by WLEX-TV, Lexington, Ky. (Ch. 18) which said that greater height would permit WHAS-TV to throw strong signal into predominantly uhf territory.

Petition of WRTV, Asbury Park, N. J. (Ch. 58) for assignment of Ch. 8 for low-power operation was opposed by WGAL-TV, Lancaster (Ch. 8), which objected to prospective interference, said that WRTV's reasons "do not warrant the radical departure from the allocation plan now in effect."

Efforts of KRIC-*Enterprise* to keep KFDM-TV, Beaumont (Ch. 6) from going on air pending litigation were turned down by Court of Appeals, but it asked FCC to hold up for the present approval of transfer whereby W. P. Hobby (KPRC-TV and *Houston Post*) acquires 32½%. KFDM-TV has April 1 target.

Consolidated TV & Radio Broadcasters Inc. (Bitner), which is paying \$3,135,000 for Ch. 11 time-sharing WTCN-TV, Minneapolis & WMIN-TV, St. Paul, along with radio WTCN (Vol. 11:5), in transfer papers filed with FCC this week disclosed that its profit for first month of new fiscal year (Nov. 30, 1954-Jan. 1, 1955) was \$118,115; that net after Federal taxes for preceding fiscal years ended Nov. 30 was: 1954, \$1,253,661; 1953, \$824,254. Also shown in transfer file were gross sales of \$187,500 by WTCN-TV & WTCN in 13 weeks ended Jan. 1, 1955.

FCC's loyalty proposal, aimed at weeding out subversives among licensed radio operators (Vol. 10:34, 40), drew renewed opposition this week from American Civil Liberties Union. Attorney Herbert M. Levy wrote Commission that proposal wouldn't help enforce security because licensed operators may constitute only small percentage of those having access to transmitter, but it might endanger civil liberties by causing licensees to fear expression of unpopular views lest they be considered pro-communist.

Telecasting Notes: Prediction: TV's annual Emmy awards (see list below) in not too distant future will outstrip movie industry's "Oscar" awards in popular interest. Reason is that more people have come to know the TV nominees as frequent "visitors" in their homes. They're just as glamorous and telegenic, too, as March 7 nation-wide NBC telecast of awards from Hollywood & New York proved. Certainly the TV show was handled better than the recent telecast of the nominations of the Academy of Motion Picture Arts & Sciences, though it's to be assumed the final movie awards on NBC-TV March 30, with Bob Hope as m.c., will be an improvement . . . Nominees and winners, most of whom were on hand, came in one big show as the TV "Emmies" were handed out. Fact that up-&-coming ABC got so many awards seems to epitomize growing strength of the once-tottering "third network"; fact that Studio City TV was only non-network syndicate to have own winner (though TPA produces the CBS Campbell Soup Co. winner *Lassie*) would seem to indicate the TV film syndicates have to do more self-promotion of their identities . . . Fact that Walt Disney and Loretta Young, both winners of movie "Oscars," were on the TV winners list points up growing affinity between the TV and movie media; there will probably be more such dual winners in years to come . . . Why "Emmy"? The word was coined as a sort of contraction of "image orthicon" (TV camera tube), obviously with thought of building up a running mate if not rival for "Oscar." Academy of Television Arts & Sciences has headquarters at 6525 Sunset Blvd., Hollywood; Don DeFore is pres., Isabelle Pantone, exec. secy. . . . End of stand-offish attitude of Hollywood majors toward TV, which persisted despite lead of Columbia's Screen Gems in going early into TV production and profit shown by Republic Pictures in releasing its oldies, is seen by *Variety's* Fred Hift in significant March 9 article in which he notes "every indication that Hollywood is getting ready to move the massive impact of its facilities, know-

how, talent and story reservoir into the TV field for what's seen as a mutual payoff." "The studios," he adds, "have stopped thinking in terms of the worst being good enough for their electronic competitor" . . . Warner Bros., which recently sold 191 cartoons to TV (Vol. 11:8) has been huddling with ABC, as has 20th Century-Fox, and both now have TV production units under way. There's persistent report, unverified, that Warners will soon break open its vaults and release batch of 1933-44 features to TV . . . "It would seem," states Hift, "that it was Walt Disney's plunge into the video pool, and the impressive ratings of his show, that cued the new Hollywood interest. There's still a degree of caution [so as] not to antagonize their exhib customers." . . . Newest batches of oldies being peddled to TV are said to be 37 Pine-Thomas features once released by Paramount, and 52 J. Arthur Rank features—with many more to come . . . RKO-Pathe is moving into TV, too, contemplating production in Bermuda of one series to be titled *Sarong*, with Dorothy Lamour, and another based on Philip Wylie's Des & Crunch stories in *Saturday Evening Post* . . . Feature film version of Paddy Chayefsky's TV hit *Marty*, first seen on *Philco Playhouse* (NBC-TV), due for N. Y. premiere April 11 (Sutton Theatre); it was produced for United Artists by Harold Hecht . . . Medicos are on air so much that new Caduceus Productions has been formed, headed by Dr. Wm. House, with Bernard Kowalski as v.p.; its first offering will be *GP* (general practitioner) being shot on Hal Roach lot.

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Add telegenic politicians, among whom we rated President Eisenhower high last week (Vol. 11:10): March 14 *Newsweek*, in article on "The Changing Face of Politics," rates Eisenhower "tops" on TV, Adlai Stevenson "excellent," Vice President Nixon "good but not great," Secy. Dulles "fair to good," Sen. Kefauver "effective in a nice quiet way but not outstanding," Sen. Symington "fairly effective, could be much better."

ACADEMY of Television Arts & Sciences presented 7th annual "Emmy" awards on NBC-TV March 7 (see above) for outstanding performers & programs. In addition, awards for technical achievements on networks were subsequently announced. Winners:

ABC-TV: best variety series, *Disneyland*; best individual program, "Operation Undersea" (*Disneyland*); dramatic series, *U. S. Steel Hour*; situation comedy, *Make Room for Daddy*; best actor starring in regular series, Danny Thomas; news reporter-commentator, John Daly; film editing, Grant Smith & Lyn Harrison, "Operation Undersea."

CBS-TV: religious or educational program, *Omnibus*; children's program, *Lassie*; best actor in single performance, Robert Cummings in "Twelve Angry Men" (*Studio One*); best supporting actor in regular series, Art Carney (*Jackie Gleason Show*); best supporting actress in regular series, Audrey Meadows (*Jackie Gleason Show*); male singer, Perry Como; daytime program, *Art Linkletter's House Party*; art direction of live show, Bob Markell in "Mallory's Tragedy on Mt. Everest" (*You Are There*); art direction of film show, Ralph Berger & Albert Pike in "Christmas Carol" (*Shower of Stars*); best written dramatic material, Reginald Rowe in "Twelve Angry Men"; best direction, Frank Schaffner in "Twelve Angry Men"; choreographer, June Taylor in *Jackie Gleason Show*.

NBC-TV: outstanding new personality, George Gobel; best actress in single performance, Judith Anderson in "Macbeth" (*Hallmark Hall of Fame*); best actress starring in regular series, Loretta Young; mystery or intrigue series, *Dragnet*; audience, guest participation or panel program, *This Is Your Life*; female singer, Dinah Shore; sports program, *Gillette Cavalcade of Sports*; best direc-

tor of photography, Lester Shor in "I Climb the Stars" (*Medic*); best written comedy material, Hal Kanter, Jack Douglas, J. Allordice & H. Winkler for *George Gobel Show*; best technical achievement for network's color TV policy and Burbank, Cal. color plant; best engineering effects, 4-quadrant screen used in coverage of 1954 election returns; best sound editing, George Nicholson (*Dragnet*); best original music, Walter Schumann (*Dragnet*).

Studio City TV Productions Inc. received award in western or adventure series for its syndicated *Stories of the Century*, and of course Mike Sillerman's TPA is producer of *Lassie* on CBS-TV. In addition, Victor Young received an award for best scoring of dramatic or variety program, for *Diamond Jubilee of Light* on all TV networks.

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Electronic film production system, which shoots film from high-definition closed-circuit TV monitors, will be in use in U. S. within a few months. Called Electronoscope, it delivers finished 35mm or 16mm negative (or both simultaneously) said to be equal in quality to best 35mm negatives available today—at half the cost of conventional TV filming methods. System has been in use in England for some time. Developed by High-Definition Films Ltd. (Norman Collins, ex-BBC chief), U. S. rights have been acquired by TV film producer Gordon Levoy and ex-CBS-TV producer Alan Buckhantz.

Unusual display ad to sell TV station now off air was carried in March 9 *Wall Street Journal*, headed "Auction Sacrifice! Complete Half-Million Dollar Television Station." It set inspection time March 12, sale time 9 a.m.-5 p.m. March 14, at 420 W. Commerce, Oklahoma City, address of bankrupt KMPT (Ch. 19) which began operation Nov. 8, 1953 and quit air Feb. 3, 1955 (Vol. 11:6).

Station Accounts: Here's a tip for stations trying to get greater volume of dept. store advertising: encourage them to use still photographs of window displays as 20-sec. spots. Suggestion came this week from Oliver Treyz, pres. of Television Bureau of Advertising, in speech to Washington Ad Club. He said dept. store can saturate its market with "TV windows" by doubling its current window budget—"a comparatively minor investment in terms of coverage and sales impact." Stressing that many of the young couples who are best customers of dept. stores grew up in a TV-radio age, he commented: "If John Wanamaker, the man who vitalized retail advertising with new and daring concepts, were alive today, he'd probably 'televisionize' dept. store advertising. He would recognize immediately that the younger family represents the bulk of the buying power, but that few—if any—dept. stores are going after them with the medium that reaches most of them, TV" . . . Add successful farm programs (Vol. 11:9): Sat. noon-1 p.m. *Farm* on WAVE-TV, Louisville, carried live from own 350-acre model farm about 13 mi. from town; it will originate 25 min. of NBC-TV's *Home* March 21, having been selected as "typical American family farm home" to be visited first day of spring . . . National Gypsum Co. (Gold Bond building products) to sponsor *Fame*, new 15-min. weekly filmed series featuring high points in careers of famous Americans during last 50 years, on WRCA-TV Sat. 11:15-11:30 p.m., thru BBDO . . . Langendorf United Bakeries buys NBC film div.'s *Steve Donovan, Western Marshal* in 13 west coast markets starting week of April 4, thru Biow-Beirn-Toigo, San Francisco . . . American Express Co. mailing TV-radio promotional kits to branches as part of all-media campaign to promote travel, thru Kelly-Nason Inc., N. Y. . . Buick starts TV-radio spot campaign March 30, running to April 22, thru Kudner Agency, N. Y. . . South African Rock Lobster Assn. buys spots on homemaking shows in 10 markets, thru Caples Co., N. Y. . . Among other advertisers currently reported using or preparing to use TV: Beech-Nut Packing Co., Canajoharie, N. Y. (gum), thru Kenyon & Eckhardt, N. Y.; Centennial Flouring Mills Co., Seattle (pancake & waffle mix), thru Cole & Weber, Seattle; Sperry Operations, div. of General Mills, San Francisco (Sperry Wheat Hearts), thru Dancer-Fitzgerald-Sample, San Francisco; International Milling Co., St. Paul (Robin Hood flour), thru H. W. Kastor Agency, St. Paul; Doughboy Industries Inc., New Richmond, Wis. (plastic swimming pools), thru BBDO, Minneapolis; L. Lewis Cigar Mfg. Co., Newark (Seidenberg cigars), thru Lewis Adv., Newark; B. Filippone & Co., Newark (olive oil), thru Pettinella Adv., N. Y.; Felton, Sibley & Co., Philadelphia (paints), thru J. Cunningham Cox, Philadelphia; National Assn. of Auto Trim Shops, N. Y., thru Arpadi-Sarett Assoc., N. Y.

CBS-TV Spot Sales presentation, currently being shown to N. Y. agencies & advertisers and to be made generally available shortly, shows 6 times as many advertisers now using spot TV as in 1949, with dollar investment 19 times as large. Presentation is in 2 parts—"Best Spot in All Advertising," containing latest research on TV generally and unique advantages of spot, and "Best Spot in All Television," highlighting coverage of CBS-TV Spot Sales.

New "5-for-3" discount plan, whereby an advertiser who buys 3 spot announcements per week in times to be specified by station, will be permitted 2 additional announcements free, was disclosed this week by WLWC, Columbus, O.

MCA-TV creates station relations dept. to assist in audience promotion activities for stations carrying its 22 syndicated programs. Heyward Ehrlich is promoted to director of new dept.

ABC and Walter Winchell will end 25-year association by end of 1955, as climax of rift over contract terms. Commentator said he expects to continue on TV-radio with another network or on free-lance basis. He conferred March 11 with NBC officials, said he may move to that network next fall. Winchell said he was embittered to discover that his contract with ABC did not provide insurance against libel, shortly after he won recent \$800,000 suit against 2 men he called "cancer racketeers." Network said it regarded libel coverage as responsibility of insurance company. Winchell, whose stock market tips on air drew criticism at Senate Banking Committee's investigation of market last week (Vol. 11:10), also told AP he was once offered an option on 10,000 shares of ABC stock in lieu of salary raise but that the executive who offered it later reneged. Winchell said he requested release from 6-figure contract and was "very grateful" to ABC for granting it. ABC pres. Robert E. Kintner said: "An honest disagreement in our relations could not be resolved and ABC felt its long and mutually beneficial association with Mr. Winchell required consent to his request for a release from his ABC contract effective Dec. 25, 1955, or sooner if contractual details will permit." For last year, Winchell's Sun. 9-9:15 p.m. simulcast has been on 45 TV, 365 radio stations. Note: Settlement by mutual consent of \$1,525,000 damage suits brought against Winchell by *New York Post* and its editor, James A. Wechsler, was also disclosed this week. Terms weren't revealed.

Trying to end "bait advertising" on air, currently under investigation by N. Y. grand jury (Vol. 11:4-5), 24 TV & radio stations in N. Y. metropolitan area this week voluntarily adopted code of standards designed to curb misrepresentation by so-called "pitchmen." Lone exception was WCBS-TV & WCBS, which contended it never accepted "bait" ads in first place. Announced by N. Y. Better Business Bureau, which had leading hand in drawing up code, standards stipulate that advertised statements shall not only be truthful but shall not create a misleading impression; names of companies offering to demonstrate or to sell in listeners' homes shall be disclosed clearly; advertisers shall provide, upon request by station, data on background of company and its principals and proof of its ability to sell and deliver any advertised item and to fulfill satisfactorily all advertising claims; advertisers must state if they offer higher-priced models of types of production in addition to featured "leaders." State-wide conference on TV-radio fraud, called by Gov. Harriman, will be held March 15 in Albany.

Rate changes: WKRC-TV, Cincinnati, has issued new rate card effective April 1, with different time segments for winter & summer. It moves \$1000 base hour into new Class AA category with new \$190 min. rate. Winter Class AA times are 7:30-11 p.m. Mon.-Sat. & 5-11 p.m. Sun.; summer, 7-10 p.m. Mon.-Sat. & 5-10 p.m. Sun. Class A hour will be \$800 (winter, 7-7:30 p.m. Mon.-Sat.; summer, 10-11 p.m. daily); Class B hour remains \$675. Also April 1: WCSH-TV, Portland, Me. adds new Class AA hour (7:30-10:30 p.m. daily) at \$350, min. at \$70, Class A hour remaining \$300; WLVA-TV, Lynchburg, Va. raises base hour from \$250 to \$300, min. \$50 to \$60. Effective March 15, Crosley Ohio stations raise Class AA min. rate with WLWT, Cincinnati, going from \$160 to \$190; WLWC, Columbus & WLWD, Dayton, from \$140 to \$175.

Maurice Evans' 2-hour TV version of *Macbeth*, carried on *Hallmark Hall of Fame* (NBC-TV) last Nov. 28, being made available free on 16mm black-&-white to high schools & colleges thru Association Films Inc., Ridgefield, N. J.

Signs of times: New York's independent WPIX, lifted by its bootstraps since Fred Throver became gen. mgr., had best month in its history in Feb., 27% ahead of Feb. 1954; it's reputed to be well in the black now.

Network Accounts: High-ranking shows aren't sacred to old sponsors, as evidenced this week by Philip Morris cancellation of alt. sponsorship (with Procter & Gamble) of *I Love Lucy* on CBS-TV Mon. 9-9:30 p.m., and Lipton Tea dropping of *Arthur Godfrey's Talent Scouts* on CBS-TV Mon. 8:30-9 p.m. Cancellations are effective in fall. Both shows quickly picked up new sponsors, General Foods taking over *Lucy* and CBS-Columbia backing Godfrey. It's no secret that Philip Morris found *Lucy* disappointing as sales stimulus, prompting it to give up full sponsorship 4 months ago (Vol. 10:46). It plans intensive TV spot campaign . . . Pabst weekly fights, fixture on CBS-TV since May 1950, move to ABC-TV June 1, Wed. 10-11 p.m., thru Warwick & Legler; sponsor had turned down CBS-TV request to air fights only twice a month next fall . . . Re-runs of 15 *Disneyland* programs start March 16 on ABC-TV, Wed. 7:30-8:30 p.m., under its 4 current sponsors: American Dairy Assn., thru Campbell-Mithun; Nash-Kelvinator Corp., thru Geyer Adv.; Hudson Motor Car Co., thru Brooke, Smith, French & Dorrance; Derby Foods, thru McCann-Erickson . . . Revlon to sponsor \$64,000 *Question* as substitute for *Danger* on CBS-TV Tue. 10-10:30 p.m., thru Wm. H. Weintraub; Nash-Kelvinator, current alt. sponsor with Revlon of *Danger*, may join as alt. sponsor . . . Quaker Oats to sponsor filmed series *Sergeant Preston of the Yukon* on ABC-TV starting Oct. 1, Sat. 7:30-8 p.m., thru Wherry, Baker & Tilden, Chicago . . . GE to be alt. sponsor (with Campbell Soup) of *Dear Phoebe* on NBC-TV, Fri. 9:30-10 p.m. . . Budweiser Beer to sponsor *All in Fun* variety show on CBS-TV April 2 & 9, Sat. 10:30-11 p.m., thru D'Arcy; it's interim show before Budweiser starts sponsorship of *Damon Runyon Theatre* in same period starting April 16 . . . Maytag buys *Martha Raye Show* on NBC-TV May 10, Tue. 8-9 p.m., and 8:15-9 p.m. portion of May 22 Frank Sinatra spectacular, thru McCann-

Erickson . . . Scott Paper drops *My Little Margie* on NBC-TV Wed. 8:30-9 p.m., is considering replacing it with *Father Knows Best*, thru J. Walter Thompson . . . Texaco drops *Donald O'Connor Show* at end of Aug. on NBC-TV Sat. 10-10:30 p.m., thru Kudner; O'Connor had requested cancellation to free him for other shows . . . Reynolds Metals to drop *Mr. Peepers* on NBC-TV in fall, Sun. 7-7:30 p.m., unless it gets later time same evening . . . Eastman Kodak to shift *Norby* live in black-&-white on NBC-TV to Wed. 8-8:30 p.m. starting April 13, replacing *I Married Joan*, going off air . . . NBC-TV to launch *Ted Mack's Matinee* as sustainer starting April 4, Mon.-thru-Fri. 3-3:30 p.m., shifting *Greatest Gift* to 3:30-4 . . . Sylvania Electric (Canada) Ltd. to be alt.-week sponsor of *I Love Lucy* on 21 Canadian stations starting March 23 . . . Gordon Baking Co. to sponsor special *Kuklapolitan Easter Show* on ABC-TV stations in N. Y., Chicago, Detroit & Elkhart, Ind. April 10, Sun. 6:30-7 p.m., offered also for co-op sponsorship on 110 other stations.

CBS-TV's "Extended Market Plan" to help small-market affiliates by feeding them network programs at minimum cost (Vol. 10:49), got 5 more members this week (4 of them grantees not yet on air), bringing total to 20. New member is WJDM-TV, Panama City, Fla. (Ch. 7), effective immediately. Grantees are KOTA-TV, Rapid City, S. D. (Ch. 3), effective June 1; KLFY-TV, Lafayette, La. (Ch. 7), July 1; WFLB-TV, Fayetteville, N. C. (Ch. 3), Aug. 1; KTVO-TV, Ottumwa, Ia. (Ch. 3), Aug. 1.

NBC-TV's "summer incentive plan," giving free spots as bonus to encourage partic. purchases on *Today*, *Home* or *Tonight* during summer (Vol. 11:8), picked up first sponsor this week—Sergeant's Dog Care Products Inc., Richmond, which bought 20 partic. on *Home* from May 31-Sept. 1, getting 4 free spots as result, thru N. W. Ayer.

NEWSPAPER interests, though they own outright or have stockholdings in some 3 out of every 10 TV stations on the air, have been unusually critical of the TV medium lately. This criticism by newspaper spokesmen, as in the early days of radio, seems to stem from competition for the advertising dollar and for public popularity, stimulated by TV's huge current upsurge. Even some newspaper interests owning or seeking TV have been participating in the attacks.

While acknowledging a recent increase in criticism of TV by some newspaper people, Harold Barnes, director of ANPA's Bureau of Advertising, tells us the attacks are not part of a concerted campaign against TV but are merely spontaneous actions by newspaper managements to protect their own interests.

"I can assure you there is no organized campaign against TV," says Barnes. "These attacks are based on independent decisions by the papers over which we have no control and should not have. In fact, we are proud that representatives of newspapers which own stations have the guts to attack TV's weaknesses."

The criticism is nearly always coupled with an admonition to newspapers to do a better job. This was typified by comment last week of ANPA gen. mgr. Cranston Williams that newspapers must cultivate readership of young people if they are to win "competitive fight" with TV and radio. He addressed a circulation clinic sponsored by N. J. Press Assn. at Rutgers U, New Brunswick.

Theme of self-improvement was also manifest in recent speech by Basil Walters, exec. editor of Knight Newspapers, which own 45% of WAKR-TV, Akron, holds 42½% of proposed grantee of Ch. 7 in Miami, and own 27.7% of uhf grantee WIND, Chicago. Addressing Inland Daily Press Assn., Walters called TV "a challenge, a peril and an opportunity." He said TV could excite interest in news, never satisfy it; challenged commercial spon-

sorship of TV news programs, asking how many in the audience had "heard any reports on TV about the controversy which has been raging the last year about cigarettes and cancer."

Because TV stations are licensed by the Govt., said Walters, the medium "must always be more or less subservient, consciously or unconsciously, to the politicians," whereas newspapers are protected by the Constitution from govt. interference.

Then he put this challenge to his newspaper colleagues to improve their product: "If we fail to fit our products to the TV age, we'll find our readers more and more turning to the national news magazines. Or unless we do the job better than do the TV newscasters, we'll let our readers get fooled into thinking they can get all their news over the air."

"We can do it better" idea was also driven home by research dept. of *Chicago Tribune* (WGN-TV) in recent presentation to gathering of *New York Daily News* sales officials. Called "Fantasy in TV Land," presentation used *Tribune's* survey of Chicago area to attack TV's claims of audience size, audience composition, coverage, attentiveness, cost per thousand, media flexibility. Survey's major points:

Vast majority of TV shows have very little audience, with only *I Love Lucy* seen by more than 50% of all homes while *Tribune* circulation goes to 50% of homes every day; Nielsen audience measurements are inflated by 20% generally, whereas ABC figures are deflated; children constitute large percentage of TV audiences—and they have no interest in commercials; newspapers are better equipped than TV to appeal to either men or women, through special sections (sports, society, financial); too many commercials between programs reduce effectiveness of all; Wheaties, Maxwell House & Colgate each showed sales declines after cutting newspaper ad expenditures to enter

TV, latter 2 showing sales increases after returning to newspapers.

Television Bureau of Advertising promptly hit back at *Tribune's* claims, calling them "some of the 'World's Greatest Nonsense'" from the "World's Greatest Newspaper." Saying TV has "already taken multi-million dollar bites out of advertising investments once earmarked for newspapers," TvB claimed *Tribune's* coverage charges were faulty.

"It points to ratings of less than 50 as a sure sign of TV weaknesses," said TvB. "Even the *Tribune* should know that commercials are repeated during a program, through a rebroadcast cycle, and through a broadcast schedule. This is one of the reasons why TV spot advertising, which the *Tribune* is frankly attacking, is so effective. Any media department junior knows that scheduling spots at various times of the day covers a vast net unduplicated audience far greater than indicated by any per telecast rating." TvB said, too, that children often have decisive influence on brand selection of many products, after seeing TV commercials, and charged that *Tribune's* selection of case-history "failures" were hand-picked and ignored competitive conditions in those industries which were far more important than TV advertising in reducing sales.

Plenty of criticism of TV by newspapers is reported by Feb. 26 *Tide Magazine* on basis of own survey in N. Y., Los Angeles & Chicago. It found most aggressive anti-TV line taken by *New York Post*, whose ads stress newspapers' guaranteed circulation vs. "random" audience of TV programs, with no sure way of knowing who's watching and where. In Los Angeles, *Mirror-Daily News* (owned by *Los Angeles Times'* Chandler family, which controls KTTV) uses Bureau of Advertising's new study, "Working Women," to show that working women don't have time to watch TV at night, prefer newspaper which they can read at leisure. *Chicago Sun-Times*, says *Tide*, makes extensive reference to TV's inexact audience measurements compared to newspapers' guaranteed circulation, often tells a prospective advertiser that dollar stretches further in newspapers and that written word "outlives" spoken word.

American Newspaper Publishers Assn. joined attack on FCC's "diversification" policy this week by filing *amicus curiae* brief bolstering appeal in McClatchy case. McClatchy newspapers have gone to U. S. Court of Appeals to challenge FCC's reasons for giving preference to Sacramento Telecasters in decision on Sacramento's Ch. 10. ANPA's brief asserts that Commission has no authority to discriminate against newspapers as a class—particularly when FCC agrees that newspaper applicant is superior in all other respects and when "monopoly or the threat of monopoly is not present." Brief cites court decisions to effect that though FCC is empowered to give some significance to fact that an applicant has interests in communications media, it doesn't have authority to give it overriding significance regardless of other factors.

Opposition to state-operated educational TV network was expressed this week by Joint Education Committee of Connecticut General Assembly in approving bill to appropriate \$150,000 for "pilot" educational TV programs on existing commercial stations. Little support was expressed for 3-station network proposed by State Board of Education, which holds CPs for WCTB, Bridgeport (Ch. 71); WEDH, Hartford (Ch. 24); WCTN, Norwich (Ch. 63).

Norfolk Newspapers Inc., owner of WTAR-TV & WTAR and publisher of *Norfolk Virginian-Pilot* and *Ledger-Dispatch*, this week bought control of nearby *Portsmouth* (Va.) *Star* from Norman R. Hamilton, who remains as pres. & publisher.

Peaceful coexistence of TV and newspapers—further proof that they are complementary, not competitive—was evidenced by disclosure that daily newspaper circulation in the U. S. last year rose to an all-time high of 55,072,480, continuing its steady postwar rise side-by-side with TV's development. *Editor & Publisher's* 1955 Yearbook reports total circulation last year jumped 600,000 over 1953—highest annual increase since 1950. However, the net loss of 20 newspapers during year—divided 10-10 between morning & evening—was greatest decline for any year since 1943, when 33 dailies went out of existence. There were 1448 evening, 317 morning newspapers as of Sept. 30, 1954, yearbook said. Evening newspaper circulation as of Sept. 30 was 33,367,044, a gain of 307,232 (.93%) over 1953; morning newspaper circulation was 21,705,436, a gain of 292,962 (1.36%). Total circulation of the 544 Sunday papers—same number as 1953—was 46,176,450, an increase of 227,896 (.49%).

Donald W. Reynolds is buying KOLO, Reno (1-kw, 920 kc, CBS) and KORK, Las Vegas (250-watts, 1340 kc, NBC) as companions for his KZTV, Reno (Ch. 8) and KLRJ-TV, Henderson-Las Vegas (Ch. 2), according to FCC applications filed this week. Sellers David McKay, H. G. Wells Jr. & H. Q. Joucken get \$150,000 for KOLO, \$50,000 for KORK. Also included is agreement to reimburse sellers \$40,000 for not re-entering Reno market, \$10,000 for Las Vegas—to be paid in quarterly installments over 5-year period in each case. Reynolds, head of Southwestern Publishing Co., Ft. Smith, Ark., also operates KFSA-TV & KFSA there, as well as several radio stations.

Tower costs go up sharply after the 1000-ft. level, according to Orrin W. Towner, engineering director of Louisville's WHAS-TV, planning to build 2003-ft. tower Vol. 11:8). He estimates these total costs for towers of various heights, including cost of transmitter house, antenna, installation, etc.: With 600-ft. tower, \$250,000-\$300,000; 1000-ft. tower, \$340,000; 1500-ft., \$900,000; 1800-ft., \$1,000,000; 2000-ft., \$1,250,000. On basis of bids received by WHAS-TV, he estimates 2000-ft. tower alone, with fittings but without antenna, would cost \$800,000-\$1,100,000 installed.

Urging immediate grant of new tower site despite opposition by Pentagon (see p. 4), KGEO-TV, Enid, Okla. (Ch. 5) this week told FCC it has operated at total deficit of \$43,715, with revenues totaling \$100,749, from Oct. 1954 through Jan. 1955 because of poor antenna location. Secy. George Streets, mayor of Enid, told Commission stockholders are willing to invest another \$250,000 if site change is approved, listed these monthly operating deficits: Oct. \$8777, Nov. \$10,562, Dec. \$9912, Jan. \$14,464. During that period it cut staff from 44 to 30.

TV cuts into newspaper reading time, too, reported *Birmingham News* Sunday editor James H. Couey Jr. at recent seminar of American Press Institute at Columbia U. Based on study of 5000 families in each of 2 southern cities—one within range of 4 TV stations, other with no TV coverage—he reported families in TV areas averaged 55 min. reading daily paper, those in non-TV areas 1 hour & 58 min. Seminar concluded newspapers should capitalize on reduced time by concentrating on more interesting writing which could be quickly understood.

Educational TV gets sympathetic treatment in March 12 *Saturday Evening Post* article by Joe Alex Morris, titled *TV Without Terror*, stressing its programming potential and progress thus far but warning: "To survive, each station must demonstrate that it can provide entertainment as well as enlightenment, that it can be a forum for unbiased discussion shedding light on the people's problems and that it can serve the best interests of the community that supports it."

Color Trends & Briefs: As aid to color set servicing, RETMA has asked FCC to approve minor addition to color standards to permit telecast of color stripe at right edge of picture during black-&-white transmissions. Similar to technique introduced by RCA (Vol. 10:12), transmission wouldn't affect monochrome signal but would give servicemen almost all he needs to adjust color sets. Currently, servicemen must wait for the infrequent color programs — unless stations telecast special color test signals. RETMA stated that each station need spend only about \$500 for equipment, which has 11 tubes and fits in standard rack about 9-in. high. RETMA said that proposal has been studied by many in industry and there are no substantial objections.

Urging FCC concurrence, RETMA said: "A color TV receiver can thus be installed at any time with positive assurance that the antenna and feedline installation is satisfactory for color operation without the necessity of waiting for an actual color TV broadcast." Besides aiding installation, color stripe can be used for checking (1) setting of master chroma phase control, (2) action of color killer, (3) action of color demodulating and matrixing circuitry. It's expected FCC will approve.

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Only major TV-radio manufacturer not signing new patent license agreement with RCA, Philco in 1954 annual report released this week (see p. 15) again takes indirect slap at RCA color system by plumping for its own, which it states is based on new principles, and offers "many advantages over the type of equipment previously demonstrated by other companies . . . employs only one-gun tube as contrasted with the current 3-gun tubes, and provides a 21-in. rectangular color picture of remarkable brightness and quality." Report adds:

"Philco has demonstrated its color system and tube to many leading scientists of the industry. They are enthusiastic about its possibilities and the prospect it offers of a simplified, less expensive color service. However, further development work still remains to be done on the new Philco system. It is our opinion that color TV will not become important commercially until a lower cost system than any now available has been developed and perfected." GE, Westinghouse, Sylvania & Avco have taken licenses covering tube & system, report states, and company has also entered into broad cross-licensing agreement with Western Electric, which includes Bell Labs & AT&T patents.

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Two color set sales successes, reported in March 12 *Tide Magazine*: (1) Motorola distributor Cooper Distributing, Newark, convinced the "king pin" of local tavern owners that color set would increase business. After he bought, other tavern owners climbed aboard and 72 sets were sold within a month. (2) Chicago's Sol Polk wrote to 1700 community leaders, appealing to their civic pride and asking them to help maintain Chicago as "electronic center of the world." He offered \$1095 CBS-Columbia sets at \$700, reportedly sold 100.

Those newly-installed color film cameras are getting more and more use. NBC's WNBQ, Chicago, uses its camera for first time March 13 on *How Does Your Garden Grow?* with live portions in black-&-white. Baltimore's WMAR-TV, which pioneered with color slides, on March 12 colorcast Associated Jewish Charities' prize-winning color film *Behind the Pledge*, produced locally.

March 14 week network color schedules: NBC-TV—March 15, *Home*, fashion show, 11:30-11:43 a.m.; March 16, *Norby*, 7-7:30 p.m. CBS-TV—March 17, *Shower of Stars*, "Burlesque," with Dan Dailey, Marilyn Maxwell, Joan Blondell, Jack Oakie & Skid Johnston, 8:30-9:30 p.m.

PETER PAN, as a TV program and aside from its implications for color (see p. 2), was probably the most successful single show in the history of TV. Some 65,000,000 people, according to NBC-TV's estimates, saw the March 7 show and agreed with pres. Sylvester L. Weaver's pre-show comment: "It's like handing each TV viewer a \$5.80 ticket for an orchestra seat in the theatre."

If Weaver's thesis on color is correct—that it needs "explosions" which become "conversation pieces" — *Peter Pan* was exactly what he has in mind. However, it must be noted that the unrestrained praise evoked by the show was largely without benefit of color—that only small fraction of audience saw it in color, perhaps 100,000-200,000, and that newspaper critics frequently made only incidental mention of color.

Even NBC's newspaper ads after the show, stating that Mary Martin "flew into 65,000,000 hearts," made no mention at all of color. Nevertheless, it's believed the color byproduct will prove to be extremely significant.

Show came after great promotional buildup, and atmosphere was just right. There were "color parties" in dealer showrooms, hospitals, old ladies homes, etc., as well as in private homes. Movies, restaurants and night clubs suffered drastic cuts in patronage. Children were relieved from homework—and lost sleep. Traffic slowed down noticeably. Critics across the nation went wild over it, employing the most extravagant adjectives they've ever used for TV.

Estimates of costs ran up to \$450,000—but sponsors Ford and RCA, with clever and tasteful commercials, got their money's worth. There were immediate demands for a re-run, and NBC is considering doing show again during Christmas season.

All and all, *Peter Pan* drew even greater attention to a medium that has already woven itself deeply into the fabric of American life. From color standpoint, it's up to industry to exploit to fullest the color aspects of the *Peter Pan* success.

Next big color shows, after NBC's *A Connecticut Yankee* March 12, are CBS's *Burlesque* March 17, NBC's *Entertainment 1955* dedicating its new \$4,000,000 color studios in Burbank, Cal., March 27, NBC's *Reunion in Vienna* April 4. In addition, CBS will provide daily *Robert Q. Lewis Show* March 21-25, 2-2:30 p.m., giving dealers opportunity to demonstrate sets. NBC is planning several big color remotes, including coverage of A-bomb tests during April 3-10 week. And looking toward next year's political conventions, network representatives met in San Francisco this week, discussed possibility of carrying them in color.

"When color TV set coverage reaches 50% of the present black-&-white coverage, then small and medium-sized advertisers will begin to consider color TV in more than theory. This is the opinion expressed by media directors polled . . . Estimates run from 18 months to 3 years as to the time when such coverage will be available. In addition to covering 50% of the present black-&-white audience, the cost of color TV must not exceed the present cost of reaching 100% of black-&-white set owners. In stating the 50% figure, the media directors accounted for the 50 major market cities in the U. S."—*Advertising Agency Magazine*, March 4.

Edd Johnson, reporter for *San Francisco Chronicle* and onetime CBS & NBC correspondent, was reported killed in an airplane crash in Mexico March 8. He was a brother of Earl J. Johnson, UP v.p.

Max Liebman, producer of NBC's "spectaculars," has signed new 5-year contract, will continue producing the big shows and performing "other related functions."

LABOR RESTIVE AS WAGE TALKS APPROACH: A guaranteed annual wage in the electronics industry, to compensate for possible layoffs resulting from automation, will be a "major demand" in IUE's contract negotiations this year -- but whether it will be pressed to a showdown depends to a great extent on how the United Auto Workers union fares in its contract talks with General Motors and Ford on such a guaranteed wage. Auto industry talks, which begin next week, will therefore be watched very closely by electronics industry leaders for guidance on what threatens to be a revolutionary development in union-management relations.

Both IUE and UAW are CIO affiliates and share a common policy on automation and guaranteed wage. That policy, outlined last year by auto union and reaffirmed this week by IUE's TV-radio-components conference board at Ft. Wayne meeting, is to seek a guaranteed wage covering 2080 hours of work a year, plus an agreement to provide not less than 48 weeks of actual work at 40 hours each. The latter provision is designed to forestall extensive layoffs and uneven work periods.

Effect of guaranteed annual wage on TV prices is vehemently disputed by union and management. One set maker told us the price of a TV set would "skyrocket". A union spokesman said the net cost would average only an additional 10¢ an hour per worker, same increase granted by many in industry last year with no hike in prices.

RCA will be first electronics company to face issue, its negotiations with IUE starting in mid-April. IUE represents about 400,000 electrical workers, of whom 125,000 are in TV-radio. It has contracts with 87 TV-radio companies. Among them are Bendix Radio, Clarostat, Collins Radio, DuMont, Emerson, Erie Resistor, Federal, GE, General Instrument, International Resistance, Magnavox, Mallory, Philco, RCA, Remington Rand, Sperry, Standard Coil, Sylvania, Thomas Electronics, Warwick, Westinghouse. DuMont presumably won't have to face the guaranteed wage issue until next year, having signed a one-year contract with IUE this week. The settlement on 5¢ hourly pay increase followed one-day strike.

IUE secy.-treas. Al Hartnett said RCA and Philco negotiations may set pattern for entire industry. He commented: "Wage settlements in late 1954 and so far in 1955 have been primarily 'catching up' negotiations. The amounts of settlements are in the range of patterns set earlier in 1954 by the major unions and companies in the industry. Any real indication of the 1955 pattern will not become noticeable until RCA & Philco have begun or concluded negotiations along toward the end of May."

Union is known to be training its most powerful guns on big, diversified GE. Verbal exchanges have already begun, in advance of contract negotiations which start July 15. IUE pres. James B. Carey has stated flatly that union will strike if contract is not signed by Sept. 15. IUE is still smarting from negotiations last year, when it presented 11 major demands, including a guaranteed annual wage, came away with 2.68% hourly wage increase and a few changes in vacation pay. Carey contends that increased mechanization was partly responsible for idling 22,000 GE workers in 1954 and wants to insert safeguards in this year's contract.

GE v.p. & labor relations director Lemuel R. Boulware quickly retorted that "the union couldn't be barking up an emptier tree." He remarked: "There never was a greater lot of bunk than the argument that technological progress throws people out of work." He added that technological improvements, including automation, have made it possible for GE to limit price increases of consumer products to average of 18% since Korean war despite 31% rise in wages and cost of materials.

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You hear a lot of talk about vertical chassis sets these days, as trade looks ahead to introduction of new models in mid-year. Trade reports, unverifiable but regarded as authoritative, have RCA and Philco bringing out vertical chassis sets

later in year. Other manufacturers may expand their current offerings in this style. Vertical chassis sets can usually be produced a little cheaper than conventional receivers, though the savings have not always been passed on to consumer in form of lower retail prices -- nor are they likely to in near future, in view of low profits.

Determination to expand into vertical chassis is said to have been stimulated by public's preference for more compact cabinets. Admiral and Crosley, both heavily in vertical chassis sets, report especially strong demand from housewives for sets which would be less conspicuous in living room or den.

Philo T. Farnsworth, the TV pioneer now a v.p. of Farnsworth Electronics Co., this week predicted trend to more compact cabinets over next decade, foreseeing the TV receiver of 1965 using a picture-frame CR tube only 3 or 4-in. deep. He made comment in connection with observance of National Engineers' Week.

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TV production totaled 166,461 week ended March 4, compared to 176,887 units in preceding week and 176,030 week ended Feb. 18. It was year's 9th week and brought output for year to date to 1,515,000 vs. 960,000 in same period of 1954.

Radio production totaled 297,457 (158,181 auto), up from 275,648 week ended Feb. 25 and 271,942 week before. Nine-week radio production was 3,300,000, compared to 1,820,000 in corresponding period year ago.

RETMA's revised Jan. production figures show 654,582 TVs, 1,068,146 radios turned out in first month of year, compared to 420,571 TVs and 871,981 radios in Jan. 1954; 573,837 were auto sets, 280,121 home, 166,585 clock, 47,303 portables.

