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

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PAYOLA BILL CLEARS HOUSE, HITS SENATE SNAG: House Commerce Committee Chmn. Harris (D-Ark.) and his free-wheeling Legislative Oversight Subcommittee last week pushed their payola bill through House (see p. 5). They thus chalked up their first major TV-radio legislative achievement in 2½ years of investigative headlines.

Senate also made broadcasting news with approval of unprecedented resolution (S. J. Res. 207) permitting networks & stations to give air time to Presidential tickets this year without running afoul of Communications Act's equal-time Sec. 315 (see p. 6). House passage of resolution seemed certain.

Less certain, however, was final action on payola. Oversighters' hopes for fast Senate concurrence with House bill were dashed by the abrupt moves of Congressional leaders to call recess for political conventions & come back in Aug. Harris had counted on getting his measure through Senate without hearings in pre-convention adjournment rush. But the chances of Senate buying the bill before taking a close look at it went out the window with recess announcement. "It will be necessary to hold hearings," said Chmn. Pastore (D-R.I.) of Senate Commerce Communications Subcommittee. He pointed out that "this very important proposed legislation" had been tossed at Senate as irrelevant amendments to Senate-passed FCC procedural bill (S-1896), and that Senate Committee hadn't had chance to look them over.

Nobody opposes anti-payola-&-plugola sections of House bill, Pastore told Senate. But he added that the broadcaster-opposed station suspension & forfeiture features of measure—which House insisted on keeping—may be something else again. And instead of being sent into prompt House-Senate conference, bill was given at Pastore's request to Senate Committee. It voted at once to start hearings on controversial provisions Aug. 10 or Aug. 17—depending on schedule set on reconvening of Congress.

Broadcasters "have the right to be heard" on issue of whether FCC should get hitherto-unheard-of authority to lift their licenses for 10-day periods and/or fine them \$1,000 per day for defying Commission orders, Pastore said. Requests by broadcasters for chance to testify were pouring into Committee office last week. Their objections to license suspensions—in particular—as being against the interests of the viewing & listening public will carry much weight with Committee.

Ultimate fate of payola bill was anybody's guess at last week's end. But with adjournment pressures relieved by convention recess plan, Senate Committee members under Chmn. Magnuson (D-Wash.) at least could take their time making up their minds. One thing was sure: They were under no compulsion from Harris to accept rewritten S-1898 on any take-it-or-leave-it basis. Moreover, some Senators were known to take dim—if not distasteful—view of Harris strategem in tacking major House legislation onto unrelated Senate bill. No Senator likes to see his legislative handiwork come back from House unrecognizable—and Magnuson was original author of S-1898.

NAB SCANS 1959 TV-RADIO FINANCES: "Typical" TV station's profit was 14.3% of sales in 1959 vs. 11.4% in 1958, while revenues rose 10%. That's nub of NAB's latest survey of TV stations. Typical radio station had profit of 7.7% of sales, compared with 7.2% in 1958.

A "typical station" is a statistical median, according to James H. Hulbert, mgr. of personnel & economics dept. A formula is used to weight the responses—which came from members & non-members of NAB.

Typical TV station had revenues of \$865,000, expenses of \$742,000. Revenue breakdown: national & regional, 44%; local, 29%; network, 27%. Expense breakdown: programming, 36%; general & administrative, 34%; technical, 17%; sales, 13%.

Typical radio station's revenues were \$104,000, expenses \$96,000. Revenue breakdown: network, 0% (network affiliates had \$1,300); local, 85.2%; national & regional, 14.8%. Expense breakdown: general & administrative, 37.2%; programming, 33.6%; sales, 18.3%; technical, 10.9%.

NAB has sent to members complete reports, including groupings by market size & revenue range—making it possible for operators to see how they compare with similarly situated colleagues. These figures aren't released.

NAB has already reported operators' predictions for 1960 (Vol. 16:17 p1). TV stations expect revenues to rise 6.8% this year, radio stations 3.2%.

KING NAMED TO FCC, PROBABLY STARTS IN SEPT: Nomination of Charles H. King, dean of Detroit College of Law, as FCC Commissioner, was sent to Senate last week. He'll take office under a recess appointment when Congress adjourns. Question is "when?"

There was considerable confusion about it, so we checked with the man who should know—David Kendall, Eisenhower's special counsel. He & his associate, Henry McPhee, told us that King won't be able to take office until Congress adjourns after reconvening in Aug. So he'll probably start work in Sept. Then he can serve until he or another nominee is confirmed after Congress returns in Jan. There was also some doubt about his getting paid. Kendall says he will be. After Congress comes back in Jan., he'll continue to be paid—unless the President fails to renominate him within 40 days after Congress convenes. If he's not renominated, he can serve without pay until his successor is confirmed. As McPhee said: "If you think that's confusing, you ought to read the law." (For King's background, see Vol. 16:25 p3).

The whole appointment business re-emphasizes hard facts of political life. For example, FCC Comr. Lee & FTC Chmn. Kintner are long-time public servants, Republicans with good records. Lee made it, Kintner didn't. Kintner has figured prominently in news as payola cleanup man, while Lee has been in background—not being FCC Chmn. Difference is primarily this: Lee made & maintained powerful Congressional contacts, dating from his days as House Appropriations Committee chief of staff. Kintner doesn't command such heavy political artillery on Capitol Hill.

ACTORS & PRODUCERS REACH AGREEMENT: Harassed by labor crises since Jan., Hollywood TV producers were apparently assured of peace last week, following an agreement with the Screen Actors Guild on major issues of a new 4-year contract.

SAG, in reversal of previous stand against royalty concept in lieu of fixed residuals, may adopt royalty base as result of new contract. Whether it will depends chiefly on fact-finding committee being set up by Alliance of Television Film Producers, Assn. of Motion Picture Producers and Writers Guild of America. SAG's old pact with producers expired June 30—the day the new one was signed.

SAG's principal gains were a 5% pension plan and raised minimums (see p. 8).

FAT-TRIMMING TIME AT RCA: Lean & hungry is new look at RCA these days as onetime entertainment-only giant trims down for long, hard pull in industrial electronics. Efficiency expert Pres. John L. Burns is dedicated to slicing out overall corporate fat in order to increase thrust in computer field—"a new industrial area which alone can double the size of RCA within the next decade," he told stockholders only 2 months ago (Vol. 16: 19 p23).

"Fat" means non-essential people, duties and services, and these have been undergoing liquidation piecemeal & quietly in past several months. Layoffs are believed to have peaked, July 1 being the unofficial pare-down deadline. Figures are impossible to come by, but we have been told that average of 15% cuts in most non-essential depts. was goal. Estimates we heard ran as high as 30% for some depts. It is not surprising, considering change in RCA image, that layoffs have been concentrated in entertainment domain: some 150 at Indianapolis TV components plant; about 100 at NBC's CNP TV-film operation; an undisclosed number at NBC, International div., TV div.'s Cherry Hill hq; close-down of RCA's Chicago museum, other constrictions. (For details, see story on p. 15).

NOT MUCH LIFE IN LIVE TV: Trend toward more film programming on networks this fall forecasts further reduction in live programming, despite production freedom afforded by tape. Of 74 weekly nighttime program hours on networks in 1960-61 season, only 18 will be live or tape. That's roughly one out of 4 hours for live, 3 out of 4 for film.

Newest figures represent considerable drop from last season's live situation. Last fall, networks aired 24 live weekly hours, or about one out of 3. Biggest cutback this season: Live & tape entertainment specials on all 3 networks. They'll be reduced nearly 50% in the wake of failure or semi-failure (Ford's Startime, etc.) of many look-alike specials in last season's bumper crop.

Political coverage is sole bright spot in live TV, with generous coverage of conventions & elections planned by networks (Vol. 16:26 p13). Apart from such public-affairs shows, nighttime network programming will be dominated by 30- & 60-min. film shows, largely purchased, controlled and sold by networks (see p. 11).

NBC'S AUTO INDUSTRY STUDY: TV is still most effective medium for selling cars. That's the gist of findings in NBC-TV's 5th annual interview of auto dealers & car buyers shown to top automakers & agencies in Detroit in the past few weeks, and now due for agency-level showcasing in N.Y. Result of 13,047 interviews by R. H. Bruskin Associates and Trendex, the study charts striking trends & TV facts in auto field.

(1) Nearly all auto dealers like new U.S. compacts, with 98% of those handling Corvair, Falcon and Valiant agreeing it was "a good idea" to launch them.

(2) Of compact dealers, 64% chose TV as "most effective in selling the idea of the new small cars."

(3) Multi-program sponsorship pays off for auto firms. In rating Ford as "one of best cars," viewers who watched all of 3 Ford-sponsored show series on NBC outnumbered non-viewers (of any) by 2½ times.

(4) TV drew strongest ad-recall vote of leading media. Of those who were "declared prospects" for 1960 cars (about one in 4 adults), 48% stated that TV stood out "most strongly."

(5) Color TV adds to impact of auto commercials. Among color TV set owners, 69% said TV ads made cars look "more natural & lifelike," 14% gave nod to magazines. Among b&w set owners, 57% said TV, 22% said magazines. Auto-sponsored color TV shows, incidentally, drew larger audience share, higher rating in color TV homes.

BOOSTER BILL VOTED, FCC TO ACT FAST: Road is clear for legal vhf boosters, now that Congress has passed bill which forgives operators for having built without FCC permission and allows them to transmit without hiring licensed technical personnel. Commission has been marking time, waiting for Congressional action, is expected to issue final booster rules soon, probably within couple weeks.

New rules are likely to be similar to those last proposed (Vol. 15:49 p4):

- (1) One-watt ceiling.
- (2) No mileage-separation minimums.
- (3) Stop operation if interference develops.
- (4) Settle inter-booster interference "by mutual agreement."
- (5) Use only FCC-approved equipment.
- (6) No on-channel operation.

New boosters (which FCC calls translators) would be required to start with new standards. Big problem is how much time to give old operators to comply. There's talk at FCC of 4-6 months. If Commission's past practice is prologue, it will set fairly short period, wait for reaction, extend time if outcry is too great.

You may expect Comr. Lee to stick by his position that vhf should be allowed only upon operators' showing that uhf translators are technically or economically impractical. But he's in minority.

FCC engineers, mostly uhf enthusiasts, see uhf winning eventually because no more than 2 vhf boosters can operate in any given area. They note that each booster requires one channel to receive, one to transmit, plus adjacent-channel protection for each (except where Ch. 4 & 5 are involved). Thus, they visualize booster operators ultimately embracing uhf to get 3 or more signals.

"Zoning" idea appears to be dead (Vol. 16:23 p10). This is the concept of: (1) Allowing existing vhf boosters to continue in half dozen northwestern states for substantial number of years. (2) Permitting new vhf's in the zone only upon showing that uhf is impractical. (3) Giving vhf's outside the zone a couple of years to quit. (4) Allowing no new vhf's outside the zone.

Meanwhile, Commission extended for 30 days, from June 30, the grace period during which boosters may operate without FCC authorizations.

FM TOTALS MOUNT AS AM PIPELINES CLOG: Pattern of AM-FM development in last 6 months, in terms of new FCC authorizations & starters, is more of the same, only accentuated—FM rising at faster rate, AM backlog mounting at FCC.

From Jan. 1 to June 30, 64 new FMs started, compared with 28 AMs. At same time, FM authorizations (licenses & CPs) rose 71 while AM increased only 48. There are now 3,484 operating AMs, 741 FMs. Applications for new AM stations have increased from 711 to 786; bids for improved AM families have gone from 757 to 798. Filings for new FMs total 114 vs. 105 six months ago. Here are year-by-year totals since end of war:

AM			FM		
Year	Licenses & CPs	On air	Year	Licenses & CPs	On air
1945	1056	913	1945	288	48
1946	1579	1027	1946	684	140
1947	1961	1586	1947	1010	374
1948	2131	1877	1948	976	687
1949	2246	2045	1949	791	728
1950	2351	2199	1950	706	672
1951	2410	2306	1951	654	640
1952	2516	2377	1952	648	612
1953	2644	2451	1953	602	550
1954	2782	2662	1954	583	549
1955	2941	2814	1955	557	536
1956	3140	3024	1956	559	528
1957	3289	3180	1957	588	537
1958	3423	3318	1958	686	571
1959	3527	3456	1959	839	677
1960 (6 mos.)	3575	3484	1960 (6 mos.)	910	741

Congress

More about

PAYOLA BILL NOW UP TO SENATE: Belatedly but decisively, the House last week approved the only major broadcasting reform measure which has a chance of becoming law at this session—the Commerce Committee's payola bill (Vol. 16:26 p1).

Four days of frequently acrid on-&-off debate were marked by floor protests that the bill (a substitute for Senate-passed S-1898) either didn't do enough or went too far. Finally the House passed it 208-15 and hurried it back to the Senate in a late-session push.

With political conventions just ahead and Congressional adjournment plans in confusion, House Committee Chmn. Harris (D-Ark.) hoped the measure would get once-over-lightly treatment from the Senate Commerce Committee, then slide through the Senate itself without further hearings on its tacked-on payola prohibitions & other provisions.

Harris ran into Senate trouble almost at once, however. The Senate Commerce Committee headed by Sen. Magnuson (D-Wash.) refused to go along. It voted unanimously to sit on the bill until next month, then hold full-dress hearings on the measure's most controversial provisions: Authorization to FCC to discipline stations with less-than-license-revocation punishment. There'd be no quick Senate concurrence, at least (see p.1).

In the House there was no argument about—and scarcely any discussion of—such broadcasting evils as payola, plugola and quiz-rigging as defined & banned in the bill under criminal penalties. "In my opinion," Rep. Anfuso (D-N.J.) said at one point in the debate, "everybody is going to vote for this bill. It is like voting against sin." Nor did anybody pay much attention to sections of the measure providing for such things as local public hearings by FCC and strict FCC rules on pay-offs of station applicants by other applicants (Vol. 16:24 p2).

Network Control Was Issue

The House floor fights swirled around 2 main issues: (1) FCC controls of TV & radio networks—which weren't in the bill and which were kept out. (2) Ten-day-license-suspension and \$1,000-per-day cash-forfeiture penalties for wayward stations, which were modified slightly to stipulate that violations subject to the penalties must be "negligent or intentional."

Rep. Bennett (R-Mich.) ranking minority member of the Commerce Committee, as he had promised to do (Vol. 16:25 p4), bucked Chmn. Harris by staging last-ditch battles for amendments putting networks under direct FCC supervision.

Bennett first proposed that his own 1959 bill (HR-5042) for network regulation—but not licensing—be incorporated in the Committee's measure despite objections by Harris & others that the issue hadn't been explored sufficiently in hearings. Bennett was batted down 101-16 on this one.

Undaunted, Bennett then tried to kill the Committee's bill (which he called "a sham") by a motion to recommit the measure to the Committee—with instructions to incorporate a network-licensing bill (HR-11340) authored by Harris himself but pigeonholed by him. Bennett lost 149-35.

In one speech, Bennett said the issue was "whether we prefer a show & a sham to an effective cure of the

abuses revealed in radio & TV broadcasting." He told the House that the vote on network regulation would "expose the desire of some to make motions & loud talk about curing abuses but visit their wrath on the little man in TV & radio—the station owner—while leaving the big men—the giant monopolistic radio & TV networks—as free from regulation as they now are."

The "little man" argument—reflecting letter-writing campaigns put on by NAB members—was also used by opponents of the bill's suspension-&-forfeiture penalties.

"In our zeal to clean up this industry, do not think we are required to completely destroy the business of some little operators who could not survive these harsh penalties," said Rep. Jonas (R-N.C.).

"This novel, untried, and dangerous legislation will strike a telling blow at enterprise & initiative," said Rep. Meader (R-Mich.). He added: "This \$1,000-a-day forfeiture for failing to knuckle under to a commission is a tyrannical, oppressive sanction which we should never approve. We will rue the day we establish such a precedent."

But amendments they offered or supported to cut out the new penalty provisions or pare them down were rejected by lopsided votes. The House went along with Harris, accepting only Committee-approved modifications which made it clear that the penalties were intended to be invoked by FCC only for knowing or negligent violations.

As an afterthought, Harris also put through an FCC-recommended Communications Act amendment, long since voted by the Senate, to repeal the so-called "honorarium" provision of Sec. 4 which permits Commission members to collect fees for speeches or published articles. As Harris said: "Feeling about it is unanimous."

There was no argument.

Congressional counterattack on Knight Newspapers & *Life* for their exposes of House expense accounts has been joined—vehemently—by Rep. Moulder (D-Mo.), first chmn. of the Legislative Oversight Subcommittee. Echoing charges by Commerce Committee Chmn. Harris (D-Ark.) that Knight interests & Time Inc. were trying to divert public attention from TV & radio scandals (Vol. 16:26 p1), Moulder said he too has suffered a "vicious smear." In a House speech, Moulder defended his tabs in the Persian Room of N.Y.'s Plaza Hotel as legitimate expenses on an Un-American Activities Committee assignment. Moulder, asking why an "exaggerated, distorted and outright false story" about his Persian Room bill was published, said the Miami Ch. 7 case (Vol. 12:26 p8) provided an answer. He reminded the House that, as the chief Overseer, he had helped expose John S. Knight's "improper *ex parte* & dishonest political influence" in the case. As for *Life*, Moulder said it's among publications that "live high in reaping huge profits at the expense of the public taxpayer." He said that in 1956 alone, *Life* received \$9 million in postal subsidies, and that the Post Office Dept. lost \$232,000 in 1958 in handling Knight's *Detroit Free Press*. Such postal subsidies also were scored by Rep. Rhodes (D-Pa.), another among 30 House members mentioned in the Knight-*Life* stories. He said he'd been singled out for attack because he advocated higher magazine postal rates.

Sports anti-trust legislation, including proposals that pro baseball clubs be permitted to control telecasts of games (Vol. 16:25 p12), has been killed by the Senate—for this Congressional session, at least. The threat of legalized TV blackouts was lifted when the Senate voted S-3483 sports bill back to Judiciary Committee.

More about

SENATE EASES SEC. 315: Overriding the suspicions & objections of one man—Sen. Yarborough (D-Tex.)—the Senate last week voted to suspend application of the Communications Act's equal-time requirements for 1960 TV & radio appearances by candidates for President & Vice President (see p. 1).

Yarborough is chairman of a political "watchdog" unit set up by the Commerce Committee to see how broadcasters handle politics this year (Vol. 16:25 p5). He protested that the Sec. 315 suspension resolution (S. J. Res. 207) contained no guarantees of political fair play by the networks. But even he voted for it after a brief debate.

The emergency equal-time resolution had been recommended by the Commerce Committee as a substitute for a drastic measure (S-3171) to require the networks to give free TV time to Republican & Democratic Presidential nominees (Vol. 16:23 p3). It was rushed to the House for expected concurrence, where no opposition was reported.

In a speed-up plea, NBC Chmn. Robert W. Sarnoff wired House Speaker Rayburn (D-Tex.) that quick action would give the network time to plan a *Great Debate* campaign series featuring the top tickets. And CBS Inc. Pres. Dr. Frank Stanton said: "This was a critically important step in freeing TV-radio to fulfill their unique roles in stimulating public discussion and in sharpening the great issues of the day."

ABC-TV Pres. Oliver Treyz, in a wire to Rayburn, emphasized: "Time is of the essence since ABC desires, upon enactment of the resolution, to hold a meeting of the 3 networks seeking an agreement to ABC's proposal of allocating prime time for candidates." (The proposal involves different time slots on all networks to provide maximum audience hours on a rotating basis during the 9-week period preceding Election Day.)

No Support for Restrictive Amendments

Yarborough expressed fears that the wide-open suspension of Sec. 315 would give broadcasters an open political season for favoring one candidate against another. He tried to amend the resolution by requiring candidates to be paired in debates on the air. He then amended his amendment "to make certain that equal & fair time is granted to the major candidates." Finally he withdrew the amendment, which won no support on the floor.

Floor manager for the resolution was Chmn. Pastore (D-R.I.) of the Commerce Communications Subcommittee, who said he was aware that the measure would give networks & stations a chance to put over a favored candidate.

"This is a risk that the Committee feels is outweighed by the substantial benefits the public will receive through the full use of this dynamic medium in Presidential campaigns on a voluntary basis," Pastore told the Senate. "I have faith in the maturity of our networks & broadcasters and their recognition to discharge their obligation."

If broadcasters shouldn't play it fair, Pastore added, they'd "be in a difficult position when their licenses came up for renewal." And he promised quick retaliation at the next session of Congress: "By means of this joint resolution we open the door slightly. But if they dare trespass on equity, we will close the door so quickly, next Jan., that it will be no laughing matter."

Moreover, Pastore said, there's a "moral understanding" between the Commerce Committee, the networks and affiliated stations that fair & equal air treatment will be given to the major Presidential tickets.

Attack on FCC, for proposing to grant Ch. 10 Albany to Capital Cities Bcstg. Corp. (Vol. 16:26 p12), backfired on Sen. Proxmire (D-Wis.) last week. Proxmire had criticized the Commission for favoring Capital Cities (which has been operating WTEN on special temporary authorization) after examiner J. D. Bond had said that one reason for recommending Capital Cities was the "civic backgrounds" of 5 Congressmen-stockholders. FCC Chmn. Ford stated, in a WTOP-TV Washington interview: "There was a speech on the floor of the Senate which, in effect, I suppose was intended at least to influence the Commission by something which is not part of the record in this proceeding." FCC has instructed its staff to draft a final decision in WTEN's favor, but Ford noted that the Commission hasn't decided what weight to give the "civic" factor. He also observed that the factor is only one of many criteria and isn't necessarily controlling—particularly when the stock ownerships are small, as in the WTEN case. (The Congressmen hold a total of less than 5%.) Ford didn't participate in the WTEN vote, said he won't act in the final decision. This left him free to comment on the Proxmire blast. FCC is now in position to write a final decision treating the issue so as to leave Proxmire stranded.

Another allocations study—how govt. & non-govt. assignments are made—has been proposed by Sen. Hartke (D-Ind.) in S.J. Res. 211 which reads: "Joint resolution to establish a commission to study & report on the organization of the FCC and the manner in which the electromagnetic spectrum is allocated in the agencies & instrumentalities of the federal govt." Said Hartke: "We have seen overlapping of agencies and of civilian & military control. There is chaos in parts of the communications field. Where there is no overlapping, members of the commission in charge often cannot agree. Legislation of some kind, perhaps centralizing authority & clarifying development, must come soon. We intend to offer some kind of such legislation in the early days of the next Congress. Meanwhile, a study of the status & needs in telecommunications is vital. I am not so much interested in the form of this study as I am in seeing that there is a study."

Probe of radio operators by the House Un-American Activities Committee has been threatened by Chmn. Walter (D-Pa.). Introducing a bill (HR-12852) to prohibit FCC from granting licenses to applicants who refuse to answer—or lie—about "Communist activities," Walter said he hoped it would get "hearings & legislative consideration at an early date in the next Congress." Already, Walter told the House, his Committee has "information [that] in the recent years past, approximately 100 persons regarded as security risks have received radio operators' licenses" from FCC. Moreover, he said, "a number of other people who are likewise security risks have applications pending."

NAB-sought overtime exemptions for small-market TV & radio stations from application of the Fair Labor Standards Act (Vol. 16:21 p10), are incorporated in minimum wage bills (S-3758 & HR-12677) which are on the Democratic "must" list in Congress. The Senate measure applies to stations in less-than-50,000 market areas, the House bill to less-than-100,000 market areas (but not to any station "part of a standard metropolitan area").

President Eisenhower has signed a bill (S-899) repealing sections of agency laws—including Sec. 4(k) of the Federal Communications Act—requiring that detailed personnel reports be submitted annually to Congress (Vol. 16:26 p11).

Networks

NBC-RKO STATION SWAPS (cont.): Westinghouse Bestg. Co. was defeated last week in its attempt to block the NBC-RKO series of station exchanges & purchases. Philadelphia U.S. District Court Judge Kirkpatrick turned down its plea to intervene (Vol. 16:24 p7). Promptly KRON-TV San Francisco began its promised new battle before "other tribunals"—FCC & U.S. District Court in San Francisco.

Judge Kirkpatrick turned down WBC, he said, because he had no jurisdiction to allow it to intervene. He added, however, that he would not have let WBC in even if he'd had the power—because Justice Dept. opposed WBC. "The govt. is concerned with the public interest," he said, "and is satisfied that the conduct Westinghouse complains of is not against that interest."

KRON-TV filed 2 petitions with FCC: (1) Requesting a hearing on the license application of KTVU San Francisco, which NBC proposes to buy. (2) Requesting a hearing on all the pending NBC & RKO swaps & purchases involving stations in Boston, Phila., Wash., San Francisco.

KRON-TV traced the history of KTVU's ownership and concluded that "there is reason to believe that effective control [of KTVU] . . . now rests with RKO General which has so much to gain" if its deals with NBC go through. KRON-TV suggested that KTVU principals William D. Pabst & Ward D. Ingram are really puppets of RKO. It also accused KTVU of trafficking in its FCC permit, in excessive "payoffs" to Edwin W. Pauley & Stoddard P. Johnston, who once headed competing applicants for KTVU's Ch. 2. In addition, KRON-TV said, KTVU's programming hasn't matched its promises to FCC.

KRON-TV petition for a hearing on the sales runs the gamut of charges, asks FCC to examine 14 different matters—ranging from how KTVU was born, to anti-trust allegations against NBC & RCA. It includes a charge that RKO will violate FCC's multiple-ownership rules by acquiring WRC-TV Washington, because RKO's CKLW-TV Windsor, Canada should be counted as a 6th vhf holding.

KRON-TV's civil anti-trust suit in the San Francisco court is directed at NBC, RCA, RKO, KTVU and all of KTVU's stockholders. It alleges that it is losing its NBC affiliation in San Francisco because of the defendants' acts of conspiracy, restraint of trade, etc.

The relief sought by KRON-TV includes: treble damages for anything it loses as result of "acts of the defendants;" stopping NBC from acquiring KTVU; and, finally, revocation of all TV licenses of NBC, RKO & KTVU.

WBC hasn't said whether it will seek similar relief.

"Today 3 networks control what 180 million people are going to look at. Even if the program heads who wield this vast power were all high-minded, this would be a narrow bottleneck through which to pour all the creative energy of the country. But they're not high-minded men. They are interested in money, and those idiotic ratings, and in control. They seem little interested in the taste or the cultural welfare of the country, or in creating new forms, or in developing new writers or artists or artisans, or even in show business . . . With 4 large studios turning out 85% of the nation's shows and selling them in private little deals to three huge networks, the little independent producer is being driven to the wall."—John Crosby, *N.Y. Herald Tribune*.

Network Television Billings

May 1960 and January-May 1960

For April report, see TELEVISION DIGEST, Vol. 16:25 p9

May 6.8% Ahead: Network TV's May gross time billings of \$55.5 million were a shade behind the April volume of \$55.9 million, but were 6.8% ahead of May-1959's \$51.9-million total, reports TvB. The year-to-date volume of \$283.3 million was 8.7% ahead of the \$260.6-million business posted in Jan.-May 1959. However, this was off the pace of 9.8% for the first quarter and 9.2% for the first 4 months of 1960.

CBS continued to lead the networks in dollar volume, both in May (\$23.2 million) and year-to-date (\$116.3 million). NBC, which had out-percentage-gained CBS the preceding month, fell behind with a 1.4% decline in May-from-April billings. ABC, as usual, posted the major percentage gains: 29.5% for May over May 1959, 23.8% for Jan.-May over the year-ago period.

NETWORK TELEVISION

	May 1960	May 1959	% change	Jan.-May 1960	Jan.-May 1959	% change
ABC	\$12,876,050	\$ 9,946,570	+29.5	\$ 65,001,870	\$ 52,492,402	+23.8
CBS	23,197,036	22,298,276	+ 4.0	116,275,396	110,576,419	+ 5.2
NBC	19,396,704	19,674,494	- 1.4	102,015,515	97,596,306	+ 4.6
Total	\$55,469,790	\$51,919,335	+ 6.8	\$283,292,781	\$260,565,127	+ 8.7

1960 NETWORK TELEVISION TOTALS BY MONTHS

	ABC	CBS	NBC	Total
January	\$13,260,010	\$23,477,358	\$20,980,897	\$57,718,265
February	12,677,110	22,977,171	19,923,712	55,577,993
March	13,487,460	24,043,799	21,072,164	58,603,423
April	12,701,240	22,580,032	20,642,555	55,923,410
May	12,876,050	23,197,036	19,396,704	55,469,790

Note: Figures revised as of June 29, 1960. These figures do not represent actual revenues inasmuch as the networks do not divulge their actual net dollar incomes. The figures are compiled by Broadcast Advertisers Reports (BAR) and Leading National Advertisers (LNA) for TV Bureau of Advertising (TvB) on basis of one-time network rates or before frequency or cash discounts.

CBC-TV's 'Shady Lady': Canada's govt.-owned CBC is in hot water with the govt. over a divorcee it is protecting—and the result could strongly affect the future of CBC Pres. J. Alphonse Ouimet.

The lady in question, using the pseudonym "Mercedes Hunter," starred in a May 26 CBC-TV program, *Close-Up*, exposing the divorce racket. Appearing with her face covered, she admitted playing mock co-respondent in 120 Ontario divorces at \$100 each (Vol. 16:23 p16).

Ontario Attorney General Kelso Roberts wants her name & address. Revenue Minister George Newlan wants to find her to check whether she paid tax on the income she reported on the TV show. But following the unwritten rule of newsmen, Ouimet so far has not given her correct name. He says he doesn't know her address. Newsmen in Canada, as in the U.S., have been taken to court and convicted for contempt in similar situations.

CBS News special-assignment cameraman Nicholas Ruiz, a Cuban national, was placed under arrest in Havana June 27 and is being held incommunicado. Ruiz was flying to Miami with on-the-spot films of the aftermath of a June 26 munitions dump explosion in Havana, when he was taken off the plane at Havana airport by Cuban police. CBS News vp John F. Day cabled Cuban foreign minister Dr. Raul Roa June 28, asking for "assurance of Ruiz' safety & his release from custody."

NETWORK SALES ACTIVITY

ABC-TV

Take a Good Look, Thurs. 10:30-11 p.m., full sponsorship renewal eff. fall 1960.

Consolidated Cigar (Erwin Wasey, Ruth-rauff & Ryan)

Daytime programming, Mon.-Fri. particips. eff. fall 1960.

General Foods (Ogilvy, Benson & Mather)

Curtis Publishing (BBDO)

Gillette Toni (North)

Cheyenne, Mon. 7:30-8:30 p.m., participations eff. fall 1960.

Dow Chemical (McManus, John & Adams)

American Bandstand, Mon.-Fri. 4:30-5 p.m., participations eff. late summer.

Jantzen (Hockaday)

Vick Chemical (Lennen & Newell)

Gillette Toni (North)

CBS-TV

Captain Kangaroo, Sat. 8-9 a.m., particips. eff. fall 1960.

Hanes Knitting (N.W. Ayer)

Daytime programming, participations eff. July.

T. B. Williams (Parkson)

Witness, Thu. 7:30-8:30 p.m., participations eff. fall 1960.

Schick (Benton & Bowles)

Esquire Boot Polish (Benton & Bowles)

NBC-TV

Those Ragtime Years (*Project 20*), one-time 60-min. special, Oct., full sponsorship.

Purex (Edward H. Weiss)

Dan Raven, Fri. 7:30-8:30 p.m., participations eff. fall 1960.

Union Carbide (William Esty)

Laramie, Tue. 7:30-8:30 p.m., participations eff. fall 1960.

Union Carbide (William Esty)

Our American Heritage, 60-min. specials starting Oct. 21. full sponsorship renewal.

Equitable Life (Foote, Cone & Belding)

Nighttime 40-sec. station breaks, in which TV affiliates may house two 20-sec. spot announcements (or a 30 & 10), are almost certain to be a regular feature of at least 2 network schedules. Affiliates have pressured strongly for longer announcements which would mean an increase in station revenue at the expense of 10 seconds snipped off the end of network-controlled shows. ABC-TV plans to include the king-size station breaks in its schedule this fall at the rate of one per night. NBC-TV officials are currently developing a plan to give about half that number of 40-sec. breaks weekly to affiliates. CBS-TV is "considering" a move to the longer breaks, but has made no decision yet, we were told. Said one NBC-TV official: "It's a foregone conclusion that we'll see 40-sec. network breaks this fall. In fact, the next pressure will be for 1-min. breaks when stations start thinking about that extra hunk of revenue."

NBC's medical radio system, scheduled for fall initiation, has been postponed "for the time being," advertisers subscribing to the network's medical advertising plan were informed recently. The system would have placed FM multiplex receivers in doctors' offices for reception of special medical information broadcasts and advertising announcements. The network has lined up "at least 4 participating advertisers to the system, but would need at least 10 to break even," we learned. Subscribing doctors were to pay \$10 a month.

Film & Tape

More about

THAT ACTOR-PRODUCER CONTRACT: With agreement reached between SAG and AMPP & AFTP, Hollywood producers can begin to settle down to turning out films for next season. No labor problems will confront them until Nov., when IATSE negotiations begin.

The core of the negotiations with the writers was adoption of a royalty concept in place of the fixed residuals applied in the old contracts. SAG, which once frowned on royalties on the grounds that they could not apply satisfactorily to actors, has partly reversed its position and is leaving the door open to the royalty plan.

This is being accomplished by a proviso which states that after 2 years, SAG may, at its option, go into the royalty plan in lieu of fixed residuals, with the actors to be guaranteed a floor of 8% of the gross, foreign & domestic. This contrasts with the 4% floor guaranteed the writers. If the actors go for the royalty plan, the contract will be extended another year.