Trade Personals: Vice Adm. John B. Moss, USN (Ret.), consultant for Bell Aircraft Corp. since his retirement in 1953, elected pres. of Hoffman Laboratories Inc., wholly owned subsidiary of Hoffman Electronics Corp. . . . Vice Adm. J. H. Foskett, USN (Ret.), appointed v.p., RCA Victor Argentina . . . M. M. Elliott, ex-Motorola Canada Ltd., March 1 joined Canadian Westinghouse Supply Co. as national TV sales mgr. . . . Edmond I. Eger, adv. v.p. of Admiral Corp., elected to board of directors; John Huarisa, exec. v.p., adds duties of treas., succeeding Lynn C. Park, retiring due to ill health; George E. Driscoll, secy., also becomes asst. treas. . . . John F. Gilbarte, mgr. of Admiral's govt. sales div., elected v.p., govt. labs div., with headquarters in Washington . . . James T. McAllister, national service mgr., promoted to quality control mgr., radio div., Hoffman Electronics Corp. . . . David Bain, RCA Washington sales mgr. for 3 years, returns to Camden as mgr. of broadcast transmitter equipment, reporting to Henry Duszak; he's succeeded by asst. C. D. (Jim) Pitts . . . Charles W. Wallis promoted to mgr. of employe relations & personnel administration at Sylvania's TV-radio plant in Batavia, N. Y., succeeding David C. Gabriel, who moves to Buffalo headquarters as asst. to personnel director . . . Joseph B. Smith, ex-Bendix, with Avco since 1953, named director of Avco's public relations for Crosley & Bendix home appliance divisions . . . Dr. Richard C. Webb, ex-RCA Labs, recently with U of Denver, advisor of Rockaville Co., 788 Adams St., Denver (R. L. Pierzina & E. W. Carlson, partners) reported planning color TV set manufacture . . . P. M. (Mack) Davis promoted to sales mgr. of microwave towers, Emsco Mfg. Co., Houston . . . Gordon A. Mueller named Hoffman Electronics New England regional sales mgr. for TV-radio, Hartford . . . Frank Hogan resigns as CBS-Columbia midwestern regional mgr. to become metropolitan N. Y. sales mgr., Whirlpool Corp. . . . Paul M. Keuffer appointed gen. mgr. of new Cornell-Dubilier plant in Los Angeles due to open about April 15; W. Bert Knight Co. continues as area distributor . . . Wendell Tietsworth, ex-eastern commercial engineering chief, GE tube dept., joins Sonotone Corp. as asst. sales administrator, tube div. . . . Julian H. Allen, since 1953 special asst. in color TV bulb production, named controller of Corning Glass electrical products div. under v.p.-mgr. John L. Hanigan.

DISTRIBUTOR NOTES: Hoffman Electronics expands distribution to 30 states with these appointments: Triangle Electric Supply Co., Bowling Green, Ky.; Robertson Supply Co., Orlando, Fla.; Emmons-Hawkins Hardware Co., Huntington, W. Va.; Radio Electronic Sales, Worcester, Mass. . . . Raytheon: Lincoln Tire Co., Philadelphia (Harry Kravitz, partner) . . . Arvin: Thomson-Diggs Co., San Francisco (C. L. Mason, pres.), replacing Pacific Wholesale Supply Co., San Francisco & Pacific Radio Supply Co., Berkeley; Savage & Sons Inc., Denver (Thomas F. Savage, pres.), replacing Walter Slagle & Co.; Neslo Electronic Distributors, Green Bay, Wis. (Fred & Leonard Olsen, co-owners); Frankland's, Jackson, Tenn. (Leonard Frankland, pres.) . . . Admiral Distributors, Washington, names Wm. R. Douglas appliance sales supervisor . . . Republic Supply Corp., Detroit (Capehart-Farnsworth) elects Kent A. Zimmerman pres., succeeding late A. H. Zimmerman; Wm. Goetterman named v.p.-gen. mgr., assisting Zimmerman in sales, merchandising & purchasing operations . . . Graybar, Dallas (Crosley-Bendix) appoints R. N. Ness mgr. of San Antonio branch . . . Motorola-Detroit promotes Vincent May to adv. & sales promotion mgr., succeeding Dan Leidholdt, who joins sales force . . . Northern Ohio Appliance Co., Cleveland (Motorola) names Theodore Bacon credit mgr.

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Zenith counsel charged RCA with seeking "to prevent [Zenith] from obtaining discovery of facts showing a vicious world-wide restraint of trade in the electronics industry which RCA counsel by one stratagem or another have managed to keep buried for years" in U. S. Supreme Court brief filed this week as latest move in their long-standing anti-trust and patent infringement actions. RCA counsel Adlai Stevenson and John Cahill last month had petitioned Supreme Court to halt trial of Zenith-Rauland counterclaim suit before Judge Igoe in Chicago Federal court pending ruling on similar issues in Wilmington court, claiming "disorder, duplication and contradictory handling of the same subject matter in 2 district courts are highly prejudicial to the petitioner." Strongly worded Zenith brief charges RCA brief makes "extraordinary and utterly false assertions" and calls it delaying action.

Topics & Trends of TV Trade: Discount houses and fair trade laws—increasingly important facets of TV-radio-appliance merchandising—are due to get a thorough going-over in Washington during next month or so, with prospect of a hot political fight. Dispute is likely to center around recommendation by special 60-man committee of Justice Dept. that the Miller-Tydings and Maguire fair trade laws be repealed. This recommendation is understood to be contained in report to be released at end of month by Attorney General Brownell. It generally reflects policy of Administration that fair trade laws are unenforceable on Federal level—a policy partially reflected in recent ruling by Federal Trade Commission that it's powerless to help states enforce fair trade laws (Vol. 11:9).

Some influential Democrats in Senate, on the other hand, are eager to strengthen fair trade. Notable among them is Sen. Humphrey (D-Minn.), named this week as chairman of Small Business subcommittee to investigate effect of discount houses and fair trade on small business. Committee spokesman said hearings would begin shortly after Justice Dept. committee report is submitted. He also said purpose of subcommittee, whose scope generally parallels that of companion House subcommittee headed by Rep. Roosevelt (Vol. 11:9), is to "create a climate in which the independent businessman can thrive." He said impact of discount house operations on this "climate" would be thoroughly investigated.

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Sparton plans to stay in TV-radio business, despite United Auto Workers' rejection last week of its proposal to accept 18¢ hourly wage cut to keep plant in Jackson, Mich. (Vol. 11:10), said gen. sales mgr. Don S. Miersch. He said reports that Sparton was considering getting out of TV-radio business if union rejected proposal were erroneous.

Kimble Glass Co., expanding TV bulb-producing plant in Columbus, O., by early 1956 will have more furnace facilities, 216,000-sq. ft. addition to warehouse, more office space—Owens-Illinois v.p. R. H. Mulford, Kimble gen. mgr., stating that reasons for expansion are "continued heavy demand for black-&-white TV tubes and the imminence of volume requirements for color TV."

Picture tube sales in Jan. totaled 866,956 units valued at \$17,662,000, compared to 1,009,398 worth \$20,521,562 in Dec. (5-week month) and 557,681 at \$12,174,000 in Jan. 1954, reports RETMA. Receiving tube sales in Jan. totaled 37,144,000 worth \$26,263,000, compared to 37,908,894 at \$27,391,916 in Dec. and 22,133,000 at \$16,412,000 in Jan. 1954.

Guild Radio & Television Co., producers of Guild brand TVs and Spice Chest & Country Belle wall telephone radios, leases new 10,000-sq. ft. plant at 460 N. Eucalyptus Ave., Inglewood, Cal. TV production is currently concentrated on 24 & 27-in., said partner Lou Dolgin.

Zenith Radio signs lease for national showroom & sales quarters in Chicago's Merchandise Mart, will close down its Furniture Mart showroom. Col. W. W. Yashenko will be mgr.

Recommended reading: Martin P. Rosenblum's 4-article series this week in *Retailing Daily* on growth of transshipping in TV-radio-appliances, with emphasis on how it has weakened franchises of N. Y. distributors and dealers.

Motorola adds 21-in. open-face ebony console at \$200, plus new line of portable radios ranging from \$30 to \$60. Three of radios are of steel construction.

New Montgomery Ward catalog lists 17-in. table model at \$114.88, lowest price it has ever had on a TV set.

DuMont announces settlement of its patent infringement suits against Tel-O-Tube Corp. of America.

Much-maligned TV serviceman, often publicized as a gyp, got kudos this week from the people who care the most—his customers. "Great majority" of TV set owners are satisfied with all aspects of TV servicing, reports RCA Service Co. on basis of 7th annual nation-wide survey conducted for it by Elmo Roper. Released in connection with observance of National TV Servicemen's Week March 7-12, survey is not confined merely to RCA servicemen. It showed 90% of sample 5000 families interviewed approved quality of technicians' TV service; only 4% expressed dissatisfaction; 6% didn't know. Some 80% said they planned to use same service company in future, 8% said they would change, 12% were undecided. Service within 3 days of calls was reported by 79%. Though average price of service call increased by 11% over 1954, reflecting-increased age of sets, 87% reported satisfaction with prices charged. In connection with National TV Servicemen's Week, W. W. Watts, RCA exec. v.p.-electronic products, presented statuette to Mission, Kan. serviceman on NBC-TV *Peter Pan* colorcast March 7. Selected from geographical center of U. S., he typified servicemen everywhere, said Watts.

Price's Inc., big Norfolk TV-radio-appliance firm headed by NARDA pres. Harry B. Price Jr., this week was named nation's top appliance retail store by Brand Names Foundation. Award will be presented at dinner in New York's Waldorf-Astoria, April 13. Certificates of merit in appliance category went to Lederer Inc., Bridgeport, Conn.; Wilson's Electric Appliance Co., Gary; Stucky Bros. Inc., Ft. Wayne; Good Housekeeping Shop Inc., Dallas. Mammoth birthday party celebrating 50th anniversary of Price's was climaxed this week by mart-style display in Norfolk City Auditorium of all products handled by store, attended by thousands of visitors, industry officials & TV personalities.

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S. J. Preston, EMI patent chief, elected chairman of British Radio Communication & Electronic Engineering Assn., succeeding C. G. White, Kevin & Hughes. C. H. T. Johnson, commercial director of Decca Radar Ltd., was elected vice chairman.

Sir Charles Colston, ex-chairman of Hoover Ltd. (vacuum cleaners & appliances) has resigned as vice chairman of Britain's new Independent Television Authority, in charge of commercial TV system due to start next Sept. (Vol. 10:45).

Dr. Neil H. Jacoby, ex-professor of finances & v.p., U of Chicago, recently on President Eisenhower's 3-man Council of Economic Advisers, elected to board of Packard-Bell Co.

Stanley Bracken, chairman and ex-pres. (1947-53) of Western Electric Co., retires March 31 after 43 years with the company.

Dr. Wilbur W. Hanson, ex-Armour Research Foundation, joins Stanford Research Institute as senior research engineer on design of servo-mechanisms and controls.

Harold S. Miner, v.p. of Manufacturing Trust Co., New York, elected a director of Gray Mfg. Co., Hartford, Conn.

Reginald M. Brophy, director & past pres. of Canadian RTMA, named to represent electronics industry on Canadian Defense Research Board.

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William Henry Barsby, 67, retired administrative v.p. of RCA Communications, died March 5 at his home in Redington Beach, Fla.

Raymond B. Meyer, 58, head of communications branch, radio div., Naval Research Lab, died of a heart attack March 8 while at work.

Financial & Trade Notes: Philco again accents its own color system (see p. 11) in annual report released this week, which shows sales of \$349,276,998 in 1954 compared with \$430,419,858 in 1953—the drop resulting from 45-day strike which closed its electronic plants in May & June, together with generally reduced level of appliance & consumer durable goods industries in early part of last year. Net income before income taxes was \$10,543,965, earnings after taxes \$6,768,965 (\$1.69 per share), compared with 1953's \$35,316,077 before taxes, \$18,350,577 (\$4.86)—the 1953 net, however, including \$5,283,000 (\$1.43 per share) income from sale of Philco's TV station WPTZ.

Report states company's accounting policy was changed last year to record on its books estimated expenses for short-term product warranties and salaried employee vacation payments, with result that earnings shown before taxes were actually down \$1,665,000. Comeback from effects of strike were particularly noteworthy in fourth quarter. At year's end, working capital was \$53,175,261 compared with \$54,665,414 at end of 1953, result principally of investment of \$1,960,000 in Philco Finance Corp., an unconsolidated subsidiary which was activated in 1954 to provide inventory financing for its distributors. Total net worth, including \$38,147,537 on plant & equipment, was \$94,886,993, up in year from \$92,465,264.

To help finance govt. work, amounting to \$35,676,000 at end of last year, Philco was using \$28,000,000 V-loan revolving credit. New V-loan credit of \$30,000,000 has been made, to replace old one expiring Jan. 31, 1955, on which interest rate is 3.16%, as against 3.25% under previous credit, and standby fee cut from $\frac{3}{8}$ to $\frac{1}{4}$ of 1%.

During 1954, Philco opened new refrigerator & home freezer plant at Connersville, Ind., acquired plant facilities & assets of Dexter Co., Fairfield, Ia., manufacturer of washing machines & dryers, opened new TV-radio plant at Toronto, increased capacity of its subsidiary Lansdale Tube Co. "in anticipation of color TV." Work for military on guided missiles includes air-to-air "Sidewinder" for Navy. Progress was reported on automatic machinery for Philco's "Surface Barrier" transistors to make them available in volume at relatively low prices for both military & civilian electronic equipment.

Annual meeting of Philco Corp. will be held April 1 in Rm. 320, Land Title Bldg., Philadelphia.

* * * *

Sylvania earned \$9,480,941 (\$2.92 per share on 2,827,390 common shares) after taxes of \$8,900,000 on sales of \$281,641,987 in 1954, compared to \$9,536,181 (\$3.10 on 2,668,812 shares) after \$14,950,000 on \$293,267,408 in 1953 and \$6,960,625 (\$3.04 on 1,870,081 shares) after \$10,700,000 on \$235,023,437 in 1952. In annual report, chairman-pres. Don G. Mitchell said firm set records last year in unit sales of TV receivers and picture tubes. He also reported that second-half sales of \$154,571,349 and fourth-quarter sales of \$80,814,467 each established all-time records for their respective periods. Backlog of defense orders totaled more than \$80,000,000 at year's end, compared to \$90,000,000 at end of 1953.

Commenting on future prospects, he said: "TV is moving into a more stable phase, commercial electronics is developing rapidly, and military electronics will be a strong business indefinitely. The electronics industry currently has a \$9 billion annual volume, and by 1960 may well exceed \$15 billion. However, electronics is but one phase of the broad electrical-electronics industry—an industry which will probably double its output in the next decade, as the demand for its goods and services increases rapidly."

Canadian Marconi reports net income of \$1,083,590 in 1954 vs. \$1,349,243 in 1953.

Among officers' and directors' stock transactions reported by SEC for Jan.: Owen D. Young sold 474 American Broadcasting-Paramount Theatres, holds 1500; J. L. Van Volkenburg bought 100 CBS "A," holds 100, bought 100 CBS "B," holds 200; Charles D. Dickey bought 250 GE, holds 7000; Henry V. Erben bought 3225 GE, holds 9805; Chester H. Lang bought 1443 GE, holds 1476; Donald H. Millham bought 200 GE, holds 809; Frank Freimann bought 500 Magnavox, holds 46,458 personally and 28,080 thru trust; Richard A. O'Connor sold 1500 Magnavox, holds 53,600; Thomas A. Kennally sold 1000 Philco, holds 10,032; Walter Bedell Smith bought 100 RCA, holds 100; Carl J. Gilbert sold 320 Raytheon, holds 1000; Percy L. Spencer bought 2200 Raytheon, holds 2203; John H. Ashbaugh bought 500 Westinghouse, sold 300, holds 3324; John A. Hutcheson sold 661 Westinghouse, holds 453; Emery W. Loomis bought 1650 Westinghouse, holds 2917; A. C. Monteith sold 100 Westinghouse, holds 2044.

Clevite Corp., reporting year was good one for its electronics business though automotive situation was unsettled and military orders down, announced 1954 sales of \$60,148,661, second highest on record, net profit \$2,668,648 (\$1.33 per share) compared with 1953 sales of \$71,304,940, profit \$3,478,611 (\$1.77). Electronics items include direct-writing oscillographs & amplifiers, industrial & laboratory devices, magnetic recording & reproducing heads, piezoelectric crystals, transistors & diodes.

Muter Co. passed its quarterly dividend, pres. Leslie F. Muter explaining it was to conserve cash for oil well drilling program at Ebert, Okla., where last year company acquired 75% interest in 160-acre lease on which 14 wells have been drilled, 2 more planned. Muter investment runs about \$500,000. In 1953, company paid 45¢ and 3% stock dividends, in 1954 it paid 2% stock dividends in March, 15¢ quarterly in Dec.

Emerson Radio's consolidated net earnings were \$499,392 (26¢ a share) in 13 weeks ended Jan. 29, 1955 which compares with \$449,231 (23¢) in corresponding quarter last year. Firm's fiscal year ends Oct. 31. During last fiscal year, net earnings were \$1,884,976 (97¢) on record sales of \$80,559,994, compared to profit of \$2,988,432 (\$1.54) on \$75,926,546 in preceding fiscal year (Vol. 11:3).

International Resistance Co., with TV-radio accounting for 37% of volume, earned \$603,000 (45¢ a share) on sales of \$13,200,000 in 1954, compared to \$508,000 (38¢) on \$12,750,000 in 1953. Edward A. Stevens, v.p.-treas., speaking before Financial Analysts Society of Philadelphia, also stated company this year expects 11-15% increase in sales, 15-20% increase in profits.

Electronic Associates Inc., Long Branch, N. J., reporting that 75% of its work is now on industrial & commercial products, whereas nearly that percentage was govt. work in 1953, had sales of \$4,059,926 in 1954, net income of \$244,557 (\$2 per share) against \$4,273,725 & \$130,685 (\$1.18) in 1953.

General Precision Equipment Co. has acquired Society for Visual Education Inc., Chicago (audio-visual aids & photographic equipment), exchanging 3543 shares of new \$5 cumulative preferred stock and 7077 shares of common stock for all of the Society stock.

James D. Shouse, who rose from the broadcasting ranks to become v.p., director & gen. mgr. of Avco's Crosley & Bendix home appliance divisions as well as chairman of board of Crosley Broadcasting Corp., is disclosed in notice of annual Avco meeting April 14 in Bridgeport, Conn. to be holder of option to buy 12,500 shares of Avco common at \$6.125 per share and 5000 at \$8.12. He already holds 5500 common, 150 preferred. His 1954 salary was \$75,000.

Network TV-Radio Billings

January 1955 and January 1954

(For 1954 monthly reports, see *Television Digest*, Vol. 11:6)
(For preceding years, see *TV Factbook No. 20*, p. 39.)

BOTH CBS & NBC climbed to new record TV billings in Jan., according to Publishers Information Bureau's first monthly report of 1955 released this week—CBS going to \$15,848,607 as against previous high of \$15,060,653 last Dec., NBC to \$13,237,512 as against previous high of \$13,047,419 in Dec. also. ABC was down from its highs of each of last 3 months of 1954, DuMont slumped to \$723,960 from record \$1,457,436 in Dec., even fell to about half its Jan. 1954 billings whereas the other 3 networks were all way up from that month.

Network radio slipped badly, the Jan. total of \$10,785,181 for all 4 falling from \$11,187,227 in Dec., \$13,285,626 in Jan. 1954. Only ABC showed a slight increase over Dec. All were down from Jan. 1954, however—leader CBS dropping by nearly \$1,000,000 from Jan. 1954, NBC by about \$650,000. The Jan. PIB tables:

NETWORK TELEVISION		NETWORK RADIO			
Jan. 1955	Jan. 1954	Jan. 1955	Jan. 1954		
CBS	\$15,848,607	\$10,713,329	CBS	\$ 4,181,305	\$ 5,166,174
NBC	13,237,512	10,116,937	NBC	2,744,204	3,391,873
ABC	3,718,195	2,780,574	ABC	2,487,140*	2,830,654
DuMont ..	723,960	1,445,608	MBS	1,372,532	1,896,925
Total	\$33,528,274	\$25,056,448	Total	\$10,785,181	\$13,285,626

* In order to maintain continuity and comparability with previously published data, an adjustment factor of 1.817 has been used by PIB in calculating gross network radio time charges for those nighttime network radio programs where ABC Rate Card No. 6 was in effect.

Note: These figures do not represent actual revenues to the networks, which do not divulge their actual net dollar incomes. They're compiled by Publishers' Information Bureau on basis of one-time network rates, or before frequency or cash discounts, so in terms of dollars actually paid may be inflated by as much as 40%. However, they're generally accepted in the trade as an index.

TV-radio towers and an appliance plant were among victims of vicious tornadoes and dust storms which struck 12 states March 11. In Pittsburgh, the freak storm was responsible for another freak—a uhf station shifting to vhf (but only for a short time). After storm toppled 500-ft. tower of uhf WENS (Ch. 16) station quickly requested and received FCC approval to broadcast over educational vhf WQED (Ch. 13) on time especially relinquished for it. FCC wired back that this was permissible provided WENS used its proper identification. The authority expires April 1. WENS told FCC it could be back on uhf in 2-3 weeks with temporary 150-ft. antenna, and in full operation from its regular height in 6-7 weeks. Same storm also knocked down tower of radio WLOA, Braddock, Pa., and blew roof off Philco's refrigerator & air conditioner plant at Connersville, Ind. A western dust storm, described in some sections as worst in 18 years, also knocked down tower of KOA-TV, Denver, putting it off air 5 hours.

Efficient adjacent-channel trap, retailing for \$12.95, maintained reception of WJIM-TV, Lansing (Ch. 6) in Saginaw-Bay City area 60-mi. away after start of WNEM-TV (Ch. 5) in latter area, according to WJIM-TV pres. Harold F. Gross. Trap was made by Adelco Co., Detroit, which obtained initial orders for 12,500.

Exemption of TV-radio stations from libel action as result of statements made by political candidates was proposed this week by Rep. Miller (R-Md.) in HR-4814 — identical to S-1208 (Vol. 11:9) introduced 2 weeks ago by Sen. Butler (R-Md.).

Bell Telephone Co. of Canada has let contracts for 38 microwave relay towers & buildings between Toronto & Winnipeg, capable of handling TV network programs as well as TV circuits.

Power boost: CBS's WXIX, Milwaukee (Ch. 19), to 263-kw March 13.

DEMANDING opportunity to put Edward Lamb on the stand, FCC Broadcast Bureau this week filed strong opposition to motion to call off the controversial license renewal hearing and grant immediate renewal of Lamb's license for WICU, Erie (Vol. 11:10). Meanwhile, in Federal court, Mrs. Marie Natvig pleaded not guilty to grand jury charges that she lied 9 times in her turnabout testimony last month.

Examiner Sharfman scheduled oral argument for next Wed., March 16, on the motion by Lamb's attorneys to call off the case. In its reply, Broadcast Bureau said: (1) It's not within a hearing examiner's power to dismiss the proceedings. (2) Dismissal would be premature, since "it is necessary that Lamb be called," and possibly other witnesses.

"It may well be that the testimony by Mr. Lamb will serve to dispel presently outstanding questions," Broadcast Bureau said, "but whether this will be the case can be determined only in the light of such testimony itself." Bureau also opposed motion to drop inquiry into Lamb's countercharge that FCC investigators tried to induce false testimony and caused at least one bribe to be offered. "That representation is false in its entirety," it stated.

None of the 9 points in the indictment of Mrs. Natvig deals with the issues in the Lamb case—all charge Mrs. Natvig with lying when she accused FCC attorneys of "coercion" and when she testified regarding her conversation with an FBI agent in Miami. All indictments are based on her statements made during her second stint on the witness stand. Each count carries maximum penalty of 5 years in prison and \$2000 fine. After pleading innocent, she was released on \$2500 bail pending trial set for April 18. Her court-appointed attorney said she would ask for postponement and file several other motions.

Nomination of Chairman George C. McConaughy to FCC was approved March 9 by Senate Commerce Committee without a record vote. Chairman Magnuson (D-Wash.) said all committee members reserved right to make statements for or against nominee when appointment comes before full Senate for vote, probably early next week. He said committee felt nomination had been "hanging fire for a long time and it was only fair to the FCC to get it moving." Though Magnuson said he didn't know how he would vote, confirmation is regarded certain.

Seeking better rates for cable-microwave service, NARTB's special TV transmission tariffs committee held meeting March 11 in Washington to map comprehensive study of common carrier tariffs. Committee, headed by CBS's Richard Salant, includes Frank Marx, ABC; John Bachem, DuMont; Joseph V. Heffernan, NBC; Chris J. Witting, Westinghouse; Lee B. Wailes, Storer; A. James Ebel, KOLN-TV, Lincoln, Neb.; Harold Essex, WSJS-TV, Winston-Salem, N. C.; W. D. Rogers Jr., KDUB-TV, Lubbock, Tex.

NARTB convention committee meeting in Washington March 16 is expected to get report on whether President Eisenhower will address convention week of May 22 at Washington's Sheraton-Park and Shoreham Hotels. Matter is understood to be before White House committee on President's public appearances. TV business session will be held morning of May 23, with TV panels scheduled May 26, last day. Reception and banquet will be held final night.

Application for new uhf station in Milwaukee—where CBS is now operating one uhf and a second has gone off air—was filed this week by radio WFOX (dairyman Joseph A. Clark), seeking Ch. 31. There are now 170 applications pending, including 17 uhf. [For further details, see *TV Addenda 20-1* herewith; for complete listings of all grants, new stations, applications, etc., see *TV Factbook No. 20* with Addenda to date.]

\$20 Billion-a-Year in Decade

NARTB LIBRARY

The Electronics Industry: Present Rate and 10-Year Potential

Address by W. Benton Harrison, Vice President-Finance, Sylvania Electric Products Inc.

Before Financial Analysts of Philadelphia, March 10, 1955

MY TOPIC is the electronics industry, and the fact that you wish to devote a session to the electronics industry indicates that you believe electronics is an industry to watch, and that you believe it has growth potential beyond the scope of most other industries. It is my confirmed opinion that electronics is the fastest growing of all the world's major industries. In fact, the potential of electronics has been described as "the world's most promising technological revolution."

When I speak of the growth of electronics, I mean that its potential for growth appears without limit from the standpoint of new products and dollar sales, the expansion of companies already in the industry and the entrance of new companies, the vast number of new applications that will be found for electronic equipment and components, the increased strength that electronics will bring to our national defense, and the greater benefits it will bring to industry, commerce, the home, and the individual.

I am going to dissect the electronics industry into its integral parts, and try to predict the potential for each separate phase of the industry. First, however, I realize that security analysts demand a knowledge of an industry's definitions, and a complete showdown as to what methods were employed in analyzing an industry. Therefore, I think right off the bat we must have complete agreement on what we are talking about when we mention electronics, and, next, I think you should know something about the authenticity of the methods employed in this dissection of the electronics industry.

Definition and Scope of Electronics

The electronics engineers themselves generally despair of furnishing a simple definition of electronics that will provide the layman with a good understanding of what this field of electricity concerns. As a financial officer, I must confess I hardly know a volt from an ampere, and possibly many of you have just about as much technical knowledge as I have. At any rate, let's try a definition from the American Standards Association which says that electronics is "the branch of science and technology which relates to the conduction of electricity through gases or in vacuo." This means that the word electronics is applied to a device or tube designed to make use of electron emission, or to the equipment that employs these components, or to the science that employs this equipment.

What I am discussing today is the science that employs radio receiving tubes, special electron tubes, television picture tubes, and the so-called solid state crystal devices, such as the transistor. In other words, we are talking about such things as television, radio, and radar, but not about home lighting, or electric refrigerators or cake mixers.

Let me say at the outset that electronics is such an enormous subject that it would require a good many men a good many days to speak on all aspects of it. I might try, in a non-technical way, to speak on the technical aspects of electronics; or I might give you a blue sky talk about the multitude of things that electronics will accom-

plish in the years ahead; or I might even give you a talk about how Sylvania fits into the electronics picture. But there has been so little dollars-&-cents information available in the past, and since your interest lies chiefly in that dollars-&-cents area, I have elected to talk on the financial aspects of electronics.

The electronics industry is a relatively new industry, and it is growing very rapidly. Since electronics encompasses a vast multitude of products and systems; since new products and systems are being developed and introduced almost daily; since new companies are entering the electronics field all the time, I can assure you that it has been a monumental task just producing figures relating to sales volume. Until a year ago, no such figures were available; without sale figures, of course, it was impossible to hazard any conjecture about the future of the electronics industry, and where electronics was going was just anybody's guess.

How the Figures Were Compiled

About 13 months ago, however, Sylvania Electric's sales research department prepared for the eastern Regional Conference of the Society of Security Analysts one of the first appraisals of the present and future of the entire electronics industry. That appraisal, since it was an initial one, gave us a sort of platform from which to view the industry. And now, a year later, we have re-assessed the industry and come up with a new set of figures. With a bow to Sylvania's Sales Research Department, I think I can say that the figures and facts you will hear today are completely realistic, and should stand up over the next 10 years with only minor variation.

Since, however, you, as analysts, will want also to assess the credibility of these figures, I should take a moment to tell you how they were compiled. A sales research department couples known facts and figures from the past, with an analysis of current conditions and some crystal ball gazing to determine where the company's markets are weak, where they are strong, what sales methods should be employed, the ideal going rate of production for the months ahead, and many other points of information.

Much of the work is accomplished if we have reliable sources from which to draw historical and current facts. In the electronics industry, we are extremely fortunate in having the Radio-Electronics-Television Manufacturers Association, known as RETMA, which compiles the most exact and reliable industry reports that I know of. Let me say now, I believe our predictions can come to within at least 85% to 90% of accuracy, and possibly better, by an extension of past trends, and by the application of logic to known historical and current facts. We in Sylvania are not soothsayers, but we do draw certain conclusions from available information.

In discussing the various phases of the electronics industry, I shall touch first on the entertainment aspect, which includes radio and television. In this field, there is extremely reliable data available, and plenty of informa-

tion concerning correlative facts, such as the number of wired homes, the rate of family and new home growth, saturation points, and so forth.

In the field of electronics manufacture for national defense, there is good data available to the analysts, but it is neither as fluid, nor is it made available as frequently as that pertaining to the amusement field.

There is considerably less data available on the industry's past and present performance in the field of electronics manufacture for industry and commerce. However, because the industrial-commercial field has developed so much less rapidly than the amusement and defense fields, the sales and production totals do not constitute so important a percentage of the grand total, and, therefore, the absence of data does not seriously detract from predictions of the future of the industry as a whole.

In considering the amusement, national defense, and industrial-commercial aspects of electronics, we are thinking in terms of end products, which means that there are two corollary fields to be considered. One is the manufacture of the electronic components from which these end products are made. We can talk with confidence about two of the major groups of electronic components—radio receiving tubes and TV picture tubes—and have a somewhat less clear view of the other groups of components, such as crystals and special tubes. The other corollary consists of the developments that have made electronic end products possible, and our information here varies from excellent to not so good.

For instance, we have an excellent idea of the number of TV and radio stations, the extent to which police communication has been electrified, the number of short-wave taxi radios, and a great variety of specific data that are known because Federal Communications Commission licensing records are available. We have a reasonable amount of information concerning government purchasing for national defense in the past and its plan for the future.

At the low end of our communications line is information about developments that would help to furnish a trend in the industrial-commercial field. There is little data available on such things as the electronic computer business, developments in the application of electronics to industry, and the like.

Ahead: As Many TV as Radio Homes

One of the two major fields within the electronics industry today is entertainment electronics. Within the field of entertainment electronics, TV is, of course, monumentally the largest factor. A few of the gloomier economists have described the TV industry, as far as future sales are concerned, as past its peak. Actually, the TV industry is not past its peak. It is a brisk, zestful, very young industry that, believe me, over the next decade will have more growth in it than there has been growth from the inception of television to the present time. It is healthy and sound. Furthermore, 1955 will be no exception.

To illustrate this point, let us consider what trade gossip once had to say about the prospect for the TV industry in 1954. Dealers sold 6,400,000 TV sets to the public in 1953. This was an all-time record. When a period of rather severe inventory adjustment set in in the latter part of 1953, "the trade" mistakenly attributed this setback to a decline in buying by the public. So, when 1954 approached, this same "trade" glumly forecast that TV set sales to the public in 1954 would be somewhere around 5,000,000. What happened? Actually, the public bought approximately 7,300,000 sets last year, once again establishing an industry all-time high. The industry adjustment that began in 1953 carried over into the first part of 1954, but it wasn't long before that situation was entirely corrected. The inventory level, including factory, distributor, and dealer, as of last Dec. 31 was approximately 1,840,000 TV sets, and in my opinion this is just about the number of sets required to maintain the normal movement of sets through the various channels of distribution to the public.

We expect that some day there will be just as great a percentage of TV homes as there are radio homes today,

and today there are 46,600,000 radio set homes in the United States. Of those radio set homes, nearly 70% also have a TV set. This high percentage figure, coupled with the fact that by the end of 1955 virtually the entire country will be within range of a good TV signal, means that TV is rapidly approaching the saturation point, which is the point at which virtually every home that is going to have a set already has one.

But don't let that word "saturation" mislead you. Let me point out that industries seldom exist on the basis of initial installation sales only. For example, how much does the automobile industry today rely on selling auto to persons who never owned a car before? Not very much. Initial sales rapidly are losing their importance in the television industry. Assuming marked significance are such factors as wear-out, obsolescence of sets, the number of new homes, and the coming era of second-set TV homes, just as today there homes with anywhere from two to a half-dozen radio sets.

Those are some of the factors that we think will contribute to an excellent TV year in 1955.

6,000,000 to 7,500,000 TV Sets Per Year

In fact, we believe that the public will purchase 6,300,000 black-&-white TV sets in 1955, in addition to approximately 100,000 color sets. Let's analyze that figure of 6,300,000 black-&-white sets. If only 4% of the sets now in use are replaced for reasons of wear-out or obsolescence, that means a sale of 1,300,000 sets. If population growth and establishment of new homes this year proceeds as expected, this might mean the sale of another 600,000 more sets than if the population and number of homes had remained static. The growth of the second-set idea might mean the sale of another 300,000 sets.

These figures—and I should like to say that in each category the estimate is *very* conservative—add up to a sales potential of 2,200,000 sets in 1955. Subtracting this from the predicted figure of 6,300,000 black-&-white sets, that leaves 4,100,000 sets to be marketed to established homes that never have had a TV set before.

As of right now, there are approximately 15,600,000 homes in the United States without a TV set. This means the industry will have to sell one in every four existing homes currently without TV in order to achieve our estimate of 6,300,000 black-&-white sets sold in 1955. That's not too tough an order, and I believe it will be done. Please note that I just said we were using conservative estimates of unit sales.

The average cost of a black-&-white TV set is \$140 factory price. Therefore, if we sell a quarter-million more sets than we have estimated, that will mean an additional \$35,000,000 to the industry; if we sell a half-million more sets than those predictions, that will mean an additional \$70,000,000; and an extra million sets would add a whopping \$140,000,000 to the industry's over-all volume.

As I mentioned previously, the prediction of our future market for TV sets rests entirely on assumptions which I believe are very realistic regarding the increment of saturation, the impact of the second-set home, and the normal wear-out or obsolescence of sets in use. Even though the number of non-TV homes declines appreciably each year, these factors indicate to me that the long-term potential for TV certainly will range between 6,000,000 to 7,500,000 sets per year through the next decade.

Add to this market, the normal healthy demand for home radio sets and auto radio sets, and it is apparent that we have a very healthy industry in those fields that are commonly referred to as amusement devices. The total factory door value of these devices has, in the past year, aggregated less than 1% of the public's personal consumption expenditures. This seems to be one more indication of the conservative nature of our predictions. Total TV set sales, for example, at the factory level, in 1954 were \$1,050,000,000. 1954 was the biggest year yet recorded in the industry, and approximately 7,300,000 sets were sold to the public. This year, as already noted, unit sales will probably fall off a bit, but dollar sales will, at

the very minimum, be right around the \$1 billion mark.

Looking farther ahead to the three-year period, 1958-60, we think annual sales may be around 6,900,000 sets, and that dollar volume will average around \$1,200,000,000 a year. At the end of the decade, in 1964, it is likely that somewhere in the neighborhood of 7,300,000 sets will be sold, and that annual dollar volume will be around \$1,500,000,000.

About 61% of Sets in Color by 1964

In other words, dollar volume of TV sets a decade hence will be 40% to 50% greater than it is today. The increase will, of course, be attributable to a steadily expanding number of color sets. While it is probable, we think, that no more than 150,000 color sets will be produced this year (and only 100,000 of them sold to the public), it is expected that something like 34% of the sets will be color sets in the 1958-60 period, and that by 1964, color will account for about 61% of all sets produced. As you can see, color is on the way, but it will be some time before color sets will be marketed in large quantities, and it will be at least six years before color set production catches up with black-&-white.

Has TV crowded home radio off the map? Hardly so. The manufacturers sold 6,400,000 home radios last year for a total volume of about \$136,500,000, and it is expected another 7,000,000 sets, at a total in the vicinity of \$147,000,000, will be sold in 1955. Market surveys show that more people than ever before are listening to radio and that during the daylight hours when the housewife can't stay in one room, the radio is turned on more frequently than the TV set. It seems indicated that over the 1958-60 period, nearly 7,800,000 radio sets, grossing over \$148,000,000, will be sold each year, and that by 1964, 8,500,000 home radio units will be sold, at a total of nearly \$162,000,000.

The sale of entertainment radios for automobiles will be linked very closely, of course, to the rate of automobile production. It does seem a certainty that virtually three out of every four pleasure cars will be equipped with an entertainment radio. Our researchers show that 4,100,000 auto sets, totaling nearly \$103,000,000 were sold in 1954, and that another 4,300,000, aggregating \$107,500,000, will be sold this year. Auto set sales in the 1958-60 period should average 4,800,000 annually at an average volume of \$120,000,000. In 1964, it is expected 5,600,000 auto units will be sold at a dollar volume of about \$140,000,000.

The Tube, Record & Phonograph Markets

As pointed out previously, we have excellent industry data on at least two of the very important components going into these electronic devices. I am referring, of course, to the receiving tube market and the picture tube market. Naturally those tubes which come with a new TV or radio set are included in the cost of the set and, hence, are not included in this report. However, we do consider the healthy market built around the installation of new tubes as replacements for tubes that have burned out. Before the war, the receiving tube business carried along at a rate ranging from \$10,000,000 to \$12,000,000 a year. But that market has expanded into a business, including both receiving and picture tubes, that exceeded \$170,000,000 last year; is expected to be above \$400,000,000 in the next five or six years; and will go to \$575,000,000 or higher by the end of the decade ahead.

The last factor in entertainment electronics devices is records and phonographs, which should maintain a fairly level volume of sales of between \$120,000,000 and \$140,000,000 a year, at a minimum, over the next decade. In fact, I have heard the high fidelity market alone described as potentially a \$200,000,000 business.

These totals are impressive. The electronics industry sold \$1,400,000,000 in end products for entertainment purposes last year, and this year is expected to attain a volume equally large. But look ahead for just a few years! The average annual sale of entertainment devices, we believe, will increase to over \$1,600,000,000 a year during

the 1958-60 period, and by 1964 should come very close to \$2,000,000,000. In a decade we shall have increased our entertainment sales by over 40 per cent!

We homebodies are apt to think of electronics in terms of these entertainment devices. Entertainment is but one phase—and a rather minor phase, at that—of the electronics industry.

Industry's Biggest Customer: Uncle Sam

By far the largest customer of the industry is the United States Government, and an overwhelmingly large percentage of government purchases is for the armed forces. Electronics has become one of the greatest weapons of war. Today, government purchases of electronics equipment comprise 6.3% of all government war expenditures. Within the decade, this proportion may increase to 10% or higher.

Much of the electronics work being done for national defense may not be discussed because of security reasons. Yet every day we read in the papers about new examples of the part electronics is playing in defense. The guided missile is an electronic weapon. The proximity fuse that explodes when it is close enough to a plane to cause damage, is an electronic weapon. So is radar, which is "the eyes" of fighting men at night and in times of bad weather, and which, also, tracks the target and fires the anti-aircraft and bombardment guns that formerly were trained by calculation or by eye and were fired manually. A bombing plane, for instance, contains thousands of electron tubes that perform a host of functions.

Defense purchases of electronic equipment last year are estimated at \$2,300,000,000, and the total may go up another notch to around \$2,500,000,000 in 1955. But, as the Army, Navy and Air Force become increasingly electronified, we foresee government purchases in the vicinity of \$3,200,000,000 a year in the 1958-60 period, and at over \$4,000,000,000 a year by 1964. These future figures are only estimates, and it is quite possible that government purchases could double over the decade. And, don't forget, this is based on the assumption of no shooting war.

The Non-Military & Industrial Markets

It is true that entertainment and military electronics offer a great future potential—but, then, production and sales in these areas already are immense. But there is one area of electronics in which the surface barely has been scratched, where most of the development work lies ahead, and which some day will compare favorably with the others in dollar volume. That is the field of electronics equipment for industry, commerce, and other non-entertainment, non-military uses.

The figures are not too impressive now: For instance, about \$570,000,000 of sales in 1954, and an estimated \$640,000,000 in 1955. But, by 1958-60, we anticipate annual sales in the industrial-commercial field will be running at the approximate rate of \$900,000,000, and by 1964 the sales figures should be around \$1,300,000,000 to \$1,400,000,000. That is a gain of 130% or more within 10 years.

We all have read about the wizardry of the electronic computers that have been introduced, but those computers are not yet really common currency in offices, laboratories, and factories, as they will be some day. TV will be used for quality control and safety in the factory, and in the home will watch the kitchen stove and the nursery. Electronified kitchen ranges will make the cooking process virtually an automatic one. Many electronic devices are expected to take the hazard and discomfort out of highway travel. Electronic equipment will make airport operations virtually foolproof. These are only a very few of the reasons why we can say there is no ceiling on the potential of industrial-commercial electronic usage.

When all the foregoing is lumped together, it shows that the sale of all electronic end products in 1954 totaled about \$4,300,000,000 and that this year the aggregate will be slightly higher. In another three years or so, over the 1958-60 period, we expect the end product total to exceed \$5,700,000,000, an increase of 33%, and that by 1964,

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D electronic end products totaling about \$7,400,000,000 will be sold. That means that within the decade, the electronics industry will have increased its end product sales by greater than 70%.

But we're not through yet.

Then Add Components, Mark-Ups, Servicing, Etc.

After considering all the end products manufactured in the electronics industry, there still remains a sizeable business in the production and sale of components for repair, which amounted to a volume of \$670,000,000 last year, and will continue to grow as more and more end products are placed in use. These components include such things as tubes of various types, capacitors, transformers, resistors, speakers, dials, knobs, etc. It is estimated that repair parts sales this year will fall not far short of \$800,000,000 while in 1958-60, the total should reach \$1,250,000,000. By 1964, we expect this total to be in the neighborhood of \$2,300,000,000, an increase of nearly 250%.

Another aspect of the over-all performance of the electronics industry is the revenue created by the sale of end products and parts through channels of distribution. You will note that where I have used dollar figures in discussing annual sales for various products, I have used totals calculated at "factory door" price levels. Beyond this, there is, of course, the "mark-up" which the distributor and the dealer places on the product. These revenues exceeded \$2,000,000,000 in 1954, and will be on approximately the same level in 1955. By 1958-60, "mark-up" is expected to pass \$2,800,000,000, and should rise to around \$4,200,000,000 in 1964. At the same time, repairmen's service charges are expected to show a gradual

increase from \$925,000,000 this year to \$1,400,000,000 ten years from now.

To round out the picture of the electronics industry, we must consider the broadcasting end of the business from the point of view of revenues. TV and radio broadcasting revenues in 1954 amounted to about \$1,140,000,000, and should show a slight increase this year. It is predicted, however, that these revenues should average around \$3,000,000,000 by 1958-60, and at the end of the 10-year period are expected to top \$5,000,000,000.

A \$20 Billion Industry in 10 Years

Thus we see that from the standpoint of sales and revenues, the electronics industry is today virtually a \$9,000,000,000 industry. In the three-year period, 1958-60, total sales will come close to \$14,000,000,000 a year. And, ten years from now, in 1964, we are positive we will be justified in calling electronics an industry with sales and revenues totaling over \$20,000,000,000 a year.

That, gentlemen, is the electronics industry. It was virtually unheard of prior to World War II, except for radio. It came into its own during the war years and played a very great role in helping to win the war. After the war it sagged for a time, but gained powerful momentum suddenly with the advent of television and the upsurge in national defense.

I repeat, today electronics is a \$9,000,000,000 industry; by 1960 it will be a \$15,000,000,000 industry; and by 1964 it will be a \$20,000,000,000 industry. That means that within a decade it will have more than doubled its present size. It is extremely difficult to envision any other major industry that will grow that fast between now and 1965.

MARTIN CODEL'S

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FOR MANAGEMENT
OF THE
VISUAL BROADCASTING
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with **ELECTRONICS REPORTS**

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SUMMARY-INDEX OF THE WEEK'S NEWS—March 19, 1955

UNUSUAL STATION-AID PROJECT set up by GE to help troubled stations with financial assistance, management counsel, sales help, film library (pp. 1 & 6).

FCC SHUNS STRONG MEDICINE in response to Plotkin & Jones reports, cites record of TV expansion, urges promotion of all-channel sets (p. 2 & Special Report).

END OF VHF-ONLY SET OUTPUT to be asked by Sen. Magnuson at special manufacturers' meeting, but set makers take dim view—unless there's incentive (p. 4).

NEW TV-MOVIE PARTNERSHIP, geared to ABC's Disneyland formula, bears further fruit as Warner Bros. signs for hour show; other majors sure to follow (p. 4).

TAMPA VHF STARTS, UHF GOES OFF in Charlotte, N. C. pending transmitter site change; 428 TV stations now on air, including 112 uhf (p. 5).

ROANOKE Ch. 7 CP TO WDBJ recommended; AFL seeks to block Miami grant to Cox-Knight-Trammell; Providence's WNET wants Hartford's Ch. 3 (p. 7).

TAX REPEAL BILL COULD COST TV TRADE MILLIONS by wiping out section of law permitting deductions for estimated expenses on warranties (p. 11).

FIRST SOFTNESS IN TV MARKET NOTED in March, though first-quarter retail sales of 1,800,000 TVs are predicted, slightly higher than year ago (p. 11).

TINKERTOY-DESIGN TV SETS seen in production within year, using radically new method of construction said to cut costs, improve reliability, ease repair (p. 15).

NEW TRANSISTORIZED COMPUTER circuit developed by Philco said to make possible high-speed computers, low-cost, compact, suited to mass production (p. 15).

"COLOR SPREADS"—90-sec. participations at \$71,000 each—will inject "magazine concept" into new NBC spectacular series this fall (p. 9).

LAMB CASE GOES BEFORE FCC as attorneys appeal examiner's refusal to call off hearings and grant immediate renewal of Erie TV license (p. 9).

Full Text of FCC Reply to Senate on VHF-UHF Problems Published as Special Report With This Issue

GE BANKING UNUSUAL STATION-AID PROJECT: Giant General Electric Co., convinced there is nothing wrong with uhf that adequate market, proper management and enough funds can't solve, is throwing the weight of its pocketbook and prestige behind a unique plan to help stations that are in trouble -- including some vhf.

With an available fund of undisclosed amount, approved by the GE board of directors, electronics div. v.p. Dr. W.R.G. Baker and staff have helped set up a new company called National Affiliated Television Stations Inc., through which member stations can be provided with direct financial assistance where required, management counsel, national sales organization and a basic film library.

Prime mover in unusual project, reminiscent of GE's sponsorship of new power projects in the early days of Electric Bond & Share, is Ely A. Landau, whose National Telefilm Associates Inc. has some 700 hours of film available to start a program library service. He's exec. v.p. of the new NATS. Chairman of the board is Joseph Justman, co-owner with Desilu (I Love Lucy) of Motion Picture Studio Center, Hollywood. Oliver Unger, v.p. of National Telefilm, is v.p.; Berman Swartz, Hollywood attorney and movie producer, is secy.-treas. Staff of experts is now being mustered, including an as yet unrevealed "prominent broadcasting figure," who will be pres.

GE will own no stock in NATS, a Calif. corporation capitalized at 1,000,000 shares of \$1 par, not to be publicly offered. But GE's pres. Ralph Cordiner will designate 2 members of the board within next few weeks. Spadework on the project was done for GE by Wm. J. Morlock, gen. mgr. of commercial equipment department, and Glenn R. Lord, mgr. of broadcast equipment manufacturing, who for the last several months has been surveying stations reported to be in difficulty.

There is no secret of fact that GE's interest stems from concern about equipment credits, about slowdown in new station construction, about fact that 45 have quit the air -- and, of course, about its equipment inventories. Nor is it any se-

cret that the programmers, engaged in a cutthroat scramble for business on the relatively few TV stations (428) are finding it harder to collect rentals from certain stations. There's no available estimate of the number of outlets in trouble.

Unlike Westinghouse, GE's policy is to stay out of the broadcasting business -- except for its home-based TV & radio stations in Schenectady. So GE is unlikely, Dr. Baker states, to go into uhf operation on its own, as have NBC, CBS and Storer. But it is banking heavily on uhf, he said, out of conviction that "uhf as a TV service is sound and is the basic key to the further growth of TV coverage." Also, he added, "because there is a definite place in a national TV service for the independent TV station just as there is a definite place for the independent radio station."

Whereas Dr. Baker spoke of GE's "obligation as a corporate citizen," Justman disclosed that his interest was aroused by watching several uhf operations, including the resuscitation of long-beset KVVG, Tulare, Cal. (Ch. 27), the former Sheldon Anderson outlet which is now owned by Justman and adman Milton B. Scott (see p. 16). In his survey, Lord said that he found many anomalies -- highly successful uhf operations on the one hand, yet extremely depressed and shaky ones in equivalent market situations. Some of the latter justified direct banking aid over and above eased equipment credits, in his opinion. That is, assuming that management, programming and sales aids can also be provided.

That more uhf revivals are in the wind was indicated last week when the 2nd Norfolk uhf to quit changed hands (Vol. 11:11), and there's a deal in the making whereby Mrs. Louise Pursley's WKAB-TV, Mobile, Ala. (Ch. 48), off the air since last Aug. 1, will be taken over and reopened by George Mayoral, operating the reputedly successful WJMR-TV, New Orleans (Ch. 61).

[For further details about the GE-NATS project, see p. 6.]

NO 'CURE-ALL' FOR TV ILLS, FCC TELLS SENATE: Drastic remedies for uhf and network problems will not come from FCC. In fact, Commission feels rather proud of its record in bringing TV service to the American public during the 3 years since end of freeze. If strong medicine is called for, Congress will have to prescribe it.

That's the essence of FCC's much-awaited comment on the Plotkin and Jones reports, transmitted to Senate Commerce Committee March 18 (full text herewith as Special Report). Committee chairman Sen. Magnuson's quick reaction was to state:

"Failure to advocate immediate remedial action...could soak the householder millions of dollars. We can solve this thing without this expenditure, which I'm sure everyone, FCC included, does not want to happen."

Magnuson was referring to de-intermixture, apparently, when he spoke of the "millions of dollars" public might spend, because he said he hopes that "FCC will move before it is too late to de-intermix anything. Sometimes, delay can prove to be worse than immediate adverse action."

Commission comment was very much as expected (Vol. 11:11), as it respectfully invited Congress to take responsibility for anything like shifting all stations to uhf, starting extensive de-intermixture of vhf-uhf, trying to get more vhf from military services, telling networks whom to affiliate, etc.

Commission debated everything it could think of before sending response to Senate Committee. It even mulled a possible freeze on grants to maintain status quo, after directing staff to draft a freeze proposal for discussion purposes -- but no one ever expected freeze to be declared.

With confirmation of chairman George C. McConnaughey by Senate March 14, without objection from any Senator, it's expected Commission will show more cohesion than it has at times recently. It's also expected to retain strong conservative aspect, reflecting McConnaughey's basic characteristic.

* * * *

Commission indicated it believes it is already doing all it can -- except for, possibly, another look at "selective de-intermixture" -- but that Congress can help with several specific actions now. FCC said Congress could:

(1) Encourage production of all-channel sets by removal of excise tax and/or

getting manufacturers to agree to produce such sets voluntarily. Chances of voluntary agreement without the tax incentive are virtually nil (see p. 4).

(2) Grant FCC extra funds to conduct full-scale study of "networks, advertisers, agencies, talent, independent film producers and distributors," etc.

Moving all stations to uhf or adding new vhf channels, the FCC said, "would involve such tremendous dislocation of existing operations and have such a severe impact on millions of viewers that such action should be considered as a possible alternative only if Congress itself were to determine that the long-run benefits to the public required adoption of such drastic remedies."

Complete network-programming study might well be valuable, Commission said, and it urged appropriation of funds via Congressional resolution, as was done for 1935 telephone investigation. "We are prepared," it said, "to present to the Committee in detail the subject matter to be covered by the proposed study [and] the funds and staff required."

* * * *

Commission recapitulated its moves to help hard-pressed stations and said: "No one of these moves, in and of itself, provides or is intended to provide any cure-all. But their cumulative effect, we believe, will be beneficial." It cited:

(1) Change in its multiple ownership rules permitting well-heeled groups to acquire 2 uhf stations -- as accomplished in Milwaukee, Miami and Portland, Ore. and pending approval in Buffalo and Hartford areas.

(2) Permitting satellites to rebroadcast other stations' signals, thus avoiding costs of producing local programs.

(3) Starting rule-making proceedings to establish low-cost low-power stations and to set up "5-mile rule" aimed at preventing "market straddling" by big stations.

(4) Moves to reduce cable-microwave costs by rule-making aimed at encouraging stations to build private links and by "continuing to review" AT&T's charges with the objective of keeping them same or reducing them.

Commission seemed a bit hurt that Congress doesn't seem to give it credit for speeding growth of stations since freeze. It prefaced its comments with reminder that "positive advances" should be noted -- that number of stations has grown 4-fold since end of freeze; that sets in use have increased from 20,000,000 to 35,000,000; that about 70% of homes have TV; that some 90% of people live within range of TV signals; that 255 cities have at least one station and 100 have 2 or more.

Commission indicated it's concerned about future expansion, however, saying: "It is essential that TV's capacity for future growth not be impaired by any artificial curtailment of channel space. To achieve its full potentialities, we believe TV will eventually utilize a number of channels in the order of those presently allocated to it, just as AM broadcasting developed its present national pattern within the 107 channels allocated to that service." FCC thus agreed that 12 vhf channels aren't enough -- that the 70 uhf channels must be used.

* * * *

Next move is up to Sen. Magnuson and his committee. He's expected shortly to name as chief of 9-man investigatory staff Sidney Davis, currently serving as gen. counsel of Senate Judiciary monopoly subcommittee. No Milquetoast, 37-year-old Davis has reputation of "trustbuster", gave Dixon-Yates principals rough time in recent hearings. He's on leave from N.Y. firm of Phillips, Nizer, Benjamin & Krim, which has large motion picture practice. In 1945, he served in anti-trust div. of Justice Dept., before that was law secy. to Supreme Court Justice Black. Committee's regular communications counsel, Nick Zapple, will coordinate activities.

Hearings are expected to begin next month. Commission is a bit confused, meanwhile, by Sen. Magnuson's statement after he read Commission comments, that he "expects the Commission to take specific steps to remedy the problem by the time it appears before the Senate Committee."

A good verbal preliminary bout on subject is coming up March 30, when Federal Bar Assn. stages debate between Harry Plotkin and CBS v.p. Richard Salant -- a couple of the nimblest legal minds in the business -- in Washington's Willard Hotel.

MAGNUSON TO ASK 'ALL-CHANNEL PLEDGE': An extraordinary meeting of virtually all TV set manufacturers has been called for 10:30 a.m. April 25 in big Senate Caucus Room by Chairman Magnuson (D-Wash.) of Senate Interstate & Foreign Commerce Committee.

He'll ask all manufacturers to "take the pledge" -- the pledge to stop making vhf-only sets, put all-channel tuner in every receiver. Senator's laudable aim is to help uhf, but barring a near-miracle, it's evident from preliminary industry comment that he will not come out of meeting with any kind of industry-wide commitment.

Meeting's secondary purpose -- to drum up support for legislation to exempt all-channel sets from 10% Federal excise tax-- is due to get unanimous backing. The attitude of every TV manufacturer we've contacted is: "Sure, we'll switch over to all-channel if the excise tax is taken off, but we can't do it until then." Some set makers raise question of anti-trust laws, whether such an agreement would be a violation. To them, Sen. Magnuson has this reply:

"If they agreed among themselves, they would be technically in violation of the anti-trust laws, and in order to solve that problem we would have to change or make an exception in the laws, [but] if they agreed with me or with the Committee to do it, they would not be in violation."

The large set makers we contacted this week took dim view of the whole idea. While most said they wouldn't make up their minds until they heard what the Senator had to say, they made their position pretty clear. Their principal points:

(1) They are being asked to raise prices artificially in a market where price is all-important. (2) Manufacturers who are not a party to the agreement, or who violate the agreement, would have an unnatural price advantage over the others. (3) Plan would penalize people in vhf-only areas by forcing them to pay for built-in uhf tuners which they can't use. (4) Programming, not sets, is uhf's big problem.

[For text of Sen. Magnuson's telegram to set manufacturers, see p. 13.]

* * * *

Uhf excise tax exemption bill, HR-4070, authored by Rep. Ikard (D-Tex.), is still awaiting report from Treasury Dept. and action by House Ways & Means Committee. It has strong support of NARTB, RETMA and presumably Sen. Magnuson's Committee -- as well as express backing of FCC majority (see p. 2). Senate majority leader Lyndon Johnson (D-Tex.) is also reported to favor it -- all of which add up to conclusion that its passage is definitely a possibility this session.

'WARNERLAND'—NEW TV-MOVIE WEDDING: It has always been a foregone conclusion that movies and TV are complementary media -- that they can work well for each other and with each other. TV needs Hollywood's know-how and its product. The movies need TV because it's the ideal medium for promotion and advertising of theatrical films.

It took a merger of movie showmen and a TV-radio network (United Paramount Theatres-ABC) to bring about the real wedding, which resulted in the biggest complete and unqualified programming hit of the year -- Disneyland.

One of TV programming's big question-marks has always been: When will movie producers open their vaults to TV? Several times in the past they have appeared very close -- but fear of exhibitor reprisals has always held them in check.

AB-PT and Walt Disney finally showed the way, by establishing a new formula. Whatever doubts the exhibitors may have had about the big Disneyland TV project have been completely dispelled at the boxoffice by cascading grosses of Disney productions plugged on TV. Likewise, each Disney movie-theatre success has delighted Disneyland sponsors and ABC brass -- a sort of "perpetual promotion."

When will the producers open their vaults? We think they're open now -- not on the basis of helter-skelter highest-bidder release of old films for the "late late show" -- not for maximum immediate gain, but on a proprietary, sponsored network show basis (though there seems to be no good reason why the Disneyland formula could not be applied with equal success to syndicated film).

First of the so-called "majors" to go for the Disneyland formula is Warner Bros. -- and it's another big plum for up-&-coming ABC. Warners' show, tentatively slotted for Tue. 8-9 p.m. beginning next Oct., follows Disneyland pattern so closely

that it might well be called "Warnerland". First year's series will consist of 39 hour-long shows, each keyed to theme of romance, adventure, or "adult western," followed by 13 repeats of best ones in series.

Many of the programs will be new, filmed especially for TV (though best ones may wind up in theatres later, like Disney's "Davy Crockett"). While both Warners and ABC are silent on plans for possible use of old theatrical films, there is no doubt that this is contemplated. Like Disneyland, program will be offered to outside sponsors, with moviemaker getting in plenty of plugs for his current films -- through such devices as clips, behind-the-scenes shots, star appearances, etc.

Other moviemakers are eyeing Disneyland formula -- as are other networks -- and you can put it down as certain that Warners won't be the last major producer to come up with its own something-old-something-new TV-movie program package.

TAMPA VHF STARTS, CHARLOTTE UHF OFF: Number of TV stations on air remained at 428 this week as Tampa-St. Petersburg area got its 3rd outlet and Charlotte's recently sold uhf signed off while it seeks new transmitter site.

WTVT, Tampa (Ch. 13) began test patterns March 14, will debut April 1 as CBS basic. It's second vhf to start this year in area where St. Petersburg's municipally owned WSUN-TV (Ch. 38) began as first outlet in May 1953. WTVT has 50-kw RCA transmitter, 838-ft. Ideco tower and 12-bay antenna. W. Walter Tison, operator of local radio WALT, is largest stockholder, with 20% ownership. Other principals include ex-Gov. Doyle E. Carlton, former state Sen. David E. Ward and H.H. Baskin, ex-mayor of Clearwater. Tison is v.p.-gen. mgr.; Dan H. Smith, asst. mgr.; Monte Gurwit, program mgr. Base hour rate is \$400. Rep is Avery-Knodel.

WQMC, Charlotte, N.C. (Ch. 36) suspended operation March 15 while it works out details of shift to "more centrally located site." Station told FCC it will file for new STA April 28. It went on air in Dec. 1953 as WAYS-TV, was sold end of last year to local advertising man Hugh Deadwyler for token \$4 (Vol. 10:51 & 11:1).

Personal Notes: Thomas E. Knode, NBC director of station relations, resigns April 1 to join reps Edward Petry Co. as v.p. & gen. mgr. for TV, replacing Henry E. Ringgold, retired; Donald J. Mercer is promoted to succeed Knode . . . Thomas C. McCray placed in charge of all radio network activities of NBC western div., continuing as gen. mgr. of KRCA, Los Angeles & KNBC, San Francisco and reporting to exec. v.p. Robert W. Sarnoff; Frank A. Berend, onetime NBC western div. sales mgr. most recently asst. to western v.p. John K. West, resigns to join Warwick & Legler, Los Angeles, in undisclosed executive capacity May 1 . . . Robert W. Sarnoff, NBC exec. v.p., elected to board & exec. committee of Radio Advertising Bureau . . . Randall R. McMillan, purchasing mgr. of RCA Communications Inc., named NBC purchasing agent, succeeding Wm. D. Bloxham, retired; McMillan reports to Wm. S. Hedges, v.p. in charge of Integrated Services . . . Paul W. (Fritz) Morency, v.p. & gen. mgr. of radio WTIC, Hartford, elected pres. of licensee Travelers Bcstg. Service Corp., applicant for Ch. 3 there . . . David M. Sacks promoted to gen. sales mgr. of KGO-TV & KGO, San Francisco, succeeding Vincent A. Francis, now ABC-TV western sales mgr. . . Ernest de la Ossa resigns as mgr. of sales development, WRCA-TV & WRCA, his former position of station mgr. having been absorbed recently under v.p. Hamilton Shea . . . Barney Ochs named sales mgr. for Crosley stations, Atlanta, replacing George Moore, now sales mgr. of Beeland-King Film Production Co., Atlanta . . . L. A. (Duke) Larson promoted to sales mgr. of Hearst's newly acquired WTVW, under gen. mgr. I. E. Showerman; Mel Quinn, ex-WBAL-TV, Baltimore, named program mgr. . . Ainos Baron, ex-KABC-TV & KABC, named sales mgr. of KCOP, Los Angeles . . . Lewis P. Johnson, ex-Katz Agency, named asst. to Robert C. Wood, Storer midwest sales director, Chicago . . . Jack Burnett, gen. mgr. of KULA-TV & KULA, elected pres. of

Hawaiian Assn. of TV-Radio Broadcasters . . . Earl (Cy) Donegan Jr., ex-MPTV, named sales v.p., Minot TV Inc. . . . David Savage promoted to asst. to Reub Kaufman, Guild Films pres., will continue as liaison with Vitapix Corp.; John J. Cole, ex-MPTV, named western div. sales mgr. . . Marvin Barrett, ex-Time Magazine and son-in-law of songwriter Irving Berlin, named TV-radio editor of *Newsweek*, replacing Joan Walker, resigned . . . Jon Fernandez, ex-Cecil & Presbrey, joins TV-radio dept., Needham, Louis & Brorby, N. Y. . . Curt Hoffman, ex-KLZ-TV, Denver, named program director, KFBB-TV, Great Falls, Mont. . . Mrs. Alice Brewer White named director of women's activities, WVEC-TV, Norfolk . . . Norman S. Livingston, once with WOR-TV & WOR and recently head of own film production firm, named exec. v.p. of Telenews Film Corp.

Meeting with President Eisenhower March 15, RCA chairman David Sarnoff expounded his long-held thesis that U. S. should devote far more energy and effort to prosecution of the "cold war" of psychology behind the Iron Curtan. President was so interested that he kept Gen. Sarnoff half-hour into lunch period, had him return for hour's session with top advisors. White House press secy. James Hagerty, while not disclosing Gen. Sarnoff's ideas, said he made "some very excellent suggestions." Meetings started speculation President may give Gen. Sarnoff major assignment in "cold war" field.

Wm. J. Convery Egan, ex-State Dept., who was senior public affairs officer in office of High Commissioner for Germany, appointed director of Radio Free Europe, replacing Robert E. Lang, resigned. Appointment was announced by Arthur W. Page, chairman of executive committee, Free Europe Committee Inc., 110 West 57th St., N. Y.

GENERAL ELECTRIC may "bank" TV stations deemed worthy, whether or not they have GE equipment, it was indicated by executives attending news conference in New York's 21 Club March 18 to announce plan to back new National Affiliated Television Stations Inc. (p. 1). Assistance will take the form of cash loans by GE and/or deferments of film rentals by National Telefilm Associates, 625 Madison Ave., N. Y., whose pres. Ely A. Landau heads up NATS. GE's Dr. W. R. G. Baker called project "the first sound, concrete plan [to] alleviate the growth pains of a true national TV service."

Dr. Baker endorsed uhf unqualifiedly, noting GE's position as an equipment manufacturer, receiver manufacturer and advertiser. Without spelling out specific banking details, he implied that funds will be advanced to about 30 stations—after GE's own experts have considered NATS recommendations and specific situations. He said:

"We have not limited ourselves to acting the part of interested observers. With the help of others who also have a considerable stake in the success or failure of a national TV service, we sent teams into the field to study the reason why one station would be successful and why another, under similar market conditions, would fail. What we discovered is no secret. Successful stations, whether uhf or vhf, have all possessed certain factors—market, programming, efficient management, sound financial backing, and access to national advertisers. The lack of just one of these factors would be enough, we found, to tip the scales and prevent successful station operation. Lack of just 2 could and usually would be fatal. . . . In the factors I listed, 4 of the 5 were variable. Certainly the market itself could not be changed, but the others offered an elastic degree of variation."

That GE will be welcomed as "angel" to stations needing help, goes without saying—and NATS v.p. Oliver Unger said: "Preliminary surveys indicate that the welcome mat is at the door of many stations and not only those with a mortgage under the mat." National Telefilm, he said, now serves 190 stations, is about to announce some

new TV film packages that will bring its library up to 700 hours. In its catalog are such TV series as *Orient Express*, *China Smith*, *Play of the Week*, *Police Call*, *International Playhouse*, *Roller Derby*, *M.D.*—plus 156 oldies and 33 westerns.

NTA obviously cannot be the exclusive supplier of the NATS affiliates, said Unger, for no single supplier has the capacity. "We invite others in the TV distribution field, in their own self-interest, to join us in this effort to keep alive the lifeline which sustains us all."

Though personnel was notably unmentioned, chairman Joseph Justman promised: "A national sales force geared up to work both independently and together with the national reps of the selected stations. The library of NTA on favorable terms and conditions. Help on spot and local sales. Financial assistance. Management advice & counsel."

Observers noted that the film folk were more inclined to offer "all things to all men" than were the equipment people—and the first extensions of credit will be watched with intense interest. They presumably will be divulged, in some instances, in FCC files—especially if some go to revive any of the 39 uhf stations that have quit the air. Twelve of the 39, incidentally, were GE-equipped.

GE had its top broadcast equipment executives, counsel and publicity men on hand—as if to emphasize its all-out support of the NATS project. Besides Dr. Baker and Mr. Morelock, its contingent included Paul L. Chamberlin, mgr. broadcast equipment, and Frank P. Barnes, marketing mgr. Latter had just returned from Oklahoma City, where at March 14 public auction of Byrne Ross group's bankrupt KMPT (Ch. 19), which quit air last Feb. 4, he bought up all the "personal property" as a package for \$36,000. This included 12-kw GE transmitter, 2 GE studio camera chains, 900-odd ft. of coaxial transmission line, monitors, amplifiers, office equipment, etc. The 40 acres of real estate, transmitter building and 900-ft. tower, as a separate package, fetched \$44,000 from a realtor. Among KMPT liabilities when it went bankrupt was about \$200,000 owed to GE on equipment.

President will probably address NARTB convention in Washington week of May 22, his appearance having been cleared by a White House calendar committee this week. Final decision will be made shortly. Convention plans really got rolling this week, with announcement of further details of agenda. May 24 will be Government Day, featured by 90-min. panel discussion by all 7 members of FCC, followed by questions from floor. Rep. Priest (D-Tenn.), chairman of House Commerce Committee, will speak during day; Sen. Magnuson (D-Wash.), chairman of Senate Commerce Committee, will speak at another time during convention. FCC chairman McConaughy will be luncheon speaker that day. Engineering sessions will be held May 25 & 26. TV portion will include discussion on boosters & satellites by Dr. George Brown, RCA, Ben Adler of Adler Communication Labs & Gene Overmair, Sylvania; talk on proof of performance measurements by Richard Blackburn, WHEC-TV, Rochester, N. Y.; network transmission problems in monochrome & color by AT&T representative; operational economies in programming and microwave systems by undisclosed speakers. In addition, a special projects exhibit will be set up at convention, depicting role of TV-radio in enlisting public support for certain non-commercial & non-partisan national campaigns. Exhibit will be joint venture of NARTB and Advertising Council.

"Page One Award" for outstanding accomplishments in TV-radio will be presented April 29 to Edward R. Murrow and Fred Friendly for *See It Now* (CBS) by N. Y. Newspaper Guild. Special award goes to *New York Daily News'* veteran TV-radio critic Ben Gross.

Largest community antenna system in U. S., serving 6000 subscribers in Williamsport, Pa., was sold to Texas investment group this week for undisclosed sum. System had been built by Jerrold Electronics Corp., with financing by investment firms J. H. Whitney & Co., Fox, Wells & Co. and Goldman Sachs & Co. Purchasers are some 25 businessmen, headed by pres. Clive Runnels Jr., Houston; other directors, all of Houston, are John C. Flanagan, Jack Binion, Wm. H. Francis, W. T. Campbell & A. J. Farfel. TV-radio broker Howard E. Stark handled sale. Only other system sale to date was purchase of TV Cable Corp. of Schuylkill Haven, Pa. by Pottsville (Pa.) Trans-Video Corp. (Vol. 10:9). Whitney firm owns KOTV, Tulsa, operates community systems in Wenatchee, Walla Walla and Richland, Wash. Fox, Wells owns KFSD-TV, San Diego, has community systems in Fairmont, Bluefield & Clarksburg, W. Va. and Muscle Shoals, Ala.

National Community TV Assn. reports following seeking approval of Wyoming Public Service Commission to start new community systems: KEM-TEV Corp., for Frontier, Diamondville & Kemmerer; Dahlquist & Fenus, for Mountain View; Jackson Community TV System, for Jackson. NCTA also reports new operations in Imbler, Ore. and Sun Valley, Ida., and a cooperative non-profit system being organized at Ione, Ore.

FM functional music decision by FCC is expected next week or soon thereafter, permitting FM stations to multiplex functional music service on top of programs aimed at home audiences. Rules will be somewhat different from originally proposed, in that stations will be required to multiplex all functional music within 1 year instead of 5.

Telecasting Notes: Every major movie producer—with possible exception of MGM—is now either in some facet of TV or is seriously considering entering it soon. Latest to join parade is Universal, which entered TV 4 years ago through subsidiary United World Films but gave up after producing one 13-week series. Pres. Milton R. Rackmil told Universal stockholders the company “proposes to go into TV film production if we can make money at it.” He revealed company is now filming TV commercials. As for sale of old features to TV, he said such a move awaits “a more favorable climate and a more propitious time” . . . Associated Artists reported negotiating for TV rights to 37 Pine-Thomas “Class B” pictures released through Paramount from 1944-49 (Vol. 11:11); reputed asking price is \$1,400,000, or nearly \$38,000 per picture . . . “Madison Ave. doesn’t know it yet, but there’s a big new network televiewer lure a-building,” reports March 14 *Advertising Age*. It’s referring to TV bowling which is now drawing 11-17.9 ratings in Chicago as a late-night show. Chicago-dated story says: “Everybody here is sure it will be on the networks next fall, and is now trying to get into the act. Jules Herbiveaux, head of WNBQ, NBC o-&o outlet where the whole thing started, is earnestly trying to win acceptance and sponsors for an NBC version. And auto dealer Pete DeMet, his main competitor, recently journeyed to New York to try to interest ABC-TV and CBS-TV.” DeMet’s *Championship Bowling* filmed series is now running in 62 markets; he’s signing up champ bowlers for network show . . . Another “TV original” heads for the movies: the highly praised drama, “Patterns,” presented twice on NBC’s *Kraft Theatre* (Vol. 11:7), will be produced as motion picture by Jed Harris & Michael Myerberg. Rod Sterling, who wrote original TV play, will write screen adaptation, and Fielder Cooke will direct film as he did the TV program . . . NBC’s fabulous *Peter Pan* telecast last week (Vol. 11:11) completely dominated Trendex March 1-7 ratings, copping No. 1 spot with rating of 48 and pushing *I Love Lucy* (on CBS during final half-hour of 2-hour period occupied by *Peter Pan*) out of top 10 . . . Best half-hour TV plays by college undergraduates will be rewarded with 3 prizes totaling \$1750—first prize \$1000—in competition sponsored by Talent Associates Ltd., producing & packaging firm at 41 E. 50th St., N. Y. First annual contest closes June 15, 1955 . . . WBTW & radio WBT, Charlotte, this week began broadcasting from new \$1,250,000 Jefferson Pl. studios, described as “first in the nation to be specifically designed for color” . . . Ford Foundation’s TV-radio Workshop renews option to produce *Omnibus* for 4th straight year next season on CBS-TV Sun. 5-6:30 p.m.; its current cycle ends April 10.

Rate increases: KCMO-TV, Kansas City, April 1 adds new Class AA hour (6:30-11 p.m. Mon.-Sat. & 6-10 p.m. Sun.) at \$1000, min. at \$200, Class A hour going from \$750 to \$510; WATE, Knoxville, April 1 raises base hour from \$300 to \$400, min. \$60 to \$80; WITV, Fort Lauderdale-Miami, raises base hour from \$300 to \$400, 20 sec. \$60 to \$80; KFDX-TV, Wichita Falls, Tex. from \$250 to \$300 & \$50 to \$60.

All-time high in TV viewing came in Jan., when average American TV home viewed for 5 hours & 49 minutes a day, or 40 hours & 40 minutes a week, according to A. C. Nielsen Co. Previous record was in Jan. 1954, when TV-equipped homes had TV turned on for average of 5 hours & 46 minutes a day.

Extra \$85,000 appropriation was voted for FCC by House this week, and Senate concurrence is expected. Commission had asked for \$115,000 and President recommended Congress give it \$85,000. Money was requested for personnel to move backlog, mainly TV, including such major rule-making proposals as subscription TV.

GRANT OF ROANOKE’s Ch. 7 to WDBJ was recommended by examiner J. D. Bond this week, following dismissal of competitor WROV, to which WDBJ is paying \$245,021 for assets of defunct uhf WROV-TV (Vol. 11:6).

In contested cases: (1) FCC rejected protest filed by McClatchy newspapers against transmitter-studio changes granted to KBET-TV, Sacramento (Ch. 10). McClatchy has court appeal pending challenging FCC grant to KBET-TV, charging it is being discriminated against because of its newspaper interests (Vol. 11:11). (2) AFL filed opposition, as it said it would, to proposed grant of Miami’s Ch. 7 to Cox-Knight-Trammell interests, saying combination would promote monopoly of newspaper-broadcast media. It registered objections with FCC, Senate Commerce and Judiciary Committees.

Allocations actions included: (1) Denial of shift of educational Ch. 11 from Durham to Gorham, N. H., requested by New Hampshire Commission on Educational TV, because Canada wouldn’t agree to change. (2) Filing of 4 alternative plans for shifting Ch. 3 from Hartford, Conn. to Westerly, R. I., by Providence’s WNET (Ch. 16) which also asks that it be shifted to Ch. 3; plans involve changes in 4 to 7 cities, none affecting operating stations. (4) Orlando, Fla. Ch. 9 applicant WORZ endorsed FCC’s proposed “5-mile rule” (Vol. 11:10), stating that Daytona Beach grantee WMFJ-TV (Ch. 2) shouldn’t be permitted to build 23 mi. from Daytona Beach, about same distance from Orlando, where it might obviate possibility that Orlando station could obtain major network affiliation.

An individual’s right of privacy is not violated by a TV “fictionalization” of his life, even though it describes criminal events in his past for which he is no longer accountable. That ruling, watched closely by industry for precedents involving TV programs based on court records, was handed down this week by U. S. District Court Judge Keech in Washington in case of Charles S. Bernstein, Federal employe and ex-convict who sued NBC for \$750,000, asserting he suffered financially and mentally as result of resurrection of his past on *Big Story* in 1952. Under name of Charles Harris, Bernstein was convicted of first-degree murder in Washington in 1933 and was sentenced to electric chair. Through intervention of *Washington News* reporter Martha Strayer, his sentence was commuted in 1935 and he received Presidential pardon in 1945. Since then, his suit said, he has rehabilitated himself but as result of telecast has been unable to advance in his position and has been shunned in his community. Judge Keech ruled, however, that persons “formerly public” cannot be protected against disclosure and re-disclosure of known facts “in a reasonable manner and for a legitimate purpose.” Bernstein was represented by TV-radio attorney Harry Warner, who said ruling would be appealed.

Profile of John Crosby, *New York Herald Tribune Syndicate* columnist, by Sam Boal in April *Esquire Magazine*, reveals he earns \$40,000 a year from column, carefully shuns industry contacts and cocktail parties, and irreverently summarizes his task thus: “A radio columnist has a tough row to hoe. He is forced to be literate about the illiterate, witty about the witless and coherent about the incoherent.” Article credits Crosby with pioneering real TV-radio criticism, now widespread, and says this should have beneficial effect on TV—a situation differing from that attending birth and growth of radio.

New reps: KMMT, Austin, Minn. to Headley-Reed (from Pearson); KFBB-TV, Great Falls, Mont. to Hoag-Blair (from Headley-Reed); WTAP, Parkersburg, W. Va. to Pearson (from Forjoe); April 1 KERO-TV, Bakersfield, Cal. to Hollingbery (from Avery-Knodel).

Network Accounts: A "no summer hiatus" drive is being intensified by networks this year in concentrated effort to make TV a year-round medium. In addition to the summer discount plans announced by ABC, CBS & NBC, George Gobel this week disclosed plans to film his own show this summer through his subsidiary Gomalco Productions for current sponsors Pet Milk & Armour. He thus follows pattern of Sid Caesar and Jackie Gleason, who are producing own summer shows for same year-round sponsors. Also this week, ABC-TV research dept. disclosed presentation to advertisers pointing out that decline in sets-in-use is far less than realized, that summer costs are lower, that continuation of same program in summer is good "insurance" for fall audience . . . Maxwell House Coffee is staying on TV this summer, though it's substituting *Ethel & Albert* for *December Bride* on CBS-TV Mon. 9:30-10 p.m., thru Benton & Bowles . . . Procter & Gamble buys full sponsorship of *My Favorite Husband* on CBS-TV starting May 7, Sat. 9:30-10 p.m., thru Young & Rubicam . . . CBS-Columbia, which signed last week as co-sponsor of *Arthur Godfrey and His Friends* on CBS-TV starting March 30, Wed. 8-9 p.m., also will sponsor *Willy* on CBS-TV starting April 7, Thu. 10:30-11 p.m., thru Ted Bates & Co. . . . Ralston Purina to sponsor *Name's the Same* on ABC-TV starting April 11, Mon. 7:30-8 p.m., featuring radio favorites Bob & Ray as emcees, thru Guild, Bascom & Bonfigli, San Francisco . . . Scott Paper to sponsor *Father Knows Best* on NBC-TV starting March 27, Wed. 8:30-9 p.m., replacing *My Little Margie*, thru J. Walter Thompson . . . Revlon's sponsorship of *\$64,000 Question* on CBS-TV Tue. 10-10:30 p.m. will start June 7, thru Wm. H.

Weintraub; Nash-Kelvinator, alt. sponsor of *Danger* (which new show replaces) declined offer to join Revlon in *\$64,000 Question* . . . Union Underwear buys 4 partic. on NBC-TV's 7-9 a.m. *Today* in June, thru Grey Adv.; Quaker Oats, 3 partic. on *Today*, 2 on 11:30 p.m.-1 a.m. *Tonight* in April, thru Wherry, Baker & Tilden, Chicago; Buick, 1 partic. on *Today* April 21 (originating from Detroit), thru Kudner . . . Chrysler considering purchase of Wed. 10-11 p.m. time on CBS-TV vacated by Pabst's shift of its fights to ABC-TV starting June 1 (Vol. 11:11); new show would be drama series . . . Lehn & Fink (cosmetics), sponsoring re-runs of *I Love Lucy* on CBS-TV Sun. 6-6:30 p.m. starting April 17, cancels *Ray Bolger Show* on ABC-TV in June . . . CBS-TV's *Morning Show* (Mon.-thru-Fri. 7-9 a.m.) marks—but hardly celebrates—its first anniversary next week, showing loss of more than \$1,000,000; show has averaged about 5 partic. a week, at minimum cost of \$3600 each . . . Future status of Eastman Kodak's color-film *Norby* was shrouded in doubt this week, following star David Wayne's request to be released from contract with show, seen on NBC-TV Wed. 7-7:30 p.m.; filming halted in Feb., with plans to convert to live temporarily halted pending assignment of new time segment, reportedly Wed. 8-8:30 p.m. . . . DuMont drops 2 more programs April 1—*Captain Video* Mon.-thru-Fri. 7-7:15 p.m., & *Morgan Beatty and the News*, which follows it from 7:15-7:30; Miles Laboratories dropped Beatty and network then decided to cancel, to save cable costs, *Captain Video*, which is co-op every day except Thu., when Johnson Candy sponsors . . . American Character Doll Co. builds \$250,000 merchandising campaign around its partic. sponsorship of *Pinky Lee Show* on NBC-TV, thru Sterling Adv.

LOOSENING grip on College football telecasts, NCAA finally came up with liberalized 1955 "TV control" plan, which won approval of the dissident Big Ten, but may add complication to the lives of networks, stations and sponsors. New plan calls for 8 national "game-of-the-week" telecasts and 5 dates on which college football teams may telecast their games only within the NCAA districts in which they are located. This regional telecasting arrangement is based on proposal by Big Ten and Pacific Coast Conference.

Plan is subject to approval by two-thirds of NCAA member colleges, considered certain. Under new rules, each team may appear on TV twice, but on a national hook-up only once. Last year, schools were limited to one TV appearance. National program will be administered by NCAA TV committee, which will pick sponsors, networks, etc.; regional games will be sold directly by the participating schools.