For producers, the possibility that actors may embrace the royalty concept is good news, since they have sought an industrywide pattern. The idea is that dropping of fixed residuals would enable them to unfreeze films now shelved, with proportionately higher grosses. Talent guilds now receive 140% of minimums as their residuals.

SAG had sought to raise the residual base, originally wanting to raise it to 200%, but this was flatly refused by producers. However, daily minimums are raised from \$80 to \$90 the first 2 years of the contract, and to \$100 the second 2 years.

A compromise was reached on the pension plan, so that actors will get a 5% pension based on actors' total salaries & residuals, but limiting the contributions to a ceiling of \$3,400 per actor.

Meanwhile, the international board of the Associated Actors & Artistes of America (AFL-CIO parent of all U.S. performers' unions) voted unanimously in N.Y. to approve & support an extra players strike against AMPP, the Alliance, the N.Y. Film Producers Assn. and other unaffiliated movie & TV producers. Screen Extras Guild contracts with the various producer groups & the N.Y. extras agreement administered by SAG expired April 2, 1959. Attempts to reach new agreements have failed.

Hearings have begun before the NLRB in Los Angeles on charges by SEG that the Alliance had refused to bargain in good faith. Although not named by SEG, AMPP moved to intervene in the hearings, and NLRB granted the motion. Meanwhile, SEG's board of directors has voted unanimously to recommend that its membership authorize a strike against the Alliance when SEG holds its annual meeting this week (8).

Ampex Australia Pty. Ltd. has been established as a subsidiary of Ampex International, Fribourg, Switzerland, with Edmund J. Aleks—ex-Western U.S. district sales mgr. for Ampex TV recording equipment—as sales mgr. Initially, the firm will handle sales of Videotape recorders and direct the marketing of other Ampex products. Assembling or manufacturing facilities may be established later.

Irving Pincus named secy. and Winston O'Keefe treas. of the Television Producers Guild. Cecil Barker, Jules Bricken, Robert Finkel, Richard Goldstone, Nat Perrin and Howie Horwitz named to the board.

More about

STRIKE COST \$5 MILLION: Both sides have appended a "never again!" to Hollywood's costliest TV strike—the recently-ended 22-week-old walkout of Writers Guild of America against TV film producers affiliated with Alliance of Television Film Producers, the Assn. of Motion Picture Producers and the networks. The Hollywood hangover, conservatively estimated (\$50,000 for a 30-min. show; \$100,000 for 60-min.), is a \$5-million loss in production. Our own tally of episodes never filmed because of the strike came to over \$4 million, not counting those telefilmmers who would not reveal their losses. And losses, of course, hit all associated with production, as well as the producers & writers.

Here's a partial breakdown of films permanently skipped because of the strike:

Desilu Productions: 5 *The Untouchables*.

Revue Studios: 26 half-hours among its various series.

Four Star Television: 5 *Wanted—Dead or Alive*, 2 *DuPont Show* (June Allyson), 1 *Robert Taylor's Detectives*.

Screen Gems: Several episodes of *Father Knows Best* & *The Donna Reed Show*.

Brennan-Westgate Productions: 9 *The Real McCoys*.

20th Century-Fox TV: 5 *Adventures in Paradise*.

Film executives found concern in some situations resulting from the strike. For example, certain series had to go into reruns earlier and sponsors discovered some reruns doing as well or better than they did as first-runs. As a result, these advertisers may in future think in terms of shorter firm deals, such as 13- or 26-week orders.

AFTRA & SAG Reject Cole: Screen Actors Guild and the American Federation of Television & Radio Artists have turned down David Cole's proposed merger plan. But they have agreed on a new plan for "merged" contractual negotiations in the fields of tape, live and commercials. Committees for both unions expressed their sentiments at a meeting in Hollywood last week. SAG's board has approved its committee's action, and the next move is up to AFTRA's board—which will probably affirm. Both unions objected to Cole's plan as "unworkable" because it would set up a super-structural rule which would work to the disadvantage of the membership.

AFTRA has jurisdiction in live TV & live commercials, SAG in filmed commercials. The area of dispute is tape, and jurisdiction would be resolved under the contemplated plan. This should lead to peace between the unions. AFTRA has 16,000 members, SAG, 12,000. There is no "accurate" record of overlapping membership.

"Huckleberry Hound" for President—that's to be the basis of a new stunt promotion this summer by Screen Gems on behalf of its Kellogg-sponsored, spot-placed (Leo Burnett) cartoon series. Now entering its 3rd season, *Huckleberry* is fully sponsored by the cereal firm in 180 markets. It is usually paired (Tue.-Thu. between 5-7 p.m. is typical) with its teammate show, 2nd-season *Quick Draw McGraw*. Both are 30-min. animations, produced by Hanna-Barbera for Screen Gems. Their ratings & sales success have been instrumental in triggering a bumper crop of new animation shows for network or syndication release (Vol. 16:26 p6). Aimed at moppets, *Huckleberry's* frequently-urbane humor also attracts many adults.

L.A. ON SYNDICATION: Los Angeles' 7 stations, once avid buyers of TV film, are—according to our latest checkup—increasingly chilly to the merchandise of the syndicators. The freeze which set in about a year ago (Vol. 15:28 p13) shows no signs of thaw.

The reasons given by station managers, buyers and program directors vary, but most agree that not enough syndication product matches network quality. Some say buying a syndicated series is a bad investment because it takes so long to recoup the money. Others prefer showing movies or live TV. Some are wary of private eyes & Westerns, fearing saturation or being cautious about programming in view of Washington hearings. Here's a capsule of the comment made to us:

William Alcine, film dir., KNXT: "Two years ago *Two Faces West* would have been big, but today Westerns have reached saturation. The private eyes have about had it, too. The Washington hearings have had a definite bearing on our buying & programming policies. For example, we try to avoid violent shows in the early evening hours when the kids are still up."

Jack Kenaston, prog. dir., KRCA: "We are not buying much TV film. We have 317 half-hour films, but show them daytimes & weekends. Not too much is being offered that's exciting or up to par. We have been buying old movies—bought 36 post-1952 European films from Flamingo Films, 61 from Lopert and a package of 90 from Screen Gems. But as for syndication, the only good series I've seen are *Hot Off the Wire* and *Shotgun Slade*."

Robert Quinlan, prog. dir., KTLA: "We're buying film for the summer, but will return in the fall to a basically live schedule. We can't afford first-run syndicated product. It entails too much investment, and we have to wait 3 years to get it back. We prefer old movies."

Peter Robinson, prog. dir., KABC-TV: "The syndication market is still soft. It's pretty rough—the networks are taking more & more option time from the affiliates, and more & more product is available. We're buying a little. We have very little interest in old movies. Getting heavily involved with big batches of old movies is dangerous because 100 of 700 may be good—the rest become lodestones."

A KHJ-TV spokesman: "Our direction is toward old movies. We are very interested in any major studio post-1948 movie packages which may be made available. We are fairly cool to half-hour syndicated series."

Robert Breckner, vp-gen.-mgr., KTTV: "Syndicated product is not as good as it used to be. Producers can't get enough prime time to pay for good product."

Al Flanagan, vp-gen.-mgr., KCOP: "The climate of TV is still foggy as a result of the Washington investigations, and there is a great uneasiness about what most stations will do in programming. The syndicated market is soft. I don't want to get overloaded with private eyes & Westerns. Prices are down quite a bit on syndicated product, but price isn't the factor."

The significance of these uniformly gloomy views is obvious. If the syndication market continues soft, the hoped-for riches from residuals in TV films may turn out to be pie-in-the-sky, except for the rare hit series like *Father Knows Best*, *I Love Lucy*, or *Dragnet*.

Series such as *Father Knows Best* and *Danny Thomas* reaped fat profits because reruns were sold to networks for daytime stripping. In the case of *Dragnet*, the films were bought by Sherry TV, a subsidiary of MCA, which did well in the syndication market. But this was several years ago, before the market went soft.

NEW YORK ROUNDUP

TelePrompTer last week reported complete returns from 229 viewing locations of the Patterson-Johansson fight. Gross receipts indicated there were 434,894 paid admissions for a total of \$2,251,162. Receipts from 13 CATV systems grossed \$23,500. In addition, \$450,000 is assured TPT from other sources such as radio, motion pictures and foreign TV. Receipts from ancillary rights alone, excluding the gate at the Polo Grounds, will total more than the all-time record of \$2,658,000 for the second Tunney-Dempsey fight in 1927. Feature Sports Inc., fight promoter, announced gate gross at \$824,814.

United Artists Associated vp & gen. sales mgr., Bob Rich, on the current post-1948 feature film hassle: "The recurring discussions about the release of the 'first' post-1948 features to TV must be viewed in the proper perspective. Post-1948 features from major Hollywood studios, in significant numbers, are already in TV distribution." Among UAA's 410 post-1948 films in circulation are "Summertime," "Underwater," "Suddenly," "A Bullet for Joey," "Moulin Rouge," "The Big Sky," "Act of Love" and "Affair with a Stranger."

Rank-produced 38-feature package launched in syndication in June by Programs for TV Inc. has begun to score its first major sales. WNBC-TV N.Y. has bought 25 features, and intends to showcase those shot in color as special colorcasts. Some, but not all of the films in the package are post-1948, contrary to pre-release rumor, we learned last week. Chief salesman for the package: PTI exec. vp for sales Michael M. (Mickey) Sillerman, ex-pres. of NTA program sales (syndication arm of NTA).

Creative Telefilm & Artists Ltd., split from United Telefilm in Feb. as TV-film distributor & talent agency, is expected to be headed soon by David Stillman as pres. The keystone of the new operation is understood to be a package of 104 post-1948 Warner features for TV distribution (Vol. 16:26 p15). Veteran talent agent Charles K. Feldman is the most likely candidate to head the representation end of the organization, with ex-UAA Pres. Eliot Hyman handling feature distribution.

Add syndication sales: Package of 62 Lopert films has been bought by KRCA Los Angeles; WAVY-TV Portsmouth, Va., CKLW-TV Detroit; & WMAR-TV Baltimore. This puts the package of post-1948 foreign films in 45 markets to date. Titles include "Pursuit of the Graf Spee," "Richard the Third," "Horse's Mouth" and "Parisienne" . . . NTA last week reported sales in over 50 markets of its *Assignment: Underwater*, 30-min. adventure series starring Bill Williams.

Cal. National Productions' Jim Backus show—*Hot Off the Wire*—has been bought for New England markets by H. P. Hood & Son, regional dairy, for a reported \$200,000 . . . Ziv UA's *Case of the Dangerous Robin* has been bought by Brown & Williamson for WABC-TV N.Y. . . . ITC's *Interpol* has been bought for 10 Canadian markets by Procter & Gamble Ltd..

Screen Gems has sold a group of 150 feature films to TCN Sydney & HSV Melbourne. Titles include "Gilda," "The Detective," "Cover Girl," "The Jolson Story," "Mr. Deeds Goes to Town" and "A Song to Remember."

HOLLYWOOD ROUNDUP

People: Ed Adamson signed by Four Star Television to produce *Wanted—Dead or Alive*, starring Steve McQueen. Same company signed William Friedberg to produce its *Peter & Mary* (Peter Lind Hayes & Mary Healy) . . . Henry Weinstein, TV producer, signed as a movie producer by 20th-Fox . . . Selmer Chalif, in charge of liaison with sponsors & agencies for Screen Gems, named general asst. to William Dozier, vp in charge of West Coast activities for the Columbia TV subsidiary . . . William Sackheim named exec. producer of Screen Gems' *Dan Raven*. Lewis Reed & Tony Wilson are alternate producers . . . Walter Grauman to produce 4 segments of Desilu's *The Untouchables* . . . Finlay McDermid named story editor by Revue Studios. His first assignment is *The Deputy*, on which he will also be associate producer . . . Harris Katleman and Bud Austin named exec. vps of Goodson-Todman.

More people: Alice Young named story ed. of Four Star Television's *Michael Shayne* . . . Al Rubin is story ed. of CBS-TV's *Have Gun—Will Travel* . . . Screen Gems has named Dick Wesson producer of *My Sister Eileen*, which goes into production in July . . . Stanley Kallis is named associate producer of Four Star's *The Law & Mr. Jones*, starring James Whitmore . . . Louis Quinn has signed a Warner Bros. term contract. He's in its 77 *Sunset Strip* . . . CBS-TV has picked up the option of producer Harry Tatelman.

Girard-Lewis Productions has been formed by producer-writer Bernard Girard and Robert Lewis, to do Paramount's *Mr. Garlund*. The series debuts on CBS-TV this fall, Charles Quinlivan starring. Lewis had resigned from Rosenberg-Coryell agency to join Girard . . . Ex-Cal. National production vp Frank Cleaver and John Florea have formed Vortex Productions. No. 1: a pilot for 60-min. *M.R.*

Ron Com Productions pilots being prepared by exec. producer Alvin Cooperman: *Jingles*, a comedy which may star Louis Nye; *Crusoe's Island*; *Main Street, U.S.A.* (tentative title), an action-adventure series; *The Hot Corner*, a situation comedy which would feature the Los Angeles Dodgers in subordinate roles.

BBDO is shopping for five or six 60-min. specials, to be incorporated into next season's *GE Theater*. The agency & sponsor have selected only one thus far—a show to star Jack Benny. They are also considering featuring a pair of 90-min. shows. Revue Studios will produce 27 half-hour episodes of *GE*.

Red Skelton will film or tape 10 shows in his CBS-TV series next season at his newly-acquired studios (formerly Chaplin's). He'll produce via his Sursum Corp. The modernized studios will be ready to begin operations Aug. 15.

Mexican efforts to protect that country's live & film TV production industry have backfired in at least one situation. Televiscentro has set a new budget of \$80,000 for the purchase of features, shorts & cartoons from non-Mexican sources. The move is chiefly the result of viewer protests that the station was running the same old TV films over & over again. Recently, Mexican film actors, backed to some extent by TV broadcasters, had begun to lobby for a stiff quota on non-Mexican film product.

Programming

More about

LIVE TV, DYING ART: Like Broadway's "Fabulous Invalid"—the legitimate theater—live TV has been enjoying poor health for some time. But with this difference: Whereas the live stage regularly recuperates, things grow steadily grimmer for live television. Next season they'll be at their grimmest. Our 3-network checkup indicates a steady shrinkage of live & tape shows, the following mostly-film outlook for fall:

ABC-TV, with 60-min. film shows as the backbone of its nighttime programming, has scheduled the smallest total of live hours in prime time among the networks. Of a possible 26 weekly nighttime hours, ABC will have only 3 hours of live shows—the *Sat. Night Fights*, *Dick Clark Show*, *Lawrence Welk Show* and *Take a Good Look*. Of a possible Mon.-Fri. 32 hours of daytime shows, ABC has scheduled 25 hours of live programming, or 78%. As yet unscheduled are 11 nighttime hours of live "floating" specials, 8 of election coverage, 8½ of sports specials and 7 of public-service specials, all live. Last season ABC had 6 weekly nighttime hours of live shows & 18 hours of film.

CBS-TV, showing a 2-hour weekly drop in nighttime live programming, will have 8.5 hours of live out of a possible 24.5 hours. Included are these: *Witness*, *Ed Sullivan*, *Garry Moore*, *I've Got a Secret*, *To Tell the Truth*, *Person to Person* and *What's My Line*. Daytime shows will stay "pretty much the same" (80% live; 20% film) in total live hours as in the recently-concluded TV year. CBS will cut back its live entertainment specials almost in half, from 75 last season to between 40 & 45 upcoming.

NBC-TV, in cutting back from 10.5 to 6.5 weekly nighttime hours of live programming, will step up film 4 hours to make up the difference. However, the network's daytime schedule has 7.5 Mon.-Fri. hours of film of a possible 35 daytime programming hours, or 79% live. Nighttime live shows will include *Dinah Shore*, *The Price Is Right*, *It Could Be You*, *This Is Your Life*, *Jackpot Bowling* and *America's Future*, the latter replacing filmed *World Wide 60*. In addition, NBC has planned 100 live entertainment specials (last season 168), 39 of which will be regularly scheduled on Tue. night. Number of news & public-affairs specials, and Election Day hours is undetermined.

Full-length profile—"There's No Show Business Like MCA's Business"—in the July issue of *Fortune* magazine makes the point that Music Corp. of America, dominating the entertainment industry, is the only company that is simultaneously talent agency, producer, selling agent and lessee of production facilities. Salient ideas of author Edward T. Thompson's study: MCA gets some sort of cut from no less than 45% of all TV network evening shows. It has more big-name clients than any other talent agency (although it never discloses its list). In the odd dual role of agency for talent & frequent employer of the same talent, MCA is involved in practices "considered unethical by almost everyone else in the entertainment industry as well as by the Dept. of Justice." Future outlook: MCA may well try its hand at feature movies since it is fully equipped to do this. Even greater returns are expected from an expanding production schedule for TV shows. Lew Wasserman remarked typically to *Fortune*: "And another thing I won't tell you is what interest we might have in pay TV." (For our MCA story, see Vol. 15:24 p19.)