New liberalized rules permit a team to appear on TV even more than twice, under these conditions: (1) Sell-out games may be telecast in the home TV areas of home and visiting teams, and the game's area if played off-campus. (2) Team playing more than 400 mi. from home may televise game in its "home TV market area," barring conflict with other games in area. (3) A telecast not carried in the home district of one of the televised teams won't count as an appearance against the team, but this exception will be granted only once.

NCAA TV committee is due to meet late in March or early in April to receive proposals from potential sponsors and networks. Big Ten officials said TV receipts of all Big Ten members for the 5 regional dates and any national appearances will be pooled and distributed equally to all 10 members. Big Ten TV committee plans to sell package regional deal to single sponsor. "It would be possible," said asst. commissioner Bill Reed, "to sell more than one game on any of the 5 regional dates available—but this is not likely."

Battle against fraudulent "bait" advertising on TV-radio was joined this week by Assn. of National Advertisers at Hot Springs, Va. convention, adopting resolution urging "prompt and vigorous" enforcement of anti-fraud statutes. ANA called bait advertising a "revolting perversion of advertising" and urged media to investigate such ads to make sure they are not a party to fraud. Meanwhile, a N. Y. state-wide conference in Albany this week heard Hugh R. Jackson, pres. of N. Y. Better Business Bureau, urge study of present legislation for amendments which would strengthen fight against bait ads. E. R. (Curly) Vadeboncoeur, pres. of WSYR-TV & WSYR, Syracuse, praised TV-radio's role in helping to stamp out practice, as did Michael R. Hanna, WHCU-TV (CP), Ithaca, pres. of N. Y. State Bcstrs. Assn. (For conference's discussion on control of TV servicing frauds, see Topics & Trends, p. 13.)

Canadian House of Commons approved govt. motion to set up special committee on broadcasting to investigate CBC control of TV-radio and look into its financial operations. Approval came after Revenue Minister McCann defended CBC against onslaughts of opposition party (Progressive Conservatives). He denied CBC was "under the thumb of the Govt.," said it was responsible only to Parliament. Opposition critics aimed fire at CBC's dual licensing and broadcasting functions.

First nationwide auto radio listening survey by A. C. Nielsen Co., covering 2 weeks ended Feb. 12, showed heaviest car radio listening came at 2-2:15 p.m. Sat., when 2,109,000 car radios were in use—indicating 28% as much listening was done in cars as at home. Second heaviest quarter-hour was 3-3:15 p.m. Sun., with 2,018,000 auto radios in use, representing 33% of in-home usage for period.

Kay-Lab, San Diego, Cal., announces new broadcast camera chain, consisting of small vidicon camera, camera control and remote control unit, suitable for either live or film.

Color Trends & Briefs: Cost of live color camera chain was reduced by RCA from \$67,000 to \$49,500 this week, a reduction made possible by new "all-in-one" processing amplifier which takes space only 10½-in. high in rack. Chains are now on test, and shipments are due in 2-3 weeks.

New amplifier, according to engineering products v.p. Ted Smith, eliminates such components as channel amplifier, gamma corrector, shading generator, monitor auxiliary, distribution amplifier and 6 power supplies—all required by previous equipment. Same amplifier will be used with 3-V color film chain.

RCA reports it built 40 of previous live color chains, sold all but a couple. It has shipped 39 3-V cameras.

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March 21 week network color schedules: NBC-TV—March 23, *Norby*, 7-7:30 p.m.; March 27, *Entertainment 1955*, opening of West Coast color studios, 7:30-9 p.m. Projected NBC colorcast of Nevada A-bomb tests in April has been called off, due to costs; event will be carried in monochrome. CBS has postponed 5-day series of *Robert Q. Lewis Show* to March 28-April 1, 2-2:30 p.m. NBC's color schedule for April-May comprises 8 shows, all "spectaculars" (*Max Liebman Presents* and *Producers' Showcase*) except April 2 *Your Hit Parade*, 10:30-11 p.m. Dates for the others: April 4, 8-9:30 p.m.; April 9, 9-10:30 p.m.; April 24, 7:30-9 p.m.; May 2, 8-9:30 p.m.; May 7, 9-10:30 p.m.; May 22, 7:30-9 p.m.; May 30, 8-9:30 p.m.

Beautiful 4-page ads in trade press herald completion of 12,000 sq. ft. color studios of WDSU-TV, New Orleans. It's one of first to order live color cameras. Also promoting color facilities in ads is KTRK-TV, Houston, reporting at least one half-hour color show daily.

INTRODUCTION of NBC-TV's magazine concept into color spectaculars next fall will come in form of "color spreads"—six 90-sec. participations in new series of 90-min. shows scheduled for 13 Sundays during year, 7:30-9 p.m. These shows will be in addition to regular Sat. & Mon. spectaculars and new Sun. series of presentations by Maurice Evans. Thus, lineup will average one big show per week in addition to other color programs not yet disclosed.

"Color spread" plan was laid before Assn. of National Advertisers convention at Hot Springs, Va. this week by NBC network sales v.p. George H. Frey. Each 90-sec. spot will run advertisers about \$71,000 in winter—almost \$800 a second—and about \$50,000 in summer, with sponsors buying any number they want. Shows will be carried on about 100 color-equipped stations and reach estimated average of 10,000,000 homes, Frey said. "This is just about the price of a double-truck ad in the mass circulation magazines," he added, "with the superior circulation values of the most exciting shows on earth, the selling value of TV itself and the reality of color."

New series will feature permanent company of comedians, singers & dancers—"people accustomed to working together for the maximum theatrical rightness," Frey said. Guest stars will include Frank Sinatra, Jimmy Durante, Martha Raye "and all the others."

Meanwhile, NBC opens huge new West Coast color studios in Burbank, Cal. March 27, with *Entertainment 1955*, featuring Dinah Shore, Bob Hope, Helen Hayes, Judy Holliday, Fred Allen, Ralph Edwards & Leontyne Price, with dedicatory comments by NBC pres. Sylvester L. Weaver, exec. v.p. Robert W. Sarnoff and B. A. Graham, pres. of sponsor Sunbeam. New \$3,600,000 facilities include 140x90-ft. studio, \$350,000 air-conditioning plant, 2400-control lighting board, 15x20-ft. color screen.

ATTORNEYS for Edward O. Lamb will appeal directly to the FCC to call off its 6-month communist-charge case and grant renewal of his license for WICU, Erie—in the commissioners' first formal contact with controversial case since hearing was ordered. Attorney Russell M. Brown announced the appeal March 17 after examiner Herbert Sharfman ruled that he had no authority under FCC rules to call off the hearings, and granted Broadcast Bureau's request to call Lamb as witness.

Ruling came after boisterous 2-day argument in which FCC Broadcast Bureau attorney Joseph M. Kittner reiterated his contention that he has not finished his direct case and wants to call Lamb as witness. He said Broadcast Bureau has never contended Lamb was a "lawbreaker," but is interested solely in the truthfulness and candor of statements Lamb has made. He said he does not "assert there have been misleading representations," but if evidence shows there have been, it is a legitimate question for Commission to consider in deciding whether to renew Lamb's license. If Lamb's testimony dispels these questions, he added, "I'll be the first to recognize it."

Brown attacked veracity and stability of all Broadcast Bureau witnesses, and said that if hearings are resumed, he will seek to hold hearings in Erie, Toledo, Cleveland, Detroit and New York City. "We will not only bring witnesses to support Lamb's affirmations of innocence but we will call past and present members of FCC counsel and members of the Commission itself to testify," he said. "We might go on with this hearing for 6 more months in order to refute something that never existed. It's an expensive form of shadow-boxing."

NARTB regional conference committee this week set dates for series of 8 regional meetings this year, to replace traditional system of 17 district meetings, which was abolished recently by board to save time & expense. Schedule of meetings (sites to be announced within 2 weeks): Region 1 (Districts 1 & 2), Sept. 20-22; Region 2 (Districts 3 & 4), Sept. 27-29; Region 3 (Districts 5 & 6), Nov. 15-17; Region 4 (Districts 7, 8 & 9), Oct. 11-13; Region 5 (Districts 10 & 11), Oct. 18-20; Region 6 (Districts 12 & 13), Nov. 8-10; Region 7 (District 14), Oct. 26-27; Region 8 (Districts 15, 16 & 17), Nov. 1-3.

Closed-circuit color "spectacular" will be RCA-NBC's contribution towards entertainment during meeting of American Bar Assn. anti-trust section in Washington April 1. Some 200 top govt. figures, including members of Congress, FCC, ICC, etc., will see program on 6 color sets at Sheraton-Carlton Hotel, with originations from Los Angeles, New York and Chicago. Talent will include Dinah Shore, Jimmy Durante, *Hit Parade* & Dave Garroway. RCA research v.p. Dr. Elmer Engstrom is scheduled for short talk.

Sale of McClatchy's KWG, Stockton, Cal. for \$75,000 to co-partners James E. Longe, KWG program director, and Dr. Lewis B. Saslaw (Vol. 10:50; 11:6) has been approved by the Commission. McClatchy sold station in order to buy KBOX, Modesto, also for \$75,000, as companion to its KBEE (FM), but this deal is held up, having been designated for hearing by FCC.

NBC-TV's success with *Peter Pan* (Vol. 11:11) has inspired it to negotiate for opera *The Saint of Bleeker Street* when it closes on Broadway. Composer is Gian-Carlo Menotti, who also wrote *Amahl and the Night Visitors*, which is now virtually a tradition on NBC during Christmas season. Presumption is that opera would be presented in color.

Kansas City color set sales totaled 110 as of Feb. 28, compared with 87 as of Jan. 1, Electric Assn. reports.

ALL SIX CANADIAN TV stations authorized but not yet on air (25 now in operation) plan to start by next fall. CBC this spring will add French-language CBOFT, Ottawa (Ch. 9), making total of 8 o-&o stations. Heading list of privately-owned stations being built is CHEX-TV, Peterborough, Ont. (Ch. 12), owned by Sen. W. Rupert Davies (51%) and Roy Thomas (49%)—both newspaper publishers—which plans test patterns shortly. Target dates for others: CJON-TV, St. John's Nfld. (Ch. 6), next summer; CKVR-TV, Barrie, Ont. (Ch. 3), Aug. 31; CHLT-TV, Sherbrooke, Que. (Ch. 7), Oct. 1; CKRS-TV, Jonquiere, Que. (Ch. 12), Oct. 1.

DuMont reports order for 5-kw transmitter, studio equipment & monochrome multiscanner with tentative April 1 shipping date to KLFY-TV, Lafayette, La. RCA shipped 500-watt transmitter March 10 to upcoming KOTA-TV, Rapid City, S. D. (Ch. 3), due in June; 25-kw amplifier March 16 to KOAM-TV, Pittsburg, Kan. (Ch. 7); 25-kw amplifier March 17 to KTBC-TV, Austin, Tex. (Ch. 7); 12-bay antenna March 18 to upcoming WBRZ, Baton Rouge (Ch. 2).

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In our continuing survey of upcoming new stations, these are latest reports received:

First satellite of KGMB-TV, Honolulu—KHBC-TV, Hilo (Ch. 9)—is about ready to go on air, plans March 25 test patterns, April 10 programming, according to v.p.-gen. mgr. C. Richard Evans. Its 500-watt RCA transmitter and antenna have been installed, and Harold Marques is slated to be in charge of the Hilo satellite. Maui satellite, KMAU (Ch. 3), has moved test patterns to first week in April, as result of 8-day equipment delay. Its transmitter house is ready, but 100-ft. guyed steel mast won't be erected until RCA antenna and 2-kw transmitter arrive about March 20. Hiroshi Hironaka will move from KGMB-TV to Maui to take charge of 3-man engineering operation. KGMB-TV says it won't raise rates when satellites get on air, and "any rate increase in the future will be on the basis of proved circulation"—not before 1956. Rep for KGMB-TV and satellites is Free & Peters.

KWTX-TV, Waco, Tex. (Ch. 10), has 12-bay RCA antenna ready atop 461-ft. Andrews tower, now is installing RCA transmitter, reports program director Gene Lewis. It plans April 1 programming, although network hasn't been signed yet. It will be 3rd area outlet—KANG-TV, Waco (Ch. 34) and KCEN-TV, Temple (Ch. 6) having begun in fall of 1953. Base rate will be \$235. Rep will be Pearson.

WITN, Washington, N. C. (Ch. 7), has ordered GE equipment, plans start next Sept. 1, reports pres. W. R. Roberson Jr. Station will be located less than 20 mi. E of WNCT, Greenville (Ch. 9). Ownership interlocks with WTVD, Durham (Ch. 11) and several radio stations in Carolinas. Tower order hasn't been placed yet. Rep not chosen.

Four uhf CP-holders say their status now is "indefinite" following receipt of extensions of their CPs to next Sept.: WBCX-TV, Battle Creek (Ch. 58); WHCU-TV, Ithaca, N. Y. (Ch. 20); WQCY, Allentown, Pa. (Ch. 39); WKDN-TV, Camden, N. J. (Ch. 17).



WABT, Birmingham (Ch. 13) has installed new 500-watt Standard Electronics standby driver, which makes it possible to approach uninterrupted full-time service at full 316-kw ERP, according to Standard. Should trouble occur in either 500-watt visual or aural driver, standby can be quickly patched in to replace faulty unit, without reducing power output. In case of amplifier failure, service can be maintained by patching around the faulty stage.

Denial of license renewal for radio WWBZ, Vineland, N. J., proposed by FCC examiner James D. Cunningham last week, is one of few in Commission history. Examiner's initial decision isn't final, of course, and may be reversed by Commission, but Cunningham urged denial of renewal because station's carrying of horse racing results "is susceptible of use by, and unquestionably is helpful and beneficial to, persons engaged in unlawful gambling activities." Commission once denied renewal to WTUX, Wilmington, Del., because of horse race broadcasts but it renewed license after station said it discontinued carrying them. Last license renewal denied was that of radio WIBK, Knoxville, because of misrepresentations by principals.

Option for 50% of KDRO-TV, Sedalia, Mo. (Ch. 6) & KDRO will be held by J. Albert Dear of *Sedalia Capital* and *Democrat* under new corporate setup being worked out by owner Milton J. Hinlein, who hasn't filed yet with FCC. Dear would pay \$40,000 for 50%. Station has been unable to get network and Hinlein expects newspaper link will bolster TV economics & programming. Dear also has interest in Tufty News Bureau, Washington, D. C.; *Wheaton* (Ill.) *Dispatch*; *Gallipolis* (O.) *Tribune* and *Gallia Times*; *New Kensington* (Pa.) *Dispatch*; *Elizabeth City* (N. C.) *Advance*.

Turning in CP this week for WLEU-TV, Erie, Pa. (Ch. 66), pres. Owen K. Murphy also filed to transfer his 50.95% interest in radio WLEU (250-watts, 1450 kc, MBS) & WLEU-FM to gen. mgr. Philip B. Hirsch for \$14,000. Ex-owners of WTOV-TV, Norfolk (Ch. 27), which last week got FCC approval to sell TV to Tim Brite Inc. (Vol. 11:11), this week filed to sell 50% of WLOW, Portsmouth, Va. (250-watts, 1400 kc, MBS) to Harold Kaye, who owns 50% of WORC, Worcester, Mass., and Boston adman Emyl J. Arnold.

Transfer of control of KXEL, Waterloo, Ia. (50-kw, 1540 kc, ABC) to owners of WOPA, Oak Park, Ill. was approved by FCC recently. Estate of late TV-radio attorney Horace Lohnes gets \$56,000 for 25,500 shares (18%); group headed by Joe DuMond gets \$187,000 for 85,000 shares (58%). WOPA group holds CP for WOPT, Chicago (Ch. 44). Also approved recently was John Laux's \$85,000 sale of WJLL, Niagara Falls (1-kw, 1440 kc) to motel-hotel owner James T. Sandonato (75%) and WJLL sales mgr. Thomas W. Talbot (25%).

Gene Autry's sale of KOLD, Yuma, Ariz. (250-watts, 1240 kc, CBS) for \$50,000 was approved recently by FCC. New owners are headed by local TV-radio comic Jim Hawthorne, v.p. Norman H. Rogers and treas. George W. Brock. Rogers and Brock also own 30% each of radio KRNO, San Bernardino, Cal.

KTXL-TV, San Angelo, Tex. (Ch. 8) is again owned 50% each by Armistead D. Rust and B. P. Bludworth, with FCC recently approving deal whereby Lowell Smith and Marshall Formby each sells back the 10% he acquired last year (Vol. 10:32, 34, 36).

Control of radio WETZ, New Martinsville, W. Va. (1-kw, 1330 kc) is being sold for \$20,400 (90% of stock) to Sesac representative Harry B. Bright by J. Patrick Beacom, who owns 25% of WJPB-TV, Fairmont, W. Va. (Ch. 35), now off air (Vol. 11:9).

KJAY, Topeka, Kan. (5-kw, 1440 kc) has been sold for \$105,000 by S. H. Patterson, owner of KSAN-TV, San Francisco (Ch. 32) and KSAN, to Robert Rohrs, salesman for KOA, Denver, who will move to Topeka and take over as owner-gen. mgr.

Malco Theatres Inc. has FCC approval to acquire minority stockholdings as well as to absorb the 60% that Citizens Theatres Co., which it controls, holds in WEHT, Henderson-Evansville, Ind. (Ch. 50).

TAX BILL COULD COST TV TRADE MILLIONS: A proposed revision of the tax law, which could cost TV-radio manufacturers millions of dollars, sent RETMA rushing to Capitol Hill this week to protest -- but at week's end it appeared quite likely that revision would be passed nonetheless. Requested by Administration, bill (H.R. 4725) would repeal retroactively Sections 452 & 462 of Internal Revenue Code, which permit manufacturer to deduct from his 1954 taxable income not only his 1954 expenses but also reserve funds set aside to take care of estimated expenses in 1955 and later years.

Warranties on TV sets & tubes are included in items covered by such deductions -- and therein lies RETMA's concern. Under present law, a manufacturer who sold a set or tube in 1954, with warranty provisions extending into 1955, is permitted to deduct his 1954 expenses under the warranty and also a reserve fund which nearly all manufacturers set up to cover estimated expenses of servicing the warranty in 1955.

Treasury Secy. Humphrey has asked Congress to wipe out this right because it has been "abused" and wants the repeal made retroactive to Jan. 1, 1954 -- which TV trade sources say would cost manufacturers millions of dollars in added taxes.

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Sylvania's Charles H. Orem Jr. represented RETMA in testifying before House Ways & Means Committee March 18 in protest, along with representatives of National Assn. of Manufacturers, Machinery & Allied Products Institute & 5 other trade groups. Orem said warranty was expense of "major importance" to RETMA's 44 set makers and 34 tube manufacturers. He explained impact of tax proposal on TV industry as follows:

"When a TV set is sold the customer obtains a warranty against any defective material or workmanship for a period of 3 months on the set itself, and one year on picture tube (there are individual variations, but this is the general practice). The set maker is thus under a contractual obligation to incur expenses to carry out his warranty. The tube maker is under a similar obligation.

"Being on an accrual accounting basis, such companies, in the year in which TV sets and tubes are sold, accrue this obligation on their books. Prior to the enactment of Section 462 they had not been able to obtain recognition of this accrual for tax purposes, and had to take the tax deduction later when cash outlays were made. Section 462 merely brings tax accounting into conformity with business accounting."

Political considerations seem to favor bill's passage. For one thing, it was requested by Administration -- though Treasury experts now admit they can foresee eventual loss to Govt. in tax revenue. Administration Republicans are expected to support it -- and Democrats seem more than willing to rub in what appears to be an embarrassing predicament for Republicans.

SEASONAL SOFTNESS IN CURRENT TV MARKET: A seasonal decline in TV sales at retail is evident on national basis thus far in March -- somewhat later than it normally takes place -- but trade statisticians confidently predict first-quarter retail sales of about 1,800,000 TVs, slightly higher than first 3 months of 1954.

Softening of the TV market at retail will mean a slight rise in inventories, inasmuch as production for first quarter probably will be about 2,000,000. Thus, inventories at end of March are likely to total around 2,100,000, compared to about 1,600,000 on April 1, 1954.

Whether inventory total is considered dangerously high is subject to dispute within industry. Some say it definitely is, point to fact that inventories normally decline in first quarter of year. Others, like Motorola's Robert W. Galvin, say no.

"We feel that somewhat over 2,000,000 in the industry's pipelines would be quite all right," said Galvin at informal press conference this week. He said the industry is not now faced with problem of liquidations on any large scale. His own

company's inventories, said Galvin, are slightly higher than year ago, when "we played the first quarter light and swept the store too clean."

TV production totaled 160,995 week ended March 11, compared to 166,461 units preceding week and 176,887 week ended Feb. 25. It was year's 10th week and brought production for year to date to about 1,675,000 vs. 1,075,000 same 1954 period.

Radio production totaled 297,595 (156,846 auto), compared to 297,457 in week ended March 4 and 275,648 week before. Ten-week radio production was 3,600,000 vs. 2,000,000 in corresponding period year ago.

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Talk of layoffs due to spread of automation in factories, which is inspiring IUE to seek guaranteed annual wage in electronics industry this year (Vol. 11:11), reached President Eisenhower this week in form of question at his weekly press conference as to whether he might set up a Presidential commission to study its impact.

He hoped his economic advisers were keeping posted on automation, President said, and special commission might be answer. Personally, said President, he felt danger of automation had been exaggerated and advised reporters that similar fears about technological advancements in last 150 years have proved unfounded.

Sylvania chairman Don G. Mitchell said much the same thing this week, telling Boston U Founders' Day Institute that there is no danger for labor in automation, which he described as a "glamorized synonym for mechanism," said it had been going on since days of industrial revolution. Victor Reuther, asst. to his brother, CIO pres. Walter Reuther, said such measures as guaranteed annual wage would "ease the jolt" and keep purchasing power expanding so there will be market for higher productivity.

United Auto Workers opened preliminary talks, meanwhile, with General Motors and Ford on new contract, including provision for guaranteed annual wage. Watched closely by electronics industry for guidance on guaranteed wage, talks didn't reach specific points and were recessed until after UAW convention week of March 27.

Trade Personals: Clarence G. Felix, Crosley v.p. & gen. mgr. of government products, elected v.p. of parent Avco Corp.; Albert Newton promoted to Avco controller . . . Don G. Mitchell, Sylvania chairman-president, appointed co-chairman of U. S. industrial committee of National Fund for Medical Education . . . Leonard G. Taggart promoted to chief purchasing agent, Sylvania TV-radio div., Batavia, N. Y. . . Alfred Y. Bentley promoted to asst. mgr., DuMont CR tube div. . . Frederick C. Zorn named to new post of administrative asst. to Wm. C. Scales, mgr. of DuMont TV receiver sales div. . . Robert L. Jablonski, Hoffman Electronics western district sales mgr., named national service mgr., succeeding James T. McAllister, now quality control mgr. . . E. R. Rutledge, ex-Stewart-Warner, named Hallicrafters eastern regional mgr., N. Y. . . Wesley A. Sager Jr. promoted to new post of credit & collections mgr., GE TV-radio dept., Syracuse . . . C. Spence Purnell named Westinghouse southern Pacific district mgr., Los Angeles . . . Robert Ascue promoted to national sales mgr., Remington Records . . . Harold R. Larsen, Servomechanisms v.p., also named gen. mgr. of eastern & western divs. . . E. Leo Koester named mgr. of Crosley-Bendix community relations & employe services . . . Kenneth A. Hovington promoted to gen. sales mgr. of Cossor (Canada) Ltd., Halifax (TV-radio test equipment) . . . John C. Legler, ex-Cecil & Presbrey v.p., named director of adv. & public relations, Electronics Corp. of America, Cambridge, Mass. . . Edwin Cornfield, ex-national sales mgr. of Pilot Radio, named national distributor sales mgr. of Avnet Electronic Supply Co., Los Angeles, distributor for Bendix Aviation . . . Grady L. Roark, marketing mgr. of GE tube dept., appointed mgr. of company's new central sales service section for tubes & TV-radio components . . . Edward R. Wagenhals, ex-Booz, Allen & Hamilton, N. Y. management consultants, and veteran of 16 years with RCA, joins Clevite-Brush Development Co. as v.p. & director of components development.

RCA International Div., in reorganization for expanded operations, has made the following assignments announced this week by Meade Brunet, v.p. & managing director: Albert F. Watters, v.p. & operations mgr., acting director, operations control; J. P. Cougnenc, ex-personnel chief at Indianapolis plant, director, associated company operations dept.; H. C. Edgar, director, consumer products marketing dept.; C. A. Greathouse, ex-Montgomery Ward, director, export sales dept.; C. W. Slaybaugh, director, engineering products marketing dept.; M. E. Karns, director, license dept.; B. E. Shackelford, coordinator, licensing; W. W. Barton, mgr., materials & marketing services; J. J. Benavie, counsel; A. F. Dollar, mgr., finance; J. E. Lothian, mgr. of planning & market research; E. A. Mesics, mgr., personnel; W. J. Reilly, mgr., adv. & sales promotion—all reporting to Mr. Watters.

DISTRIBUTOR NOTES: Motorola appoints Arizona Distributors Co., 1891 W. Roosevelt Road, Phoenix (Wm. Sipprell, pres.), replacing Arizona Wholesale Supply Co. . . Arvin: Peaslee-Gaulbert Corp., San Antonio, and Chavers-Fowhand Distributing Co., Panama City, Fla. . . Bendix Radio: Max Fischman Co., 1141 Penn Ave., Pittsburgh & Kilsby Refrigeration Co., 633 Sheridan St., Honolulu (Herbert Stielau, gen. mgr.) . . . Emerson Radio of Florida names Sidney Goldberg mgr. of all branches except Tampa . . . Northern Ohio Appliance Co., Cleveland (Motorola) announces resignation of sales mgr. Vern A. Ketchem to form own distributing firm, Ketchem & Assoc. . . Duncelman Distributing Co., Shreveport (Motorola) names Ronald L. Bates sales mgr.

Muntz TV, operating under Chapter X reorganization plan since March 2, 1954 (Vol. 10:10), had assets of \$2,876,291, liabilities of \$7,806,599 as of March 15, according to trustees' annual report filed this week in Chicago Federal Court. Company has 235 employes, produces 6500 TV sets a month, said report.

Topics & Trends of TV Trade: Some regulation of TV servicemen, to drive gyms out of the industry, seems inevitable in N. Y. State—but actual form of control appears to be impaled on political differences between Democratic Gov. Harriman & Republican Attorney General Javits.

At big state-wide conference called by Harriman in Albany March 15 to deal with all forms of fraud in TV sales, service & "bait" advertising, Governor favored creation of State Fair Trade Commission and possible licensing of servicemen, whereas Javits wants to retain control in his office, supplemented by legislation giving him injunctive powers. Conference was attended by 174 representatives of TV-radio-appliance manufacturers, RETMA, consumer groups, servicing organizations, local Better Business Bureaus, district attorneys & representatives of newspapers & TV-radio stations.

N. Y. servicemen themselves generally favored licensing, though nationally the question has split service groups. Speaking for Empire State Federation of Electronic Technicians Assns., Joseph B. Forman supported licensing proposal and advocated requirement that technicians pass examination after training.

RETMA pres. Glen McDaniel doubted that licensing was needed, said "most servicemen are honest, competent and demand a fair price." He added that number of complaints about servicemen had been steadily declining. Wm. L. Parkinson, mgr. of GE product service & chairman of RETMA committee on technical education, doubted that legislation would solve problem. He said TV manufacturers are "very sensitive" to consumer complaints about servicing and are doing everything in their power to improve service.

Meanwhile, 56 service firms in Los Angeles area this week signed a voluntary code of ethics to drive out the handful of gyms in their midst, spurred by campaign of local Better Business Bureau and newspapers. Some 20 additional firms are expected to join movement next month.

Note: Though publicity always seems to center on the minority of frauds in TV servicing, an Elmo Roper survey conducted for RCA Service Co. revealed last week that "great majority" of TV set owners are satisfied with all aspects of TV servicing (Vol. 11:11).

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Zenith is trying to "shop around" different courts in effort to get favorable decision in long-standing anti-trust and patent infringement suit, RCA contended this week in reply brief filed in U. S. Supreme Court by counsel Adlai Stevenson and John Cahill. In its Supreme Court brief last week, Zenith charged RCA with seeking to prevent "discovery of facts showing a vicious world-wide restraint of trade in the electronic industry which RCA counsel by one strategem or another have managed to keep buried for years" (Vol. 11:11). RCA reply brief reiterated its earlier appeal to high court to delay Chicago trial of Zenith-Rauland counterclaim suit pending ruling on similar issues in Wilmington court, and commented: "The Federal judicial system cannot function if a litigant can scurry from one district court to another to argue incessantly the same points over and over again."

Hoffman Electronics will expand Kansas City plant to produce up to 1000 TV sets a day, with additional facilities due to be completed about July 1. Present 85,000-sq. ft. plant area will be used entirely for production, with new facilities to be devoted to parts, services & warehousing.

Motorola schedules management conferences for sales mgrs. of its distributors at Broadmoor Hotel, Colorado Springs, Colo., April 7-8; Edgewater Gulf Hotel, Edgewater Park, Miss., April 14-15; Greenbrier, White Sulphur Springs, W. Va., April 21-22.

Text of telegram from Chairman Magnuson of Senate Commerce Committee to presidents of TV manufacturing companies (see p. 4): "The Committee on Interstate & Foreign Commerce has been conducting a study and inquiry into, among other things, the status and development of uhf TV stations. When the FCC adopted its TV plan in April 1952 it set aside 82 channels for commercial TV purposes; 70 are in the uhf portion of the band. Of the 1975 commercial assignments, 1319 are in the uhf portion of the band and another 169 assignments are reserved for non-commercial educational stations. As of Jan. 15, 1955, a total of 143 TV permits were suspended or surrendered. Of this total 117 were uhf permittees. Out of the approximately 35,000,000 TV receivers in use, it has been estimated about 90% [sic] are unable to receive a uhf signal. Various reasons have been submitted for this disparity. I am scheduling a conference of TV manufacturers to be held April 25, 1955 at 10:30 a.m. in Room 318 (Caucus Room), Senate Office Bldg., to discuss the feasibility and advisability of manufacturing all-channel receivers. You are invited to participate. Because of the limited facilities, we suggest attendance by yourself and counsel or other representative. The cooperation of everyone is essential. Your presence is important to the success of this conference, which may lead to some solution of the many problems besieging the industry and Govt. in the TV field."

Women v.p.'s for RCA? Chairman David Sarnoff, addressing Labor Dept.'s conference on effective use of woman power March 11, referred to fact that RCA has no female v.p.'s, said he knew of no good reason, except, possibly "tradition." However, he added, there's the feeling that "when you appoint an officer to an important executive position, you don't want to feel that she may be leaving tomorrow"—but he was quick to say that this was just rationalization and that women should be in these high business posts. "When 2 or 3 women get there and stay there," he predicted, "others will follow." Discussing employment opportunities for women in electronics, he said half the industry's 1,000,000 research & production employes are women.

TV set sales by Canadian factories totaled 55,760 at average price of \$321 in Jan., when production was 69,152, reports Canadian RTMA. It compared with sales of 34,890, production of 43,835 in Jan. 1954. Inventory at end of Jan. was 61,276, compared to 47,884 at start of month. Projected production estimate is for 186,170 more sets in Feb.-April period. Montreal led in sales with 9954; Toronto second, 9069; British Columbia, 5868; other Ontario, 5152; Manitoba, 4615; Quebec City, 3507; Nova Scotia, 3246; Alberta, 3015; Ottawa & eastern Ontario, 2966; Hamilton-Niagara, 2789; New Brunswick & Prince Edward Island, 1787; Saskatchewan, 1777; Windsor, 1562; other Quebec provincial areas, 440; Newfoundland, 13.

Corning Glass Co. enters mass components market, with line of TV-radio items to be distributed by Erie Resistor Corp., announcing "sweeping price reductions" in certain lines. Since World War II, company has been producing high quality glass components for military uses, now promises resistors, capacitors and other electronic components "at a competitive price." Corning has an eye on color TV market "where high-grade components will be required in large quantities."

Excise tax collections from TV-radio-phono manufacturers totaled \$54,756,000 in last 6 months of 1954, compared to \$57,224,000 in corresponding period of preceding year, reports Internal Revenue Service.

Westinghouse consolidates all consumer products advertising with McCann-Erickson, N. Y., shifting newspaper, magazine & outdoor billings from Fuller & Smith & Ross.

Financial & Trade Notes: Admiral reports decline in profits and sales in 1954 from 1953 levels, pres. Ross D. Siragusa attributing drop to lower profit margins on TVs and reduction of govt. business. Earnings were \$6,547,974 (\$2.78 per share) on sales of \$219,565,089, compared to \$8,213,165 (\$3.48) on \$250,931,605 in 1953 and \$8,711,133 (\$3.69) on \$191,224,356 in 1952. Siragusa noted, however, that "substantially higher sales in the second half, coupled with increased efficiency and lower operating costs, resulted in more satisfactory profit margins," and predicted company's 1955 earnings & sales would increase over 1954.

Siragusa also disclosed that Admiral is launching intensive 5-year expansion program aimed at a "substantial increase in sales and earnings by 1960." He said expansion will be in: "(1) foreign manufacturing; (2) domestic manufacturing, including expansion into different facets of the electronics business; (3) color TV." As part of foreign expansion, he disclosed formation of TV-radio manufacturing subsidiaries Admiral de Mexico, S.A. de C.V., Mexico City; Admiral Italiana, S.p.a., Milan (due to begin by midyear); Admiral of Australia (Pty.) Ltd., Sidney. Latter is jointly owned by Admiral and General Industries Ltd., Sidney.

Siragusa did not specify areas of electronics expansion but reported that company currently has research, development & production contracts covering military TV, IFF radar, radar test equipment, automatic gun-sighting, atomic radiation detection and several classified fields.

He predicted industry-wide TV sales of 6,500,000 units in 1955, including a "trickle" of color sets in second half. He commented: "Color TV, which should enter the first mass production phase in the fourth quarter of 1955, will increase substantially the company's average unit sale price. By 1956 and 1957, color TV sales should reach major proportions."

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Indiana Steel Products Co. had record earnings of \$587,854 (\$4.14 a share) in 1954, compared to \$335,925 (\$2.36) in 1953. Pres. Robert F. Smith told stockholders in annual report that sales were "somewhat below" record 1953, though dollar volume for neither year was given.

Weston Electrical Instrument Corp. earned \$1,056,714 (\$2.47 a share) in 1954, compared to \$1,025,930 (\$2.40) in 1953. Sales figures weren't given.

New electronic giant may be in the making, with this week's disclosure of merger talks between Sperry Corp. and Remington Rand. Both companies are heavily in electronics as well as non-electronic businesses. Merged firm would be industrial colossus with nearly \$900,000,000-a-year volume. Sperry, whose biggest customer is Govt., had \$440,906,187 sales in 1954. It's a big builder of electronic equipment, guided missile components and electrical instruments for aviation and marine fields, as well as automation equipment, farm machinery and electrical apparatus. Remington Rand's 1954 sales totaled \$225,494,354. It has been called nation's largest maker of business machines and office equipment, is one of biggest in electronic computer field (Univac), also makes automation gear, electric shavers and other consumer items.

"Systems engineering group" has been set up by Dumont to assist industry in the application of electronic techniques and automatic production and quality control methods. Announcement by industrial div. mgr. Dr. P. S. Christaldi said that new group is equipped and available to investigate specific problems in manufacturing processes and to make recommendations for their solution either by designing new automatic electronically controlled equipment or by integrating electronic control systems into existing installations.

Motorola reports earnings of \$7,572,024 (\$3.91 per share) in 1954, up from \$7,076,335 (\$3.66) in 1953 and \$7,012,700 (\$3.62) in 1952. Sales of \$205,226,077 were second only to all-time record of \$217,964,074 in 1953 and were considerably ahead of \$168,734,653 in 1952. For 1955, pres. Paul V. Galvin said company has established sales target of \$225,000,000. Taxes last year were \$8,951,865, compared to \$8,436,154 in 1953 and \$8,563,465 in 1952. Working capital at year's end was \$38,308,612 vs. \$38,222,001 at end of 1953.

Galvin said company increased its share of industry's TV sales in 1954, didn't specify percentage. Military business amounted to 25% of total sales. Sales of home, portable & clock radios declined, characteristic of industry last year. Galvin acknowledged that color sales were slow in 1954, but forecast a gradual acceleration of sales in 1954 with increase in color programming.

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Hallicrafters earned \$275,241 (33¢ a share) on sales of \$12,835,985 in 6 months ended Feb. 28, compared with loss of \$949,337 on sales of \$15,712,221 in corresponding period of preceding year. For 3 months ended Feb. 28, earnings were \$170,947 (20¢) on sales of \$6,415,448 vs. loss of \$465,957 on sales of \$7,647,333 in same period year ago. Pres. Raymond W. Durst attributed improvement to "more profitable commercial and government sales made possible by a strong TV market, continuing good govt. sales and reduction in operational cost." He said company had 37% increase in TV unit sales over 6 months ended Feb. 28, 1954, with 38% of unit sales being private label sets.

Dividends: American Broadcasting-Paramount Theatres, 25¢ payable April 20 to stockholders of record March 25; Motorola, 37½¢ April 13 to holders March 31; Packard-Bell, 5¢ April 25 to holders April 11; Canadian Westinghouse, 50¢ April 1 to holders March 15; Howard W. Sams Co., 10¢ April 25 to holders April 15.

Raytheon earned \$3,592,000 (\$1.44 a share) on sales of \$139,552,000 in 9 months ended Feb. 28, compared to \$2,703,000 (\$1.07) on \$126,242,000 in corresponding period of preceding year. For 3 months ended Feb. 28, earnings were \$1,197,000 (48¢) on sales of \$46,545,000, compared to \$1,063,000 (42¢) on \$45,065,000 same period year ago.

Electron-image tube that stimulates typesetting has been developed by RCA Laboratories and is said to be capable of producing clearly defined letters and figures at speeds up to 100,000 words per minute for high-speed photographic recording. The phosphor-screened tube can be used to translate coded signals from tape, keyboard or radio into letters, will probably have first application in electronic message transmission and computing systems, with further development possibly fitting it for wider application in printing as an electronic means of typesetting.

Those saucy semi-conductors! From *Comic Books & Juvenile Delinquency*, report of Senate juvenile delinquency subcommittee: "The covers of many of these publications carried pictures of scantily clad females in suggestive poses. The titles of some of the articles as featured on the covers were: 'The Lady Is a Man,' 'All-Year Vacation Home,' 'Sex Before Marriage,' 'I Was Forced Into Russia's Fifth Column,' 'I Sold Myself in the Marriage Racket,' 'Athletes Are Lousy Sports,' 'What's New in Transistors' . . ."

First commercial application of transistors in power line carrier communications was announced this week by Motorola. "Because of the potential 40,000-hour transistor life, unequalled reliability and low maintenance cost will characterize the new unit," said v.p. Daniel E. Noble.

Electronics Reports: Transistorized computers — compact, relatively low in cost, suited to mass-production—were demonstrated by Philco's top engineering and production executives to science editors March 16 at New York's Waldorf-Astoria. New development—making possible extremely high-speed computers with military, scientific and industrial applications—is outgrowth of Philco's surface barrier transistor technique (Vol. 9:49).

Called "TRANSAC" (transistor automatic computer), new device has already been spoken for as a military aviation and guided missile aid; its chief immediate commercial application, under patent license, is expected to be in computing machines, which Philco believes will be revolutionized. Envisioned in its future commercial application are simpler, lighter, speedier adding machines, among other devices Philco has up its sleeves. TRANSAC will be subject to technical papers and demonstrations at IRE convention next week in New York.

Full name of miniature electronic brain circuit is "Philco Direct Coupled Transistor Circuit." Company says circuit could make possible a digital computer performing 600,000 additions or subtractions a second—10 times as fast as any previously announced transistorized computer, and its weight and cost would be about one-third. Principal advantage of new circuit, according to research & engineering v.p. Leslie J. Woods, "is that it reduces many fold the number of components," entirely eliminating diodes and tubes in ordinary 'flip-flop' circuit—and its power requirements are decreased a thousand-fold.

"We are particularly enthusiastic about the potentiality that these circuits and transistor techniques create

in making it possible for the great bulk of a computer to be mass-produced, assembled and tested with relatively unskilled operators," said Woods.

Attending unveiling, in addition to Woods, were these top Philco personnel: Research v.p. David B. Smith; govt. & industrial v.p. James D. McLean; v.p.-gen. mgr., govt. & industrial div. Joseph H. Gillies; radio-TV appliances research director Donald G. Fink; executive engineer Herman A. Affel Jr.; govt. & industrial div. electronics engineering director S. C. Spielman; govt. & industrial div. research director Dr. James F. Koehler; computers & transistors product mgr. Chester C. Pond; govt. & industrial div. adv. & sales promotion mgr. Marvin Gaskill.

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Discussion of microwave rules & standards with industry groups was begun by FCC this week (Vol. 11:10), and heavily attended sessions broke up into study groups, will meet again April 5. RCA this week introduced new TV microwave equipment capable of up to 10-kw ERP in 5850-7125-mc band, said it is "designed for the more exacting requirements of color telecasting and features approximately 20 times the power margin of previous RCA equipment." On March 16-17, Raytheon demonstrated 2 types of microwave gear in Washington's Raleigh Hotel—one for communications, other for TV—to officials of FCC, REA, military and other govt. agencies.

International Resistance Co. this week purchased Hycor Co. of California & Puerto Rico, manufacturers of magnetic & audio devices and precision resistors. Hycor management, headed by pres. Wm. I. Elliott, will continue independent operations.