Add Public-Affairs Shows: With most of nighttime TV's entertainment series locked-up in program schedules, networks have been turning their attention to scheduling & selling new public-affairs packages:

NBC-TV: *World Wide 60*, the Sat. 9:30-10:30 p.m. series which launched NBC in the field of regularly-scheduled nighttime public-affairs programming, will be dropped this fall. In its place will go *America's Future*, a series in which "outstanding leaders in public life, with conflicting views, each week will enter into debate before a moderator on a cardinal issue, while simultaneous meetings on that issue will be held around the country." Also scheduled for the same slot: six 60-min. "actuality reports on issues which affect or threaten the survival of the U.S. in the free world." Both series will be created & developed by Irving Gitlin, ex-CBS News executive, recently brought to NBC as exec. producer, creative projects, NBC news & public affairs.

CBS-TV: Firestone Tire & Rubber Co. has apparently found a show that will project an "image" similar to its defunct *Voice of Firestone* series. The package: A 52-week exposure (no reruns) of the CBS-produced, 30-min. *Eyewitness to History*. Time slot: Fri. 10:30-11 p.m. According to CBS plans, *Eyewitness* will be a news-in-depth series with Les Midgley as exec. producer. In addition to the year-long purchase, Firestone also plans to sponsor several news & political one-shot specials.

ABC-TV: A quartet of special closed-circuit telecasts piped to ABC affiliates will be used to whoop up station & dealer interest in the biggest public-service buy so far this season on ABC. The package: A 15-program series of public-affairs specials featuring John Daly and an 8-episode slice of the Sun.-night Winston Churchill memoirs series (Vol. 16:24 p13). Topics in the Bell & Howell series are likely to be thought-provoking; reportedly, they include such matters as birth control and anti-semitism.

On the spot-TV level, however, an indication has come—in the released text of a "media managers conference" recently staged by NBC Spot Sales—that stations might find public-service shows hard to sell. Fuller & Smith & Ross media dir. Donald Leonard, one of 6 admen invited to the conference, said of local-level public service: "As long as TV delivers the news & weather and public-service programming twice a week, beyond that point I can't see divorcing TV from its primary entertainment purpose." Cunningham & Walsh sr. vp Newman McEvoy declared that if a TV station attempted to abandon entertainment and adopt a purely public-service format "up & down Madison Ave. its image would deteriorate quickly—except for those advertisers intending to reach a limited sector of the market."

Tapes of courtroom proceedings for subsequent broadcast aren't barred under Canon 35 of the American Bar Assn. So ruled the Board of Commissioners of Grievances & Discipline of the Supreme Court of Ohio. Center of the Ohio hassle was *Traffic Court*, 30-min. radio series on Westinghouse's KYW Cleveland, aired from April 1957 to May 1959. The series was yanked by KYW in 1959, following an opinion of the committee on professional ethics of the Cleveland Bar Assn. that the series (which in 1958 had won the station an Alfred P. Sloan award) violated Canon 35. In reversing the previous opinion, the 3-man Board of Commissioners ruled June 30 that tape recordings of court proceedings do not represent "broadcasting from the courtroom."

Stations

2 UHF OUTLETS STARTING: FCC issued program-test authorizations last week to WPCA-TV (Ch. 17) Philadelphia, which plans July 10 programming, and educational WGTE-TV (Ch. 30) Toledo, which began intermittent programming July 1, with full-time schedule set for Sept. 1, official opening day. WPCA-TV is the first commercial uhf outlet in the area which currently has 3 commercial vhf stations as well as educational uhf WHYH-TV (Ch. 35). WPCA-TV owner is non-profit Young People's Church of the Air Inc., which plans to operate on non-profit basis, charging only enough for time to cover operating costs. The two new outlets change on-air total to 569 (89 uhf).

WPCA-TV has 1-kw RCA transmitter at 1230 E. Mermaid Lane. Rebuilt RCA antenna is on radio WRCV's former 481-ft. tower, leased from present owner George Voron Co., Philadelphia mfr. of electronic test & communications equipment. In order to gain viewers, WPCA-TV is offering Philadelphia church members a uhf converter & antenna at \$14.95 cost price (\$22.95 installed). Pres. Percy B. Crawford also is pres. of Kings College, Briarcliff Manor, N.Y. and owns WMUZ-FM Detroit. He also holds CPs for WLPH-FM Lancaster, Pa.; WMFP-FM Ft. Lauderdale; KDMI-FM Des Moines, and for an FM station in St. Petersburg, Fla. Donald Crawford is station mgr.; Steven Musto, ex-FM radio WYCA Hammond, Ind., program dir.; Robert H. Straton, former Wilmington businessman, business mgr.; William Johnson, chief engineer. Base hour is \$300. Rep not chosen.

WGTE-TV has 100-watt GE transmitter and helical antenna on the University Hall tower of U. of Toledo. Owner is Greater Toledo ETV Foundation, which has U. of Toledo and city public-school system as participants. A. R. Bitter, prof. of radio & TV at the U., is exec. mgr. & engineering dir. Harry Lamb, director of school system's FM radio WTDS, also is WGTE-TV program dir.

FTC vs. payola: Anti-payola consent orders have been filed with FTC by these record manufacturers & distributors: United Telefilm Records Inc., N.Y. • Allstate Record Distributing Co., Chicago • Vee-Jay Records Inc., Chicago • Midwest Distributing Co., St. Louis • Commercial Music Co., St. Louis • Interstate Supply Co., St. Louis • Roberts Record Distributing Co. Inc., St. Louis • RIC Records Inc., New Orleans • Astor Records Inc., Pittsburgh • Ace Record Co. Inc. & Record Sales Inc., Jackson, Miss. • Mercury Record Corp. & 3 subsidiaries, Chicago.

Strike-bound WJZ-TV Baltimore & AFTRA were still at odds as we went to press, but they were in session with the Federal Mediation & Conciliation Service and reportedly near solution (Vol. 16:26 p10). Meanwhile, the situation worsened at the station, where 40 IATSE employes decided not to cross AFTRA's picket lines. Charging contract violation, WJZ-TV notified them to return to their jobs or face dismissal. Telecasting by management & supervisory personnel has continued without interruption despite the new development, the station told us.

WKZO-TV (Ch. 3) Kalamazoo, Mich. has been granted a change in transmitter site from about 7 miles N. of Kalamazoo & 32 miles S. of Grand Rapids to 22 miles N. & 18 miles S. Petition of WKNK-TV (Ch. 57) Saginaw to withhold the action or deny it was turned down by FCC.

The FCC

FCC's Complaints & Compliance Div. has received editorial support from WTOP-TV Washington. "The truth is," said the station, "that the FCC genuinely needs to know more about how TV & radio stations are meeting their broad obligations. We are persuaded that program monitoring offers no serious threat to conscientious broadcasters, but could be a checkrein on the small minority of stations which might abuse the law or whose promises to the Commission do not always square with their performance on the air." If FCC gets out of hand, the station said, "effective remedies" are available: "One is the fact that Congress must appropriate money each year for the FCC, and would be extremely unwilling to pay the bills for any form of censorship. Another is that the broadcast industry is by no means helpless in the face of FCC abuse and could draw quick national attention to any attempt at program dictatorship."

FCC has granted WAFB-TV (Ch. 28) Baton Rouge, La. special temporary authorization for 90 days to operate on Ch. 9 in that city, pending final decision. Use of the channel was denied the station last Feb. by the Court of Appeals, when it vacated FCC's STA which had authorized the shift (Vol. 16:7 p9). Since that time, WAFB-TV and its competition—Community Bestg. Co.—have agreed to consolidate, and an initial decision looking toward a grant to WAFB-TV was issued by an examiner June 13. The FCC stated that since there are no longer competing applicants, the view expressed by the Court of Appeals in the case, "would not bar favorable consideration of Modern's [WAFB-TV] request in the circumstances presently existing."

"Are you a Communist?" questions may be asked by FCC of stations' engineers and others holding FCC operators' licenses, the Court of Appeals ruled last week, rejecting the challenge by Morton Borrow, employe of radio WPEN Philadelphia. Judges Prettyman & Miller agreed with the Commission that operators are in critical positions affecting national defense and that the Communications Act requires the Commission to take steps to protect the nation. Judge Washington dissented, stating that operators are no different from other people in critical positions and that the Communications Act gives FCC no specific authority to ask the questions. He said that if people are to be questioned by govt. bodies, it's up to Congress to spell out such procedures in legislation.

Proposed shift by FCC of Ch. 6 from New Bedford to Providence (Vol. 16:25 p12) has been supported by prospective applicant Robert A. Riesman. In comments in advance of Commission's new Sept. 1 deadline for filings in the complex allocations case, Riesman said he's organizing "the Riesman Group" to seek the Providence CP, that the shift would increase coverage of Ch. 6 by "41% more people & 48% more area."

New Ch. 7-13 propagation curves, to be used by those preparing comments on the Commission's short-spaced vhf allocation proposal (Vol. 16:24 p9), have been issued. Ch. 2-6 curves remain unchanged. Comments are due Sept. 1.

Ch. 10 Pocatello, Ida. has been granted to oilman Sam H. Bennion, the FCC finalizing a May 11 initial decision (Vol. 16:20 p15).

Ch. 10, Charlotte Amalie, Virgin Islands, was granted to Island Teleradio Service, FCC finalizing initial decision.

Television Digest

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Personals: Thad Brown, ex-NAB TV vp, establishes law offices at 1741 K St. N.W., Washington (Republic 7-6333) . . . Hugh F. Del Regno named business affairs dir., NBC-owned TV stations & NBC Spot Sales . . . Rowe S. Giesen named ABC-TV Western div. program mgr. . . Malcolm B. Laing, ex-ABC-TV, named station relations regional mgr., NBC . . . Kenneth W. Heady named programming & public affairs dir., KCMO-TV & KCMO Kansas City.

Peter B. Kennedy named station mgr., WRC-TV Washington . . . Leonard Marks, Washington TV-radio attorney, named treas. of National Committee on Behalf of Lyndon B. Johnson for President . . . Marcus Cohn, Washington broadcasting lawyer, appointed counsel for Conn. Committee Against Pay TV.

Adam Young FM Sales rep firm has been formed with Lee Redfield, ex-Petry, in charge. First to sign contracts are KITT San Diego and Concert Network Inc. (WNCN New York, WBCN Boston, WDAS-FM Philadelphia, WHCN Hartford, WXCN Providence, WMTW-FM Mt. Washington, N.H. and WBVA Washington, D.C. area).

Meeting next week: Institute in Industrial & Technical Communications (11-15), Colorado State U., Ft. Collins.

Eurovision will get coverage of the Democratic convention. ABC-TV will fly tapes by jet so that they can be seen on the European network by 3 p.m. the following day.

Obituary

William (Billy) Goodheart Jr., 58, died June 26 in Phoenix, Ariz. Goodheart, an ex-MCA exec. vp, was in charge of that company's N.Y. office, from 1924, when the agency was formed, until his retirement in 1942. He later came out of retirement to become pres. of Official Films, and after 2 years there joined NBC-TV as sales vp. He left NBC to go into the real estate business in Phoenix. Surviving are his wife, a daughter and a son.

Hugo Reyer, 67, retired FCC asst. chief accountant, died of a heart attack at his Chevy Chase, Md. home June 25. Born in Colby, Wis., he attended U. of Wis. & NYU, served in the Navy during World War II, worked in N.Y. with Arthur Anderson & Co. and the N.Y. Public Service Commission before coming to Washington. He retired from FCC 5 years ago. His wife, son and daughter survive.

Advertising

Reps were prodded by N.Y. Ayer & Son last week for a report on their stations' reactions to, and corrective plans for, the agency's complaints about rate chiseling (Vol. 16:23 p1). Media vp Leslie D. Farnath, who got off reminder letters to still-silent reps, told us his June 1 speech had brought favorable comment from many stations. He said he'd heard from 2 major rep firms to the effect that their stations would change their method of doing business. "We are not advocating a single rate card as has been erroneously reported," he told us. "We don't care if stations have 7 rate cards. What we seek is a set of definitions that apply to all stations, so that each knows precisely who is eligible for local, retail and national rates. As things stand now, stations have 101 different definitions, and this opens the way to the wheeling & dealing." Farnath hopes to report within 2-3 weeks on the reaction of reps & stations.

Advertising-agency growth in the 1954-58 period is shown in final selected-services reports compiled by the Census Bureau in its 1958 business census. The number of agencies in the U.S. grew from 5,077 in 1954 to 7,720 in 1958. In the same period receipts of agencies went from \$3.24 billion to \$4.38 billion.

American Assn. of Ad Agencies 1960 "roster & organization" booklet lists 345 4A member agencies, 6 more than last year. The agencies operate 710 offices, up 17 over last year, and "place exactly three-fourths of all ads handled by U.S. agencies." Qualifications for membership, agency service standards, standards of practice and a statement of 4A aims are also included in the new booklet.

It pays to advertise advertising, believes Denver-based Paul Pairan Advertising Agency, which promotes its services via IDs on KOA-TV's *Play of the Week* telecasts.

New reps: KVOA-TV Tucson to Avery-Knodel July 1 from Branham • KOAT-TV Albuquerque to Avery-Knodel July 1 from Bolling.

Ad People: Jerome J. Cowen, ex-Cunningham & Walsh, appointed Kenyon & Eckhardt vp . . . Sherman E. Rogers named a Cunningham & Walsh vp . . . Jack Rosenthal, ex-Donahue & Coe, named Chock Full O'Nuts vp and ad & mktg. dir. . . Francis E. Sammons, ex-J. Walter Thompson, appointed Ted Bates vp and PR & publicity dir. . . Alfred P. Ries named a Needham, Louis & Brorby vp.

U.S. Station Rate Increases

Station	Base Hour	Minute	Date
KMBC-TV Kansas City	\$1300 (no change)	\$350 to \$400	June 1
KOMO-TV Seattle	1200 to \$1350	²	June 1
WBAP-TV Fort Worth	1100 to 1200	300 to 325	June 1
WCKT Miami	1050 to 1250	260 to 300	June 1
WBRC-TV Birmingham	1000 (no change)	300 to 325	June 1
WSPD-TV Toledo	1000 (no change)	250 to 265	June 1
KFMB-TV San Diego	900 to 1000	250 to 260	July 1
WAPL-TV Birmingham	900 (no change)	250 to 300	July 1
KUTV Salt Lake City	700 to 750	200 (no change)	April 7
WOI-TV Des Moines	650 to 700	140 to 170	July 1
WTVW Evansville, Ind.	450 to 600	100 to 115	June 1
KGMB-TV Honolulu	400 to 450	87.50 to 115	July 1
KPAC-TV Port Arthur	400 (no change)	80 to 100 ¹	June 1
WALB-TV Albany, Ga.	300 to 350	60 to 80	June 1
KOTA-TV Rapid City	200 to 225	40 to 50	July 1

Canadian Station Rate Increases

CHLT-TV Sherbrooke, Que.	\$500 to \$525	\$120 to \$130	July 1
CKVR-TV Barrie, Ont.	385 to 400	90 (no change)	July 1
CJON-TV St. John's, Nfld.	250 to 350	50 to 70	²
CHAU-TV Carleton, Que. ³	175 to 265	40 to 50	²

¹ 20 Sec. remains \$80. ² Not reported. ³ Formerly listed as New Carlisle, Que. outlet.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

JAPAN RADIO QUOTAS SET AT '59 LEVEL: There's scant comfort for domestic radio manufacturers in Japan's newly established export quotas for transistor sets. Although figures weren't revealed as Japanese govt. announced resumption of exports to U.S. & Canada starting July 1— after an embargo since May 10 (Vol. 16:20 p17)—it's understood that new quotas for 1960 are about same as 1959 level.

Quotas apply only to broadcast-band sets with 3 or more transistors. In that category, the U.S. imported 3,990,000 units last year—slightly more than the number of transistor sets produced by domestic manufacturers (Vol. 16:15 p20)—while Canada imported 670,000. Sets with fewer than 3 transistors, FM & short-wave receivers and certain novelty radios aren't regulated by the quotas.

It's understood a single quota applies to exports to U.S. & Canada, another to all other countries. Quotas apply to exporters (not manufacturers) and are based on their shipments in 1958 & 1959; an additional allocation is reserved for exporters not in business during the base period.

First western-hemisphere reaction to Japanese move came from Canada where Canadian EIA has just completed a convention marked by extreme concern for the future of the electronics industry there as result of high imports. New quotas were said there by EIA officials to be a "serious disappointment."

TUBES STILL MAKE NEWS—ENTER 'COMPACTRON': Intensive program to revitalize the electron tube has resulted in a device which may soon offer significant savings to TV-radio-stereo manufacturers—GE's compactron. It's latest development in tube makers' crash research campaigns which have already supplied 2 other important advances: Tung-Sol's still-developing cold-cathode tube (Vol. 15:4-5) and RCA's nuvistor, currently in production (Vol. 16:26 p20).

The compactron, developed as part of a holding campaign against semiconductors' inroads on vacuum tubes, basically consists of as many as 4 separate tube functions in a single evacuated glass envelope. In these days of rising component costs, no TV-radio-phono manufacturer can afford to overlook a device which promises such substantial cost reductions as the compactron.

GE's approach to the "save-the-tube" drive has been different from both RCA's & Tung-Sol's. The latter have developed tubes which have many of the advantages of transistors—low power drain, high reliability and (in the case of the nuvistor, at least), small size. While emphasizing savings in size (through the very name "compactron"), GE has chosen to build a device which takes advantage of—and enhances—the present advantages of tubes over transistors: lower cost, higher efficiency.

Like RCA's nuvistor, GE's compactron begins with a lower-case letter—it's not a propriety trademark. GE has no patents on it, hopes rest of tube industry will join in & produce compactrons.

"The most important announcement our department has ever made" is the way GE component facilities gen. mgr. Irvine D. Daniels referred to the disclosure of the compactron at news conferences in N.Y. & Los Angeles last week. This top-priority GE component project is likely to bear fruit very soon in the field for which it was developed—"entertainment" electronics.

Its basic appeal to set makers—and their stockholders—will be in a vital zone: money. If GE's claims are borne out, it offers a just-as-good or slightly-better product with prospect of substantial cost reductions, mainly by cutting down on the all-important item of "labor content." Compactrons themselves, according to GE, will eventually cost about 20% less than the tube functions they replace—and additional important savings will come from savings in component assembly labor.

Already in pilot production, and due for volume output by fall are 2 compactrons for radio (replacing all conventional tubes in 5-tube table model), 4 for TV—and GE hopes some set makers will be using them in next spring's new lines. Nine more types are due in next 12 months, with 75-100 types the eventual goal. Receiver manufacturers now are evaluating samples. (Further details on p. 16.)

More about

RCA TRIMS FAT: Industrial-electronics-minded RCA is slimming down to fighting weight by cleaning out overhead & profitless pockets in its corporate system (p. 3). House-cleaning is not new at RCA, has run pretty much on a 5-year cycle. The last major cutback came in 1954, following an efficiency study by Booz, Allen & Hamilton, in which RCA Pres. John L. Burns was then a senior partner. However, oldtime insiders tell us this latest cost-reduction program has more significant overtones. It's dedicated not to saving money per se but to cornering it to feed a new enterprise that, like color TV, will take a lot of feeding (and dollars) before it gets off the ground.

RCA has much pump-priming to do in the computer field, and priming takes money. Since rental is the thing in computers—rather than outright sale—relative newcomer RCA will have to pour in much before the big profit money gushes out. The lead-time between "sale" & delivery of a computer system may vary from 18-24 months, but in that period, before the first rental dollar is realized, RCA (and other computer firms) must invest in cost of equipment, site preparation, sales commissions, customer training, etc. The monthly revenue doesn't start until the system is in & running perfectly—and it's small, considering the investment: A typical basic system with a sale price of about \$750,000, for example, brings in a gross (less service & on-spot engineering costs) of only \$14,000 monthly (on 5-year leases). Until RCA gets enough systems out, bringing in a plenitude of profit-building monthly checks, it will have to keep underwriting each rental "sale" and installation it makes.

Complicating RCA's position are these facts of life: (1) Consumer business isn't what it once was, with increased competition and a tighter-fisted public. (2) Color TV and other research activities need hefty chunks of budget. (3) There's rugged competition in industrial electronics field. This of course is not news and never was.

A \$2½-Billion Industry by 1965

"Money-in-the-bank losses" is the way RCA describes its venture in computers. Addressing the N.Y. Society of Security Analysts in Feb. (Vol. 16:8 p21), Chmn. David Sarnoff reflected on the fact that RCA is hinging a large part of its future on a heavy investment in electronic-brain business: "What must be spent we are spending to establish RCA as a major participant in this still-formative industry"—an industry calculated to reach \$1 billion this year and more than double (to \$2½ billion) by 1965. Last year, Gen. Sarnoff acknowledged, RCA "incurred what I call 'money-in-the-bank' losses in data processing, and the losses will continue in 1960. But the day is not far distant when this resolute effort should be rewarded with continuing & substantial profits for our shareholders."

The big question is how much drain the new venture will put on RCA resources before that "not far distant" profit day arrives. Layoffs are one indication that the company is tightening for a squeeze. Among other indications: (1) RCA's announcement that first-half 1960 earnings will be down (Vol. 16:26 p22). (2) Its action last week in calling in its 3½% convertible subordinated debentures for redemption. The debentures had a due date of Dec. 1, 1960, but now are exchangeable at \$49.04 (by July 19) for RCA common (selling at \$66 June 30). Wall St. interpretation is that RCA is tidying up its capitaliza-

tion position prior to further financing. Also, conversion to stock by debenture holders will enable RCA to save on interest costs. RCA explains: "The reason for calling the debentures for redemption is to encourage conversion of these securities into common stock, thus broadening the corporation's equity base to provide greater flexibility in financial planning for RCA's accelerating growth in electronic data-processing and other promising areas." Meanwhile, RCA stock has dropped to 66 (June 30) from 77½ in past 3 weeks.

RCA will not break into black with its computer business until 1963, reports *Wall St. Journal* in a June 20 analysis of broadening battle for computer business: "The dimensions of the market being fought over are expected to reach a record \$500 million this year, up more than 30% from last year's \$375-million volume. It's estimated that the field currently is expanding at a rate of \$200 million annually, and this rate should pass \$1 billion a year, in rental & sales, by 1963." Scrambling for business are more than 30 computer makers, most of them giants in other fields.

RCA is sitting in a rich & rough game, but it's never been afraid to put its money where its convictions are. While the corporation in general is belt-tightening & re-trenching, electronic data-processing div. mktg. vp John E. Johnson has declared a planned expansion in his marketing force of 750: "We expect to have 1,500 people a year from now." There are those who may believe RCA's pursuing a critical policy of slimming down Peter to pay Paul, but Paul's the fair-haired boy these days & RCA's staking a big chunk of its future on him.

Seeking to bar Du Mont Labs from permitting use of the Du Mont trademark on TV & radio tubes, Emerson has filed suit for an injunction against Du Mont Labs and Dutrex Industries, sales agent for Du Mont tubes. The suit, originally filed in N.Y. County Supreme Court, was removed to N.Y. Federal Court by the defendants on the grounds that it involves a federal statute (trademark infringement). Emerson Radio and its subsidiaries, Du Mont TV & Radio Corp. and Du Mont-Emerson Corp., charge in the suit that the agreement under which Emerson purchased the Du Mont consumer product lines in 1958 bars Du Mont from selling or licensing the sale by others of Du Mont-trademarked tubes & parts for consumer products, as well as the consumer products themselves. In addition to the injunction, an accounting of damages is sought. (DuMont Labs last week took the final steps in effecting a merger into Fairchild Camera & Instrument Corp; for story, see p. 18.)

Raytheon is investing \$3 million and will have 40% interest in Selenia S.p.A., a new Italian electronics concern. The Italian govt. holding company Finmeccanica will hold 40% and private electrical-industry group Italian Societa Edison will have the remaining 20%. Selenia will embrace Finmeccanica subsidiary Microlambda (which has production facilities near Naples) and Societa Edison subsidiary Sindel (which has engineering labs near Rome). Raytheon will be responsible for developing Selenia's management organization and furnishing technical assistance. The new concern will engineer & produce a wide range of electronic equipment, including radars, industrial control products, microwave-communications systems, and military products, including Hawk missile components under NATO contract.

More about

ENTER THE COMPACTRON: In its announcements to the consumer press, GE stressed the space-saving aspects of its new multi-function compactrons (see p. 14). As compared with standard tubes, they will make possible some significant size reductions in such items as radios, hi-fi tuners & amplifiers. But in compactness, they're still not in the league with transistors. Their biggest appeal seems to be in cost savings.

Compactrons look like overfed miniature tubes, $\frac{1}{8}$ to $\frac{5}{8}$ -inch shorter, but fatter, with as many as 12 pins. GE hopes they will "very largely replace conventional miniature tubes" in entertainment products, and eventually find their way into some industrial electronic devices. For the tube industry, they present few production problems, according to component mktg. mgr. W. F. Greenwood, and can be produced on standard tube-making machinery.

First radio types to go into production will be (1) a double-diode-triode-pentode (70-volt heater) for radio use as power rectifier, signal rectifier, AF voltage amplifier, AF power amplifier; (2) pentode-heptode (40-volt heater) for IF amplifier & frequency converter. Together these 2 types provide all tube functions required for equivalent of a 5-tube series-filament radio.

Because of power requirements in some TV circuits, there will be some single-function compactrons as companions to multi-function units incorporated in "compactronized" TV sets. First TV types, all with 6.3-volt heaters: (1) Dissimilar double triode, for vertical deflection oscillator & amplifier. (2) Duplex-diode-twin-triode, for horizontal phase detector & horizontal oscillator applications. (3) Horizontal deflection damping diode. (4) Horizontal deflection beam-power pentode.

GE said that eventually the compactrons themselves will cost 20% less, per function, than corresponding tubes. Company spokesmen listed these sample compactron quotas for various types of consumer-electronics equipment: Two compactrons equal 5 tubes or 7 transistors in a home radio; 7 compactrons do the job of 10 tubes or 22 transistors in a hi fi; 10 compactrons & one diode equal 15 tubes & 3 diodes or 23 transistors & 11 diodes in b&w TV; 15 compactrons equal 22 tubes & 2 rectifiers or 36 transistors, 5 tubes, one diode & one rectifier in a color set; 2 compactrons equal 4 tubes in a 12-volt auto radio.

As for servicing costs, initial tests indicate that "compactrons will have better life than tubes," GE says. And with fewer components involved, GE anticipates less frequent failures.

GE has high hopes for the compactron, as expressed by Greenwood's prediction that by 1965, the original equipment market will buy at least 225 million "vacuum devices, mostly of the compactron type," and that compactrons will take "significant portion of the replacement business."

Philco-sponsored "lecture" course on high-frequency transistors will be included in July, Aug., Sept. & Oct. issues of *Electrical Design News*. Claiming a "first," Philco announced that a 33 1/3-rpm recording on thin flexible plastic will be included with every issue of the magazine (circulation 40,333). It will be fastened to an inside page in juxtaposition to printed graphs, circuits and application data.

Motorola-designed transistor tester is being offered to dealers & service technicians at \$17.95.

COLUMBIA BLASTS 'REVERB': First industry attack on reverberation devices—featured in the high-end stereo consoles of several manufacturers—came last week from Columbia Records phono dept. vp-gen. mgr. James J. Shallow at its distributor convention in New York.

Artificial reverberation—or "reverb," as it is now called in industry jargon—results in "distortion and a cancellation of what the artist wanted the listener to hear." Columbia Records engineers carefully apply proper acoustical effects to provide perfectly balanced, realistic sound, he said, and when such records are played through reverb sets, distortion is the result, Shallow told distributors.

Zenith & Philco are currently offering the Hammond Organ reverb units in their new lines, and several others are expected to introduce the device later. Small TV-phono maker Curtis Mathes announced last week that it will incorporate reverb in the upper end of its new line.

Shallow predicted 1961 phono distributor sales at 5,250,000 units (including 3 million portables) valued at \$600 million. By 1963, he stated, sales should rise to 5.8 million at \$625 million.

He said Columbia had placed more advertising than any other exclusive phono manufacturer last year and that it has launched its "most comprehensive" advertising-promotion campaign for 1961. Columbia advertising, according to national sales mgr. Milton Selkowitz, will contain "no watts, no percentages and other technical data" but will stress "pure listening pleasure at a popular price."

Columbia's 1961 line includes portable & tube radios made in West Germany & Japan, a transistorized tape recorder made in Germany at \$129.95 and a tube-type tape recorder made by Nippon Columbia at \$89.95. Phono line includes 10 portables, 8 stereo consoles at \$19.95 to \$450.

Strike of 2,500 RCA engineers in 3 N.J. plants was threatened as we went to press. With present contract due to expire July 1, RCA & Assn. of Professional Engineers were still deadlocked on key issues and in session with the Federal Mediation & Conciliation Service. The union is seeking salary increases, individual merit-review plan, other benefits for its membership in Camden, Moorestown and Pennsauken plants.

TV picture-tube yoke designed for battery-powered sets was announced last week by F. W. Sickles div. of General Instrument Corp. The company claims that power requirements are sharply reduced in the new yoke, which will be competitively priced with conventional units and offers component cost-saving possibilities in regular non-transistorized TV sets. Vertical sensitivity is said to be 30-40% greater than conventional yokes.

Westinghouse's familiar trademark—the circle W—and logotype have been redesigned by graphic arts expert Paul Rand, and will be seen by the public for the first time July 10 in the first telecast from the Democratic National Convention, sponsored by Westinghouse. The company has also put out a 22-page guide to the conventions, *Politics 1960*, as a giveaway to promote its sponsorship on CBS.

A typographical error last week produced a non-existent bargain in TV sets. The report on Olympic's new line (Vol. 16:26 p. 21) should have included this sentence: "The 19- & 21-in. sets start at \$199.95 and 23-in. table models at \$219.95" (not \$99.95 & \$29.95). We regret the error.

GE radio receiver dept. has completed its move from Bridgeport to Utica.

Mathes' Expansion: Little Curtis Mathes Mfg. Co., which has been carving a niche for itself in the TV-stereo field, hopes to push its annual sales to \$25-\$30 million within 2 years from its present \$12-\$14 million volume. So said Pres. Curtis Mathes of the Dallas firm last week in introducing the company's new line to Chicago-area dealers. The company's volume last year was \$8 million, he stated.

Although Mathes has no color sets in its line, the company expects that a color boom could run its annual sales to \$35-\$40 million in 2 years, because of high color prices.

Mr. Mathes stated that his company will use Japanese tubes in about 80% of the sockets it fills this year, but most other components will be American-made. He also revealed that later this year his company will be making most of its own speakers & transformers.

The Mathes TV line for 1961 has 21- & 23-in. sets priced from \$199.95 to \$329.95, combinations (21- & 23-in.) at \$399.95 to \$599.95, and stereo phonos at \$169.95 to \$900. Introduced in Chicago were 2 AM-FM table models at \$89.95 & \$149.95 (the latter promotionally priced at \$119.95 through Sept. 1).

Latin-American Electronic Market: Despite increased competition from Japan & Western Europe, U.S. manufacturers are holding their own as main suppliers of electron tubes & semiconductors in Latin America, according to a new survey by the Commerce Dept.'s Business & Defense Services Administration. The 9-country survey ("Electron Tubes & Semiconductors, Selected Latin American Countries," available for 25¢ from the U.S. Govt. Printing Office, Washington 25, D.C.) lists these among highlights:

Argentina—U.S. tubes are preferred, despite higher prices. Brazil—The Netherlands, West Germany and Japan are strengthening their position. Chile—The radio receiver market is weakened by low consumer purchasing power. Colombia—Low Japanese prices aren't yet a determining factor in imports. Cuba—"Economic & political conditions will determine the future potential." Mexico—The U.S. remains the main import supplier. Peru—TV development is enlarging the tube market. Uruguay—The U.S. supplanted the Netherlands as principal supplier in 1958-59. Venezuela—European & Japanese imports are rising because of price advantage & dealer promotion.

New-line TV-stereo orders are up from last year, 2 manufacturers reported last week. Summing up its 6 meetings for more than 4,000 dealers at Miami Beach & Las Vegas (Vol. 16:24 p15), Admiral Sales Corp. Pres. Carl E. Lantz said that Admiral booked orders "for more than 350,000 pieces of TV stereo phonos, radios and advance 1961 appliances" at the sessions. "We are back-ordered through Aug. on all products," he said. "These meetings were the most successful ever conducted by Admiral and topped last year's orders by a very substantial margin." Meanwhile, Hoffman consumer products vp-gen. mgr. reported that dealer & distributor orders at the preview of its 1961 line had been 25% greater than the year before.

Webcor has introduced a Japanese-made transistorized miniature tape recorder. The 4½-lb. unit lists at \$175.

Bendix & Germany-based Telefunken have formed a Belgian subsidiary, Teldix, for the production, sale and servicing of aircraft systems and equipment.

NARDA Institute of Management for TV-radio-appliance dealers, the 6th annual course, will be held Aug. 7-13 at American U., Washington.

Trade Personals: Charles P. Ginsberg, leader in the development of the Videotape recorder, elected Ampex vp & gen. mgr. of advanced video development; Phillip L. Gundy & Thomas L. Taggart named senior vps—Gundy with responsibility for Ampex International, Ampex Professional Products Co. & Ampex Audio; Taggart for Ampex Data Products Co., Ampex Military Products Co. & Orr Industries Co. (tape). They report to Robert Sackman, newly elected exec. vp & chief operating officer (Vol. 16:26 p22); F. D. (Dan) Meadows, former commercial mgr. of Sarkes Tarzian best. equipment div., named mgr. of video product administration, Ampex Professional Products Co.