SERIOUS INTEREST of big TV set makers in radically different method of receiver construction—"modular design"—may well presage very important changes in production and servicing of TV in next year or two.

Originally developed for military use by National Bureau of Standards and Navy, as "Project Tinkertoy" (Vol. 9:38), new component modules have captured attention of virtually every major receiver maker, and several are definitely negotiating for the new stacked components for printed circuits, which go into mass production this summer.

Picking up the ball on Tinkertoy was new ACF Electronics, division of big ACF Industries. Headed by J. G. Reid, former NBS electronics chief, ACF Electronics' staff includes many formerly associated with NBS and Tinkertoy, including Robert L. Henry, credited with being Tinkertoy's principal developer, who now heads module manufacturing dept. ACF stuck to basic Tinkertoy design, but made many improvements of its own, now is in pilot production of modular components.

Modular design is based on "building blocks" of small wafers stacked into modules or sub-assemblies, which are then mounted on printed circuit chassis. Each module (ACF calls them "Compacs," for component packages) contains resistors, capacitors, coils, etc., mounted on the ceramic wafers and properly interconnected. It is these modules which ACF is preparing to sell to TV receiver and other electronics manufacturers. The manufacturers mount and dip-solder these modules to their printed circuit boards. This can be done automatically, semi-automatically or by hand assembly methods.

Shunning limelight, ACF Electronics has quietly built up \$1,500,000 facilities in Alexandria, Va. to produce for electronics industry. Pilot production is now under way, with output of 800,000 modules a month planned by fall, and equipment being installed to turn out more than 12,000,000 a year. Because of high reliability and uniformity of the Compacs, ACF is aiming primarily at orders from military producers. But interest shown by

set manufacturers has been so great that TV may well take up major portion of output.

We toured company's research & development facilities in Alexandria this week (all production machinery is under wraps). Most fascinating to us was 21-in. TV set, with standard circuitry, produced with Compacs. Of the 195 components in set—exclusive of tuner—153 were incorporated into 17 neat, stacked modules. The remaining pieces consisted of potentiometers, filter capacitors, etc. ACF officials said set was assembled in 17 operations, replacing the 200 required using conventional assembly methods.

In large quantities, Compac modules will cost manufacturers no more than it costs to buy the conventional, unwired components they replace, according to ACF. On top of this, they say modular TV sets can be assembled 30% quicker than conventional ones. Company estimates that a year's TV production would require 90,000,000 modules—if all sets were made of modular construction.

"We're component makers," ACF officials stress, pointing out that while they will give industry engineers advice about setting up assembly facilities for modular construction, they have no intention of going into the business of producing automation machinery or the like.

Because of high reliability and uniformity (each Compac is automatically tested as it is produced), and because of space-saving possibilities, modular construction seems particularly applicable to color TV receivers, and presumably set makers are exploring this possibility. As for repairs and servicing, ACF expects servicemen merely to replace the module in which the trouble is located—which can be done in set owner's home in matter of minutes.

Several other firms are working with modular construction—and you can expect more to do so, particularly existing component makers. The govt.-developed principle is available to anyone who wants it. But ACF Electronics believes it has big headstart in production and development know-how, new machinery and proprietary improvements.

Subscription TV pulling-&-hauling: (1) International Telemeter asked FCC to require all parties planning to file comments by May 9 to notify Commission by April 9. Then, Telemeter said, FCC could publish list and require each party to supply all others with 2 copies of his comments—saving everyone much time in preparing reply comments due June 9. Commission rejected proposal, said it would weigh requests for more time whenever they're filed. (2) Joint Committee on Toll TV, organized by movie exhibitors, changed its name to Committee Against Pay-As-You-See TV (CAPT), and retained economist Dallas Smythe as consultant (Vol. 11:11). (3) Good debate is being planned by Washington's National Press Club for April 12 or 14, featuring CAPT co-chairman Alfred Starr and Zenith's Millard Faught. (4) Assuring exhibitors of support, 20th Century-Fox sales mgr. Wm. C. Gehring told group in Dallas this week that if FCC approves fee TV "we're beat."

Spot commercials on British TV will cost up to \$2800 a minute for choice weekend spots when commercial TV gets under way this fall. That rate was revealed by Associated Broadcasting Co. (ABC), one of 6 companies scheduled to open commercial TV. It holds London franchise for week ends and Birmingham for weekdays. The \$2800 rate will apply to peak viewing hours of 8-9:30 p.m. Sat. & Sun. For rest of evening on weekends, time will cost \$1680 per min. Its Birmingham rates will cost up to \$1400 per min. Commercials will be limited to 5 min. per hour, so maximum revenue for ABC will be about \$14,000 per hour. If Postmaster General permits morning commercials, during test patterns, rates will be \$560 per min.

Examiner system of FCC and other govt. agencies would be changed radically if recommendations of forthcoming Hoover Commission report are followed. Recommendations are said to include: (1) Establishment of an "administrative court" to handle cases now cleared by agencies such as FCC. (2) Shift of examiners from Civil Service to positions of "commissioners," with status similar to that of Federal judges. Another Hoover recommendation: Creation of Justice Dept. board of legal examiners to hire attorneys for most agencies.

Two more uhf applications were filed with FCC this week, bringing total to 170 on file pending Commission action, including 18 for uhf. Week's applications were for Philadelphia, Ch. 29, by group including toll bridge operator Theodore R. Hanff and community antenna operator Murray Borkon; and for Ft. Pierce, Fla., Ch. 19, by ex-broadcaster and tomato farmer Gene T. Dyer. [For details, see *TV Addenda 20-J* herewith; for complete listings of all grants, new stations, applications, etc., see *TV Factbook No. 20* with Addenda to date.]

American Research Bureau and C. E. Hooper Inc. announce "working agreement," under which each acts as "consultants and associates to each other in research, production and sales problems." Both companies maintain their separate identities, ARB continuing to specialize in TV and Hooper in radio. Hooper pres. James L. Knipe gets seat on ARB board as shareholder and ARB pres. James Seiler becomes Hooper shareholder and board member.

"Regrets" from Walter Winchell this week formally ended 2 libel suits totaling \$1,525,000 filed by *New York Post* and its editor James A. Wechsler. Winchell stated he "regrets and withdraws" anything he wrote or said that might have been construed as charge that *Post* or Wechsler was sympathetic to Communism. Winchell, ABC, former sponsor Gruen Watch Co. & Hearst Corp. were ordered to pay plaintiffs \$30,000 to cover counsel costs and other fees.

Churches continue to expand in TV, latest being Southern Baptist Convention (Rev. Paul M. Stevens, TV-radio director), which this week announced plans to build \$200,000 TV-radio production center in Ft. Worth, is currently producing series of 26 half-hour color film programs titled *This Is the Answer*. Series is being filmed by Family Films Inc., Hollywood, will premiere on WBAP-TV, Ft. Worth, Easter Sunday, April 10, will not permit commercial sponsorship. Rev. Stephens said his church plans to spend \$2,000,000 on TV-radio in next 3 years to teach "fundamentals" of religion. Only last week, Broadcasting & Film Commission, National Council of Churches of Christ in the U.S.A., approved 1955 TV-radio budget of \$1,405,000 (Vol. 11:11). Earlier this year, Pope Pius approved formation of pontifical commission to study TV-radio-film problems (Vol. 11:5), while a new \$400,000 Protestant TV-radio center was opened in Atlanta (Vol. 11:4).

A \$227,500 suit was filed this week in San Diego against former and present owners of KFSD-TV & KFSD, by Leon N. Papernow, who charged they breached contract to employ him in executive capacity for 5 years at \$15,000 annually. Papernow was a stockholder in TBC Television, an applicant which merged with applications of Thomas Sharp and Charles Salik to obtain Ch. 10 CP. Stations were later sold to Fox, Wells & Co. for \$3,200,000 (Vol. 10:31-32). Papernow seeks \$61,250 from Sharp and \$61,250 from Sharp's Airfan Radio Corp. for breach of contract, plus \$100,000 from Sharp "for malicious interference with the plaintiff's contractual relations," plus \$5000 which he says Sharp holds in trust. Fox, Wells principals are named as co-defendants.

Sale of KVVG, Tulare, Cal. (Ch. 27), for \$1 and assumption of about \$350,000 in liabilities, was approved by FCC, only week after filing of application. Owner Sheldon Anderson retains radio KCOK while turning KVVG over to UHF Telecasting Corp., which is equally owned by adman Milton B. Scott and movie producer Joseph Justman (Motion Picture Center Studios), who states that "by drastically cutting expenses and slightly increasing current income . . . assignee expects to earn a cash net profit of at least \$5000 per month." Scott's advertising agency, Milton B. Scott Inc., also got approval this week for \$46,000 purchase of KOPP, Ogden, Utah (1-kw, 730 kc).

CBS is still aiming for only 7 stations—5 vhf, 2 uhf—despite court decision eliminating numerical ceiling (Vol. 11:9), according to v.p. Richard Salant. He said CBS is continuing consideration of various markets, wouldn't confirm reports that it is contemplating purchase of Crosley's WLWA, Atlanta (Ch. 11) or WTVI, Belleville, Ill. (Ch. 54). Latter becomes KTVI when it shifts about April 12 to St. Louis, changing to Ch. 36, taking over facilities of off-air KSTM-TV; it also plans to hike power, using new 23-kw GE transmitter. CBS has Ch. 11 application for St. Louis, competing with 3 others.

Military opposition to towers over 1000 ft. (Vol. 11:11) is headed for showdown before FCC next month. Commission this week considered petitions to grant moves of 2 stations to high towers not approved by military members of Washington Airspace Subcommittee. It refused immediate grants, but designated both applicants for April 11 hearing, when military services will have to appear to justify their opposition to the tall tower proposals. The stations involved are KSWs-TV, Roswell, N. M., seeking 1610-ft tower, and KGEO-TV, Enid, Okla., 1386-ft.

Sets-in-use totaled 34,634,000 as of Feb. 1, reports NBC research director Hugh M. Beville Jr., increase of 548,000 during Jan. and nearly 6,000,000 in year. Some 20% of sets are in post-freeze TV areas as compared with 11% a year ago, Beville estimates.

Cites Efforts, Urges Study

FCC Report to Congress on VHF-UHF and Network Problems

Full Text of Comments by Commission Majority Submitted to Senate Interstate & Foreign Commerce Committee March 18, 1955

Outlining Approaches to Problems Raised in Memoranda Prepared by Senate Committee Staff Members Harry M. Plotkin and Robert F. Jones

1. IN EVALUATING the current status of television broadcasting and in determining how it may best develop in the future, we think it essential to keep in mind the positive advances which have been made in the less than three years since the "freeze" was lifted. In July 1952, when the first post-freeze station was granted, there were only 108 television stations in operation; at the present time more than 425 are in operation. In 1952, 63 markets had one or more local stations—in most cases one; now there are over four times as many communities with their own television facilities, 100 of which have two or more facilities. The public's acceptance of the expanded television service has been overwhelming. The number of television receivers in the hands of the public has grown from 20 million to 35 million; and today almost 70 percent of American homes have a television receiver. The American people have already invested over \$10,000,000,000 in television receiving equipment and the annual volume of television advertising, set sales, servicing and operating combined runs close to \$4,000,000,000 per year.

2. We mention these figures at the outset to stress the fact that the problems raised by the Plotkin and Jones Reports are not whether we can develop an adequate television service—for we already have such a service. The problem with which these Reports and your Committee's study is concerned is rather how we can best insure the fullest development of the industry's potentialities in line with the needs and desires of the American public and the abilities and ingenuity of the American broadcasters. So much has been accomplished in so short a time that we cannot but feel optimistic that the remaining problems can be resolved through constructive planning and cooperation among all interested groups.

Allocation Plan Objectives

3. The Commission in formulating its national television assignment plan and the associated rules and standards in the Sixth Report, was seeking to promote several different objectives designed to provide television service and facilities to the nation. It gave first precedence to making available at least one service to all areas of the country; second priority to making a local facility available to as many communities as possible; third and fourth priorities to making second services and second local facilities available wherever possible; and allocated the remainder of the channels so as to achieve a fair, efficient, and equitable distribution of television service and facilities throughout the nation.

4. Many of the Commission's objectives have been largely fulfilled. While it is difficult to provide any precise figures, it is estimated that over 90 percent of the people of the country are now within service range of at least one station. A large portion of the public, perhaps as much as 75 percent, is within service range of two or more stations. Furthermore, 255 communities have at least one, and 100 of these have two or more, local television facilities in operation.

5. However, it is evident that there are substantial obstacles (for example, limited economic support) presently in the way of bringing a first local outlet to hundreds of small communities as well as in expanding the number of multiple, competing services in the larger economic and population centers of the country. A major obstacle is the high cost of television programming during this early stage in the development of the art, which makes the securing of a substantial amount of network and similar programming a prerequisite to successful station operation. Of even greater importance is the failure, thus far, of UHF stations to become fully integrated with established VHF stations into an economically sound nationwide television service. To a large extent these two problems—the securing of adequate programming and the UHF problem—intermesh.

VHF-UHF Integration Troubles

6. Thus, while there is some indication that many larger communities can support three stations when all of the stations are in the VHF band, these same communities may be unable to support at the present time three stations when only two of the stations are VHF and the third is UHF. The failure of UHF to become integrated with VHF is manifested by the fact that of 318 UHF stations authorized by the Commission, only one-third are presently in operation. Many authorized were never actually constructed. And the financial outlook for a number of the operating UHF stations is by no means bright. The plight of UHF has been discussed in detail in the presentation of Commissioner Hyde and other witnesses at the Potter hearings, as well as in the Plotkin and Jones documents.

7. It has been argued that the difficulties encountered by most UHF stations, and by some VHF stations, are the result of the inability of the economy to absorb the suddenly increased number of stations. We cannot, of course, predict the exact nature of the future development of the television industry, nor is it the government's function to create television service where there is no demand or economic basis for such service. It is essential, however, that television's capacity for future growth not be impaired by any artificial curtailment of channel space. To achieve its full potentialities, we believe television will eventually utilize a number of channels in the order of those presently allocated to it, just as AM broadcasting developed its present national pattern within the 107 channels allocated to that service.

8. The majority of the Commission agree with the conclusions reached in both the Plotkin and Jones Reports that the only practicable course of Commission action lies in doing what is possible to promote the present allocation plan utilizing both VHF and UHF channels. The addition of substantial new VHF space or the movement of all television stations to the UHF would involve such tremendous dislocation of existing operations and have such a severe impact on millions of viewers that such

action should be considered as a possible alternative only if Congress itself were to determine that the long-run benefits to the public required adoption of such drastic remedies. Therefore, the Commission has taken, and is contemplating, a number of specific actions calculated to enhance the potentialities for television's growth within the existing allocation system. No one of these moves, in and of itself, provides or is intended to provide any cure-all. But their cumulative effect, we believe, will be beneficial.

9. Thus, it is expected that the acquisition of UHF stations by certain multiple owners as a result of last year's modification of our multiple ownership rules will help to strengthen UHF in such markets as Milwaukee, Portland, Oregon, and Miami where such parties have recently acquired UHF outlets. Similarly, we believe the Commission's policy in permitting UHF satellite stations to rebroadcast programs of established stations in areas which might otherwise not be able to support a station will prove helpful. We also have two rule-making proposals under consideration which offer promise of facilitating the growth of additional television outlets and of maintaining existing stations. One of these would authorize low-power operation in communities of less than 50,000 population; the other would preclude the establishment of transmitter sites more than five miles from the city in which the station is authorized unless special reasons for such locations can be established.

10. As part and parcel of the same problem, the Commission is considering ways by which the cost of intercity transmission of programs can be minimized. It is attacking this problem in two directions: First, we have instituted rule-making looking toward the freer establishment of private intercity relay systems by the broadcasters themselves. In this connection, the telephone company has initiated suggestions looking toward the establishment by it of an off-the-air pickup service which the Company believes could be provided at charges substantially less than those required for direct network connections. At the same time, we are continuing to review the existing charges of the telephone company for direct intercity program transmissions and expect to be able to conclude the outstanding proceedings as to this matter in the near future.

'Selective Deintermixture' Approach

11. "Selective deintermixture" has been suggested as another possible line of approach. The Commission has been requested to reconsider certain actions it has already taken in this area to determine whether it might not be possible, with a minimum of dislocation of existing services, to insure that a number of markets become or remain UHF-only communities or are restricted to a single VHF station. The theory of such deintermixture is that it would provide for more balanced competition in the various communities, while at the same time strengthening UHF generally by increasing the number of "islands" of permanent UHF stability. The Commission is presently studying this problem to determine the feasibility of any such limited deintermixture—a study which necessarily involves such questions as the other VHF service available to the communities from outside and the effect that the elimination of VHF operations in some of the areas would have on rural coverage. We are unable at this preliminary stage in our consideration to offer any definitive answer to these questions. However, we are presently considering the circumstances, if any, under which such limited deintermixture may be appropriate in the public interest.

12. A related and highly important problem referred to in both Reports is the inability of most outstanding sets to receive UHF programs. Of the 35,000,000 receivers in the hands of the public, only 5,000,000 are UHF equipped. We also note with some concern that less than 20 percent of the sets now being produced are all-channel receivers. It may well be that this lack of UHF receiving equipment, as well as the delay in developing high-power transmitting equipment, have been the most important

single factors in the relative backwardness of UHF development.

13. The Commission has no direct regulatory authority over the manufacturers of radio and television receiving equipment which would enable it to require manufacturers to adopt any particular course of conduct. It is the Commission's view, however, that removal of the excise tax on the manufacture of all-channel receivers would conduce to the wider distribution and sale of all-channel sets and the Commission therefore favors legislation toward this end. In this connection, the Commission also believes that voluntary action by manufacturers looking toward the expanded production of all-channel sets to the greatest extent practicable would be extremely helpful in assisting the development of the UHF.

14. Over and beyond these specific measures the Commission believes that a general study by the Commission into the entire economic structure and operations of the television industry is essential. This study would include, but not be limited to, consideration of the respective roles of the networks, advertisers, agencies, talent, independent film producers and distributors, and other program sources as well as other means of distributing programs to the public. The essential objective of such a study would be to obtain for the first time a factual basis for evaluating the necessity and advisability of any action by the Commission, Congress or the Dept. of Justice in this area.

Network Problems in Study

15. In our opinion, the network problems referred to in both the Plotkin and Jones Reports cannot be considered by themselves but are inextricably interwoven within the structure of television programming. Only through a study such as we are proposing will we have a proper basis for evaluating the various types of regulatory proposals which have been suggested. While network programming is admittedly of crucial importance to profitable station operation at the present stage of development, the Commission believes that establishing an economic base for the growth of new stations lies not in any artificial restriction or redistribution of network programming but in an over-all expansion of all sources of programming.

16. The Commission has long believed that an over-all study of the broadcast industry—including a review of the network rules—should be made. The last such comprehensive study was conducted in 1938-1941 with respect to AM broadcasting and led to the promulgation of the Chain Broadcasting and Multiple Ownership Rules. We have informed both the legislative and appropriations committees of the Congress on numerous occasions since the end of World War II of the need for a new study. But we have also indicated—and here reiterate—that any such study by the Commission, if it is to be meaningful and productive, requires a high-caliber staff. This staff would have to devote full attention to the study. As a result, we would need to recruit immediately additional personnel in order to avoid disruption in the essential work of the Commission. Neither the Bureau of the Budget nor the Congress has seen fit to make available the funds necessary for conducting such a study; such supplemental sums as have been appropriated have been earmarked for application processing. No funds have been allowed by the Bureau of the Budget in our present budget proposal for fiscal 1956 to establish such a staff—though we had originally asked for funds sufficient to establish at least a skeleton staff to make a start on the problem.

17. It is the Commission's view that the type of study contemplated in this field cannot be completed within one fiscal year. We think it would be appropriate, therefore, for such a Commission study to be authorized and the funds therefor appropriated pursuant to a Congressional Resolution. This was done in the 1935 Telephone Investigation, at which time Congress specifically authorized the Commission's continuing study by a Resolution (Public Res. No. 8, 74th Congress). We are prepared to present to the Committee in detail the subject matter to be covered by the proposed study and the funds and staff required.

[Note: Comr. Hennock will file separate views at a later date.]

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AUTHORITATIVE NEWS SERVICE
FOR MANAGEMENT
OF THE
VISUAL BROADCASTING
AND ALLIED ELECTRONICS
ARTS AND INDUSTRY

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Television Digest

with **ELECTRONICS REPORTS**

SUMMARY-INDEX OF THE WEEK'S NEWS—March 26, 1955

AUTOMATION, COMPUTERS, MISSILES star in IRE show, TV-radio-communications takes back seat as electronics expands to all corners of economy (p. 1).

SPURIOUS RADIATION THORNY PROBLEM and FCC Comr. Webster takes industry to task for slowness in cleaning it up; how Canada handles it (p. 2).

STOCK OF WJIM-TV & WJIM, Lansing, to be offered publicly in first underwriting involving a single TV station; Gross family retains control (p. 3).

DuMONT NETWORK CURTAILS to N. Y.-Washington hook-up only; future seen resting on new video-film system, but Hollywood demonstrates one first (p. 3).

2 NEW VHF START, 2 UHF QUIT: Providence's WPRO-TV and Hawaii satellite are newest, as WRTV, Asbury Park, & WLAM-TV, Lewiston, Me. give up (pp. 4 & 7).

SENATE TV INVESTIGATORS name Sidney Davis majority counsel; Jones turns down minority job. Storer backs "area deintermixture," tells how to do it (p. 6).

SUBSCRIPTION TV ISSUE gets hotter as NARTB calls board meeting; pros and cons argued, antagonists gird for battle after May 9 deadline for comments (p. 6).

CLOCK TVs TO BE OFFERED SOON by some manufacturers, functioning similar to popular clock radios; some bearish portents in TV trade (p. 9).

CURTAILED EARNINGS FOR 1955 likely to be reported by manufacturers as result of retroactive tax repeal bill which passed House this week (p. 10).

CPs GRANTED TO WKRG, Mobile, and Cowles Bcstg., Des Moines, while Court of Appeals sets FCC back on heels with Spartanburg uhf "protest" decision (p. 7).

STATION TRANSFERS APPROVED by FCC include WDEL-TV, Wilmington, sold for \$3,712,500, and KBTW, Denver sold for \$1,000,000 (p. 12).

ALL MAJOR TV-RADIO MAKERS now working on change-over to mechanized or automatic production techniques; flexibility seen No. 1 need (Special Section).

CBS SALES & EARNINGS RECORDS achieved in 1954; TV was dominant factor in gross revenues of \$373,380,139 and net income of \$11,414,645 (Special Section).

LONG DISTANCE TV signals sent over 200 mi. by Bell Labs & MIT, with complete reliability, opening way to transmission across large bodies of water (Special Section).

Editor's Note: Because of their special interest and unusual length this week, Electronics Reports, Financial & Trade Notes and Color Trends & Briefs are published as a Special Section (white pages) in this issue

ELECTRONICS KICKS OVER THE TRACES: The constantly expanding nature of electronics applications was never demonstrated so graphically -- or so excitingly -- as at this week's Institute of Radio Engineers convention in New York, attended by some 40,000.

What once was basically a communications and entertainment industry has now become economy-wide in its scope and applications. It has kicked over the traces, and is now galloping off in all directions -- with amazing results. Not even the sky is the limit, judging by the IRE symposiums on electronic-controlled space stations.

TV-radio-communications are destined to expand, of course, but they also seem destined to play a smaller proportional role in the electronics industry as a pyramiding assortment of new jobs is mapped out for the magical electron.

The IRE show, once dominated by radio, later by TV, now has some mighty new stars. Military electronics -- already a bigger field dollar-wise than TV-radio -- is certainly No. 1 today, with the fantastic guided missile getting top billing. Computer circuits of all kinds are drawing excited attention from engineers. And unquestionably the main attraction at this year's convention was the rapidly developing field of automation -- not only its amazing technology, but also its economic and social implications for the future.

These 3 exciting -- and interrelated -- fields of non-communications electronics, mostly still in stages of design and development, had the sessions and exhibits dealing with the "mature" science of TV-radio all but pushed into the background.

Most of the large firms identified with TV are also in the computer-missile-automation field, at least to some extent. But a vast new array of names -- many of

them big, old-line non-electronic companies -- are taking the spotlight in the "new electronics." Familiar names like American Machine & Foundry, General Mills, IBM, Daystrom, National Cash Register, Hughes Aircraft. Many entered electronics by buying up the plants and assets and know-how of smaller firms; others saw the trend early, developed their own electronics divisions.

Visions of the "automatic factory" and "automatic office" already are having double impact on the TV-radio industry: (1) Big companies identified with the industry are making a pitch -- some of them belatedly -- to have a larger part in the development & manufacture of the "brains" that automatize production & office work. (2) The home TV-radio industry with its military communications cousin, until recently one of the most backward in production methods, now bids to become the first completely automatized industry. (See TV automation and recruitment stories, Special Section.)

SPURIOUS RADIATION STILL THORNY PROBLEM: FCC appears to be rapidly losing patience with electronics industry because of slow progress in cleaning up spurious radiations -- those unwanted signals that impair reception of TV-radio and/or other communications signals. In symposium on the subject at IRE convention in New York this week, FCC Comr. Edward M. Webster put it this way:

"Something is wrong somewhere when it takes so long to come to a decision on this matter. I think the engineers have solved the problem. It's an executive and policy problem now, not an engineering problem.

"It's too bad the law covers only one end of the system -- the transmitter -- and not the receiver. The set buyers are not the only unsuspecting people. Companies have found equipment to be unreliable and have had to put it on the shelf.

"Manufacturers say we can't talk about costs -- that this is a competitive industry. But we've got to talk about costs and everything else. I'd like to see this aired publicly so that the public knows the problems. This should be discussed by RCA's Sarnoff, Motorola's Galvin, CBS's Stanton -- people like that."

GE's Dr. W.R.G. Baker, speaking for RETMA, cited the engineering efforts of RETMA and its recommendations to members as examples of industry's seriousness in seeking solutions. To attack continuing problem, he again urged that FCC sponsor joint FCC-industry committees. "The problem," he said, "is bi-lateral and requires deep study and compromise."

There are practical limits to reduction of spurious radiation, he said. "The number of actual cases of TV interference which have been experienced would not seem to warrant an FCC decree substantially increasing the cost to the public of all TV receivers." He made an additional recommendation -- that responsibility for correcting interference be placed on both the interfering service and the service suffering the interference.

Canada's solution to problem was described by G.C.W. Browne, controller of telecommunications, Dept. of Transport. There, law prohibits use of any apparatus which causes interference to reception of a radio signal 500 uv/m or greater, provided interference can be stopped at cost under \$50. In certain circumstances, the Govt. will order correction even if cost is greater.

Govt. has 50 mobile units covering country. When a complaint is received, technician investigates, recommends how to correct trouble. Dealers maintain stock of kits, and manufacturer bears all or most of cost of eliminating trouble.

Govt. checks about 12,000 complaints annually, finds very few that can't be resolved economically. According to one of Browne's aides, "we occasionally have a little trouble getting someone to fix an old sewing machine motor -- particularly if the owner has finished paying for the machine -- but that's the only sort of thing that people are slow to take care of."

Canadian law was amended recently to permit Govt. to order suppression of interference at point of sale rather than point of use -- essentially, control of manufacturers. Rules haven't been put into effect yet, but standards are being considered. Limits under study may be obtained for nominal charge from the Canadian Standards Assn., National Research Bldg., Ottawa, Ont.

LANSING STATIONS TO PUT STOCK ON MARKET: Profitable pre-freeze WJIM-TV, Lansing, Mich. (Ch. 6) proposes to place block of its stock on the open market, a la Storer group (Vol. 9:45) and Bitner group (Vol. 10:48) -- first time a single TV entity has ever sought to do so. Move probably will be forerunner of others.

There have been instances of public offerings involving radio stations -- notably WJR, Detroit and WFBR, Baltimore -- but this is initial financing project of kind since TV started. Paine, Weber, Jackson & Curtis will head underwriters.

FCC was asked this week to approve relinquishment of affirmative control by Harold F. Gross, along with change of name of WJIM Inc., operator of Michigan capital city's only vhf and of radio WJIM (250 watts, 1240 kc, NBC & ABC), to Gross Telecasting Inc. Mr. Gross and family own 98.8% of WJIM Inc.; he presently holds 74.2%, would hold 38.85% after transfer. Program v.p. Howard K. Finch owns 1.2%.

According to SEC registration, new stock would consist of 600,000 shares of \$1 par common (400,000 not to be issued) and 200,000 Class B common, \$1 par, convertible to common after March 31, 1958. Public offering would comprise 193,000 shares of the 200,000 common held by present stockholders, who retain all Class B in addition to Gross' retention of 7000 shares common. They have exchanged their former 2500 shares in WJIM Inc. at ratio of 80 for 1 for the common, 80 for 1 for Class B.

Offering price is undetermined but expected to be around 16. WJIM-TV started in May 1950. In 1950, the TV-radio combined had operating revenues of \$515,317, net profit after taxes \$107,149. In 1951, revenues were \$906,524 & profit \$196,508; 1952, \$1,452,531 & \$357,077; 1953, \$1,857,326 & \$419,891; 1954, \$2,241,589 & \$639,464.

Current assets were \$2,125,247 as of Jan. 1, 1955, fixed assets \$873,311. Current liabilities were \$962,144, including \$700,000 reserve for taxes. WJIM Inc. capital stock was 2500 shares at \$20, or \$50,000. Retained earnings total \$1,986,414.

DuMONT CURTAILS AGAIN, NEW CAMERA AWAITED: DuMont Network's famed Capt. Video, on air for 7 years, signs off in about a week -- as if to point up network's decline to virtual regional status. AT&T interconnections for live shows, which on Jan. 1 were curtailed to 15 cities plus some off-air feeders (Vol. 11:1), will be still further reduced April 5. Thenceforth, leased microwave-coaxial service will embrace only New York-to-Washington. DuMont apparently pins future as a network on long-heralded but still unrevealed new video-filming method.

Thus except for occasional events requiring more outlets for live shows, like the Mon. night fights (cooperatively sponsored) and the Tue. night Bishop Sheen program (Admiral sponsored), an 8-hour live network service will be furnished only to affiliates in Philadelphia, Wilmington & Baltimore in addition to the network's own stations in N.Y. & Washington and a few off-air pickups. The network, nevertheless, is still soliciting national business, notably sports, especially football for the fall, and can supply bigger hookups as ordered (for its remaining sponsors, see p. 8).

It's frankly another economy move. Skeleton force still left, in addition to personnel of splendidly equipped N.Y. studios housing own pioneer WABD, and own WTTG, Washington, are waiting with rest of trade for the new "technological development" which Dr. DuMont first mentioned in Los Angeles Chamber of Commerce speech Feb. 2 (Vol. 11:6, 8) and which he touches upon again in newly released 1954 annual report.

At that time he spoke of combination TV-film camera which he nicknamed the "piggy back" and which may be officially named "Electronicam". It's an electronic camera which can shoot high-quality film versions of live shows instead of kinescope and permit delivery of prints to other TV stations in a matter of hours. The first demonstration is promised within a few weeks.

* * * *

In Hollywood, meanwhile, what looks like same basic idea -- a dual-purpose movie & electronic camera that transmits a live TV show and records it on 35mm film at same time -- was demonstrated this week by Al Simon, production supervisor for McCadden Productions, TV film unit owned by comics George Burns & Gracie Allen. He showed it to the American Society of Cinematographers along with newsmen. The March edition of American Cinematographer Magazine carries a technical description.

Here's how it works: "An image is picked up by the camera by means of a regu-

lar photographic lens, which transmits it to the film plane in the usual manner. Between the lens and the film, a beam-splitter is interposed which causes a duplicate image to be picked up by the vidicon tube of the electronic side of the camera."

Adaptation to color is possible, it was stated, though this wasn't shown. A prime use would be for "monitoring" movie scenes as they are filmed without delay of waiting for rushes. Simon credits RCA engineers Earl Spicer and Douglas Upton for their cooperation, though it's unclear whether RCA itself is directly interested in his device. He said the late Arthur Reeves did the initial work, and Robert Nichols completed the camera which weighs less than an ordinary camera.

In DuMont's annual report this week, which admits TV networking has never been profitable, reference is made to "a wedding of electronic equipment and motion picture cameras" -- much the same phraseology as Dr. DuMont used in his Los Angeles speech and, curiously, the language also used in publicizing the Simon development as it got an undoubted publicity jump on a project Dr. DuMont has up to now only been willing to hint about. The DuMont annual report adds:

"It permits the instantaneous and continuous recording on high quality motion picture film of all programs at greatly reduced cost. In this way, it should be possible to eliminate cable costs (which have amounted to several million dollars a year), except for occasional uses to carry profitable current events, or live sports or other important live shows. By this method there can be delivered to independent stations programs of the highest 'live' quality for use at times permitted by their schedules. The improved quality and lower cost should be more attractive to advertisers [and] offers promise of eliminating network losses and an encouraging potential for profits through its proper use in multiple ways."

2 NEW VHF START, 2 MORE UHF GIVE UP: Newest starters are big Cherry & Webb dept. store chain's WPRO-TV, Providence (Ch. 12), granted in Sept. 1953 but long delayed by litigation, and KHBC-TV, Hilo, Hawaii (Ch. 9), satellite of KGMB-TV, Honolulu, also on Ch. 9 but some 200 mi. distant. Providence's second vhf was being tuned up for Sat. equipment tests, Sun. commercial debut. Hilo repeater started test patterns this week, first of 2 KGMB satellites -- other being KMAU, Maui (Ch. 3) due shortly. This week, too, Canada's 26th also got going: CHEX-TV, Peterborough, Ont. (Ch. 12).

Two more uhf dropouts were reported this week, making 41 uhf casualties to date. They are WRTV, Asbury Park, N.J. (Ch. 58), operated by the Walter Reade movie chain right under gun of New York's 7 vhf, and Frank M. Hoy's WLAM-TV, Lewiston, Me. (Ch. 17). WRTV signs off April 1 after 15½ months of operation. WLAM-TV, just one month older, had operated as a sort of satellite to Mr. Hoy's WPMT, Portland (Ch. 53) which also had to quit last Dec., going into hands of bankruptcy trustee.

Walter Reade Jr. said WRTV billings have been at rate of \$100,000 a year, and station has cost about \$200,000 to run. Conversions are 8-12%, he said, but have fallen off lately due to poor servicing. He would have kept station going, even at \$1000 a month loss, he told us, if he could see any "horizon" for it. He's keeping skeleton staff at Eatontown Drive-In Theatre studios awaiting FCC action on Ch. 8 application, convinced there's definite place for an independent community station. Mgr. Harold Burke is among those staying. Lewiston station signed off March 25, telling FCC it was forced by operating losses and will "re-survey the uhf situation."

* * * *

Who will get first GE loans promised stations in trouble under plan disclosed by GE and new National Affiliated TV Stations Inc. last week (Vol. 11:12), wasn't indicated this week. Only news from NATS was that it had sent out questionnaires to applicants for aid and that exec. v.p. Ely Landau had written other film distributors to urge them to cooperate in plan by offering deferred film payments, too. The questionnaire inquires into competitive situation, CPs, conversion, income & expense, time sales, films vs. live shows, etc.

Note: Though CBS has discussed purchase of St. Louis' sole surviving uhf, WTVI (Ch. 54), it's understood conversations have terminated and network has decided to remain in Ch. 11 race; examiner's initial decision is still awaited.

(For further data on this week's new starters, see p. 7.)

Telecasting Notes: Biggest batch of theatrical film yet released to TV by any major producer went to MCA-TV Ltd. this week from Republic Pictures—adding to the belief that others won't be long in coming out of the vaults, too. There's so much talk about feature-film releases by the majors, in fact, that the "landlords" of those now being rented, to say nothing of the TV film syndicators, are already expressing fears of a glutted market that will depreciate the value of all their properties. Beating down of prices, bad debts, are said to be rampant already . . . MCA-TV Ltd., film syndication div. of Music Corp. of America, big talent organization, has acquired exclusive world-wide rights to the 67 Roy Rogers and 56 Gene Autry films which the cowboy actors had vainly sought in the courts, in litigation that started in 1951 (Vol. 7:23-24 & 8:20), to keep off the air on plea that these would mean unfair competition to their current TV output. Litigation ended last winter (Vol. 10:24, 43) and MCA-TV v.p. Taft B. Schreiber closed deal this week with Republic pres. Herbert Yates. Original cost of the films was put at \$25,000,000; MCA-TV's lease price said to be about \$35,000 per film . . . One-hour TV shows will be made of each film, and they will of course ride popularity and promotion gained by both cowboy actors on TV since the days they made them—long before they ever contemplated TV. Moreover, the shows have some of the biggest names in movies in supporting casts, some now top-drawer stars on their own—John Carradine, Buster Crabbe, Jimmy Durante, Tito Guizar, Gabby Hayes, Sterling Holloway, Paul Kelly, Ann Rutherford, Bob Steele, to mention a few. They also contain a lot of hit songs . . . Vast reservoir of plays that couldn't make a boxoffice go on Broadway, yet have undoubted merit, is being made available for TV production—latest being Mildred Walker's *Southwest Corner*, which closed March 5, whose cast will feature NBC's *Kraft TV Theatre* March 30; similarly, Gian-Carlo Menotti's *Saint of Bleecker St.*, still running on a curtailed basis, has been slated by NBC-TV for Sun., May 15, 3:30-5 p.m. . . . Suc-

cessful Broadway "preview" was ABC-TV's U. S. Steel Hour version of *No Time for Sergeants*, due as a play in Oct.; it was smash TV hit, undoubtedly will also become a movie—and there's clamor already for repeat a la Kraft TV Theatre's *Patterns* on NBC-TV recently . . . Philco Playhouse's much-publicized *Marty*, by Paddy Chayefsky, is about to be released as feature film, and this week another original on same show, *The Rabbit Trap*, by J. P. Miller, was announced as a Broadway production due to open in fall, produced by Miss Terry Allen . . . Maurice Evans, actor-producer, commenting on TV version of Mac Hyams' best-selling Army novel, for which Theatre Guild paid only \$1200 for TV rights while it was still in galley proofs, sees "great value to the producer of a forthcoming play to see it presented to the public on TV. It gives him an idea of what strikes the audience as funny and what lays an egg" . . . Hit play and movie *Dial M for Murder*, it's recalled, was on BBC before seen on London stage. Yet fact that Walt Disney is tailoring *Davy Crockett* from his *Disneyland* serial hit into a theatrical feature led Western Pa. Allied Motion Picture Theatre Owners to vote boycott against any films shown first on TV . . . Desilu Productions, which co-owns (with Joseph Justman) the 9-stage Motion Picture Studio Center in Hollywood, where *I Love Lucy*, *Willy*, *December Bride* & other films are shot for TV, plans expansion into theatrical pictures, says exec. producer Sam Marx; for first of 2 annual productions, it's trying to line up James Stewart or Gregory Peck for Navy story . . . George Gobel's Paramount Pictures contract will have him starring in *The Lady Eve*, starting production in Hollywood July 5 . . . Jack Webb (*Dragnet*), through Mark VII Ltd., signed to exclusive 10-year contract with NBC; he's currently readying theatrical movie titled *Pete Kelly's Blues*, in role of New Orleans jazzman of the '20s, which is planned also as TV series . . . Variety reports CBS-TV seeking to sign Mary Martin, planning 90-min. spectacles next season, with Noel Coward already signed to do version of his play *Present Laughter*.

Personal Notes: Fred Shawn, ex-NBC-TV director of production operations, on March 28 joins WABT, Birmingham, as exec. asst. to Henry P. Johnston, pres. & managing director . . . Sam Pickard, onetime Federal radio commissioner, later CBS v.p., now running Paradise Point Villas, recreation development near Homosassa Springs on Florida west coast . . . Maurice E. McMurray promoted to national sales mgr. of Storer's WJBK-TV, Detroit; Keith McKenney named local sales mgr. . . . Robert L. Coe promoted to director of DuMont station relations, replacing Elmore B. Lyford, resigned . . . Marcel Carter named CBC exec. asst. in charge of coordinating radio & integrated services, succeeded as director of personnel & administrative services by C. E. Stiles; Kenneth M. Kelly named asst. personnel director . . . Alan C. Tindal resigns as v.p. of WWLP, Springfield, Mass., to devote fulltime to radio WSPR; Roger L. Putnam, pres. of WWLP, announced Tindal's election to WWLP board . . . James C. Cole, ex-mgr. of now defunct uhf WFTV, Duluth, recently mgr. of WDBX, Chattanooga, becomes sales mgr. of Carroll Hauser's radio KHUM, Eureka, Cal., April 1 . . . George D. Borden promoted to chief engineer, WPTZ, Philadelphia, replacing Raymond J. Bowley, resigned . . . H. Taylor Vaden, ex-radio WPTF, Raleigh, named promotion director, WCAU-TV, Philadelphia . . . Selma Wickers, ex-NBC-TV aide to ex-program v.p. Charles (Bud) Barry, named director of new Teleprompter sales service dept. . . . Richard L. Foote promoted to eastern sales mgr. of reps Hoag-Blair, N. Y. . . . Robert Garland, recently mgr. of KOLD, Yuma, named national sales mgr. of all Gene Autry TV-AM stations in Arizona, acting as liaison with Hollingbery . . . David Hume, ex-KTVU, Stockton, Cal., named program di-

rector, KBET-TV, Sacramento . . . Paul Beville, ex-radio WNOE, named sales director, WJMR-TV & WJMR, New Orleans . . . Robert Laws, ex-ABC western div. sales mgr., onetime Philco adv. mgr. in San Francisco, has closed down own ad agency and joined Hal Stebbins Inc., Los Angeles, as v.p. . . . George F. Foley, ex-TV-radio director of Cecil & Presbrey and Newell-Emmett, recently in packaging field, has resumed practice of law with offices at 666 Fifth Ave., N. Y.; John C. Holahan, from his package firm, is partner . . . Julian Gross is pres., Harry L. Harrison exec. v.p. of Gross-Harrison Inc., new name of Julian Gross Adv. Agency Inc., Hartford; Mr. Gross recently sold to NBC his interests in WKNB-TV, New Britain-Hartford (Ch. 30), sale still pending FCC approval (Vol. 11:2) . . . Gilbert A. Ralston, ex-Procter & Gamble and Compton Adv., who has been independent film producer last 5 years, joins CBS-TV as an exec. producer . . . Bud Gillis promoted to program mgr. of Crosley's WLWC, Columbus.

Canadian Assn. of Radio-TV Broadcasters, at 30th annual meeting this week in Quebec City, elects J. M. Davison, Northern Bestg. Co., Toronto, as pres., succeeding E. Finlay MacDonald, CJCH, Halifax; J. A. DuPont, CJAD, Montreal, succeeds Davidson as v.p. TV members of board: George Cromwell, CHSJ-TV, St. John, N. B.; R. E. Henri Lepage, CKCV, Quebec; J. E. Campeau, CKLW-TV, Windsor; H. A. Crittenden, CKCK-TV, Regina; F. A. Lynds, CKCW-TV, Moncton, N. B.

Symphony of the Air, Arturo Toscanini's ex-NBC orchestra, will tour Japan for 7 weeks starting about May 1 under auspices of ANTA.

SENATE INVESTIGATION of TV networks and uhf moved one step closed to the hearing stage as Chairman Magnuson (D-Wash.) of Senate Commerce Committee officially announced appointment of N. Y. attorney Sidney Davis as special counsel for the investigation (Vol. 11:12). Davis, formerly counsel to Senate monopoly subcommittee, will take leave from N. Y. law firm of Phillips, Nizer, Benjamin & Krim, in which he is a partner.

Investigation again will have "majority" and "minority" counsel, as it did during tenure of Sen. Bricker (R-Ohio) as chairman. Bricker will appoint minority counsel for the probe next week, presumably an Ohio Republican. Post was offered to former counsel, ex-FCC Comr. Robert F. Jones, who turned it down this week.

In announcing Davis' appointment, Sen. Magnuson stated: "The inquiry now pending before the Committee will survey the entire field of broadcasting, telecasting and communications."

Meanwhile, Committee received concrete proposal for working out deintermixture on an area-by-area basis from pres. George B. Storer of Storer Bcstg. Co., only entity to own full quota of 5 vhf & 2 uhf stations. In his comments on Plotkin Memorandum, Storer endorsed "area deintermixture," in effect called for 60-90 day freeze in areas where deintermixture is proposed. He proposed this procedure for deintermixing:

(1) Upon petition by an operating uhf station, including stations which have recently suspended operation, the FCC should act favorably to convert an area to uhf-only, provided: (a) 40% or more of the TV sets in the area can receive uhf signals. (b) Not more than one vhf station is located in the area and is in operation. (c) No other vhf station provides a Grade B service to the entire principal city in the deintermixed area from a transmitter location less than 60 mi. from the main postoffice in the principal city.

(2) Where the above conditions cannot be met, I recommend that upon petition by an operating uhf station, the FCC should act favorably to convert the city to vhf-only and that operating uhf stations should be permitted to apply for unassigned vhf channels, including channels which are currently the subject of FCC hearings upon which final FCC decisions have not been issued.

(3) During a waiting period of 60-90 days, to enable uhf stations to file petitions for deintermixture, and pending final action on such petitions, no further action should be taken on pending applications or hearings for vhf stations in any city where an operating uhf station indicates to the FCC in writing that it proposes to file a petition for deintermixture.

(4) National networks should be urged, by all appropriate means, to continue existing affiliation agreements with uhf stations, rather than to abandon the uhf station when a vhf affiliate becomes available, pending the working out of a deintermixture formula. The networks should abandon the 90-day or 6-month cancellation clause which now is usually inserted in uhf affiliation agreements; and extend assistance to additional uhf stations by affiliation.

(5) TV manufacturers should be urged, by all appropriate means, to manufacture sets with all-channel tuners only and to do away with prices which discriminate against uhf. They should be urged to make available to the public reasonably priced uhf conversion kits.

Storer disagreed with most of Plotkin's recommendations regarding network problem, urged that network-station contracts and station licenses be extended to 5 years from present 2 & 3 years, respectively.

Uhf Industry Coordinating Committee (Harold A. Thoms, WISE-TV, Asheville, chairman) had comment on the investigation this week, too. It hailed FCC proposal for study of entire network-uhf situation (Vol. 11:12), gave its own 10-point formula for nationwide competitive TV service:

- "(1) Deintermixture. (2) Directional antennas. (3) Power & antenna height adjustments. (4) Mileage separation reductions. (5) Confinement of TV stations to their own market. (6) Common carrier cable cost reductions. (7) Opportunity for competitive common carrier service in the field of transmission of network programs to TV stations. (8) Opportunity for TV broadcasters to operate microwave relays for transmission of network and other programs. (9) Receiving set performance standardization and elimination of cost differentials for all-band sets. (10) Grant of funds to FCC for extensive investigation into entire field of network programming."

PACE OF subscription TV preparation and propaganda quickens as FCC's May 9 deadline for filing comments nears (Vol. 11:7). Items:

(1) NARTB pres. Harold E. Fellows called TV board into Washington for special meeting on subject April 12. The 15-man board, under Chairman Clair R. McCollough, of Steinman stations, includes many of most experienced heads in the business. Network representatives are: Ernest Lee Jahncke, ABC; Merle S. Jones, CBS; Ted Bergmann, DuMont; Frank M. Russell, NBC. Others: Campbell Arnoux, WTAR-TV, Norfolk; Kenneth L. Carter, WAAM, Baltimore; John Esau, KTVQ, Oklahoma City; Harold Hough, WBAP-TV, Ft. Worth; Ward L. Quaal, Crosley; Paul Raibourn, KTLA, Los Angeles; W. D. Rogers, KDUB-TV, Lubbock, Tex.; George B. Storer; Robert D. Swezey, WDSU-TV, New Orleans; Wm. Fay, WHAM-TV, Rochester.

(2) Paramount, whose Paul Raibourn is also on NARTB board, stepped up its preparation with appointment of Washington economic consultant Vincent V. Checchi to assist in building up case for subsidiary International Telemeter, developers of coinbox technique. Checchi associate Harry Clement is working on account. Skiatron retained Washington economists Robert R. Nathan Assoc. some months ago, with Sherwood Fine assigned to case. Zenith has had Millard Faught as public spokesman for years.

(3) Washington's National Press Club has set April 14 as date for debate between Faught and Alfred Starr, co-chairman of movie exhibitors' Committee Against Pay-As-You-Look TV (CAPT). CBS-TV's *Omnibus* will present short feature on subject March 27.

(4) CAPT has enlisted its first non-exhibitor expression of opposition to subscription TV—Florida State Retailers Assn. adopting resolution in Orlando this week urging FCC and Congress "to keep the air free in line with the philosophy on which American broadcasting has been established." Adoption of fee TV, association stated, would accelerate a "stay-at-home trend of present consumers and further result in the lessening of the large listening audience of free radio and TV presently integrated with important advertising programs which are definitely helpful to retail business."

(5) American Academy of General Practice, on other hand, cautioned FCC against closing door to subscription TV. Secy. Mac F. Cahal wrote Commission, stating Academy represented 20,000 physicians and declaring: "We believe it is important to future developments that the FCC does not establish restrictions that will prevent further experiments with 'scrambled-image' techniques that permit selected audiences to view programs on open circuit TV."

(6) To entice telecasters, Zenith has published booklet *Phonevision and the Broadcaster*, which was delivered to FCC members this week and which will be distributed to stations shortly. In annual report released this week, Zenith pres. E. F. McDonald stated that exhibitors are the "only segment of the entertainment industry that has openly opposed subscription TV" and noted that movie producers have generally not joined exhibitors in their opposition.

(7) FCC has heard little on subject from individual Congressmen. About dozen have forwarded letters from constituents, usually opposing pay system, while a couple have spoken up in favor of commercializing pay-as-you-look TV.

Minority counsel of Senate Commerce Committee, named this week by Sen. Bricker (R-Ohio), is Wayne T. Geissinger, 44-year-old Ohioan who once was consultant to Korean pres. Syngman Rhee. Committee's chief counsel is Frank Pellegrini.

Television Digest

with ELECTRONICS REPORTS

WYATT BUILDING WASHINGTON 5, D C • TELEPHONE STERLING 3-1755

Electronics Reports
Financial & Trade Notes
Color Trends & Briefs

March 26, 1955

AUTOMATION—the application of electronic controls to mechanized production—may have immediate and profound effects on the electronics industry itself, an industry which heretofore has relied largely on hand assembly methods. Automation and mechanization are ideally suited to such mass output industries as TV-radio, so long as they provide sufficient flexibility for changeovers required by new circuits, new models, new products — or a quick switch from civilian to military end-items.

Technical discussions at IRE convention treated many aspects of the automation and mechanization of the television-radio industry. Paper by Admiral engineering director Ray De Cola and chief engineer George Harrigan described equipment designed by Admiral to automatically produce half of circuitry in TV set. Completely new TV circuit was designed for maximum simplicity and economy. Conventional components were used, fed onto printed circuit board by special Admiral-designed machinery. The equipment has been used in production since July 1954. The Admiral engineers advocated standardization of TV components used in automatic assembly systems.

RCA engineer J. J. Graham laid down 3 criteria for any proposed automation system for high-volume work: (1) It must be universal, adaptable to entire range of the company's products. (2) It must be flexible, to allow design engineer relatively free rein. (3) It must be compatible, to "accept most or all of the existing systems, such as GE or Tinkertoy" (Vol. 11:12). "We have conceived a completely mechanized method of producing printed circuit boards," said Graham. "We are currently fabricating the machine and have actually tried out some of the items required . . . We are using certain pieces of machinery on production runs."

Electronics Reports: Recruitment was one of busiest activities at this week's IRE convention in N. Y., with ads for electronics specialists even crowding the sports pages of New York papers as personnel representatives of big and little companies were on hand for interviews. The list of advertisers and their locations emphasizes how much of the business is moving to new and non-TV firms, particularly aeronautical.

Today's emphasis in the electronics industry is on development of new items—particularly military—requiring far heavier supply of engineers than does straight production work. Many smaller companies, unable to offer the allure of the industry's giants, have been caught in the engineering squeeze—one reason for recent wave of consolidation of many smaller electronic companies. Employment bulletin boards at IRE conveyed golden opportunities by the hundreds, many aimed at the thousands of engineering students who throng to the annual IRE event.

In the New York newspapers, besides the usual ads of DuMont, Federal, GE, Philco, Raytheon, RCA, Sylvania, Western Electric & Westinghouse, these were some of the firms advertising for electronic engineers:

Electronics Corp. of America, Cambridge, Mass.; Hughes Electronic Mfg. Div., Culver City, Cal.; North American Aviation Inc., Downey, Cal.; Convair, div. of General Dynamics Corp., San Diego; Lockheed Aircraft Corp., Los Angeles; Ramo-Wooldridge Corp., Los Angeles; Bell Aircraft Corp., Buffalo; Stavid Engineering Inc., Watchung, N. J.; Chance Vought Aircraft Inc., Dallas; Avion Instrument Corp., Paramus, N. J.; Clevite-Brush Development Corp., Cleveland; National Co., Malden, Mass.; Radioplane Co., Van Nuys, Cal. (sub. of Northrop Aircraft Inc.); Sperry Gyroscope Co., Great Neck, L. I.; Canadair Ltd., Montreal; Fairchild Camera & Instru-

Stanford Research Institute's L. K. Lee outlined the 2 steps in automatic production of electronic equipment: (1) The assemblers' approach—inserting conventional components on printed circuit boards. (2) Component makers' approach—fabricating circuit elements as part of the assembly, starting with raw materials (for example, Tinkertoy). He said first approach reduces assembly cost 60-80%, "but labor cost of an electronic assembly is only 30% of the total manufacturing cost." To effect further savings, he added, "we must automatize the fabrication of those electronic components which make up most of the cost to the manufacturer."

He envisioned a possible automatic system of the future by which "we may be able to paint all the passive circuit elements on an insulating material, bond a semiconductor to it, and have an electronic assembly that will perform reliably and have an operating life which we no longer measure in hours, but in years."

Just about every large and medium sized TV-radio manufacturer has installed or is planning to install automatic production machinery. One device arousing considerable industry interest is General Mills' "Autofab" machine which automatically turns out printed circuit boards equipped with conventional components—first of 6 General Mills machines which can make TV-radio plant almost completely automatic. Every major TV-radio manufacturer has seen the machine, and several have placed firm orders. In addition to General Mills and Admiral, United Shoe Machinery Co. is also offering mechanized assembly machines for placing conventional components on printed circuit boards. ACF Electronics is offering radically redesigned "modular" components (Tinkertoy) for use with automatic assembly machines, though they can also be used in manual assembly (Vol. 11:12).

ment Corp., Hicksville, L. I.; Airborne Instruments Laboratory, Mineola, L. I.; Sanders Associates Inc., Nashua, N. H.; Norden Laboratories, White Plains, N. Y.; Otis Elevator Co., electronic div., Brooklyn, N. Y.; Melpar Inc. (sub. of Westinghouse Air Brake Co.), Falls Church, Va.; Radio Receptor Co., Brooklyn, N. Y.; Curtis-Wright Corp., Woodridge, N. J.; Kollsman Instrument Co., div. of Standard Coil Products Co., Elmhurst, L. I.; Vitro Laboratories, W. Orange, N. J. & Silver Spring, Md.; General Precision Equipment Co., for its General Precision Laboratory Inc., Pleasantville, N. Y.; Link Aviation Inc., Binghamton, N. Y. & Kearfott Co., Clifton, N. J.; Glenn L. Martin Co., Baltimore; International Business Machines Corp., N. Y.; American Machine & Foundry Co., electronics div., Boston; Control Instrument Inc., Brooklyn (sub. of Burroughs Corp.); Minneapolis Honeywell, aeronautical div., Minneapolis.

* * * *

Again proving TV's tactical value in warfare, big amphibious war games at San Simeon, Cal. this week used TV cameras to patrol landing beach operations. As in "Operation Threshold," last summer's tactical demonstration at Ft. Meade, Md. (Vol. 10:33), cameras in observation plane relayed views of battlefield to ground headquarters—and in this case also to invasion command ship as well as half-dozen other land-based receiving stations. Ground TV camera van also was landed in second invasion wave. TV operations used this week were development of Army's Battlefield Surveillance Dept., Ft. Huachuca, Ariz. (Vol. 10:50).

Confidence in future of electronics, as expressed on Ed Murrow's *Person to Person* interview March 25 with fabulously wealthy Clint P. Murchison of Texas: Asked what career he would recommend today for his three youngsters, Murchison (whose wealth is mainly in oil, cattle & banking) replied unhesitatingly: "Electronics."

Automation of TV & radio stations is made possible by "Automatic Sequencer," manufactured by Vandivere Laboratories Inc., 3520 S. 4-Mile Run Drive, Arlington, Va., and demonstrated at IRE show. Basic principle of Sequencer: It puts subaudible cues, or "switches," on audio tape. For example, a pre-recorded tape could make aural station identification, then automatically change slides for commercial, give aural part of commercial, then switch to film or slide projector, or record turntable, etc.—all automatically. While main applications appear to be to low-cost radio broadcast installations, it would also seem to be a "natural" for cutting down staff required to man a TV station or satellite. As demonstrated at IRE, Sequencer gave its own sales talk via tape, automatically shut off tape reproducer, played stack of records, turned on tape for more sales talk, gave commercial integrated with series of TV slides.

Two new transistorized devices demonstrated by DuMont at IRE convention: (1) Tiny preamplifier, 1x1x5-in., designed to amplify 1000 times electrical signals as small as a 1000th of a volt and whose power is 1-billionth of a watt. Suggested uses include medical studies involving tests of brain waves and muscular or nervous reactions, in which voltages or currents generated in the body are so small they are not usable by many kinds of laboratory equipment. (2) Cathode-ray oscillograph, battery-operated, designed to free engineer from confines of power line availability, from power line fluctuations and surges and from grounds.

Transistorized paging system is offered by Dictograph Products Inc. as replacement for present intercom systems in offices, factories, hospitals, etc. Using system demonstrated at IRE show by transistor manufacturer Radio Receptor Co., each key man in organization carries tiny 3-oz. transistorized receiver in shirt pocket, with small loudspeaker clipped to lapel. Transmitter broadcasts only within immediate plant level, can be used to contact one man at a time.

Two Canadian developments with TV applications unveiled at IRE show by Canadian Marconi: (1) New electronic memory cell for electronic computers, which may provide "new medium for recording TV programs more efficiently and economically." (2) Semi-conductor photocell, extremely sensitive to light, now in production. Latter's first application was said to be "in TV receivers where it automatically adjusts the brightness of the picture according to the light level in the living room."

Dr. Lee DeForest, who was hospitalized last week with bronchial pneumonia in St. John's Hospital, Santa Monica, responding to inquiry, wires us to advise his friends he's "now resting at home and gaining strength day by day." He lives at 8190 Hollywood Blvd., Hollywood, will be 82 on Aug. 26, has been actively operating his United Engineering Laboratories Inc., 1027 No. Highland Ave., Los Angeles.

\$20 Billion-a-Year In a Decade

Because of unusual demand for the Special Report published by *Television Digest* March 12, 1955, we have ordered an extra run of the notable address on "The Electronics Industry: Present Rate and 10-Year Potential" by W. Benton Harrison, Sylvania v.p.-finance before the Financial Analysts of Philadelphia on March 10. In it he details the present dollar volume (total: \$9 billion) of the various facets of the electronics industry and projects their probable potential to \$20 billion over the next decade. Single copies are 50¢; ten or more, 25¢ each.

Rival to transistor in specialized electronic fields is "bi-mag," tiny magnetic core possessing 2-way magnetic field, invented and developed by Burroughs Corp., Detroit. Particularly suited to computing and automation devices, bi-mag is little larger than shirt button, relatively rugged, requires no special handling and can cut down number of tubes required in electronic devices. Says Burroughs pres. John S. Coleman: "We believe the range of uses to which it can be put is certainly wider than we now know. Used as a counter in electronic computing machinery, it can store impulses decimally from 1 to 10. Moreover, this 2-way magnetic core seems to gain in efficiency the longer it is used. It would seem to hold enormous promise. For example, we did not know when we started that it could be used in an electrocardiograph to pick up fetal heartbeats. Research by doctors at Wayne U here disclosed that fact—and it supplied them with something for which they had been looking for years."

New industrial TV camera was demonstrated at IRE convention by Blonder-Tongue Laboratories Inc., Westfield, Conn. manufacturer of TV distribution & community antenna equipment and uhf converters. The 4¼-lb. vidicon camera measures 8x4½x3 in., is priced at \$1495, including 18½-lb. control unit, vidicon, lens and 25-ft. control cable. Industrial TV equipment was also shown by DuMont, GPL & Kay-Lab. Shown by Olympic Radio for first time was new industrial TV receiver—ruggedized version of standard table model set, to be offered in 14, 17 & 21-in. sizes, prices starting at about \$200. IRE show featured closed-circuit TV "bulletin board" and paging service, with messages for visitors and exhibitors displayed on 8 Capehart receivers in the 2 exhibition halls. Camera was supplied by Farnsworth Electronics, distribution system by Jerrold.

Indiana Steel Products Co. has purchased Ferroxcube Corp. of America, Saugerties, N. Y. from co-owners Sprague Electric Co. and Philips Lamp Works (Philips of Holland), will retain plant and most of personnel. FCA was formed in 1950, became one of leading developers of ferrites. "Ferroxcube" is a ceramic pressed magnetic material used in transformer cores, chokes, coils, etc. Main customer is TV.

Pocket-sized developmental broadcast receiver, using 8 junction transistors, was described by RCA Labs engineers at IRE convention. Measuring 2¾x5½x1¼-in., AM set uses superhet circuit, has performance "comparable to that of conventional personal receivers." Battery life, using RM-1 cells, is approximately 50 hours. By extending receiver length one-half inch, RM-502 cells can be used, providing 120 hours of life.

"Electronics & Automatic Production" is theme of national symposium on technical developments, social and economic implications of automation, sponsored by Stanford Research Institute and National Industrial Conference Board in San Francisco Aug. 22-23, immediately preceding Western Electronic Show.

Times Wire & Cable Co., N. Y., manufacturer of special coaxial cables used in electronics, has been taken over, through purchase of majority stock, by International Silver Co., Meriden, Conn., its operations to be moved to Meriden under present management.

Westinghouse plans combined new manufacturing plant and engineering & office building near Baltimore's Friendship Airport to produce military electronic equipment, reports Walter E. Benoit, electronics div. mgr. Full occupancy is planned by Jan. 1956.

LaPointe Electronics Inc., Rockville, Conn. (TV antennas) is acquiring Allied Products Corp., Dorchester, Mass., manufacturer of houseware and aluminum tubing.

Reon Resistor Corp., Yonkers, N. Y., has purchased assets of Columbia Resistors Inc., Pearl River, N. Y.

Financial & Trade Notes: TV was dominant factor in rise of CBS sales and earnings to new records in 1954, states annual report released this week which shows consolidated gross revenues and sales of \$373,380,139, up 18.9% from the \$313,908,771 for 1953. Consolidated net income in 1954 was \$11,414,645 (\$4.85 per share on 2,353,312 shares outstanding) compared with \$8,894,642 (\$3.80 on 2,340,896 shares) in 1953. In addition to the 1954 income from normal operations, CBS realized non-recurring capital gains of \$5,302,181 after provision for taxes, resulting principally from sales of minority interests in WCCO-TV & WCCO, Minneapolis; WTOP-TV & WTOP, Washington; KQV, Pittsburgh.

Report does not break down financial operations by divisions, though it makes clear that CBS-TV—which it states was “the largest single advertising medium in the world” in 1954—was the top source of revenue and presumably of profits. Radio income declined, but “CBS Radio is confident that radio will retain a permanent and important place in American life and that CBS Radio will continue to contribute to the profits of the company, though perhaps to a lesser degree than in the past,” states radio pres. Adrian Murphy. Record business was ahead, but tube and receiver divisions did not show profit.

Total assets were \$169,298,915 as of Jan. 1, 1955, up from \$136,040,997 year before; earned surplus was \$51,084,775, up from \$42,300,722.

At annual meeting April 20, stockholders will vote on proposed 3-for-1 split of Class A shares. Class A totaled 1,337,934 on Jan. 1, Class B 1,100,780. Officer and director 1954 compensations are shown in notice of annual meeting as follows (stockholdings in parentheses): Wm. S. Paley, chairman, \$200,000 (39,281 Class A & 226,950 B); Frank Stanton, pres., \$250,836 (44,686 & 10,225); Edward R. Murrow, director, \$306,611 (306 & 204), most of compensation coming from commercial sponsorships; J. L. Van Volkenburg, pres. CBS-TV, \$101,250 (102 & 204); Adrian Murphy, pres. CBS Radio, \$65,000 (none); James B. Conkling, pres. Columbia Records, \$72,499 (102 B); Charles F. Stromeyer, pres. CBS-Hytron, \$54,807 (2321 & 2238); Seymour Mintz, pres. CBS-Columbia, \$51,346 (none). Year's counsel fees to firm of Rosenman, Goldmark, Colin & Kaye—Ralph F. Colin being a Class A director—totalled \$203,000 from CBS Inc. and \$12,750 from Columbia Records.

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Zenith Radio Corp. earnings and sales last year were second highest in company's history, and pres. Eugene F. McDonald Jr. told stockholders in annual report that TV-radio sales in first 2 months of 1955 were 44% ahead of same 1954 months. Profit last year was \$5,676,264 (\$11.53 a share) on sales of \$138,608,360, compared to \$5,631,701 (\$11.44) on \$166,733,276 in 1953 and \$5,845,933 (\$11.87) on \$137,637,697 in 1952. McDonald said backbone of industry in foreseeable future will be larger-size black-&-white TV receivers and “substantial quantities” of radios. While company has made “considerable progress” in color, he said much more remains to be done before color sets “of excellent performance are ready for mass manufacture at prices that will interest the public.” Tube subsidiary Rauland Corp. showed a profit, compared to loss in 1953. Factory branches in N. Y. & Chicago operated at a loss because of “extremely competitive conditions.” Hearing aid sales increased “significantly” over 1953 in both units and dollars. Govt. billings were down 32% in 1954, and McDonald foresaw “still lower defense contract sales in 1955.”

Sprague Electric Co.'s 1954 net income was \$3,333,408, or \$2.68 per share on 1,241,712 shares outstanding, compared with \$2,888,281 (\$2.50 on 1,154,970 shares) in 1953.

Electronics Corp. of America reports net sales of \$5,590,209 in 1954, net income \$162,106. Sales for 1953 were \$4,636,564, embracing those of predecessor companies, merged in Aug. 1954, which were Photoswitch Inc., Combustion Control Corp., Fireye Corp., Photoswitch Marine Div. Inc., and for which net incomes were not revealed. ECA now employs about 1000 workers, plans 1500-2000 by late 1956, had just taken 20-year lease on Wm. Filene's Sons Co. warehouse in Cambridge, Mass., to which it will move administrative & sales offices and labs by end of year. Pres. Arthur Metcalf told annual meeting March 25 backlog of unfilled orders is \$4,500,000 and prospect for 1955 sales is \$9,000,000.

Aerovox Corp., under terms of agreement with Prudential Insurance Co., will pay no more cash dividends on its common shares until at least Nov. 1, 1956 in order to build up working capital, said Aerovox pres. W. M. Owen. Prudential, in turn, has agreed to waive all loan payments until that date. Owen said stock dividends will be issued instead, based on earnings in 1955 and 1956. Aerovox paid 45¢ a share in cash last year, 60¢ in 1953. Aerovox this week also disclosed acquisition of Luther Mfg. Co., Olean, N. Y., manufacturers of automatic production equipment.

Hazeltine Corp. earned \$2,666,263 (\$3.81 per share) after taxes of \$3,067,000 on gross income of \$8,525,767 in 1954, compared to \$2,085,705 (\$2.98) after taxes of \$5,171,200 on gross income of \$10,057,032 in 1953. In annual report, chairman Jack Binns and pres. W. A. McDonald noted that company owned 569 U. S., 1851 foreign patents as of last Dec. 31, had 161 additional applications for patents pending here, 754 overseas.

Trav-Ler Radio Corp. sales were \$16,347,000 in 1954, up 13% from \$14,669,624 in 1953. Profits were \$241,000 (32¢ per share) compared to \$412,257 (54¢) in 1953. Govt. sales went down from 31% to 11%, civilian business went up 33%. Pres. Joe Friedman predicted 25% increase in U. S. sales this year, with Canadian plant, recently acquired from Hallicrafters, expected to add about \$7,000,000 in billings.

Collins Radio earned \$1,495,572 (\$3.01 on 490,370 common shares outstanding) on sales of \$48,214,224 in 6 months ended Jan. 31, compared to \$1,476,406 (\$3.41 on 426,409 shares) on \$37,925,586 same period of preceding fiscal year. Backlog of orders totalled \$160,000,000 as of Jan. 31.

Movie earnings continue up: 20th Century-Fox reports 1955 net earnings of \$8,044,524, or \$3.04 a share on 2,644,486 shares outstanding, compared to \$4,560,887 (\$1.65 on 2,769,486 shares) in 1953. Gross income rose to \$115,715,815 from \$113,513,260.

Canadian GE reports net income of \$7,139,759 (\$37.46 on 188,845 common shares) on record sales of \$210,912,045 in 1954. Earnings were \$11,044,537 in 1953, for which no sales figure was given.

National Co. earned \$230,332 (84¢ on 260,100 common shares outstanding) on sales of \$7,298,055 last year, compared to \$228,217 (83¢ on 250,000 shares) on sales of \$7,095,593 in 1953.

Oak Mfg. Co. earned \$1,321,155 (\$2.52 per share) after taxes of \$1,480,000 on sales of \$18,788,317 in 1954, compared to \$1,239,017 (\$2.36) after taxes of \$2,290,000 on \$20,680,957 in 1953.

Globe-Union earned \$569,280 (79¢ per share) on sales of \$44,106,364 in 1954, compared to \$1,682,276 (\$2.35) on \$48,180,147 in 1953.

Texas Instruments Inc. earned net profit of \$1,200,995 (40¢ a share) on sales of \$24,387,334 in 1954 vs. \$1,270,125 (42¢) on sales of \$27,007,957 in 1953.

Color Trends & Briefs: Rectangular 22-in. color tube bulbs are now being shipped to tube makers in limited quantities, Corning Glass officials said at IRE convention in New York this week. They added they're ready now to make 22-in. bulbs "in any quantity that may be required by the industry." It's known that CBS-Hytron is now receiving the bulbs and plans to introduce new 22-in. color tube soon. Corning electronic sales dept. mgr. J. S. Muller said he expects new size to become "the standard of the color TV industry." It's approximately same length and height as 19-in. round bulb and is designed to fit in same size cabinet. Designed for shadow mask tube, it's constructed so mask can be mounted by either of the 2 methods now in use—flat land or pin method—and can accommodate either 1 or 3 guns. Corning spokesmen also revealed company is making small number of 19-in. round glass bulbs for color tubes and is now developing rectangular color bulbs larger than 22-in. Several tube makers showed "22-in. color tubes" at IRE show, but none was in a receiver or operating.

Method of increasing color tube brightness up to 4 times was described in paper by Rauland's (Zenith) M. E. Amdursky, R. G. Pohl & C. S. Szegho. It involves increasing size of holes in mask to permit more energy to reach phosphors, while introducing an "auxiliary mesh" to make certain that beams reach proper phosphor dots. They reported having made new tube in 19-in. round and 24-in. rectangular types, using flat masks and screens, and are working to adapt principle to tubes with curved mask and phosphors and face plate.

Meanwhile, American Optical Co. prepared to ship 23 pre-production units of color projection set assemblies to 15 unidentified manufacturers. Unit was given setback when price of 21-in. direct-view tube was cut to \$100, but AO spokesman Samuel Sheard said he hopes that projection units can be offered for considerably less than the \$250 originally quoted. He said that current unit is much improved over that originally demonstrated by Hazeltine (Vol. 10:49). Along with optical, electrical and mechanical changes, picture has been increased from 13½x18½-in. to 15x20-in.

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Single color camera tube, the "tri-color vidicon," was described at IRE convention by Paul K. Weimer, head of 5-man RCA team. Giving progress report on the tube first demonstrated 2 years ago (Vol. 9:16), he said tube can handle slides, film and live scenes employing high light levels—and work continues toward development of tube capable of operating under normal lighting conditions. When perfected, great advantage of tube is that it will minimize optical and electrical registration problems in-

RELIABLE TRANSMISSION of TV signals over the horizon for distances as great as 200 mi. without relay stations was announced this week by Bell Labs and MIT—opening way for transmission of TV signals across large bodies of water and over rugged terrain where microwave relay stations can't be built. AT&T has already received permission from FCC for experimental uhf transmissions from Florida to Cuba (Vol. 10:40, 45, 49, 51).

Transmission technique announced this week is already being used by continental defense system. In the TV experiments, 10-kw uhf transmitters and 60-ft. diameter antennas were used—20,000 times the power and 30 times the antenna area used in present transcontinental microwave system in which relay stations must be spaced 30 mi. apart. Uhf band was used rather than microwave because of the high power equipment required—not available in the microwave frequencies.

First successful TV transmission using the system was accomplished last year between Holmdel, N. J. and

herent in current 3-tube cameras—in addition to permitting construction of much smaller cameras.

Principle of tube is described as follows: "The heart of the tube is a unique and intricate color-sensitive target applied to the face of the tube by an evaporation technique. The target, a rectangle whose diagonal measurement is only 1½-in., consists of nearly 900 fine vertical strips of alternating red, green and blue color filters, covered by 3 sets of semi-transparent conducting signal strips . . . The signal strips corresponding to a given color are all connected to a common output terminal, and insulated at the same time from the strips of the other 2 colors. As the target is scanned by a single electron beam, the color-sensitive filters permit the signal strips to produce electrical signals corresponding to the arrangement of light and color in the scene before the camera."

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Progress towards transistorized color sets as reported in annual report of Stanford Research Institute: "Under sponsorship of RCA, the Institute has been working for 3 years on the general problem of applying transistors to TV receivers. The particular problem chosen is the adaptation of transistors to a color-decoder circuit. This is the circuit that accepts the video signal and unscrambles it into the 3 signals—red, blue, green—for the color picture tube . . . Two types of experimental transistor color TV decoders have been built. Both have demonstrated the possibility of substantial reductions in size and power consumption. Power saving is not only important per se but also in the reduction of heat within the receiver cabinet."

March 28 week network color schedules: CBS-TV—March 28-April 1, *Robert Q. Lewis Show*, 2-2:30 p.m.; NBC-TV—March 31, *Dinah Shore Show*, 7:30-7:45 p.m.; April 2, *Your Hit Parade*, 10:30-11 p.m. Later color shows scheduled: April 4, Robt. Sherwood's *Reunion in Vienna*, with Greer Garson, Brian Aherne & Peter Lorre, NBC-TV 8-9:30 p.m.; April 6, *Stage Door*, with Rhonda Fleming, Diana Lynn, Dennis Morgan, Elsa Lanchester, Peggy Ann Garner & Victor Moore, CBS-TV 10-11 p.m.; April 9, *The Merry Widow*, operetta, with Anne Jeffreys, Edward Everett Horton, Bambi Linn & Rod Alexander, NBC-TV 9-10:30 p.m.

Color TV lighting clinic for station managers, engineers, etc., will be conducted by GE at Nela Park, Cleveland, April 4-7. Color and monochrome cameras will be employed, and talks will be given by lighting specialists from GE and various stations.

Most recent color scanner shipments reported by DuMont—to WAGA-TV, Atlanta; KXJB-TV, Valley City, N. D.; WTVW, Milwaukee.

Round Hill, near Bedford, Mass., distance of 188 mi. Scientists have known that uhf transmissions travel over the horizon under certain conditions, but previously believed them too weak and undependable for practical use. Bell-MIT experiments utilized signals which drop off a straight radio beam beyond the horizon and are reflected or scattered to distant points by the atmosphere.

Note: Another method of relaying TV signals for even longer distances—across oceans and continents—was envisioned by Bell Labs' electronics research director Dr. John R. Pierce at opening session of IRE convention in New York. It's still far in the future, involves launching 100-ft. space station satellite in an orbit 22,000 mi. above the earth to reflect TV signals from one continent to another. This would require antenna 250-ft. in diameter at the sending and receiving stations on earth, transmitter power of only 50-kw. Principal problems involved: (1) Building such a satellite. (2) Keeping the satellite's reflecting surface steadily aimed in the proper direction.

REVERSAL of examiner this week brought CP for Mobile's Ch. 5 to WKRK-TV Inc., in final decision denying Mobile TV Corp. Giddens & Rester families, owners of 7 Mobile theatres and operators of WKRK, were favored because Commission felt their record of operating radio gave greater assurance of carrying out programming promises. FCC said that operation of WABB by *Mobile Press Register*, 20% owners of Mobile TV, gave less such assurance. In addition, Commission said that grant to principals of WDSU-TV, New Orleans, who own largest share of Mobile TV, wouldn't promote "diversification" because of their interests in WAFB-TV & WAFB, Baton Rouge. Commission didn't hold newspaper ownership against Mobile TV stockholders.

Also finalized this week was Ch. 8 grant to Cowles in Des Moines, after withdrawal of KSO under option agreement whereby latter can acquire 40% (Vol. 11:10).

Four uhf CPs were cancelled: WIBG-TV, Philadelphia (Ch. 23), whose principals bought WDEL-TV, Wilmington (see p. 12); KDTX, Dallas (Ch. 23); KTVP, Houston (Ch. 23); WTLB, La Crosse, Wis. (Ch. 38).

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Highly significant decision was rendered by Court of Appeals this week when it tossed back to Commission the famous "protest" case in which FCC denied hearings to WAIM-TV, Anderson, S. C. (Ch. 40) and WGVL, Greenville (Ch. 23) after they protested change of site granted to WSPA-TV, Spartanburg (Ch. 7). Court stated flatly that protestants were entitled to hearing.

Importance of decision by Judges Edgerton, Bazelon and Fahy is it appears to force FCC to grant hearings vastly greater number of cases and to conduct the hearings on issues specified by protestants. The uhf stations had alleged economic injury because Commission grant of site move enabled WSPA-TV to obtain CBS affiliation. But court stated:

"Spartan [WSPA-TV] did not deny . . . that the change of transmitter site enabled it to get the CBS affiliation. The Commission found that, even if so, injury

caused by this affiliation was not caused by the change of transmitter site, so as to make appellants parties in interest under Sec. 309(c), because the affiliation was not ordered by the Commission but resulted from private negotiation. However, the economic injury that gives standing, under [*FCC vs. Sanders*], to oppose Commission action, is seldom if ever a direct result of Commission action. Even the grant of a new station license does not automatically take advertising revenue away from existing licensees, but only creates a situation in which the new licensee may be able to get the revenue by private negotiation, yet existing licensees are 'adversely affected' and 'parties in interest.'"

Commission has been so upset by repeated success in courts by protestants that it is virtually begging Congress to amend Communications Act. This week, it sent Congress a recommended amendment designed "to obviate the use of the new procedure as a device for delaying radio station grants which are in the public interest while at the same time retaining the rule's primary objective of providing interested parties with a means by which they may bring to the Commission's attention bona fide questions concerning grants made without hearing."

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Another de-intermixture petition was filed this week. Noting that WBRZ, Baton Rouge (Ch. 2) is about to go on air, New Orleans' WJMR-TV (Ch. 61) asked Commission to switch the 2 stations' channels so as to make New Orleans all-vhf, Baton Rouge all-uhf.

In other allocations actions: (1) National Grange filed opposition to proposed "5-mile rule," stating that its adoption "in many cases would deprive material and substantial segments of rural America of receiving an adequate TV signal." (2) FCC started rule-making to add Ch. 16 to Pittsburg-Antioch, Cal. and to switch WMVT's Ch. 3 from Montpelier to Burlington, Vt. (3) WNHC-TV, New Haven (Ch. 8) opposed petition of WRTV, Asbury Park, N. J. (Ch. 58) which asked allocation of Ch. 8 to Asbury Park for low-power station.

PROVIDENCE'S new WPRO-TV (Ch. 12), new satellite KHBC-TV in Hilo, Hawaii (Ch. 9) and new CHEX-TV, Peterborough, Ont. (Ch. 12) keep U. S. on-air total at 428 after deducting 2 more uhf (see p. 4) while Canada now has 26 on air. Next U. S. starters, all of whom have stated they would get going on or about April 1, are expected to be the second satellite of Honolulu's KGMB-TV—KMAU, Maui (Ch. 3)—and WBRZ, Baton Rouge, La. (Ch. 2); KWTX-TV, Waco, Tex. (Ch. 10); KFDM-TV, Beaumont, Tex. (Ch. 6).

WPRO-TV starts out as CBS basic, with \$1000 Class A rate and Blair-TV as rep. It has 50-kw GE transmitter with 12-bay antenna on 358-ft. Blaw-Knox tower. Arnold F. Schoen Jr. is gen. & sales mgr., reporting to pres. Wm. S. Cherry Jr.; Fred D. Shavor, ex-WTRI, Albany, is program mgr.; Peter Swanson, production mgr.; John V. Ferri, chief engineer.

The satellite KHBC-TV in Hilo, employing KGMB-TV's original equipment, has 500-watt RCA transmitter with antenna on radio KHBC tower. It won't be direct pickup from Honolulu, but will have installation on NW side of Mauna Kea crater which will pick up Maui's KMAU (Ch. 3) programs, microwave them to Hilo, on crater's other side. Harold Marques is in charge of TV operation, which will utilize KHBC radio staff. Neither Hilo nor Maui station will have rate card, nor will KGMB rates be increased, until "proved circulation" can be offered—not before next year. Rep is Free & Peters.

CHEX-TV, Peterborough, Ont. opens new TV area between Toronto & Ottawa as of March 28, having tested since March 23. It uses 10-kw RCA transmitter, 12-slot

wavestack antenna on 400-ft. tower built by Canadian Bridge Ltd. Owners are Senator W. Rupert Davies, publisher of *Peterborough Examiner* and *Kingston Whig-Standard* (51%) and publisher-broadcaster Roy Thomson (49%); they also operate CKWS-TV, Kingston. Doug Manning is commercial mgr.; Wm. Straiton, program mgr.; Bert Crump, chief engineer. Base rate is \$200. Reps are All-Canada and Weed.

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No new shipments were reported by any of the equipment manufacturers this week, but GE reports order for 20-kw transmitter from WITN, Washington, N. C. (Ch. 7), which has Sept. target, and 6-bay antenna for KVOO-TV, Tulsa (Ch. 2). Two new Canadian TV applications were filed this week with CBC—for Ch. 13 by CFCY, Charlotte-town, P. E. I., and for Ch. 9 by Lethbridge Television Ltd., Lethbridge, Alta.

First microwave equipment in 10,700-13,200-mc band, for TV station STL and other use, is being offered by Lambda-Pacific Engineering Inc., which makes STLs for Philco and has supplied links to AT&T for upcoming A-bomb tests in Nevada. Equipment employs new Varian klystrons. Move into higher frequencies aims to relieve congestion on lower microwave bands.