Harold A. Goldsmith, co-founder of Magnetic Amplifiers Inc. (recently acquired by Siegler Corp.), named pres. of Siegler's Bogen-Presto div., succeeding Joseph N. Benjamin, resigned . . . C. Wesley La Blanc resigns as asst. to Magnavox Pres. Frank Freimann to join United Industrial Corp. as asst. to pres. . . Stanley S. Schneider, ex-Magnavox engineering dir., named operations vp, Emerson Research Labs, div. of Emerson Radio's Emertron subsidiary . . . Herman Marsen, ex-manufacturers rep, named to new post of merchandise mgr., Capehart consumer products div. . . William F. O'Boyle promoted from sales mgr. to gen. sales mgr., Symphonic Electronic Corp., taking over duties of former vp Raymond C. Clevens, who resigned July 1 to establish his own business.

John P. Macri named custom project sales mgr., RCA's electronic data processing div.; T. R. McKee named data handling equipment mgr. . . Edward J. Gerrity Jr. named ITT news service dir. . . William W. Wood, former exec. vp, named pres. of General Precision's Link div., succeeding David D. Mason, resigned . . . Dr. Ralph J. Johnson, Thompson Ramo Wooldridge vp and gen. mgr. of its Ramo-Wooldridge div., named to new post of vp of TRW's electronics divs., succeeded as Ramo-Wooldridge gen. mgr. by Milton E. Mohr, operations vp.

James Key, Aerovox, is the new president of EIA of Canada. Other officers elected at the annual meeting in Mont Tremblant, Que.: J. D. Houlding, RCA Victor Ltd., 1st vp & chmn. of electronics div.; W. F. Wansbrough, vp & chmn. of receiver div.; David Knapp, vp & chmn. of components div.; W. S. Kendall, vice-chmn. of electronics div.; R. J. M. Allen, vice-chmn. of receiver div.; A. J. Bauer, vice-chmn. of components div.; R. A. Hackbusch, dir. of engineering; C. S. Martin, honorary legal counsel; F. W. Radcliff, gen. mgr.-secy.

Richard H. Hooper & RCA have parted company after 21 years. As special exhibits mgr., Hooper did much to build RCA TV image & business by staging TV-introducing demonstrations, in color and b&w, throughout the U.S., Europe, South America, Far East. He'll take a short vacation at his Paoli, Pa. home before scouting other opportunities in the industry.

Factory sales of transistors in April were nearly 4 million units greater than in April 1959, according to EIA figures. The monthly total, however, declined seasonally from March's record high of 12 million. For the first 5 months of the year, the 1960 total was almost double that of the corresponding 1959 period. The EIA unit & dollar-factory-sales transistor figures, with 1958 comparisons:

	1960		1959	
	Units	Dollars	Units	Dollars
January	9,606,630	\$24,714,580	5,195,317	\$13,243,224
February	9,527,662	24,831,570	5,393,377	14,550,056
March	12,021,506	28,700,129	6,310,286	18,117,560
April	9,891,236	23,193,576	5,906,736	16,864,049
TOTAL	41,047,034	\$101,444,855	22,805,716	\$62,774,889

FAIRCHILD-DU MONT BUY OK'D: While the acquisition of Allen B. Du Mont Labs by Fairchild Camera & Instrument Corp. (Vol. 16:14 p4) was being approved by stockholders of both companies last week, several other important electronics-industry mergers were in the wind or being consummated—linking such names as Minnesota Mining & Revere Camera, Ampex & Telemeter Magnetics, National Union & Eureka Williams.

Du Mont sale to Fairchild, effective June 30—date of stockholder meetings of both companies—involves an exchange of 178,000 shares of Fairchild stock for all outstanding Du Mont stock on the basis of one share of Fairchild for each 15 shares of Du Mont common and each 5.7 shares of Du Mont 5% pfd. At the closing price of Fairchild stock June 30 (190), the exchange would involve transfer of about \$33.8 million in Fairchild stock. Before the merger, Fairchild had 1,039,140 shares outstanding.

Du Mont will be operated as Allen B. Du Mont Labs div. of Fairchild Camera & Instrument. Fairchild Pres. John Carter said acquisition of Du Mont's management, technical resources & distribution channels should be of "significant value to Fairchild and better equip it to take advantage of rapidly expanding opportunities in the electronics field." He estimated that Fairchild's first-6-months earnings will "substantially exceed" earnings of the first 3 quarters of 1959, and added that the 2nd-half outlook is "excellent." Fairchild's first consumer-goods item, a sound camera & projector (Vol. 16:5 p21) is meeting strong demand, which is "keeping production lines operating at full capacity," he said.

The vote in favor of the merger was about 10-to-1 among stockholders of both companies.

* * *

Other merger news:

Revere Camera Co. Pres. Theodore S. Briskin conceded last week that merger talks between his company and Minnesota Mining & Mfg. Co. have been going on for several months, but added "there is no deal in any way, shape or form." Acquisition of Revere would put 3M, the leading manufacturer of magnetic tape, into the tape-recorder & camera business. Revere is a privately-held firm. The 3M company acquired Mutual Bestg. System last April for about \$1.3 million (Vol. 16:17 p8).

* * *

Ampex Corp. is considering acquisition of Telemeter Magnetics Inc., according to a joint statement by Ampex Pres. George I. Long & Telemeter Magnetics Pres. Erwin Tomash. The proposed merger would be on the basis of 2 shares of TMI for one of Ampex. TMI manufactures computer components, and would be acquired for around \$11 million in stock. Paramount Pictures, which owns about 75% of the stock of TMI, also owns 26% of Du Mont stock.

* * *

The merger of old-line tube-maker National Union Electric Corp. with Eureka Williams Corp. was consummated June 30 after approval by NU stockholders. Eureka Williams will be operated by its present management as an NU division. Each of Eureka's outstanding 278,700 shares will be converted to 5.77 NU common shares. NU Chmn.-Pres. C. Russell Feldmann said the stockholders' action in approving an increase in the number of authorized common shares to 7.5 million from 4 million "will put the company in a position to consider acquisition of other businesses

where an exchange of stock would prove attractive to potential sellers." NU makes TV picture & special-purpose tubes, furnaces & air conditioners. Eureka makes vacuum cleaners, oil burners, school furniture, aircraft equipment, thermal batteries, and has recently introduced Henney Kilowatt, a battery-powered automobile.

* * *

Houston Fearless Corp., maker of motion-picture-processing equipment, cameras and TV dollies, etc., has purchased Marchetti Associates, the Boston electronics research & engineering firm formerly affiliated with Avco Corp.'s Crosley div.

* * *

Microwave Associates, principally owned by AB-PT & Western Union, will provide Antenna Systems Inc., Hingham, Mass., with a \$150,000 five-year loan in return for rights to purchase 28% of Antenna Systems' common stock.

* * *

Axe Science & Electronics Corp. will merge with Missiles-Jets & Automation Fund Inc. if stockholders approve at special July 26 meetings. Both are mutual funds specializing in electronics. The agreement calls for exchange of the Missiles fund's \$4.6 million of assets for an equivalent value of Axe. Axe has assets of some \$14 million.

* * *

Litton Industries Inc. last week announced the purchase of a majority interest in Fritz Hellige & Co. GmbH, W. German electronics manufacturer, for undisclosed sum.

Standard Kollsman Industries, new corporate name of Standard Coil Products, is listed on the NYSE as SKO.

**OVER-THE-COUNTER
COMMON STOCK QUOTATIONS**

Wednesday, June 29, 1960

Electronics TV-Radio-Appliances Amusements

The following quotations, obtained in part from the National Association of Securities Dealers Inc., do not represent actual transactions. They are intended as a guide to the approximate range within which these securities could have been bought or sold at time of compilation.

Stock	Bid	Asked	Stock	Bid	Asked
Acoustica Associates	33 1/2	36 3/4	Magnetics, Inc.	10 3/4	12 3/4
Aerovox	13 1/4	14 3/8	Maxson (W.L.)	9 7/8	10 3/8
Allied Radio	21	22 3/4	Meredith Pub.	37 1/2	40 3/4
Astron Corp.	2	2 1/2	Metropolitan Bcstg.	14	15 1/8
Baird Atomic	42	45 1/2	Milgo Electronics	21	24 1/2
British Industries	15	16 3/4	MPO Videotronics	6 3/4	7 1/2
Capital Cities Bcstg.	9 1/2	10 1/2	Narda Microwave	7 1/2	8 3/4
CGS Labs	11 1/2	14 1/4	Narda Ultrasonic	6 1/4	7 1/4
Cook Elec.	15 1/2	17	National Co.	22 3/4	24 5/8
Craig Systems	18 3/4	20 1/2	Nuclear of Chicago	38 3/4	40 7/8
Dictaphone	42	45 3/4	Official Films	1-7/16	1 1/4
Digitronics	26 1/2	28 3/4	Pacific Automation	9 1/4	10 1/4
Eastern Ind.	14 3/4	15 3/4	Pacific Mercury	8 3/4	9
Eitel-McCullough	28 3/4	30 3/4	Perkin-Elmer	43	46 3/4
Elco Corp.	23 1/4	25 1/2	Philips Lamp	159	164 3/4
Electro Instruments	53 1/2	58	Pyramid Electric	2 3/4	3-3/16
Electro Voice	12 1/2	13 3/4	Radiation Inc.	22 1/2	24 3/4
Electronic Assistance	21 1/2	23 3/4	Howard W. Sams	48	51 3/4
Electronic Associates	24 3/4	27	Sanders Associates	48	51 3/4
Erie Resistor	9 3/4	10 1/2	Silicon Transistor	7 3/4	8 3/4
Executone	34 1/2	37 3/4	Soroban Engineering	26 1/2	28 1/2
Farrington Mfg.	46 3/4	50 1/2	Soundsciber	14	15 3/4
Fischer & Porter	15	16 1/4	Speer Carbon	20 3/4	22 1/2
FXR	59	63	Sprague Electric	63 1/2	67 1/2
General Devices	22	23 3/4	Taft Bcstg.	12 1/2	13 3/4
G-L Electronics	11 1/4	12 7/8	Taylor Instrument	79	85 3/4
Granco Products	4 1/4	4 7/8	Technology Inst.	11 1/2	12 3/4
Gross Telecasting	27 1/4	29 3/4	Tele-Broadcasters	1 1/2	1 3/4
Haydu	1/8	5/16	Telechrome	10 1/4	11 1/4
Hewlett-Packard	80	84 3/4	Telecomputing	8 1/2	8 3/4
High Voltage Eng.	138	149	Telemeter	18	19 3/4
Infrared Industries	22	26 1/4	Time Inc.	61 1/4	64 3/4
Interstate Engineering	28 3/4	30 3/4	Tracerlab	13 3/4	15 1/4
Itek	79	83 3/4	United Artists	7 3/4	8 3/4
Jerrold	11 1/2	12 3/4	United Control	30 1/4	32 1/2
Lab for Electronics	50 1/2	54	Universal Trans.	2	2 1/2
Leeds & Northrup	43 1/4	46 3/4	Vitro	14	15
Lel Inc.	5 1/2	6 3/4	Vocaline	4 3/4	5 3/8
LFE Inc.	10	12 3/4	Wells-Gardner	16 1/2	17 3/4
Ling Altac Electr.	28 1/2	30 3/4	WJR Goodwill Station	8 3/4	—
Magna Theater	3	3-9/16	Wometco Ent.	12	13 1/2

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during the last week. Dash indicates the information was not available at press time. Parentheses denote loss.

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Avco Corp. Story below	1960—6 mo. to May 31	\$164,846,003	\$10,791,559	\$ 5,216,559	\$0.51 ¹	10,305,342
	1959—6 mo. to May 31	148,419,880	7,852,187	4,202,187	.41 ¹	10,217,231
Belock Instrument Corp.	1960—6 mo. to Apr. 30	7,489,539	198,735	90,835	.09 ¹	928,533 ²
	1959—6 mo. to Apr. 30	8,128,340	329,162	170,342	.18 ¹	928,533 ²
Davega Stores	1960—year to Feb. 29	18,112,266	(505,586) ³	12,739 ⁷	—	369,600
	1959—year to Feb. 29	18,943,191	(379,360)	(385,315)	—	264,000
Fairchild Camera	1960—3 mo. to Mar. 31	—	—	801,000	.77	1,039,100 ⁵
	1959—3 mo. to Mar. 31	—	—	385,000	.37	1,039,100 ⁵
General Tire & Rubber	1960—6 mo. to May 31	350,752,897	—	11,236,964	2.01 ¹	—
	1959—6 mo. to May 31	305,339,274	—	13,929,809	2.63 ¹	—
Seeburg Corp.	1960—6 mo. to Apr. 30	—	—	1,203,302	.95	—
	1959—6 mo. to Apr. 30	—	—	1,308,000	1.15	—
Television Industries ³ Story below	1959—year to Dec. 31	6,819,152	—	111,362 ⁴	.14	815,965
	1958—year to Dec. 31	1,422,053	—	189,269	.23	816,151
Trav-Ler Radio	1960—year to Apr. 30	21,400,000	—	700,000	.81	863,061
	1959—year to Apr. 30	14,806,000	—	304,000	.40	770,495

Notes: ¹ After pfd. dividends. ² Outstanding Apr. 31, 1960. ³ 1959 statement includes 3 consolidated subsidiaries not consolidated in 1958. ⁴ After minority interest. ⁵ Outstanding Mar. 31, 1960. ⁶ Includes non-recurring credit of \$59,087 due to accounting change. ⁷ Includes special credit of \$523,783, gained from sale of properties under sale & lease-back arrangements.

Magnavox says first-half 1960 sales will exceed \$50 million and produce a profit substantially ahead of a year ago. Pres. Frank Freimann also forecasts record sales & earnings for the year. Magnavox earnings for the first 5 months of 1960, he said, were more than 50% above the year-ago earnings, "with the improvement continuing thus far in June." For first-half 1959, Magnavox reported a net of \$1,139,556 (48¢ a share) on sales of about \$47.3 million. Freimann projects 1960 sales: \$80-85 million consumer (vs. \$71 million in 1959); \$50-55 million military & industrial (vs. \$36 million); total \$130-140 million (vs. \$107.7 million). On the basis of the sales outlook, he said, "we should report earnings of \$3 a share [vs. \$1.99]." Magnavox, he said, is "very optimistic" about the outlook for consumer products. He said the firm's new "stereo theater" models are developing exceptionally heavy demand.

Television Industries Inc., Matty Fox's TV-film-distribution company, reported 1959 income of \$640,854 before minority interest and \$111,362 after minority interest (see financial table). The 1959 & 1958 financial statements aren't directly comparable because the former includes 3 subsidiaries which were not consolidated in 1958. The parent company actually lost \$553,225 last year and 2 of its subsidiaries also operated at a deficit, but the \$1,749,561 earnings of subsidiary C&C Films Inc. resulted in an overall profit. In 1958, non-consolidated subsidiaries C&C Pan Atlantic TV Co. and C&C International Film Co. lost \$1,008,601 & \$70,427 respectively, while C&C Films Inc. earned \$92,276. As of Dec. 31, Television Industries' balance sheet shows total assets of \$13,141,958 in 1959 (\$7,568,920 in 1958), current assets of \$1,703,565 (\$598,199 in 1958), current liabilities of \$8,468,397 (\$841,507), net current assets showing a deficit of \$6,764,832 (deficit of \$243,308 in 1958).

Polarad Electronics shareholders have approved a 2-for-1 split of the common stock which will be distributed July 12 to holders of record June 27. There will be 1,311,092 shares outstanding after the split.

Clarostat Mfg. Co. shareholders voted confidence in the component maker's management last week by rejecting a bid of an insurgent group to take control of the company. Each of the 4 management nominees for director received 220,964 votes, their opponents getting 125,108 each. Winners were Victor & George Mucher, pres. & exec. vp; Arthur Richenthal, secy., and Dr. Irvin Lavine. Insurgents were headed by Brooklyn contractor Mack H. Stranger, who attacked operations & policies of the company. Answering stockholder criticism of Clarostat's profit margin, Pres. Mucher said his firm was making a 5.6% profit on sales as opposed to an average of 3.9% net for 31 other companies in the industry. He refused to comment on current-quarter earnings prospects, but said that June orders had fallen as a result of the proxy fight. He added that Clarostat is looking into the possibilities of acquiring or merging with other component makers.

Crosley Bestg. Corp. sales & earnings for 6 months ended May 31 were the highest for any first half in its history, parent Avco Corp. reported last week. No specific figures were given for the broadcasting operation. Avco's earnings were up 24%, sales up 11%, compared with the same 1959 period (see financial table).

Reports & comments available: Amphenol-Borg Electronics, study, Hornblower & Weeks, 40 Wall St., N.Y. 5 • Daystrom, memo, Ira Haupt & Co., 111 Broadway, N.Y. 6 • Indiana General Corp., analysis, Laird, Bissell & Meeds, 120 Broadway, N.Y. 5 • Raytheon, review, Cohen, Simonson & Co., 25 Broad St., N.Y. 4 • Heli-Coil, memo, Cooley & Co., 100 Pearl St., Hartford 4, Conn.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Avco	Q	\$0.12½	Aug. 20	Jul. 29
Daystrom	Q	.30	Aug. 15	Jul. 27
Emerson Radio & Phono (Omitted) ..				
Hudson Radio & TV ..	—	.06	Jul. 8	Jun. 21
IBM	Q	.75	Sep. 10	Aug. 10
Packard Bell	Q	.12½	Jul. 25	Jul. 11

Auxiliary Services

Test copyright suit by United Artists Associated, film distributor subsidiary of UA, was launched last week in N.Y. Federal Court against CATV operator NWL Corp., which runs systems in Clarksburg & Fairmont, W.Va. The charge: Copyright infringement through feeding to CATV subscribers telecasts of UAA films (Warner features, Popeye cartoons, etc.) "without payment & without consent of the copyright owner or the TV stations." Seymour M. Peyser, vp & gen. counsel of parent UA, described the case as "an important industry test case, the first of its kind." The suit had been in preparation for several weeks, in the wake of a new round of interest in station property rights & TV signals (Vol. 16:24 p3). Representing UAA: One of film's top law firms—Phillips, Nizer, Benjamin, Krim & Ballon.

Twist in station-CATV conflict: Fla. Cablevision Corp., planning CATV systems in Ft. Pierce, Vero Beach, Melbourne & Eau Gallie, Fla., has protested the modification of CP granted to Gene Dyer's WTVI (Ch. 19) Ft. Pierce. Southern Transmission Corp., a subsidiary of CATV equipment manufacturer Entron Corp., has applied for a microwave to feed the CATV systems, and WTVI has asked that the application be designated for hearing. Fla. Cablevision told the FCC that WTVI's proposed gen. mgr. J. Patrick Beacom has "in bad faith" filed for a CATV franchise in Ft. Pierce. "Thus," the protest stated, "applicant Dyer is relying upon his status as a permittee of this Commission to prevent competition from protestant while he himself is seeking to obtain authority to install a community antenna system which he claims will destroy his proposed TV service."

Statement on CATV legislation, as adopted by NCTA at its annual convention, differed slightly from the preliminary text reported (Vol. 16:26 p3). The original draft read, in part: "The NCTA does not deem it necessary or desirable at this time to recommend or support any legislation . . ." In final form, the words "or support" were eliminated at the request of those CATV operators who urged that the association be prepared to endorse favorable legislation, if proposed.

Translator grants: Ch. 72 & 76, Walker, Minn. to Leech Lake TV Corp. to repeat KDAL-TV & WDSM-TV Duluth.

Translator starts: W74AD & W81AC Paw Paw, W.Va. began June 8 repeating WTTG & WTOP-TV Washington.

Foreign

"World's largest TV studio" has been opened by London TV program contractor Associated-Rediffusion at Wembley. The 14,000-sq.-ft. Studio 5 features: a 50-ton partition which can be lowered to divide the area into 2 giant soundproof studios; 8 EMI 4½-in. image orthicon cameras; facilities for operating with 405-, 525- and 625-line standards; provision for color TV and facilities for taping or filming programs for direct use in foreign markets without standards-modification.

TV shortage in East Germany has buyers wait-listed 18-24 months for certain models. Reports *Wall St. Journal*: "While 500,000 TV sets are in East German consumers' hands, according to Communist statistics, long waits still are necessary before delivery. In West Germany, buyers may obtain delivery at will." A 17-in. "Patriot" model in East Germany carries a \$400 price tag.

Technology

Who should own space satellites which relay TV programs & phone conversations around the world? AT&T Pres. Frederick R. Kappel thinks ownership should be shared among Bell Telephone Co. and systems or administrations overseas, as are the ocean telephone cables. In a lecture last week at UCLA, he said: "This puts full responsibility for the service right where it belongs—that is, with the organizations that provide the service." While it's natural now for govt. to take the lead in putting up satellites, he declared, "when we come to providing communication service, I think we in the Bell System should take all the responsibility we can for the job that is given us to do." Space satellites and improved undersea cables can complement each other in world communications, he said, and he indicated that undersea cables may be able to carry TV programs when adequately reliable high-frequency transistor amplifiers are available to enable them to carry sufficiently wide bands of frequencies.

GE's bright big-screen projector (Vol. 16:23 p15) will get its first civilian use at the Democratic Convention when TelePrompTer leases it for installation above & behind the rostrum where virtually everyone in the L.A. Sports Arena will be able to see it. Called the "light valve projection system," the device uses principles similar to those of the Swiss Eidophor system.

British Marconi has sold more than 160 Mark IV 4½-in. image orthicon cameras (82 this year), the company announced recently. Latest orders: 10 from Ampex Corp., U.S. representative of Marconi broadcast equipment; 3 from Polish govt. for the Warsaw TV station; 2 by Tyne Tees TV Ltd., commercial programmers for NE England.

Sun-powered coast-to-coast radio conversation was achieved by the Signal Corps recently as part of the celebration of the Corps' 100th anniversary. Twenty-square-foot solar batteries were set up at Ft. Monmouth, N.J. and Los Angeles, supplying 100 watts to each of 2 transceivers. Signals were reported "loud and clear" at both ends.

Motion picture test film program formerly handled by the Motion Picture Research Council, has been transferred to SMPTE and will be consolidated with that organization's activity in the production of test films for TV & movies.

Educational Television

Last-minute \$75,000 gift from CBS to ETV station KETC St. Louis was acknowledged at a June 30 testimonial dinner given by the St. Louis ETV Commission for CBS Inc. Pres. Dr. Frank Stanton. The gift (a new antenna, complete microwave relay system, cash grant) was given on behalf of CBS & KMOX-TV St. Louis. Officials of KETC presented a special plaque to Dr. Stanton, thanking him and the network for having rescued the pioneer ETV station from a blackout. Stanton utilized the occasion to relate the problem of educating American viewers via TV with the equal-time problem presented by Sec. 315. "I believe it essential that educators & those interested in education see the need for permanently correcting this as infinitely more than a battle of journalism vs. govt."

Ford Foundation has approved a grant of \$41,400 for the U. of N.M.'s ETV program, University Pres. Ton. L. Popejoy has announced. The grant will aid accounting & philosophy TV courses.

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

SUMMARY-INDEX OF WEEK'S NEWS

Conventions

LOCAL STATION COVERAGE of Democratic convention may set record, with 60 individual stations & groups attending to pick up grass-roots local angles (p. 5).

Congress

SENATE FIGHT ON PAYOLA bill set to start Aug. 10 in Pastore Subcommittee hearings. NAB's Wasilewski mobilizes opponents of station suspensions & fines (p. 2).

FCC

FCC UHF & COMPLAINTS projects still jelling, now that Congress has produced funds. Staff men to manage uhf job with consultants & contractors. Taping of programs to "keep FCC informed" (p. 2).

Film & Tape

POST-1948s ARE COMING TO TV in new round of plans to release backlogs of major Hollywood studios in wake of SAG-WGA strikes. However, such packages will face sales problems (p. 1).

FILM'S NOT-SO-MERRY-GO-ROUND: Approximately 20 production executives, producers leave jobs in season of unprecedented turnover (p. 11).

ETV

NEW GOVT. ETV RESEARCH GRANTS awarded by Office of Education to colleges, universities and school systems for experimental projects totaling \$600,000 (p. 13).

Finance

500 INDUSTRIAL GIANTS listed by Fortune include 43 in TV-electronics-appliance fields, from 4th place GE to newly listed Tung-Sol as 495th (p. 18).

Consumer Electronics

FM STEREO DELAYED for 90 days as field tests start in Pa. FCC still hopes to have final standards by year's end, but snags could delay new set market for year (pp. 14 & 17).

TV RETAIL SALES took unusual dip from April to May, but May sales were still well ahead of May 1959; radio retail sales continue at 10-million-a-year pace (p. 15).

MUSIC MERCHANTS' SHOW in Chicago to be one of biggest yet, with 15 TV set makers exhibiting, increases among phono & radio exhibitors (p. 16).

ANNUAL SHUTDOWNS for vacations now in effect in many TV-radio-electronics plants. Vacation dates listed (p. 16).

Networks

WESTERN UNION'S TV MICROWAVE potential increases as plans are revealed for adding more major cities to transcontinental system. Two more coast-to-coast trunks projected (p. 3).

PIECE OF THE ACTION goes to networks from profits of most new film shows in nighttime network schedules, producers tell us. Networks defend trend to control, however (pp. 3 & 8).

Stations

DECCA PAYOLA HEARING PUT OFF by FTC in first such case to reach formal proceedings before trial examiner. FTC counsel too busy to go ahead now (p. 7).

TV & RADIO ORGANIZATIONS and what they're for shown in organizational chart of broadcasting industry, which has something (from AIMS to TIO) for everybody (pp. 4 & 20).

Foreign

BBC EXTENDS SERVICE, gets approval to add 10 TV & 11 FM satellite stations under phase 2 of expansion program; phase-1 expansion, now under way, will add 14 TV & 10 FM (p. 13).

POST-1948s ON THE WAY: Token releases of big-studio post-1948 movies should start hitting the film syndication market this fall, now that settlement of SAG-WGA strikes have given studios a green light on post-1948 pictures for TV. So we were told by film sources in N.Y. last week. Most cited pending TV deal for over 100 post-freeze pictures between Warner Bros. and Creative Telefilms & Artists Ltd. as probable earliest starter (Vol. 16:26 p15).

Nearly every major studio is now exploring TV release of post-1948 movies. Most (Columbia Pictures, Universal-International, Paramount, Warner Bros.) are considering feeding steady stream of small post-1948 packages into normal syndication channels. A few (20th Century-Fox, MGM) are playing both ends against the middle, and considering possible release of biggest post-1948s to pay TV or as network specials. Total post-'48 backlog of these companies: about 2,500 pictures.

Sledding may not be too easy for post-1948 packages, despite rosy predictions of total TV income of \$300 million for Hollywood's 4,000-odd pictures made in 1948-1960 period. Film companies are determined to feed small packages slowly at high prices. (Movie industry learned its lesson with the dumping of RKO, Warner, MGM pre-1948 backlogs into market suddenly; down went pre-picture prices.) Such determination is matched by resistance of station film buyers to stiff prices, availability of small but steady flow of inde-

pendently produced (UA, etc.) and foreign-produced post-1948 pictures, and network plans for late-night programming (see p. 9).

Not the least of post-1948 sales problems will be that of the weird variety of screen sizes & shapes in which movies have appeared since advent of 3-D, Cinemascope, VistaVision, Superscope, Todd-AO, Cinerama, Camera 65, Cinemiracle, Technirama-70, Naturama, etc. Normal aspect ratio of pre-1948 pictures was 1.33-to-1, same as TV screen. Nowadays, movies are anywhere from 1.85-to-1 to 2.55-to-1, necessitating special lenses on station projectors or special reduction prints by distributor. Even so, part of many a post-1948 Hollywood picture may be lost somewhere above, below, or on either side of home-TV picture tubes.

FCC GETS FUNDS FOR UHF & COMPLAINTS PROJECTS: Congress finally voted FCC money for 2 new & unusual projects—\$2 million for N.Y. uhf tests and \$150,000 (instead of the requested \$300,000) for new Complaints & Compliance Div.—and Commission is moving expeditiously but cautiously to put the money to work.

For the uhf project, Commission is expected to name staff soon, using own people to head it, probably the men proposed to it by chief engineer Edward Allen. Proposed project director is Arnold Skrivseth, asst. chief of Technical Research Div. (Vol. 16:26 p8). FCC will hire outside consultants as they are needed—from industry, govt. groups, educational institutions, etc. In addition, it will contract with industry for transmitting & receiving equipment and measurement services—presumably putting them out for bids.

Comr. Lee, who spearheaded whole project, is working hard, determined that it won't become a boondoggle. He & staff members were in N.Y. last week, talking with educators and with Empire State Bldg. officials—on programming & transmission facilities. Commission doesn't yet have target for start of operations; too early to figure.

It's too early, too, to judge nature of John Harrington's Complaints & Compliance Div. Before the \$150,000 was voted, House of Representatives did some haggling about potential for "govt. censorship" in the Division, but came up with the money after Rep. Thomas (D-Tex.), chmn. of Appropriations Committee, gave assurance that purpose was solely to give FCC "some eyes & some ears."

New Division's functions are seen at Commission as two-fold: (1) Expansion of present activity of investigating complaints, acting more promptly and looking into more of them. (2) Monitoring—actually listening, viewing & taping programs.

No. 2 is what worries some people. What will Commission look for? Answer at FCC: We need to be informed. New unit is seen working in several ways. For example, it could move into cities on random basis, sampling all broadcast fare. It could hear about an alleged "bad actor" (obscenity, etc.), quietly sit down & get him on record.

They could use combination of Nos. 1 & 2—sending investigators to examine alleged law & rule violations, at same time recording programs.

Whole business could be significant, dangerous or meaningless—depending on what FCC does with information it gets. And that depends on composition & leadership of Commission, as it always has.

SENATE FIGHT SET ON PAYOLA BILL: Climactic wind-up hearings for broadcasters in Congressional session made hectic for them by House-exposed industry scandals start Aug. 10. That date for last-chance fight in Senate by industry against punitive provisions of House-passed payola legislation (Vol. 16:27 p1) was set definitely last week.

Senate hearings next month will be focused by Commerce Communications Subcommittee Chmn. Pastore (D-R. I.) on station suspension-&-forfeiture sections of bill. But proceedings may be widened for full-dress inspection of other terms of catch-all reform measure which House Commerce Committee Chmn. Harris (D-Ark.) cooked up & sold to House as substitute for non-controversial, Senate-approved bill (S-1898). Originally it provided only for pre-grant hearings instead of post-grant protests in license cases.

End-of-session hearings will run at least several days—and they may stretch more than a week. No cut-off date was set by Pastore, who promised broadcasters full chance to be heard on their objections to giving the FCC authority to take stations off air for 10-day periods and assess them \$1,000 daily for infractions of Commission rules.

Invitations to apply for time on witness stand were being sent out last week by Pastore's staff to station owners who had filed written protests against House version of S-1898. Witness list probably won't be drawn up until just before Senate returns Aug. 8 from recess for political conventions. But lead-off schedule will include NAB govt. affairs vp Vincent T. Wasilewski, who is mobilizing broadcasters for fight, and FCC Chmn. Ford, who favors less-than-license-revocation penalties as weapons against defiant licensees.

Payola bill is only major legislative survivor among raft of broadcasting-reform bills & resolutions introduced at this session. They have covered all angles, from network-licensing by FCC to setting up govt. standards for programming. When Congress took off July 2 for Democratic & Republican Conventions, at least 120 TV-radio-FCC measures were left hanging as unfinished business on House Commerce Committee calendar alone. Senate Commerce Committee's calendar is similarly loaded with bills. None has chance of getting anywhere before 86th Congress finally shuts shop, at which point all pending bills will die.

Broadcasting sound & fury on Capitol Hill this session has been productive of many newspaper bannerlines. But so far, in addition to House action on S-1898, quiz-&payola furor has produced just one significant result: approval of FCC budget including funds for Complaints & Compliance Div. (see p. 2).

Industry scandals have had no bearing on Congressional action on other broadcasting-related measures. They include: (1) Bills (S-1886 & S-1965) legitimizing boosters and extending expired terms of FCC members (Vol. 16:26 p1), amended by House & sent along by Senate—just before recess—to White House, where President Eisenhower signed booster measure July 7. (2) Equal-time suspension for Presidential tickets (S. J. Res. 207), approved by Senate (Vol. 16:27 p1) but not yet voted by House. (3) CATV-licensing measure (S-2653), killed by Senate (Vol. 16:21 p3).

NETS IN PROGRAM DRIVER'S SEAT: It's clear that networks call the shots this fall in nighttime programming. As network advertiser availabilities dwindled to a handful last week and virtually every time period was program-scheduled (see p. 9), network scoreboard on control stood at nearly 85%.

Actually, every nighttime show is under "control" of network officials in some way. At very least, such client-purchased packages as Bristol-Myers' "Peter Gunn" on ABC-TV, P. Lorillard's "My Sister Eileen" on CBS-TV, Rexall's "National Velvet" on NBC-TV this fall must submit scripts and commercials to continuity-acceptance censors, and be under network scrutiny. At maximum, network-produced fare like "CBS Reports" and "NBC Opera" is under complete creative control of network, from scripts to telecast.

What's generally meant by "control" these days is scheduling and sales responsibility. About 4 out of every 5 regularly scheduled nighttime shows (and many specials) have been packaged or bought, and thus "owned," by a network. These, in turn, are sold by network sales depts. in full sponsorship, co-sponsorship or participation deals. Clients can cancel out of such a show, but cannot kill the show itself. Clients may move their billings to another show or another network, but they can't shift network-bought shows from, say, NBC to CBS or ABC.