Sale of radio KFDX, Wichita Falls, Tex. for \$100,000 to Grayson Enterprises (Vol. 11:9) was approved by FCC recently, seller Darrold A. Cannan retaining KFDX-TV (Ch. 3). Grayson Enterprises is 50% owned by Sid Grayson, v.p.-mgr. of KMID-TV, Midland, Tex.

Network Accounts: DuMont's gen. mgr. John H. Bachem, subbing for managing director Ted Bergmann, hospitalized this week, stated network is pitching heavily for pro football next season, ready to deliver "custom-built" hookups according to sponsor demand, despite further curtailment of regular leased lines (p. 3). Network is still going after new sponsors, he said, to replace Johnson Candy Co.'s *Captain Video* and Alka-Seltzer's *Morgan Beatty & the News*, which quit next week; and to fill in for the Paul Dixon afternoon and Ernie Kovacs evening shows, being dropped in early April. Termination of *Chicago Symphony* is due April 6 after 26-week season. Sponsored shows still on network: Admiral's Bishop Sheen, Tue. 8-8:30 p.m.; Heinz's *Studio 57*, Tues. 8:30-9; DuMont Receiver Div.'s *What's the Story?* Wed. 8-8:30 p.m.; Emerson Drug's & Lenthier's *Chance of a Lifetime*, Fri. 10-10:30 p.m.; Western Union's *Down You Go*, Fri. 10:30-11 p.m.; Serutan's *Life Begins at 80*, Sun. 9:30-10 p.m.; Libby, McNeil & Libby's & Swift & Co.'s *All About Baby*, Thu. & Fri. 2-2:15 p.m. . . . Sunbeam sponsors 20 min. of Milton Berle & Martha Raye shows on NBC-TV starting in fall, Tue. 8-9 p.m., and one-half of "color spread" each 4th Sun., 7:30-9 p.m., thru Perrin-Paus . . . Mars Candy, thru Leo Burnett, and Carnation Milk, thru Erwin Wasey, each buys 15-min. segment of Disney's upcoming *Mickey Mouse Club* on ABC-TV starting Oct. 3, Mon.-thru-Fri. 5-6 p.m.—other partic. sponsors are General Mills, thru Knox Reeves; Campbell Soup, thru Leo Burnett; Ipana, thru Doherty, Clifford, Steers & Shenfield; Armour, thru Henri, Hurst & McDonald . . . Procter & Gamble to be alt. sponsor (with Viceroy cigarettes) of *The Lineup* on CBS-TV starting April 1, Fri. 10-10:30 p.m., thru Young & Rubicam . . . General Foods (Walter Baker chocolate & Post cereals) to sponsor *Pantomime Quiz* as summer replacement for *Mama* on CBS-TV starting July 8, Fri. 8-8:30 p.m., thru Benton & Bowles . . . Re-runs of *I Love Lucy*, under sponsorship of Lehn & Fink (cosmetics), start under title of *The Lucy Show* on CBS-TV April 17, Sun. 6-6:30 p.m. . . . Colgate-Palmolive switches production of *Colgate Comedy Hour* from Ted Bates & Co. to Wm. Esty Co., effective June 12 . . . GE planning series of films, possibly to be produced by 20th Century-Fox, on CBS-TV starting June 1, Wed. 10-11 p.m., thru Young & Rubicam . . . Eastman Kodak finally settled uncertain fate of color-film *Norby* by cancelling it on NBC-TV Wed. 7-7:30 p.m., takes over re-runs of *Ford Theatre* series Wed. 8-8:30 p.m. in April, thru J. Walter Thompson . . . Charles Antell Inc. (Lanolin hair preparation) to sponsor 12:30-1 p.m. portion of Easter parade on 5th Ave. on NBC-TV, Sun. April 10, 12:15-1 p.m., thru T.A.A. Adv., Baltimore.

Rate increases: WABC-TV, New York, has raised base hour from \$3100 to \$3750, 20 sec. from \$550 to \$675; WISH-TV, Indianapolis, May 1 raises base rate from \$800 to \$1000, min. \$150 to \$180; WSAZ-TV, Huntington, W. Va. raises base hour from \$700 to \$800, min. \$140 to \$160; KFMB-TV, San Diego, from \$600 to 800 & \$120 to \$160; KHQ-TV, Spokane, adds new Class AA hour (8-10 p.m. daily) at \$600, min. at \$120; WGAN-TV, Portland, Me. raises base hour from \$250 to \$350, min. \$50 to \$70; WRBL-TV, Columbus, Ga. adds new Class AA hour (7-10 p.m. Mon.-Sat. & 7-10:30 p.m. Sun.) at \$300, min. at \$60, with Class A hour going from \$200 to \$250; WDBO-TV, Orlando, raises base hour from \$200 to \$250, min. \$50 to \$55; KVAL-TV, Eugene, Ore. April 15 raises base hour from \$175 to \$225, min. \$35 to \$45.

Four big auto companies—General Motors, De Soto, Chrysler, Packard—have purchased total of 9 partic. on NBC-TV's 7-9 a.m. *Today* week of April 18, when show originates from Detroit.

Major league baseball's TV lineup: Baltimore, WMAR-TV & WAAM, National Bohemian Beer, thru W. B. Doner & Co.; Boston, WBZ-TV & WNAC-TV and WCSH-TV, Portland, Chesterfields & Narragansett Beer, both thru Cunningham & Walsh, and Atlantic Refining Co., thru N. W. Ayer; Brooklyn, WOR-TV, Lucky Strike & Schaefer Beer, both thru BBDO; Chicago Cubs & White Sox, WGN-TV, Oklahoma Oil, thru Maryland Adv., & Hamm's Beer, thru Campbell-Mithun; Cincinnati, WCPO-TV, Burger Beer, thru Midland Adv.; Cleveland, Carling Beer, stations undetermined, thru Lang-Fisher-Stashower; Detroit, WJBK-TV & WSPD-TV, Toledo, Goebel Beer, thru Campbell-Ewald, & Speedway Petroleum, thru W. B. Doner; New York Giants, WPIX, Chesterfields; New York Yankees, WPIX, Ballantine Beer, thru Wm. Esty, and White Owl cigars, thru Young & Rubicam; Philadelphia, WPTZ & WFIL-TV, Atlantic Refining, Ballantine & Tasty Baking Co., latter thru Gray & Rogers; St. Louis, WTVI, Marine Petroleum & General Finance Corp., thru Gordon Best; Washington, WTTG, National Bohemian. No TV will be permitted in Pittsburgh (though Thomas P. Johnson, pres. of uhf WENS, is also part owner of Pirates), Kansas City & Milwaukee.

Spate of inter-network back-patting has had industry smiling last few weeks. First, ABC-TV placed trade ads that not only expressed delight with its "Emmy" awards but congratulated CBS-TV and NBC-TV for theirs—listing each network's winners specifically. CBS-TV came back this week with ad featuring extremely clever Bemelmans sketch with "Alphonse-Gaston" motif, saying: "It was pretty nice of the ABC-TV Network to salute its fellow networks . . . We had intended doing the same thing earlier this season when they launched some very exciting program ideas. But they beat us to it—just as they beat us to *Disneyland*." Ad then saluted NBC with: "Only through network TV can 65 million people share simultaneously the pleasure of NBC's memorable *Peter Pan* . . . or to discover a great comic like George Gobel." Summing up the pitch for network TV—and getting its own message across—CBS noted: "Only through network TV can an advertiser reach 41 million people each week as economically, for example as he can on *I Love Lucy*—another network developed program."

CBS-TV affiliates have been asked to surrender 7:15-7:30 p.m. option time to network as part of master plan to revise 7-8 p.m. program lineup. Subject was discussed, among other topics, at recent hush-hush meeting of key affiliates and network officials called by CBS-TV pres. J. L. Van Volkenburg. Affiliates were pledged to secrecy, but network has confirmed that it's trying to get away from 15-min. program format of news and music in 7-8 period, would like to use 30-min. variety programs to meet stiff competition from such shows as ABC-TV's *Disneyland*. Eventually, it would like to begin programming at 7 instead of 7:30, as at present.

Sponsors of ABC-TV's upcoming weekly *Warner Brothers Presents*, to be produced especially for it by Warners (Vol. 11:12), may buy minimum of 30-min. alt. weeks for 52 weeks, under sales plan launched this week by network. Show thus will have maximum of 4 sponsors. Tue. night show debuts Sept. 13, either 7:30-8:30 or 8-9, on 122 stations. Series will consist of 39 first-run films and 13 summer repeats. Each show will have 6-min. promotional segment at end, showing various theatrical films in current production.

Television Bureau of Advertising, at board meeting March 24-25, disclosed signing of contract with A. C. Nielsen Co. for series of special market studies designed to measure TV's ability to sell specific commodities. TvB board also played host at luncheon to top ad agency executives at 21 Club.

CLOCK TVs NEXT; TRADE OUTLOOK UNCLEAR: Something new in the 1956 TV lines, to be shown this summer, will be clock TV -- working much like the clock radios, which have proven big commercial success in the 9 years they've been on market. At this week's IRE show in New York, 2 of the biggest makers of electric clocks and timers -- Sessions Clock Co., Forestville, Conn., and GE's Telechron dept. -- made big pitch for clock-timed TVs, both showing mock-ups with small clock-timer set below screen.

Sessions displayed its clock on Philco set, and it's understood Philco will use Sessions clock in some of its 1956 models. It can be assumed, too, that GE will use Telechron clock in some of its sets, and other set makers will use both.

Principle is same as clock radio. Set can be timed to turn on and off at any time, especially desirable for increasingly popular early-morning programs like NBC's Today and CBS's Morning Show and as reminder to watch certain programs in day and evening. Sessions clocks can be set 24 hours ahead, Telechron 12. Sessions people say they plan big consumer advertising campaign for both clock TVs and TV clock. Latter is separate clock-timer unit which can be set atop any TV, converting it to clock TV. Spokesman estimated timer would add \$15-\$20 to retail price of set.

Note: Idea of clock TV isn't entirely new. Olympic Radio briefly promoted clock-timed TVs in 1952 (Vol. 8:31), subsequently dropped them.

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There's a spottiness to current TV market that has a lot of set makers more uneasy than they care to admit. Granted that TV sales normally tail off at this season, there's added fear now that, with some 36,000,000 sets-in-use in nation's 48,000,000 homes, TV won't have the same bounce-back later in the year, and that the traditional "second-quarter blues" may extend into the fall.

Bearish signs are beginning to crop up. Dumps and distress sales are appearing in formerly strong markets. Such money-back offers as proposed this week by Crosley distributor Gerald O. Kaye in N.Y. to customers who weren't satisfied that its Custom V sets could "outperform" all others (see p. 10) are rarely associated with thriving markets, whatever may be the virtues of the device. As another symptom, Arvin this week decided to quit TV production about June 1 because of insufficient return, will concentrate on more profitable radio output (see p. 10).

Additionally, new markets which used to be fertile fields for initial set sales aren't opening up with much regularity these days. Finally, you hear quite a bit of grumbling from distributors and dealers about the movement of 24-in. sets, for which much promise was held out as items to yield greater profit. Commented one distributor: "We could do just as well without them." Said another: "Ours is a low-end 'grab-bag' market, and 24-in. sets don't cut any ice here."

On the plus side, there's the growing second-set and replacement business, particularly in large markets. Motorola's Robert W. Galvin estimates 63% of sets sold in N.Y. market currently are for replacement. Then there are the forecasts of Sylvania v.p. W. Benton Harrison, in talk before Financial Analysts of Philadelphia March 10 (text printed as Special Report, Vol. 11:11). He foresaw sales of 6,300,000 black-&-white sets, plus 100,000 color this year, reasoned that if only 4% of the sets now in use are replaced, 1,300,000 sales will result. He adds to that 300,000 second-sets and 600,000 more merely as result of normal population growth, leaving 4,100,000 sets to be marketed this year as initial sales. Not too tough, he says.

The nation's economic underpinning trends to encouragement for the trade, too. Several recent reports certainly point to continued high consumer purchasing power. Consider: (1) Federal Reserve Board's 10th annual survey of consumer finances, conducted for it by U of Michigan's survey research center, reports consumers believe they are in better financial position than year ago, more indicate they plan

to buy appliances this year. (2) Joint Congressional Committee on Economic Report agreed economy has been improving since late 1954, added that both employment and production have regained one-half the ground lost in 1953-54, foresaw national output valued at \$375 billion in 1955. (3) Commerce Dept. reported 41% of families now have incomes of at least \$5000 a year; since 1947, number of families with incomes of over \$10,000 has increased by 100%, those with more than \$4000 a year by 70%.

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TV production totaled 164,478 week ended March 18, compared to 160,995 units preceding week and 166,461 week ended March 4. It was year's 11th week and brought production for year to date to about 1,835,000 vs. 1,200,000 same 1954 period.

Radio production totaled 307,549 (160,048 auto), highest weekly output of the year, up from 297,595 week ended March 11 and 297,457 week before. Production for 11 weeks was 3,900,000, compared to 2,200,000 in corresponding period year ago.

Topics & Trends of TV Trade: Crosley's offer of a money-back guarantee to N. Y. area customers if its "Custom V" 21-in. receiver does not "outperform" all other TV sets, promoted in full-page ad in N. Y. newspapers March 20 and smaller ads later in week, got mixed reaction from dealers—some favoring device as means of helping them close sales, others objecting to becoming, in the words of one, "a delivery system."

The initial ad, placed by distributor Gerald O. Kaye & Assoc., said: "Purchase any of the magnificent Crosley Custom V television receivers—even the low-priced leader at \$179.95—and if it does not perform better in your home than any set in your neighborhood, regardless of price, return it to your authorized Crosley Custom V dealer—and get the purchase price of the set refunded. And what's more, you have 10 full days from the time the set is installed to satisfy yourself that you have the best TV in America." It invited customers to "compare performance in the city or 100 miles from New York—in your own home!"

Dealers favoring idea felt confident that even if a set is returned, they will be able to hold the customer and sell him another receiver. Those against it said comparisons would be difficult to prove, since sets perform differently in different locations in a room, much less in different houses. Kaye, of course, agreed to take back any sets returned to dealers.

Crosley this week added a 17-in. maroon metal "Super V" table model at \$130, the \$140 mahogany & \$150 blonde "Super V" sets remaining unchanged. TV-radio sales mgr. H. J. Allen said Crosley TV unit sales in first quarter increased 74% over first 3 months of 1954, credited increase to vertical chassis design, first introduced in "Super V" series but now used throughout entire line.

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Arvin calls it quits on TV production about June 1, will divert most of its TV personnel and facilities to expansion of radio output thereafter. It's second big-name company to quit TV in last 3 months—aside from several in bankruptcy proceedings—the other having been Stewart-Warner (Vol. 10:52). Arvin pres. Glenn W. Thompson attributed move strictly to manufacturing economics, explaining: "Arvin has found that the rewards are insufficient for the time, energy and capital required. We are convinced that the company's resources can be employed to better advantage by expanding into electronic items which fit more logically into our type of manufacture." He said he was making announcement well in advance of discontinuance so inventories can be disposed of orderly, so distributors and dealers will have ample time to make connections with other TV manufacturers, and so employes can be gradually transferred to other divisions. TV-radio sets accounted for 29% of Arvin's total sales of \$53,372,757 in 1954—though it's believed radios, particularly auto sets, constituted bulk of the 29%.

CURTAILED EARNINGS for 1955 are expected by many TV-radio and tube manufacturers as result of the retroactive tax repeal bill (Vol. 11:12) which breezed through the House March 24 by voice vote and now goes to Senate committee, with passage expected shortly. Fought bitterly by RETMA and other trade assns., bill (H.R. 4725) repeals Sections 452 & 462 of Internal Revenue Code, which permit manufacturer to deduct cost of warranties on sets and tubes sold in 1954 and also a reserve fund set up to cover anticipated expenses on those warranties in 1955.

The tax bill of manufacturers will be increased by millions of dollars, industry-wide, RETMA estimates. The deductions permitted on warranties for sets sold in 1954 will have to be reported out of 1955 income because, under terms of bill, businessmen are given until Sept. 1, 1955 to pay all back taxes.

Unanimous House passage of the bill, requested by the Administration, means that both parties are supporting repeal. As result, RETMA probably will not even bother to testify when bill goes to Senate Finance Committee for hearings, though this hasn't been finally determined.

Bill also affects dealers and servicemen, though to a lesser extent. NARDA chairman Mort Farr warned House Ways & Means Committee before bill's passage that repeal could impose a burden on dealers which in some cases "may often be literally ruinous."

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Compatible black-&-white TV system with double the vertical and horizontal resolution of present system was described at IRE convention by Pierre M. G. Toulon & Francis T. Thompson, Westinghouse. System requires special 2-gun picture tube with 2 kinds of phosphors—one long decay, other short decay. At transmitter, equipment analyzes picture for "redundancy," transmitting large detail and motion with 2 conventional fields. Small, stationary details are transmitted with 8 fields. Authors stated that "fortunately, most of the system complications occur at the transmitter where the redundancy analysis is made." System differs from dot-interlace system which doubled horizontal resolution, developed by Philco several years ago.

TV shipments to dealers totaled 637,479 in Jan., when production was 654,582, reports RETMA in state-by-state tabulation (county-by-county breakdown available to members on request). Total compares with shipments of 1,014,227 in 5-week Dec., when production was 833,423, and shipments of 612,222, production of 420,571 in Jan. 1954. New York led in shipments, with 59,197; California second, 43,597; Pennsylvania, 42,100.

Wells-Gardner Co., Chicago private label manufacturer, has turned back to Govt. \$390,000 company saved by cutting costs on a \$4,000,000 Navy contract for electronic parts, reports pres. Robert S. Alexander.

Trade Personals: Joseph H. Gillies appointed Philco manufacturing v.p. in addition to his duties as v.p. & gen. mgr. of govt. & industrial div. . . . Matthew D. Burns, gen. mgr. of Sylvania electronic tube operations, elected a v.p., headquartering in N. Y. . . . Maj. Gen. Edmund C. Langmead, USAF (Ret.), joins Packard-Bell to assist in development of technical products div. . . . Douglas Wallace, veteran of 33 years with company, elected a v.p. of Graybar, N. Y. . . . A. Wm. Christopher Jr., ex-Trad TV, named field rep for Sylvania's new electronic systems div., covering military agencies in Philadelphia, Ft. Monmouth, Boston & N. Y. State areas and working out of new office at 4700 Parkside Ave., Philadelphia . . . James G. Richmond promoted to manufacturing mgr., Indiana Steel Products Co.; Port M. Wheeler named asst. sales mgr. . . . Edwin F. Nile named Sparton eastern regional mgr., Albany, succeeded as east central mgr. by Howard Whipple, headquartering at Jackson, Mich. plant; Jack Clarke named west central mgr., Chicago; Lloyd De Young, southern regional mgr., Atlanta . . . Wm. H. Graham, ex-Crosley, named gen. mgr. of Magnavox TV-radio-phono plant at Greenville, Tenn., replacing Joe F. Dolland, resigned . . . Charles H. Berman resigns as Scott Radio field sales mgr. . . . Wm. A. Rockwood appointed asst. to J. H. Voss, v.p. in charge of Stromberg-Carlson telephone div. . . . Franklin F. West, ex-Sonotone, named Clarostat quality control mgr. . . . Wm. O. Hamlin, ex-Sylvania, named CBS-Hytron supervisor of technical information service . . . E. Leslie McCarthy, ex-RCA Victor Co. Ltd., named adv. mgr., Canadian Aviation Electronics Ltd., Montreal, DuMont licensee . . . Harry A. Rice named mgr. of Canadian Marconi's new magnetron & power tube plant to be constructed adjacent to headquarters at 2442 Trenton Ave., Mt. Royal, Que.; he's succeeded by C. P. McNamara as mgr. of commercial products div.

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DISTRIBUTOR NOTES: Sylvania appoints Mayflower Sales Co., St. Louis, replacing Schwander Co., 3914 Olive St. (Julian Schwander, pres.), now Stromberg-Carlson distributor; Sylvania also appoints Thompson & Holmes Ltd., 650 Second St., San Francisco, replacing Western Empire Distributing Co., and Wright & Willemby, Omaha . . . Hoffman Electronics: Mayflower Sales Co., Kansas City (Al Hicks, gen. mgr.) and Radio Supply Co., Auburn, Me. (Wm. Rinaldi, sales mgr.) . . . Stromberg-Carlson: Kelvinator, Chicago (Wm. DeCamp, zone mgr.), replacing own factory branch . . . Progressive Appliance Distributors Inc., Cleveland, relinquishes Capehart-Farnsworth line . . . Zenith New York appoints W. E. Skinner, from N. J. div., as v.p.-gen. mgr., replacing Wm. W. Boyne, resigned . . . DuMont New Jersey appoints Joseph Sarlin gen. sales mgr.; he's ex-v.p.-gen mgr. of recently-discontinued Chicago factory branch . . . Harry Alter Co., Chicago (Crosley-Bendix) appoints Sam Robins field sales mgr. . . . Peaslee-Gaulbert Corp., Louisville (Admiral) announces resignation of sales mgr. Edward J. McGrath . . . Gerald O. Kaye & Assoc. (Crosley-Bendix) starts construction of new headquarters at 56th Road & 50th St., Maspeth, L. I. . . . Stromberg-Carlson: Fergerson Co., 10th & Broadway, Paducah, Ky. (H. W. Rankin, v.p.) . . . Chemung Appliance Distributors (Philco), moves to 557 E. Water St., Elmira.

Regal Electronics Corp., TV-radio manufacturer of 605 W. 130th St., N. Y., which had been operating under Chapter XI of Bankruptcy Act since Dec. 1953, has been adjudicated bankrupt. Referee Herbert Loewenthal ordered that plant be locked up pending settlement of claims.

Daniel W. Tracy, 68, onetime Asst. Secy. of Labor who served as pres. of International Brotherhood of Electrical Workers 1933-1940 & 1947-1954, died in Washington March 22. At time of death he was an AFL v.p. & president emeritus of IBEW.

Greater accuracy in location and height of antenna towers will be required by FCC in cases where Airspace Subcommittee labels tower a "critical obstruction." New FCC Public Notice 55-348 outlines new requirements which will hereafter be included in construction permits for towers considered "critical obstructions": (1) Stipulated ceiling on height of the specific antenna, including obstruction lighting and other attachments. (2) Bench mark on tower base shall give elevation above sea level within 1 ft. (3) Position of tower site shall be determined within 1/2 second of latitude & longitude. (4) Affidavit by engineer or surveyor shall specify geographic coordinates, over-all height above sea level, describing survey and reference points, together with plat and sketch of site and structure.

National Assn. of Educational Broadcasters announces availability of 40 scholarships for attendance at upcoming educational TV workshops. Each will be worth \$150, under grant from Ford Foundation's Fund for Adult Education. NAEB committee will screen candidates, who should address applications to NAEB, Urbana, Ill. First TV production workshop will be conducted at Iowa U, Iowa City, Aug. 14-Sept. 3, limited to 30 representatives of educational TV licensees, grantees or applicants. Engineering workshop will be held at Michigan State's WKAR-TV, E. Lansing, Sept. 12-16.

Closed-circuit TV will help N. Y. board of education select principals for city's schools next month. Rather than visit school classes as part of their supervisory tests, as in past, candidates will convene April 11 in a high school auditorium to watch 2 classes being conducted in WCBS-TV's Studio 61. From the telecasts, candidates will write supervision reports, which will be judged competitively as part of exams. Board and WCBS-TV share \$4500 cost of project, which will save city estimated \$10,000.

ABC's request to supply programs to XETV, Tijuana, was opposed this week by KFMB-TV, San Diego, which told FCC that Mexican station is beamed almost solely at American viewers while enjoying "every advantage that freedom from control of the U. S. Govt. can bring" and remaining free from the "limitations and costs imposed by the programs being broadcast by local San Diego stations."

"Pirating" of TV-radio play-by-play descriptions of N. Y. Giants baseball games was forbidden this week by injunction of N. Y. Supreme Court, which ordered Martin Fass to stop his 4-year practice of transmitting such descriptions by teletype to radio stations in west. Injunction stated commercial value of play-by-play descriptions to team often extends for years.

Advertising Council re-elects all officers this week: chairman, Stuart Peabody, Borden Co.; pres., Theodore S. Repplier; v.p.'s, George P. Ludlam (N. Y.) & Allan M. Wilson (Washington); secy., Frederic R. Gamble, AAAA; treas., Paul B. West, ANA. New board members elected were Wm. R. Baker Jr., Benton & Bowles; Marion Harper Jr., McCann-Erickson; Victor Schwab, Schwab & Beatty.

Rep Joseph Weed is donor of annual \$500 scholarship open to college seniors and graduate students interested in applying TV-radio to a major field of study at Iowa State College, which operates WOI-TV & WOI; application blanks are available from Richard B. Hull, at WOI-TV, Ames, Ia., and must be submitted prior to May 2.

Sheraton Hotels have bought 10 Fleetwood projection TV receivers, are now equipped for coast-to-coast closed-circuit sales meetings, conventions, etc. The new unit, made by Fleetwood Corp., 1037 Custer Dr., Toledo (Vol. 10:49, 51 & 11:2) is in single cabinet, produces 9x12-ft. picture.

Sale of WRRR, Rockford, Ill. (1-kw, 1330 kc) for \$45,000 to Wisconsin radio group headed by Wm. E. Walker of WMBV-TV, Marinette-Green Bay, Wis. (Ch. 11), was approved by FCC this week.

MAJOR TRANSFER deals approved by FCC this week: (1) WDEL-TV, Wilmington, Del. (Ch. 12) from Steinman brothers to Paul F. Harron, owner of radio WIBG, Philadelphia (Vol. 11:4) for consideration of \$3,712,500. (2) KBTW, Denver (Ch. 9) from group of 17 local business men to partners John C. Mullins and Frank Leu for \$1,000,000 (Vol. 11:7).

In approving Wilmington deal, FCC took unusual step of cautioning Harron that grant is made with "explicit understanding" that transmitter site and main studio must remain at present location and that "operation and service, including programming, [be] consonant with, if not subservient to, the public interest of the principal city to be served, namely Wilmington, with secondary consideration in this respect being given to the local interests of any other segment of the station's coverage area." In other words, though station's 316-kw signal easily covers nearby Philadelphia, being located about halfway between the cities, it must remain identified with Wilmington.

Denver deal brings former owner of Phoenix's KPHO-TV back into TV, with Joe Herold remaining as mgr. John Mullins, of Tulsa, took over pre-freeze Phoenix station from group of Texas oilmen in 1949, sold it for \$1,500,000 to Meredith in 1952 (Vol. 8:18). Mr. Leu owns Homeland Insurance Co., Nashville, and Security Life & Accident Insurance Co., Mobile, and has small interest in WMSL-TV, Decatur, Ala. As in case of Wilmington, where Steinmans retain their radio WDEL, Denver station's stockholders W. D. Pyle and T. V. Eckgram did not sell their radio KVOD.

FCC's FM functional music decision (Vol. 11:12), released this week (FCC Public Notice 55-340), makes it clear that stations' auxiliary service must be primarily of a music nature at start—but Commission holds door open to introduction of other kinds of services, such as 2-way taxi radio, if good case is made later. New rules require station to get a Subsidiary Communications Authorization (SCA) for new service; to operate regular FM not less than 36 hours weekly, with minimum of 5 hours daily between 6 a.m. and midnight; to switch all SCA operations to multiplex basis within a year. When multiplexed, new service will be receivable only by those with special receivers—not by general public. Pioneer FM broadcaster Ben Strouse, of WWDC & WWDC-FM, Washington, and chairman of NARTB's FM committee, was disappointed with decision because shift to multiplexing will deprive WWDC-FM of large home audience which has shown great enthusiasm for programs which are almost entirely music. He termed it great mistake for Commission to term such programming a "non-broadcast service." In partial dissent, Comr. Doerfer gave same opinion. Comr. Webster also dissented partially, stating fear that non-broadcast services would eventually dominate FM band.

Edward Lamb is due to take the stand April 1 when hearings resume on his application for renewal of license for WICU, Erie. Last week his attorneys indicated they would appeal to full FCC to call off hearings and grant renewal (Vol. 11:12). This week they deferred plans for the appeal, agreed to have Lamb testify. Said former Attorney General J. Howard McGrath, Lamb's chief attorney: "We welcome an opportunity to have Mr. Lamb testify in his own behalf and we hope this will prove a basis for early renewal."

NCAA's "compromise" TV plan (Vol. 11:12) was approved by member colleges this week, 193-27. NCAA TV committee was to meet in New York at week end to consider proposals for televising the 8-game national series. Individual teams are free to negotiate own sponsorship and station deals for 5-game regional series.

Alfred I. duPont Awards for 1954, presented in Washington March 25: (1) Radio WHAS, Louisville, for "programming which consistently shows a lively sense of public responsibility and an awareness of public and community interests." (2) Radio KGAK, Gallup, N. M., for "developing programs which have contributed to the better health and education of the Indians." (3) CBS commentator Eric Sevareid, for "thoughtful and lucid analysis of the current scene, for penetrating knowledge of men and events, combined with tolerance, reasonableness, and a leavening of friendly or caustic humor." Awards comprise plaque and \$1000. Awards committee also gave special commendation to WCBS-TV, N. Y., for such programs as *Camera Three*, *On the Carousel*, *Here Is the Past*, *America in the Making* & *Our Goodly Heritage*, in which "talent and showmanship are called to the service of programs of unusual educational and spiritual value"; and to KMJ-TV, Fresno, for "unusually comprehensive programming in the fields of agriculture and education, including a novel and effective series to teach English to foreign-born residents of the region." Awards judges: Dr. Francis P. Gaines, pres. of Washington & Lee U; Mrs. duPont; Dr. Hadley Cantril, Princeton U; Turner Catledge, managing editor, *New York Times*; Dr. Susan B. Riley, American Assn. of University Women. Note: Next big presentation will be George Foster Peabody Awards at luncheon of Radio & Television Executives Society April 20 at Roosevelt Hotel, N. Y.

Reversing recent newspaper criticism of TV (Vol. 11:11), Minneapolis-St. Paul's WCCO-TV has released 19-p. comparison of costs & coverage which take some digs at its owners—the Ridders' *St. Paul Dispatch* and *Pioneer Press* (53%) and Cowles' *Minneapolis Star and Tribune* (47%). Though the report, titled *Sight Plus Sound Plus Motion Equals Advertising Action*, perhaps illustrates nothing more than the commendable independence of joint newspaper-TV interests, it makes these claims: (1) Circulation of major newspapers in Twin Cities is failing to keep pace with steadily increasing population, though ad rates have risen steadily. (2) WCCO-TV covers 8000 more families than combined circulations of Minneapolis & St. Paul newspapers. (3) An advertiser's cost-per-thousand rate per advertising impression is 78¢ on WCCO-TV vs. \$4.18 on *Star*, newspaper with largest circulation in Twin Cities area.

Publisher Samuel I. Newhouse, who owns 10 newspapers and owns or has interests in 3 TV stations, this week acquired 23% interest in KWK-TV & KWK, St. Louis (Ch. 4) as part of deal whereby he bought 103-year-old *St. Louis Globe-Democrat* for \$6,250,000 cash. He owns WSYR-TV (Ch. 3) & WSYR, Syracuse, WTPA, Harrisburg, Pa. (Ch. 71), and 50% of KOIN-TV (Ch. 6) and KOIN, Portland, where he bought *Portland Oregonian* several years ago. Brokers in St. Louis deal were Allen Kander and Blackburn-Hamilton. (For list of Newhouse newspapers, see WSYR-TV, p. 160, *TV Factbook No. 20*.)

Application for selective satellite was filed this week with FCC. August H. Vogeler, Twin Falls (Ida.) storage and warehouse operator, asked for Ch. 13 there, proposes to offer satellite facilities to Salt Lake City's KSL-TV & KUTV, Boise's KBOI-TV and Idaho Falls' KID-TV. New station applications on file total 167 (18 uhf). [For details, see *TV Addenda 20-K* herewith; for complete listings of all grants, new stations, applications, etc., see *TV Factbook No. 20* with Addenda to date.]

Channel shifts & power boosts: WLOK-TV, Lima, O. April 24 shifts from Ch. 73 to Ch. 35, changes call letters to WIMA-TV. FCC this week wired authorization for WLVA-TV, Lynchburg, Va. (Ch. 13), to increase power "immediately" to 316-kw; KGBT-TV, Harlingen, Tex. (Ch. 4), now operating with 93.3-kw ERP.

request of the U.S. Govt. in order to free American communications from foreign domination and to create a new American radio company") through licensing and cross-licensing agreements ("without them the industry would have been paralyzed by conflicting patent holdings and endless patent litigation") up to present stature as the industry's biggest entity, doing nearly a \$1 billion business (Vol. 11:9).

RCA rests its legal case largely on the consent decree of 1932 under which GE, Westinghouse & AT&T disposed of their stock in RCA and Govt. agreed to new cross-licensing agreements. "RCA avers," states the brief, "that the Govt. cannot attack a consent decree to which it is a party by charging RCA with violating the law -- beginning the very day after the decree was entered -- because it has conformed to the provisions of the decree." These were reaffirmed by the courts in 1942, says the brief, and reasserted by the court as recently as 1954.

You don't have to be a lawyer to understand even the technical details of the comprehensive legal document filed this week. Since RCA claims that every one of the TV receivers made by its licensees utilizes one or more of its inventions -- representing a public investment of more than \$10 billion -- and since RCA spells out its licensing philosophy and policies in detail -- it's an invaluable reference source for manufacturers, lawyers, students, anyone concerned with the industry. For more highlights culled from brief, with particular relation to electronics, see p. 14.

FCC, CONGRESS & INDUSTRY WORK ON UHF: Efforts to preserve and resuscitate uhf stations -- and ailing vhf outlets as well -- proceeded at many levels this week, as industry kept fingers crossed as to probable efficacy of the moves, particularly for the short run. FCC, Congress and industry took following steps:

(1) FCC started its "second look" at deintermixture by inviting comments on a reconsideration of its denial of previous deintermixture petitions for Peoria, Ill.; Madison, Wis.; Evansville, Ind.; Hartford, Conn. (see below).

(2) Uhf "booster" rule-making, to permit uhf stations to fill in shadow areas with low-power on-channel repeaters, was initiated by Commission (see p. 5).

(3) AT&T's proposal for lower-cost off-air microwave service (Vol. 11:7) was set forth by Commission, and industry was invited to comment about it (p. 16).

(4) House voted FCC \$80,000 to conduct a network study, in a surprise action; Commission has said this is long overdue, and Senate concurrence appears likely. In addition, House voted FCC \$90,000 for application processing (p. 10).

(5) Uhf tuner makers were invited to meeting April 20 with Senate Commerce Committee, 5 days before set makers sit down with Committee, while Sidney Davis took over as head of investigatory staff and prepared for hearings (p. 10).

(6) New money was being found to revive 2 defunct uhf stations and shore up one that is leaning badly, while GE continued work on its "help uhf" plan (p. 4).

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FCC's action on deintermixture was in line with promises to Senate Commerce Committee (Vol. 11:12), but it shouldn't be concluded that Commission is by any means hell-bent to deintermix. What the Commission wants is a lot more information before it makes up its mind. The 4 cases chosen are probably the most clear-cut. Peoria, Madison, Evansville and Hartford each have 1 vhf channel -- not granted yet, though hearings have been conducted on all. Evansville also has a vhf in nearby Hatfield.

In each case, uhf operators have asked that the vhf channel be deleted, moved out of town or given to educators -- to preserve the cities as "pure" uhf. FCC's previous denials were generally considered weak, vulnerable to court reversal, and it's certain Commission will be much more careful in next go-around. Usually, FCC has cited vhf applicants' investment in hearings as a major reason for denials.

Commission is studying similar cases -- Corpus Christi, New Orleans, Baton Rouge, et al -- but similar action isn't necessarily expected.

Commission is asking parties for "the works" in their comments, which are due May 2: Grade A & B contours of operating and potential stations in each area; number of families within the contours, plus number able to get signals beyond contours; total sets in area, including percentage equipped for uhf; availability of signals from stations in other cities; estimated loss of service if vhf is deleted; data on

how the deleted vhf channel can be used elsewhere; nature of network affiliations & number of network programs; availability of other programs; extent of advertiser support for uhf; impact of uhf set sales and conversions if uhfs lose network shows.

That Commission really intends to give subject full treatment is indicated by fact that it said oral argument will be conducted after comments are filed -- something rather infrequent in such proceedings.

Comr. Hennock dissented, stating that it is "utterly arbitrary and unjustifiable for the Commission to take steps looking toward deintermixture in 4 isolated cases without first announcing its intention with respect to deintermixture throughout the country...Whatever temporary advantage deintermixture might afford to uhf broadcasters located, like the petitioners, in isolated communities where no vhf station has yet been authorized, it would prove in the longer run to be illusory."

Commission action is bound to stimulate other uhf stations to plump for similar action in their areas -- even to extend principle to shift operating vhfs to uhf.

NEW VHF's IN BATON ROUGE, BEAUMONT & WACO: Three new stations went on air this week -- all vhf. They bring on-air total to 431, highest yet -- total having been held down in recent months by the 47 deletions to date (41 uhf, 6 vhf). Week's starters:

WBRZ, Baton Rouge, La. (Ch. 2), offering first competition to 2-year-old uhf WAFB-TV (Ch. 28), aired test patterns March 30, hooks up with NBC & ABC April 14. It has 10-kw RCA transmitter, 12-bay antenna on 750-ft. Ideco tower. Manship family, publisher of Baton Rouge Advocate and State Times, operating radio WJBO, owns 50%; other principals are ex-operators of radio WLCS, who dismissed own Ch. 2 application and sold radio station. Roy Dabadie is gen. mgr.; John Ferguson, program mgr.; Bob Reed, production mgr. Base rate is \$250. Rep is Hollingbery.

KFDM-TV, Beaumont, Tex. (Ch. 6), first local competitor of uhf KBMT (Ch. 31), which began year ago, started test patterns April 1, becomes CBS basic April 24. It has 10-kw RCA transmitter, 12-bay antenna, 608-ft. Emsco tower. Its principals are Darrold A. Cannan, who controls KFDX-TV, Wichita Falls, pres.; C.B. Locke, v.p.-gen. mgr.; with Gov. W.P. Hobby, publisher of Houston Post (KPRC-TV) and husband of Oveta Culp Hobby, Secy. of Health, Education & Welfare, holding option to acquire 32.5%. Mott M. Johnson, ex-KFDX-TV, is sales & operations mgr.; Edward F. Joslyn, program mgr.; Harold Bartlett, chief engineer. Base rate is \$300. Rep is Free & Peters.

KWTX-TV, Waco, Tex. (Ch. 10), planned as independent, began tests March 30. It's area's third outlet -- both KANG-TV, Waco (Ch. 34) and KCEN-TV, Temple (Ch. 6) having started in fall of 1953. It has 10-kw RCA transmitter, 12-bay antenna on 461-ft. Andrews tower. Owners include W.W. Naman, pres.; M.N. Bostick, v.p. & mgr. Chas. Boland is sales mgr.; Earl Huff, chief engineer. Base rate is \$200, rep Pearson.

'TV CANNOT EXIST HALF FREE & HALF FEE': Strong telecaster opposition to subscription TV is beginning to shape up as networks and stations begin preparation of comments which are due at FCC May 9. Though telecasters have been the "silent people" in the much-publicized pay-as-you-look picture (Vol. 11:9), they definitely will take a firm stand. Mostly, it will be in opposition to fee-TV.

Nature of opposition is becoming clearer, too. Among major arguments: (1) The economics of subscription TV are probably unsound, with no assurance of top-rated subject matter from any responsible source. (2) If economics prove sound, it will be because public is willing to pay for what it now gets free. (3) Why jeopardize a going system, of known value, to tinker with techniques of speculative worth?

Though RCA-NBC's and ABC's bearish views on fee TV have been known for some time (Vol. 11:9), CBS has taken a "let's study it" attitude. Now, says a spokesman, CBS will oppose it with full vigor. It's considering, for example, telling FCC that a show like I Love Lucy now costs sponsor about \$100,000 a week, which comes to a fraction of 1¢ per viewer. With a boxoffice in every home, on the other hand, no sponsor could match bid of pay-TV promoter who might get many times that from the viewer. Thus, all attractive programs would soon be converted to pay basis. The CBS thesis will be: "TV cannot exist half free and half fee."

CBS got into middle of a hassle this week, after March 27 Omnibus, produced by Ford Foundation, presented symposium on Phonevision. Broadcaster-telecaster Geo.

B. Storer participated, via film -- but audio was so bad his statements were hardly intelligible. Since he was only participant opposing subscription TV, Committee Against Pay-as-You-Look TV quickly protested and asked for new program.

CBS pres. Frank Stanton agreed program "did not do full justice to that side of the controversy," said CBS would put on another covering whole subject in Omnibus Sunday time after its season ends April 10. Storer will be invited again, as presumably will other opponents as well as proponents.

CAPT's campaign this week, as lines were being drawn for intense battle, was marked by retaining of noted inventor-engineer John V.L. Hogan as technical consultant. It also enlisted on its side of argument such groups as "Downtown Boosters," "Hospitalized Veterans for TV Committee," and "Shut-Ins for Free TV."

Note: Intensity of interest in subscription TV is indicated by the fact that Business Week April 2 devotes 2 pages to roundup on subject, and Wall St. Journal treated it in long front-page feature March 31.

ONE TOTTERING and 2 defunct uhf stations were subject of actual or potential "rescue" operations this week. In Macon, Ga., oldtime broadcaster E. K. Cargill, once chief owner of radio WMAZ (now companion to Ch. 13 WMAZ-TV in nearby Warner Robins, Ga.) and Texas oilman J. C. Barnes have agreed to take over 20-month-old WNEX-TV (Ch. 47) for \$1 plus assumption of about \$249,889 in liabilities. They propose to give it new business whirl. Present owners applied to FCC this week for transfer, saying they could not afford continued losses. Cargill will be mgr. and 25% owner, Barnes will hold 75% and put up new working capital. Station's operating deficit to date has been \$196,230.

In Lebanon, Pa., owners of WLBR-TV (Ch. 15), who lost about \$100,000 in year of operation up to sign-off last Oct. 16 (Vol. 10:42), are seriously contemplating reopening—depending on pledges of local ad support entirely, inasmuch as networks are all spoken for. They also are bucking application by WHUM-TV, Reading (Ch. 61) to take over the WLBR-TV channel. City has population of about 30,000 in center of rich farming & industrial area. It's "uhf country" with service from 2 uhf in Reading, 25 mi. away; 3 uhf in Harrisburg, 25 mi.; 2 uhf in York, 30 mi.; and from the vhf in Lancaster, only 22 mi., plus some from Philadelphia's vhf. Lester P. Etter is pres. & gen. mgr. of prosperous radio WLBR, which owns 52% of TV station, while *Lebanon News* owns 36%.

In Mobile, Ala., WKAB-TV (Ch. 48), which quit air last Aug. (Vol. 10:31) after some 20 months of operation, is definitely being sold to group headed by George A. Mayoral, exec. v.p. and chief engineer of WJMR-TV, New Orleans (Ch. 61)—but details of deal and time of reopening of station have not yet been divulged. Though station got on air about same time as vhf competitor, it was a consistent losing proposition. Sellers are Mrs. Louise P. Pursley and associates, with assent of lenders J. H. Whitney & Co., N. Y. investors, who own KOTV, Tulsa (Ch. 6).

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GE plan to finance uhf and other stations in trouble was going forward this week, said principals, but no president of projected new National Affiliated Television Stations Inc. (Vol. 11:12) had yet been found. There was talk of engaging Theodore F. Streibert, former pres. of WOR-TV & WOR and ex-MBS chairman, now director of U. S. Information Agency, top-level govt. service that runs Voice of America among other propaganda projects. Mr. Streibert, however, said he had not been approached.

Accolades came to GE, meanwhile, from CBS v.p. Richard Salant and Washington attorney Harry Plotkin, author of famous Plotkin Memorandum, during their debate before FCC Bar Assn. luncheon March 31. Said Salant: "GE has made an enormous stride forward, show-

ing imagination and boldness." Said Plotkin: "GE proposes a step in the right direction, but I don't think GE can do it alone. Others should join in."

But Madison Ave. was inclined to be skeptical about NATS project. Business rivals of Ely Landau's National Telefilm Associates Inc., program syndicate whose library services would be made available on deferred payment basis, didn't cotton to deal they said was beneficial only to a competitor. And station rep firms, which got letter from NATS v.p. Oliver Unger this week urging they cooperate on sales side, similar to Landau's letters to the program firms (Vol. 11:13), were not rushing to join the NATS project. Said one of top reps:

"Frankly, I don't know what to think about the whole setup. If it were not for the fact that GE has identified itself with it, and is apparently putting up a lot of money, I'd think it was simply a high pressure deal by film salesmen. I don't think the basic idea has much merit anyhow.

"Pouring money into a losing proposition—especially some of the uhf stations which were unsound in their planning and execution—is going to serve no more purpose than to get their owners further in debt. The money advanced to these stations—whether in cash or equipment—must be repaid. Unless there is a drastic revision in the entire spectrum picture, most of today's losers cannot be salvaged by going deeper in debt."

This rep went on to emphasize the costliness of TV installations, with uhf transmitters generally more expensive than vhf, and added: "Many basically uneconomic properties have jumped on the bandwagon in too-small markets because they heard stories about the golden TV goose and didn't want to be left in the lurch as long as there were channels available.

"Unless the situation has basic merit, all the pump priming in the world won't help stations in too-small markets that operate on a system that needs conversion from the norm. As for helping vhf stations, that may have more merit in some instances. Here again, if the station is basically sound, it would be operating profitably by this time."

First station to tell FCC it's seeking aid from new NATS Inc. is KTVQ, Oklahoma City (Ch. 25). In petition opposing change in tower site of vhf KGEO-TV, Enid, KTVQ told FCC its investment of \$600,000 in station "is presently in jeopardy." KTVQ petitioned added: "The station is presently in reorganization and an application . . . for reorganization [has] been approved by the court. The reorganization includes a plan for assistance from General Electric in accordance with the proposals advanced by that company for support and aid to TV stations." KTVQ said that its reorganization, together with expected support from GE, will afford it "reasonable opportunity to continue to survive and render a service meeting the needs of its community . . ."

BOOSTER proposal issued by FCC this week is companion piece to its low-power satellite proposal issued last year (Vol. 10:51) and on which industry commented this week. The booster rule-making is confined strictly to uhf—though it may be assumed that the principle, if adopted, will eventually be extended to vhf.

This week's proposal is quite general, aimed largely at gathering information. Commission stated that uhf just doesn't fill "shadows" in rough terrain as well as vhf does, so it proposed to permit operation of low-power units in "holes" simply repeating mother-station signals on same channel. It noted uhf booster experiments of RCA in Vicksburg, Miss., Adler Communications Labs in Waterbury, Conn., Sylvania in Emporium, Pa. It also noted that WSM-TV has "contributed extensively" to knowledge of subject through vhf experiments in Lawrenceburg, Tenn.

Commission shied away from using the term "booster," choosing to call the repeaters "amplifying transmitters." Its notice asks for technical data of all kinds, including handling of color, mileage separations, etc. It also seeks comments on costs, hours of operation, who shall be licensees, number of boosters in each area, applicability of multiple ownership rules, etc. Document is Public Notice 55-404, Mimeo. 17414, copies of which may be obtained from FCC or from us.

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Interestingly, new proposal was issued just day before industry filed final comments in FCC's satellite proposal (Vol. 10:51), which contemplates repeaters using *different* channels from those of mother stations.

RETMA committee, under chairman Ben Adler, suggested that FCC ease requirements on power tolerances, proof of performance & directionals and eliminate power minimum—provided station gives Grade A service to whole community. It also recommended that satellites be permitted anywhere, regardless how far nearest operating station is located.

Sylvania reported having received 95 queries about

satellites and boosters, including 16 from TV or radio stations, 16 from TV-radio distributors, 35 from individuals, 14 from corporate or civic organizations. It urged relaxation of requirements on frequency tolerance, side-band filters, directionals, and recommended that unattended or remote-control operation be permitted. It also suggested that Grade A coverage be substituted for minimum power requirement.

Sylvania estimated cost of on-channel (booster) station would run \$19,500, off-channel (satellite) \$21,500, while low-power outlet capable of local originations would run \$44,500. Annual operating costs were estimated at \$9950 for first 2, \$18,000 for the third.

Costs estimated by Adler were: A 20-watt on-channel station, capable of producing 750 watts ERP, would run \$12,500 for two 100-ft. towers, receiving & transmission antennas, transmission line, on-channel amplifier and test equipment; 150-watt amplifier, making 5-kw ERP possible, may be added for \$4960. A 20-watt off-channel station, which shifts any channel to any other, would run \$13,500 for same equipment listed for on-channel station—and 150-watt amplifier is \$4960. Station capable of producing local programs would run \$21,000, to which a "typical film & slide originating package," including vidicon camera, 16mm projector, slide projector, sync generator, audio equipment and auxiliary apparatus may be added for \$7500.

NARTB endorsed low-power principle but warned that originating stations have program rights which could be infringed by indiscriminate rebroadcasting.

National Assn. of Educational Broadcasters said it was "heartily in favor" and that adoption would speed growth of educational stations.

KFBC-TV, Cheyenne, urged that present allocation mileage separations be maintained; that one satellite be permitted in each area; that they have independent ownership.

WSM-TV, Nashville, recommended that multiple ownership rules be waived for satellites.

FCC's GRANTS this week comprised Ch. 7 CP to WDBJ, Roanoke and Ch. 23 CP to KYAK, Yakima, Wash., while examiner Herbert Sharfman issued initial decision favoring A. Frank Katzentine's WKAT for Ch. 10 in Miami Beach over 3 competitors.

Sharfman said WKAT had "clear lead" over others in local ownership, civic participation, integration of ownership-management and had good broadcast record despite lapse into broadcasts of horse-racing information. He had good things to say about other 3 applicants but felt that none had quite the combination of favorable features exhibited by WKAT. Other 3 are: L. B. Wilson Inc., owned by estate of the late operator of WCKY, Cincinnati; Public Service TV, owned by National Airlines; North Dade Video, owned by 10 local businessmen whose pres. is Frank Bryson.

Several more uhf stations sought lower channels this week: WNOW-TV, York, Pa. (Ch. 49) asked that Ch. 15 or Ch. 21 be made available in York through shifts involving CPs and allocations in Williamsport, Lancaster & Lebanon. WTPA, Harrisburg, Pa. (Ch. 71) also petitioned for Ch. 21 through moves affecting Williamsport & Lancaster. WKNY-TV, Kingston, N. Y. (Ch. 66) applied for Ch. 21 and WHYNTV, Springfield, Mass. (Ch. 55) applied for Ch. 36, though rule making providing those channels hasn't been finalized.

WICS, Springfield, Ill. (Ch. 20) asked that city be deintermixed by giving Ch. 2 to educators or moving it to St. Louis. WTVO, Rockford, Ill. (Ch. 39) sought deintermixture through shifting Ch. 3 from Madison, Wis.

to Beloit, Ch. 39 from Rockford to Madison, substituting Ch. 68 for Ch. 54 in Fond du Lac, Wis. FCC tied latter into "second look" at Madison deintermixture (see p. 2), day after it was filed.

Also of an allocation complexion were complaints filed this week by KOTV and KVOO-TV, Tulsa, asking Commission to issue cease-&-desist order against KTVX, Muskogee, directing it to quit creating impression it's a Tulsa station.



FCC is cracking down on illegal boosters (Vol. 10:46-47) in series of hearings next month in Seattle. Examiner J. D. Bond will conduct hearings on proposed cease-&-desist orders for 3 rebroadcast operations in Washington State, has called 21 individuals and one corporation to appear. They're charged with operating without licenses and without licensed operators, and rebroadcasting programs without authority of originating stations (all Seattle outlets). Ordered to appear at hearing May 9 are 20 individuals from Quincy, Wash.; May 12, H. J. Miller of Nespelem; May 16, C. J. Community Services Inc., Bridgeport.

Profit-&-loss statement filed at FCC this week with application to switch WKNY-TV, Kingston, N. Y. from Ch. 66 to Ch. 21 in Poughkeepsie shows operating loss of \$42,017 from time it began commercial operations May 31, 1954 to Feb. 28, 1955. Net income totaled \$84,059, including \$58,189 from local time sales, \$13,560 national, \$531 network. Operating expenses totaled \$126,077. Total assets on Feb. 28 were \$225,571; liabilities included \$116,574 in equipment notes, \$137,901 common stock.

Personal Notes: Thomas W. Sarnoff named director of production & business affairs, NBC Pacific div., reporting to network services v.p. Earl Rettig . . . Marvin Josephson resigns from CBS-TV legal dept. to form Broadcast Management Inc., 5 E. 57th St., N. Y., specializing in business consultation to TV-radio production firms . . . Peter Finney resigns as TV-radio v.p., Harry B. Cohen Adv., to join Vidicam Pictures Corp., 240 E. 39th St., N. Y., as partner & exec. v.p. . . . W. Ward Dorrell, research director of rep Blair-TV, elected v.p. of John Blair & Co. . . . Thomas R. Murphy, ex-Grant Adv. v.p., named Dallas mgr. of Pearson rep firm, succeeding Robert M. Baird, who goes to Atlanta to open new Pearson branch . . . Frank Fouce, pres. of Pan American TV Corp., Los Angeles, and owner of chain of Spanish-language theatres there, elected pres. of XETV, Tijuana, Mexico (near San Diego), controlled by Emilio Azcarraga; George Rivera, station's founder and operator of radio XEAC, becomes treas. . . . James M. Harmon, ex-KOTV, Tulsa, named program director, KFMB-TV, San Diego, succeeding Bill Fox, now gen. sales mgr. . . . Hoyt Andres now v.p. as well as gen. mgr. of WSFA-TV, Montgomery, Ala., with John C. Hughes promoted to sales mgr. and following transferred to WSFA-TV from WKY-TV, Oklahoma City: Gene R. Jacobsen, production supervisor; Robert F. Doty, program director; Robert M. Hayward, chief engineer . . . Sidney Barbet, ex-Buyers Associates Inc., ex-United Artists & Eagle-Lion Films, appointed film buyer of Hearst Radio's newly acquired WTVW, Milwaukee . . . Stephen C. French, ex-WTVP, Decatur, Ill., ex-GE adv. dept., appointed gen. mgr. of Gov. Noe's WNOE, New Orleans, succeeding James E. Gordon, resigned . . . John Schultz, ex-NBC TV Spot Sales, Chicago, named station mgr. of upcoming WFRV-TV, Green Bay (Ch. 5), due in mid-April, reporting to gen. mgr. Don Wirth . . . Herbert S. Stewart named acting mgr. of CHCT-TV, Calgary, succeeding John H. Battison, latter having completed contract to put station on air . . . Ann Brenton (Mrs. Gary Bronneck) has resigned as CBS Hollywood director of music copyrights after 17 years . . . John A. Thayer Jr., ex-DuMont Network, named sales mgr., Gotham Recording Co. . . . Harry Trenner, ex-v.p., Wm. Weintraub Agency, has formed Station Film Library Inc., 579 Fifth Ave., N. Y., offering daytime strips; associated with him is Richard Hubbell, ex-DuMont . . . Howard Grafman, ex-NBC, forms Howard Grafman & Assoc., Chicago, film distribution . . . Wm. G. Grainger resigns from NBC film div. to become pres. of National TV Distributors Inc., N. Y., film producers & distributors . . . Sidney Matz, ex-Feigenbaum & Wermen Adv., Philadelphia, named merchandising exec. of WRCA-TV & WRCA, N. Y. . . . Donald C. Arries assigned to Chicago office, N. W. Ayer as a TV-radio dept. director and production supervisor . . . Ervin J. Brabec elected v.p. of MCA Corp., affiliate of Music Corp. of America, in charge of industrial films for manufacturers & distributors . . . Edward G. Thoms, WKJG-TV & WKJG, Ft. Wayne, elected pres. of Indiana Bcstrs. Assn., succeeding C. Bruce McConnell, WISH-TV & WISH, Indianapolis.

Two newspaper publishers who pioneered both radio and TV—Joseph Pulitzer, 70, and Col. Robert R. McCormick, 74—died this week. Pulitzer, editor & publisher of *St. Louis Post-Dispatch*, founded its KSD in the early '20s and its KSD-TV in 1947, latter at urging of newspaper's then adv. mgr., now TV-radio director, George M. Burbach. Col. McCormick's *Chicago Tribune* acquired WGN in radio's early days, established WGN-TV in 1948.

Junius Blair Fishburn, 89, chairman of Roanoke Times-World Publishing Co., pioneer in radio whose station WDBJ holds Ch. 7 grant, died April 1. His son Junius P., who was pres. & publisher, died last year when stricken with a heart attack during an FCC hearing.

Edward Lamb denied he wrote an article for the Communist *Sunday Worker*, in his first day on the stand April 1 as the lengthy hearings resumed on his application for license renewal of his WICU, Erie. Speaking softly in response to questions from equally soft-spoken Broadcast Bureau attorney Joseph Kittner, the Toledo broadcaster-publisher-industrialist said part of the article referred to in previous testimony by ex-Communist Louis Budenz may have been obtained by "someone picking up a copy of one of my manuscripts" of a series of speeches delivered in 1936. He also flatly denied testimony by his former secretary that he sent a telegram to *Daily Worker* editor John Gates in 1948. Much of the rest of the questioning was centered around Lamb's 1933 trip to Russia. He said he traveled as a tourist, received no special treatment. At outset, examiner Herbert Sharfman barred Lamb from making a preliminary statement. A statement was distributed to the press, however, expressing gratitude that "after 2,000,000 words of testimony [the] time has come in this fantastic proceeding when I can now tell my story." He claimed FCC had cleared him of same charges "many times before"—but that this time "my Government is on trial." Lamb's attorney J. Howard McGrath said that the loss to Lamb's enterprises as result of the FCC charges "runs into hundreds of thousands." In unusual Saturday session April 2, Lamb denied he ever knowingly was member of any committee of International Labor Defense organization, and clashed with Kittner over whether latter was trying to "entrap" him.

FCC set new limits on length of briefs filed with it and added more flexibility to its rules on time allotted for oral argument. The newly amended rules, as listed in Public Notices 55-387 and 55-388: In adjudicatory proceedings designated for hearing, briefs must not be longer than 15 double-spaced typewritten pages, unless exception is granted by motions commissioner. Memoranda accompanying exceptions to or statements in support of initial decisions, as well as briefs in reply to exceptions, will be limited to 50 pages, exceptions to be granted only by the Commission. In hearings before Commission en banc, former 20-min. limit on oral argument by each party has been rescinded. Instead, orders designating cases for oral argument will specify time allotted each party, Commission granting exceptions if "good cause" is shown.

Two major positions in FCC Broadcast Bureau are still unfilled—chiefs of Hearing and Renewal & Transfer Divs. Chairman McConnaughey, now firmly in position after Senate confirmation, is expected to make appointments soon. There's no clear indication who will be selected, though Joseph Nelson is known to have strong support for Renewal & Transfer post. He now heads TV application branch.

Joint Committee on Educational TV, at meeting this week marking 5th anniversary, elected Dr. Albert N. Jorgensen, pres. of U of Connecticut, as chairman, succeeding Dr. David D. Henry, pres.-elect of U of Illinois. Dr. Edgar Fuller continues as vice-chairman, Ralph Steetle as exec. director.

Col. Edwin L. White, chief of FCC Safety & Special Radio Services Bureau, retires at end of July after 35 years of govt. service; he joined old Federal Radio Commission in 1930, served previously in Army and in Naval Research.

Lambert B. Beeuwkes, ex-KYW, has opened offices in Little Bldg., Boston (phone Hubbard 2-2070) as management consultant specializing in uhf and declining-revenue radio stations.

Edward B. Crosland, asst. AT&T v.p. & attorney in Washington for last 3 years, named asst. to the pres. of AT&T in N. Y.

Telecasting Notes: Direct tieups of major film producers with ad sponsors & agencies look like next phase of Hollywood's growing affinity with TV. Whereas top-rated *Disneyland* began as tieup of Walt Disney studios with ABC-TV, which found the sponsors, and Warner Bros. entry into field is also by way of affiliation with ABC-TV (Vol. 11:12-13), 20th Century-Fox's projected advent represents direct deal with GE and its agency, Young & Rubicam, and it looks like Paramount will supply Colgate (Wm. Esty agency) with film format as substitute for Sun. NBC-TV *Comedy Hour* next fall . . . Format for GE show hasn't been decided, says Young & Rubicam, but at least 26 shows will be placed on CBS-TV, Wed. 10-11 p.m. Spyros Skouras himself handled negotiations, with assist from Y&R's Peter Levathes, who was once a Fox executive handling *Crusade for Europe* series for *Life Magazine* . . . Warner Bros. modus operandi, it's understood, will be 45 min. of entertainment, with 6 min. of behind-the-scenes in Hollywood, 3 min. of plugs for studio's latest films, 6 min. for sponsor commercials. Paramount, which released clips from its upcoming *Seven Little Foys*, starring Bob Hope, and *Run for Cover*, starring James Cagney, for colorcast celebrating opening of NBC-TV's new Color City in Burbank March 27, is expected to make available to Colgate the best of its old film properties, musical scores, etc., with excerpts from new shows and appearances of its contract players . . . Walt Disney proved there's boxoffice promotion (*20,000 Leagues Under the Sea*) and even theatrical re-release potential (*Davy Crockett*) for current as well as old shows—if the appetite is whetted by TV. He really started the rush of the big producers into TV, about which we've heard only the beginning . . . First 20th Century production made solely for TV syndication, though adapted from film and story properties, will be 39 half hours of *My Friend Flicka*, to be handled by General Artists Corp.; other film prop-

erties that may be adapted are *Cheaper by the Dozen* and *Jesse James*. It's suggested new "Emmy" may be added next year for best performance by an animal on TV, as horse star Flicka joins Lassie, Rin Tin Tin and J. Fred Muggs as TV celebrities . . . CBS got jump on stage & screen bidders by acquiring right to J. P. Marquand's current best seller *Sincerely, Willis Wayde*, will first adapt it to TV on *Climax*, May 5 . . . Philco Playhouse hit *Marty* is coming out as feature film this month (Vol. 11:13), then may become Broadway play—prompting USC's great TV educator Prof. Frank Baxter (*Shakespeare on TV* and *Now & Then* on CBS-TV) to remark to us while in Washington this week: "All we need now is a novel based on the plays—and we'll complete a reverse cycle" . . . U. S. Steel Hour's *Fearful Decision*, ransom kidnap drama played twice on ABC-TV and due for third telecast in May, has been bought by MGM for feature film . . . TV's Steve Allen appears to be choice to play Benny Goodman in Universal film based on bandleader's life to be produced in Hollywood; Walter Matthau, one of TV's top actors, signed for feature role in Kirk Douglas firm's first production, *The Indian Fighter* . . . NBC signs Perry Como to 12-year contract, taking him away from CBS where his radio & TV shows have been sponsored by Liggett & Myers since 1943; NBC has also signed Martha Raye for 15 years, Ralph Edwards for 5. CBS tieup with Jackie Gleason is for 15 years, with Ed Sullivan 20 . . . Greta Garbo being sought for TV, says *Variety*, but she declined to participate in this week's Academy Awards show on NBC-TV; recently she conferred in N. Y. with CBS chairman Wm. S. Paley, giving rise to conjecture she may be signed by that network . . . Paul Dixon, who went from Cincinnati's WCPO-TV to DuMont, joins WLWT, Cincinnati April 18 for 3-3:30 p.m. Mon.-thru-Fri. show, to be fed also to Crosley outlets in Dayton & Columbus.

LEGITIMATE THEATRE took to the "road" this week via theatre TV in long-heralded and closely-watched experiment, which many theatrical personalities predicted would revitalize the American theatre. Nobody knows just why, but the March 29 theatre telecast of *ANTA Album*—closed-circuited to 33 theatre screens in 31 cities from coast to coast—was a flop.

Joint benefit for American National Theatre & Academy (ANTA) and CARE originated in DuMont's Adelphi Theatre, N. Y. (the only theatre reporting a full house), using DuMont facilities and syndicated by DuMont. Live performance in N. Y. cost theatregoers \$3-to-\$100; at movie theatres prices ranged from \$2-\$10, although at least one theatre halved prices before show time, due to poor advance sale.

Theatres booking the telecast had total capacity of 80,000, and ANTA & CARE officials had predicted gross of \$400,000 in event of a sellout. But no theatre reported more than a half-capacity crowd, one Chicago theatre (the Uptown) reporting that only 300 of its 4400 seats were filled. Cost of show was estimated at \$250,000.

Second-guessers submitted a number of possible reasons why the first legit theatre-TV offering flopped: (1) The fragmentary nature of the show, which, despite the big names appearing (Helen Hayes, Ezio Pinza, Lena Horne, Victor Borge, Ruth Draper, et al.), gave it the aura of a home-TV variety show. (2) Late hour of performance (10:30 p.m. in east) may have discouraged potential attendees. (3) Poor advance promotional buildup.

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Theatre-TV's most solid successes so far have been with televised championship prizefights—and May 16 Marciano-Cockell bout, slated to be theatre-televized from San Francisco by Nathan Halpern's Theatre Network Tele-

vision Inc., may be biggest such hookup in history. About 100 theatres are equipped with permanent closed-circuit equipment, and TNT has an additional 50 projection units available for rental at rates varying from \$100-\$500, depending on size of picture. TNT hopes to book out into more theatres than the record 71 which featured second Marciano-Charles bout.

Another closed-circuit TV show—this one using not only theatres but hotels, medical auditoriums and TV studios—will be the April 12 report to physicians on results of use of the Salk vaccine in combatting polio. Sponsored jointly by pharmaceutical firm of Ely Lilly & Co. and National Foundation for Infantile Paralysis, it will feature pickups from Ann Arbor, Mich., Indianapolis & New York City. It's scheduled to be closed-circuited to 65 cities, is being handled by DuMont's closed circuit dept. (Morris Mayers) and Medical Communications Inc. (Paul Klemtner & Co., Newark adv. agency).

NBC Radio's new week-end program concept, designed to revitalize its radio operation through 48-hour around-the-clock network service of music & information and possible use of audio portions of popular TV programs (Vol. 11:10), was approved this week by affiliates exec. & study committees, which will recommend it to all affiliates. Committees got details of plan, which will be revealed fully next week, at meeting with network officials in N. Y. Committees' members are Robert D. Swezey, WDSU, New Orleans, chairman; R. B. Hanna Jr., WGY, Schenectady; George Norton Jr., WAVE, Louisville; Harold Essex, WSJS, Winston-Salem, N. C.; Paul W. Morency, WTIC, Hartford; Richard H. Mason, WPTF, Raleigh; Jack W. Harris, KPRC, Houston; Walter J. Damm, WTMJ, Milwaukee; Edwin K. Wheeler, WWJ, Detroit; Wm. Fay, WHAM, Rochester.

Station Accounts: Valuable advice for using TV is given its members by American Bankers Assn., 12 East 36th St., N. Y., in 40-p. booklet, *Television for Banks*, plus kit of TV program ideas (85¢) released last week. It says banks' use of TV has been steadily increasing, 200 banks now buying TV time and devoting average of 33% of their ad budgets to medium. Results have been highly gratifying, ABA says, noting that one bank traced almost \$7,000,000 worth of business to 13-week TV series, another increased number of savings accounts by 2500, another sold 3000 calendar coin banks at \$1.25 each after two 90-sec. announcements. Though many banks sponsor syndicated film shows, ABA recommends greater use of local live programs—such as panel discussions on personal and family money management, dramatizations of bank's services, weather programs originating in front of bank, etc. . . . National Dairymen's Assn. to sponsor film series for children's audience, *Kite-Flite to Moonland*, on selected markets in all sections of country starting in late April, thru McCann-Erickson, Chicago . . . Helaine Seager Inc., Los Angeles, planning TV spot campaign to introduce its Pink Ice facial toiletry in East, thru Fiore & Fiore, N. Y. . . . Greyhound Bus signs Jerry Fairbanks Productions to produce 40-min. travel film in color for eventual distribution to TV outlets, thru Beaumont & Hohman, Chicago . . . Pillsbury Mills buys *Stars of the Grand Ole Opry*, 39 half-hour film features, from Flamingo Films, for 18 mid-western markets initially, thru Campbell-Mithun, Minneapolis . . . Emerson Drug (Bromo Seltzer) to sponsor *Ziv's Science Fiction Theatre*, which debuts week of April 17, in 20 markets, thru Lennen & Newell; Olympia Brewing Co., 16 markets exclusively, and 8 jointly with PictSweet Foods, thru Botsford, Constantine & Gardner, Seattle, and Brisacher, Wheeler & Staff, San Francisco; Serutan, 3 markets, thru Edward Kletterer & Assoc. . . . Ralston Purina buys live *Bandstand Revue* for San Francisco, Portland, Seattle, Providence, Cincinnati & St. Louis, thru Guild, Bascom & Bonfigli, San Francisco; company plans expansion to dozen markets by fall . . . Bulova to launch most concentrated ad campaign in its history shortly for new "23" series of watches, using spots on 270 TV-radio stations, thru McCann-Erickson . . . Philadelphia Distributors, Stromberg-Carlson outlet, sponsors *Standby Broadway* on

Several morning TV shows and about 1000 phone circuits were knocked out from 1:15 a.m. to 9:40 a.m. March 31 when Southern Bell's coaxial cable at Columbia, S. C. was dynamited by vandals—one of series of incidents that started when Communications Workers of America (CIO) went on strike March 14. Union has repeatedly disclaimed sabotage. Most of service was immediately restored by rerouting, but 8-9 a.m. of NBC's *Today* was knocked off WJHP-TV, Jacksonville; WJNO-TV, W. Palm Beach; WGBS-TV, Miami; and 7-8 a.m. of CBS's *Morning Show* was lost to WMBR-TV, Jacksonville; WDBO-TV, Orlando; WTVJ, Miami.

In connection with damage to KPIX, San Francisco and KEAR, San Mateo, during labor negotiations (Vol. 11:8), FCC has scheduled hearings in San Francisco May 3-6 on suspension of licenses of 5 technicians, to determine whether they "willfully damaged" equipment or "maliciously interfered" with operations. J. D. Bond will be examiner.

RCA cuts price of vidicon camera tube (type 6198) from \$345 to \$315, second reduction since tube was introduced in 1952, also doubling warranty period when purchased for replacement in broadcast and industrial use.

RCA shipped 3-V color film camera March 31 to KPTV, Portland, Ore. (Storer); April 1 to *Detroit News'* WWJ-TV.

WPTZ Sun. 6:45-7 p.m., as Broadway show tryout, with winners qualifying for show business auditions . . . Shamrock Oil of Texas buys *Bill Corum's Sports Show* from National Telefilm Assoc. for 8 southwestern markets, thru McCormick Co., Amarillo . . . Among other advertisers currently reported using or preparing to use TV: Richman Brothers, Cleveland (men's clothing), thru Lang, Fisher & Stashower, Cleveland; Northrup, King & Co., Minneapolis (Golf Brand lawn seed), thru BBDO, Minneapolis; Alsol Products Co., Newark (auto wax), thru Hal Tunis Assoc., N. Y.; Carpet Institute, N. Y., thru Morey, Humm & Johnstone, N. Y.; Remington Arms Co., Bridgeport, Conn. (firearms), thru BBDO, N. Y.; Ben-Hur Mfg. Co., Milwaukee (farm & home freezers), thru Walker B. Sheriff, Chicago; Boyle-Midway, N. Y. (Wizard deodorizers), thru Geyer Adv., N. Y.; Hamilton Metal Products Co., N. Y. (Skotch insulated ware), thru Leber & Katz, N. Y.; Cremo Co., Philadelphia (Cremo toppings & cake frostings), thru Gresh & Kramer, Philadelphia; Madison Pharmacal Co., Chicago (In-Ex for pain & Wayless reducing tablets), thru Duggan & Phelps Adv., Chicago; Precision Radiation Instruments, Los Angeles (Precision Snooper geiger counters, scintillators, metal locators), thru McCarty Co., Los Angeles; Majo Co., Philadelphia (Emperor auto wax), thru Gresh & Kramer Adv., Philadelphia; Trio Chemical Works, Brooklyn, N. Y. (Amazon floor wax), thru Peck Adv., N. Y.; Geigy Chemical Co., Fresno, Cal. (insecticides), thru Julian Besel & Assoc., Los Angeles; Wesix Electric Heater Co., San Francisco (water & room heaters), thru Albert Frank-Guenther Law, San Francisco; Shirtcraft Co., N. Y. (Airman shirts & sportswear), thru Friend-Reiss Adv., N. Y.; Keystone Paint & Varnish Corp., Brooklyn (Key-Lux, Key-Tex, Key-Tint paints & enamels), thru C. K. Kondla Adv., N. Y.; Potato Advisory Board, Bakersfield, Cal. (California Long White Summer potatoes), thru McCarty Co., Los Angeles; Tura Inc., N. Y. (eyeglass frames), thru Dundes & Frank, N. Y.; Durall Products Co., York, Pa. (Durall tension screens & screenarium), thru Wilson, Haight, Welch & Grower, N. Y.; Jiffy Steak Co., Freedom, Pa. (Jiffy Super beef steaks), thru Friedman-Rich Adv., Pittsburgh; Jane Art Co., N. Y. (Misteez perfume), thru Ben Sackheim, N. Y.; Rilling Dermetics (Fluid facial), thru Dowd, Redfield & Johnstone, N. Y.

Strong farm appeal is also forte of WREX-TV, Rockford, Ill., with *Town & Country* show popular with urban as well as rural audience; with 16 implement dealers of nearby communities partic. sponsors of *Waterfront*; with Murphy Products Co., Burlington, Ia. (livestock & poultry concentrates) buying 5 live market reports weekly on 52-week contract, thru Van Auken, Ragland & Stevens, Chicago; with Ralston Purina & John Deere sponsorships; with test starting March 7 for Lederle Labs Div., American Cyanamid Co. for Targot, cow disease remedy, placed thru Conklin-Mann & Son, N. Y. In connection with items in this column on farm programming (Vol. 11:10-11), compilation of TV station farm directors is carried in March *Television Age*—very handy.

Jackie Gleason is going to be "Mr. CBS" on Sat. night this fall. He'll control 2 hours of time each Sat., with 3 shows, either as producer or actor. Here's his lineup: 8-8:30 p.m., Dorsey Brothers film show, produced by Jackie Gleason Enterprises; 8:30-9 p.m., *Honeymooners*, starring Gleason & Art Carney; 9-10 p.m., *Cafe Mardi Gras*, variety show in night club setting.

WTVY, Dothan, Ala. (Ch. 9) this week announced affiliation with CBS under Extended Market Plan (Vol. 10:49-51), 21st station to sign up for EMP.

Bill exempting TV-radio stations from libel suits stemming from political broadcasts was passed by N. Y. state legislature this week.

Network Accounts: Network switches by sponsors and talent—*Variety* calls them “raiding parties”—increased this week, and the end of the fiercely competitive fight isn’t in sight yet. Following recent switch of Pabst fights from CBS to ABC-TV, former turned the tables this week and lured U. S. Steel from ABC-TV, its high-rated *U. S. Steel Hour* moving in starting July 6, Wed. 10-11 p.m., as alt. with GE. On the talent side, CBS-TV’s Perry Como, Chesterfield-sponsored, shifted to NBC, possibly for hour-long Sat. night show . . . Hallmark buys 6 of NBC-TV’s upcoming color spectaculars this fall on Sun. 4-5:30 p.m., and has taken option on remaining 2, thru Foote, Cone & Belding; shows will be produced by Maurice Evans, who will act in some . . . Lucky Strikes cancels alt. sponsorship of *Robert Montgomery Presents* on NBC-TV next fall, Mon. 9:30-10:30 p.m.; network says it will disclose new sponsor next week . . . Pontiac drops *Red Buttons Show* on NBC-TV in latter May, will join Armstrong Cork as alt. sponsor of *Circle Theatre* next fall, when it will expand to full hour, Tue. 9:30-10:30 p.m., thru MacManus, John & Adams . . . Whirlpool Corp., in first network sponsorship, buys 20 min. of Milton Berle & Martha Raye shows on NBC-TV starting Sept. 20, Tue. 8-9 p.m., thru Kenyon & Eckhardt; American Chicle Co. also buys 20 min., thru Dancer-Fitzgerald-Sample . . . Welch’s Grape Juice buys 15-min. per week of Disney’s upcoming *Mickey Mouse Club* on ABC-TV starting Sept. 5, Mon.-thru-Fri. 5-6 p.m., thru Kenyon & Eckhardt; it’s 8th partic. sponsor, others being Mars Candy, Carnation Milk, Post Cereals, Campbell Soup, Ipana, Armour, American Dairy Assn. . . . Camels to sponsor *You’ll Never Get Rich*, filmed series starring Phil Silvers, on CBS-TV next fall, time and starting date undetermined, thru Wm. Esty Co. . . . Dixie Cup to sponsor 30 min. alt. weeks of *Super Circus* on ABC-TV, Sun. 5-6 p.m., thru Hicks & Greist . . . General Foods to sponsor one-shot Roy Rogers rodeo from San Antonio Coliseum on NBC-TV June 21, Tue. 8-9 p.m., thru Benton & Bowles . . . Eastman Kodak, which dropped *Norby* last week on NBC-TV Wed. 7-7:30 p.m., to sponsor filmed *Kodak Request Performance* on NBC-TV starting April 13, Wed. 8-8:30 p.m., thru J. Walter Thompson; series will present some of best TV film productions of 1954-55 season . . . Hoover Co. (vacuum cleaners) buys 5 partic. on CBS-TV’s *Morning Show*, Mon.-thru-Fri. 7-9 a.m., starting April 18, thru Leo Burnett Co., Chicago . . . Kleenex, thru Foote, Cone & Belding, buys 3 time periods on alt. weeks this summer on NBC-TV for undetermined shows—Tue. 9-9:30 p.m., Fri. 8-8:30 p.m., Sun. 10-10:30 p.m. . . . CBS-TV to present unsponsored *Look Up and Live* Easter morning religious program Sun. April 10, 10:30-11 a.m. . . . Noxzema drops out as alt. sponsor (with Amoco) of Ed Murrow’s *Person to Person* on CBS-TV Fri. 10:30-11 p.m. . . . Quaker Oats to drop alt. week sponsorship of *Zoo Parade* on NBC-TV May 8, Sun. 4:30-5 p.m.; other sponsor, American Chicle Co., drop out April 17 . . . Longines-Wittnauer Watch Co. cancels *Longines Chronoscope* on CBS-TV starting May 13, Mon.-Wed.-Fri. 11-11:15 p.m.

New ABC-TV Rate Card No. 5, effective May 1, establishes minimum purchase of \$25,000 per 30-min., with client free to pick as many stations as he wishes, as long as they include network’s 5 o-&o stations. Another feature of card enables advertiser to earn up to 32½% in discounts, as opposed to present 27½%, provided he spends minimum of \$80,000 a week for 52 weeks. Production Manual No. 4, accompanying rate card, separates charges for facilities-equipment & personnel, charging flat rate for equipment & facilities, sliding rate for personnel.

Station reps will designate their member of Television Bureau of Advertising board May 10; with Petry joining this week, there are now 3 reps in TvB—others being Blair-TV & Meeker.

NEW TYPE of satellite transmitter was shipped this week by Adler Communications Laboratories, New Rochelle, N. Y., to Manson Community TV Co., Manson, Wash., which plans experimental transmission at first, then commercial operation after FCC finalizes low-power rules (Vol. 10:51 & 11:3). Manson grantee plans to “translate” Ch. 4 signals of KXLY-TV, Spokane, retransmit them on uhf Ch. 16 without demodulation. Transmitter is rated at 20 watts, and outlet will have 200 watts ERP, with identification automatically by Morse code, no operator required to be on duty. Equipment shipped by ACL for the new “booster-satellite” is similar to on-channel booster now in experimental operation at WATR-TV, Waterbury, Conn. (Ch. 53).

RCA shipped 10-kw transmitter April 1 to upcoming WHIS-TV, Bluefield, W. Va. (Ch. 6), which has May target; also April 1 it shipped 50-kw transmitter with 2-kw standby to KCOP, Los Angeles (Ch. 13). DuMont reports it has shipped 25-kw transmitter and complete studio equipment to upcoming WFRV-TV, Green Bay, Wis. (Ch. 5), due April 15; also 50-kw amplifier to KHQA-TV, Hannibal, Mo. (Ch. 7).

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

KRNT-TV, Des Moines (Ch. 8), granted to Cowles last week, has ordered GE transmitter, will use 709-ft. Ideco tower, reports v.p. & TV-radio mgr. Bob Dillon, who says target date is Aug. 1. Remodeling of three office floors for TV has already begun in building which houses KRNT Theatre, called “largest legitimate theatre in the country,” seating 4200. Cowles publish *Des Moines Register* and *Tribune*, *Minneapolis Tribune* and *Star*, *Look Magazine*, also operate KVTM, Sioux City (Ch. 9), radio stations KRNT, Des Moines and WNAX, Yankton, S. D., and own 47% of WCCO-TV, Minneapolis (Ch. 4) & WCCO. Adding TV to radio KRNT duties are sales mgr. Paul Elliott, program director Dick Covey, asst. program director Joe Hudgens. Rep will be Katz.

KOTA-TV, Rapid City, S. D. (Ch. 3), now installing 500-watt RCA transmitter, plans test patterns between May 15 and June 1, programming by June 15, reports gen. mgr. Leo Borin. RCA 3-bay antenna is due to be installed soon on 300-ft. Fisher tower, formerly used by FM, about mid-April. Station has signed with CBS under Extended Market Plan, has agreement with other 3 networks. Rep will be Headley-Reed.

WTHS-TV, Miami (Ch. 2, educational), won’t get going in April as planned (Vol. 11:10) because of delays in converting old WTVJ Ch. 4 transmitter & antenna, reports Vernon Bronson, asst. director, Dept. of Radio & TV Education of Dade County Board of Public Instruction. Transmitter will be in Everglades Hotel, with antenna on rooftop FM tower, 306-ft. above ground.

KLFY-TV, Lafayette, La. (Ch. 10), has 5-kw DuMont transmitter due by mid-April, plans June 1 test patterns, July 1 CBS programming, reports gen. mgr. Bill Patton. It will use 384-ft. Trilsch tower. Earlier this year it got FCC permission to buy out share-time CP-holder KVOL-TV for \$5,000 out-of-pocket expenses incurred by grantee *Lafayette Advertiser* and KVOL gen. mgr. George H. Thomas (Vol. 10:49 & 11:4) Base rate will be \$200. National rep not chosen; Clarke Brown Co. will be rep in south & southwest.

WCBC-TV, Anderson, Ind. (Ch. 61) now doesn’t plan to start until late summer, reports program director Fred M. Mullen for grantee Great Commission Schools, owned by Church of God denomination, which operates local school system & Anderson College & Theological Seminary (Vol. 11:7). On hand are RCA 1-kw transmitter and studio equipment purchased from John L. Booth’s now defunct Battle Creek, Mich. (Ch. 64).