Many independent producers are worried about an important byproduct of network control: network financial participation. With networks calling the turn on what goes on network air, public will get more "cultural" and public-affairs programming. But producers tell us that networks are getting a piece of the action from all but the strongest outside packagers, presumably as an incentive to shoehorn the producer's show into jammed nighttime schedules. (For details, see p. 8.)

Situation is odd predicament for networks. On one hand, they've been scolded by Washington and by TV critics to assume more control over network programming to ensure balanced programming, good taste cultural fare, etc. Yet, at the same time, and by some of the same sources, networks have been criticized for possible "monopoly" position in programming, and for network participation in independent packages.

WESTERN UNION'S TV MICROWAVE POTENTIAL: Western Union may or may not intend to compete eventually with AT&T for inter-city TV transmission business, but it's certainly getting into physical position to do so.

Thanks to an Air Force contract, WU is building a \$41-million broad-band transcontinental microwave system running from Los Angeles to San Francisco to Boston, serving major cities en route (Vol. 15:44 p3). Last week, however, WU announced that it will add extensions from Boston to N.Y., Albany, Syracuse, Buffalo, Cleveland, Toledo, Detroit & Chicago and from Kansas City to Dallas.

That isn't all. WU's projections into 1965 look toward adding 2 more transcontinental systems which, with offshoots, will enable WU to connect all metropolitan markets in U.S.

WU's FCC authorizations don't permit carrying of TV now. However, it's understood that system is being built with sufficient capacity in towers, antennas, housing, etc., to accommodate video equipment readily. WU says nothing publicly about TV plans but it's obvious it intends to be ready if & when it gets customers. One obvious customer is TelePrompTer, of which WU owns 16%, and whose Chmn. Irving Kahn recently told CATV operators that WU is a potential competitor to AT&T (Vol. 16:26 p4). Talking about AT&T links to CATV systems for Johansson-Patterson fight and for potential wired pay-TV systems, he told NCTA convention: "AT&T is not in a position to be highhanded; competition is good."

If & when WU seeks to compete with AT&T in TV service, it will come to FCC for authorization. Commission has ample power to grant or deny the request. Presumably, AT&T would try to block WU.

WU's schedule for its current project, according to Pres. Walter P. Marshall, calls for completion of Los Angeles-San Francisco link by Oct. 1960, San Francisco-Boston by late 1961. WU said that in addition to handling Air Force traffic of all kinds, including "digitalized" TV, "the new microwave system will make available a tremendous reserve capacity to meet the rapidly-growing needs of business & industry for WU's facsimile, public message & private wire lease service." GE has contract for system engineering, RCA for basic radio equipment (Vol. 16:13 p14).

TV & RADIO ORGANIZATIONS AND WHAT THEY'RE FOR: Few industries outmatch broadcasting in number & variety of trade associations, special-interest groups and social clubs. Bare listings of them fill 6½ pages of close type in our current Television Factbook No. 30.

There's something for everybody. So long as you're eligible, you can take out cards in everything from umbrella-like NAB to the Institute for Education by TV-Radio. In you're in TV, you may qualify for Assn. of Maximum Service Telecasters and/or Society of TV Pioneers. If you're in radio, you can campaign with Clear Channel Broadcasting Service for higher clear-channel power or with Radio Allocations Study Organization against it.

Wide scope of broadcasting interests is indicated in TV & radio organization chart on p. 20. It makes no attempt to cover every group but does outline objectives, eligibility requirements, membership strength and financing of score of the more significant groups in industry. It may help you keep score on such outfits as AIMS, MST, CCBS, JCET, NAEB, NCTA, NET, RAB, RASO, TASO, TvB & TIO. We've sought to limit the tabulation to organizations primarily involving over-all station management—not to include specialized groups such as news directors, commentators, engineers, attorneys, etc.

Congress

"Biased" newspapers which criticized House members' expense accounts have been attacked again by House Commerce Committee Chmn. Harris (D-Ark.). In a statement inserted in a recess issue of the *Congressional Record*, he lauded Rep. Rhodes (D-Pa.) for protesting exposes by Knight papers and *Life* (Vol. 16:27 p5). Harris said he supported "freedom of speech and of the press as provided by the Constitution." But no publication has "the right to smear with ridiculous charges in retaliation [for] exposing or proposing something which adversely affects the particular publication or newspaper," he added. Harris had previously pointed out that Knight newspapers & *Life's* parent Time Inc. have interests in broadcasting, that TV & radio scandals have been unearthed by his Legislative Oversight Subcommittee.

Proposals to limit use of Canadian radio in election campaigns have been discussed but set over until next year by the House of Commons. One proposal would have had the federal treasury pay for 10 min. on TV and 30 min. on radio for each candidate, with a ban against purchase of any further time.

Revamped "ethics" bill to set up uniform procedures for FCC & other administrative agencies has been introduced by Senate Minority Leader Dirksen (R-Ill.). Replacing a code-of-conduct measure (S-2849) he drafted in Jan. (Vol. 16:4 p12), the revised bill (S-3795) would bind hearing officers to "rules or policies" issued "properly" by the agencies, make agency members ineligible for reappointment after they have served terms lengthened to 15 years. Co-signers of the new bill were Sens. Wiley (R-Wis.) & Hruska (R-Neb.). Dirksen said he has no hopes for action on his proposals this session.

FTC's anti-payola drive (see p. 7) has been cited by the Republican Policy Committee as a major accomplishment of the agency during the Eisenhower administration. Submitted to the Senate by Sen. Goldwater (R-Ariz.), a review of FTC's work by the GOP group boasted that the agency "acted promptly & effectively" after House investigators exposed payola practices in broadcasting. All in all, the statement said, FTC "is doing 3 times the job it did just 10 years ago." Not mentioned in the GOP report, however, was Republican FTC Chmn. Earl W. Kintner, who has failed to get Senate confirmation for a new term in office (Vol. 16:27 p2).

Conventions

LOCAL BOYS MAKE GOOD: There's plenty of room for grass-roots TV-radio journalists at the conventions, even though the 3 networks will field a national team of newsmen, technicians, etc. that will exceed 1,000. The 1960 conventions may well mark the year in which a new type of home-town reporting on delegates & issues by news teams from leading station groups and even individual TV stations comes into its own. It isn't just a case of station news egos at work either; there seems to be plenty of viewer demand for "local angles" in addition to national network reportage. And a growing list of national spot TV advertisers (oil companies, breweries, food packagers, etc.) are hopping on the media bandwagon of such local-level convention packages.

Representatives of about 300 TV & radio stations have been accredited to the convention, according to Democratic hq in Los Angeles, in addition to the networks and TV-radio news services. There will be a total of about 1,000 cameramen & newsmen—excluding technicians. Some 60 TV stations (including groups) are covering the convention with silent cameras, another 19 with both sound & film. The 300 figure contrasts with 215 TV-radio stations which have applied to cover the GOP convention in Chicago.

Latest TV-radio station groups to plan convention coverage to supplement network feeds are the 6-TV-station Triangle Publications, Inc. TV-radio div., the 5-station Taft Bcstg. Co., and the 4-station RKO General div. of General Tire & Rubber Co. Previously announced as in the convention coverage act are the 5-station Corinthian Bcstg. Co. and the 5-station Westinghouse Bcstg. Co. Altogether, these station groups will have between 65 & 75 newsmen & other staffers button-holing home-town delegates and reporting on the activities of state delegations—a figure that's more than double the number of newsmen ABC-TV expects to have on news vp John Daly's reporting team, for example.

Special Coverage Arranged

Other station groups (Metropolitan, Meredith, Transcontinent, and even Britain's BBC-TV) will either have newsmen present at the conventions, or have arranged for special coverage. Metropolitan Bcstg. Co. radio outlets, for example, have hired former N.Y. governors Averell Harriman and Herbert Lehman to act as commentators, supplementing the WNEW radio (N.Y.) coverage headed by news dir. Martin Weldon.

James L. Cox stations will have their own coverage at the conventions as will Gene Autry's KOOL-TV Phoenix & KOLD-TV Tucson (Arizona State Network). In radio, the Yankee Network and other regional groups will be represented, in addition to the 4 national nets.

In the newest group deals, Triangle will send a 10-man news team, with Roy Nassau (WFIL-TV Philadelphia dir. of community relations) as coordinator, and will back-stop the coverage with nearly 50 staffers at the Triangle stations. The Taft outlets will cover with a 5-man team headed by Ralph de Toledano, dir. of the Taft Washington news bureau. (Coverage by the Taft Stations, like that of Corinthian, has already been sold out to spot sponsors.) RKO General expects to have 5 TV-radio commentators (supervised by WOR-TV news dir., George Brown) and 2 camera crews. Corinthian and Westinghouse will have teams of 15 or more people.

Lar Daly vs. networks (cont.): Score one win & 2 losses for Lar (America First) Daly in his latest equal-time jousts with networks & FCC. He was given a spot on NBC-TV's *Jack Paar Show* as a Democratic Presidential primary candidate, matching a June 16 appearance by Sen. Kennedy (D-Mass.), after FCC ruled he was entitled to the time. In a 5-1 vote (Chmn. Ford questioning Daly's qualifications as a candidate), Commission pointed out that *Paar* is a "variety program," not a regularly-scheduled news show as defined in exemptions from the Communications Act's Sec. 315. On the other hand, FCC ruled unanimously that Daly wasn't entitled to go on Dave Garroway's *Today* on NBC-TV because Sen. Symington (D-Mo.) was interviewed on it. Garroway's show carries such news features regularly, Commission said. And in response to still another Daly complaint, FCC held that the die-hard Chicago office-runner had no equal-time rights to appear on NBC & CBS just because Sens. Johnson (D-Tex.) & Kennedy were seen & heard responding to comments about them by former President Truman in his televised July 2 press interview. In his *Paar* performance on the July 7 show, Daly was met by chorused boos from the studio audience. *Paar* was cheered when he commented: "This ruling by the FCC makes me ashamed, for the first time, to be a part of the entertainment industry. It makes an absurdity of equal time." This reception during his 25-minute turn on the show displeased Daly. On July 8 he wired FCC complaining that NBC-TV still owed him 22 minutes to match 47 taken up by Kennedy's appearance.

Political showmanship on TV helps put across a candidate's personality, but it isn't as effective in selling policies & ideas. This is one conclusion of 28 political scientists in as many colleges & universities who were polled by Westinghouse Electric Corp., sponsor of CBS coverage of Democratic & Republican conventions. Other opinions expressed in the survey: (1) TV increases voter interest in campaigns. (2) TV increases the impact of nominating conventions on the public, but there's no proof they're now regarded as more important than in pre-TV campaign years. (3) Voters now tend to become more critical of a candidate's appearance than before TV. (4) Much can be done to improve TV coverage of politics.

Traditional political boss is outdated by TV, stated NBC vp William S. Hedges in a July 5 speech at Northwestern U. "People are now thinking for themselves because of modern communications," he said, "and this marks an end to the power of the bosses and profoundly changes methods of campaigning." That broadcasting plays a vital role in influencing votes is proved by "the increasing percentages of Americans voting in relation to the more widespread TV coverage," he added. Commenting on the proposed waiver of Sec. 315, he said: "If the new journalism of electronics is put into full play, as we are hoping, it will bring about better coverage, even greater participation and more enlightenment in the decision [of] Nov. 8."

"Political hacks" at FCC and on staffs of other federal regulatory agencies have too much say in policy & case decisions, according to U. of Mich. law prof. Frank E. Cooper. In a campus lecture on "Postwar Thinking About the Rule of Law," he called for "effective control" of the agencies by Congress and the courts. "It is not the members of the agency who make the decision," Cooper said. "The actual decision is hammered out by unseen, unknown, unapproachable (we hope!) staff assistants—a group of lawyers, engineers, statisticians, technicians and political hacks."

The FCC

Congressional Stockholders: Sen. Scott (R-Pa.) defended FCC on the Senate floor July 2, countering attacks by Sen. Proxmire (D-Wis.) who criticized the Commission for its tentative vote to give Ch. 10 to WTEN Albany (Vol. 16:27 p6). Proxmire had belabored the Commission because Chmn. Ford told him it is FCC policy to give some favorable weight to applicants with Congressional stockholders.

WTEN has 5 Congressional stockholders who own an aggregate of less than 5% of the stock. Scott's position was that Proxmire's criticism is premature because the Commission hasn't yet issued a final decision giving its views on the matter, and that Proxmire "opens himself to the allegation that he is engaging in an *ex parte* attempt to influence the FCC to change its final vote." Proxmire asserted that the decision is "virtually final." After an agency announces its proposed decision, he said, "to say that any comment on the floor of the Senate and in public on that announcement is out of order or *ex parte* would throttle legitimate & proper criticism & discussion of administrative agencies."

Meanwhile, WTEN's competitor for Ch. 10, Veterans Bestg. Co., prospective loser in the final FCC decision, was turned down in court last week in its effort to get WTEN taken off the air. Court of Appeals Judges Edgerton & Bazelon, ruling directly from the bench July 7 following argument by FCC's Max Paglin & Veterans' Frank Fletcher, accepted the Commission's basic arguments—that Veterans suffers no injury by WTEN's continuation, that the public would suffer if WTEN ceased, that Veterans objected too late. When the Commission's final decision is issued, Veterans can appeal again.

Much irked with the FCC for not hastening vhf drop-ins, Sen. Monroney (D-Okla.) scolded the Commission in a July 2 floor speech. He noted the Commission's letter explaining the delay in the decision on availability of more vhf channels—viz., OCDM is still studying (Vol. 16:26 p8)—and called it "gobbledygook." He said he tried to get Commission action 9 months ago but "made no impression whatever." The cities needing more channels, he said, are: Providence, Louisville, Grand Rapids-Kalamazoo, Charlotte, Wheeling-Steubenville, Johnstown-Altoona, Dayton, Champaign-Urbana, Toledo, Jacksonville, Raleigh-Durham, Shreveport, Knoxville, Binghamton, Fresno, Bakersfield. "For the honor of the U.S. Senate," he declared, "I feel obliged to make a new attempt to penetrate the wall of indifference that seems to surround the FCC . . . It seems to me that while we are solving the mysteries of the nuclear age and the mysteries of modern electronics, we are, on the other hand, going backward as regards our attempts to solve the mysteries of bureaucracy."

A crack at vhf drop-ins is sought by the Fla. State Educational TV Commission & Fla. Central East Coast Educational TV Project. Filing with the FCC, they supported the proposed "interim" allocations plan and urged that the Commission "take a new & revised look at the public-interest standard which must govern any allocations & awards under the proposed new rules." They seek the drop-in of Ch. 11 near Orlando.

Sale of WJDM (Ch. 7) Panama City, Fla. for \$340,000 by Mel Wheeler (Vol. 16:21) was approved June 29 by FCC. New owner is Albany (Ga.) Herald, operator of WALB-TV & WALB Albany.

Possible influence in St. Louis Ch. 11 decision, won by CBS in 1957, will be investigated by FCC. The Commission continues to go through cases examined by the House Legislative Oversight Subcommittee, and it recently decided that the St. Louis situation should be examined. The Commission staff probably won't be able to do much work on the case until fall, because of vacation schedules. Questions in the St. Louis case were raised in the Oversight hearings by a Subcommittee staffer, the late Stephen J. Angland. They involved publicist-performer Tex McCrary, who, Angland said, came to Washington to find out why the Commission was taking so long to reach a final decision. Angland testified that McCrary told him he did so on his own, as a newsman, after his friend CBS Chmn. William S. Paley told him he was worried about the delays and TELEVISION DIGEST's disclosure that the tentative vote at the Commission was split 2-2-1 for the 4 applicants (Vol. 12:35 p5), no one leading. Angland said that McCrary told him he saw Comrs. McConnaughey, Doerfer & Craven and discussed "the machinery of deciding."

Deintermixture of Fresno has been made final, and KFRE-TV was given until April 15, 1961 to shift from Ch. 12 to Ch. 30. The question of reassigning Ch. 12 is thrown into the Bakersfield deintermixture proceeding, in which deletion of KERO-TV's Ch. 10 is proposed. The FCC requests comments (deadline extended from Aug. 8 to Aug. 22) on a proposal to put Ch. 12 into Santa Maria, Lompoc-Santa Maria, San Luis Obispo or Santa Barbara. Comr. Cross, bearish about uhf, dissented. Paul R. Bartlett, whose group sold KFRE-TV to Triangle Publications, Inc. in 1958 (Vol. 14:47 p4), appeared before the Fresno city council last week to urge that it ask the FCC to delay action because all-uhf for the area is a mistake. Roger W. Clipp, vp-gen. mgr. of Triangle Stations, asserted that Bartlett's "comments before the council indicate he has little knowledge of technical & practical considerations."

Philco lost one battle against RCA-NBC last week when FCC dismissed its protest against the renewal of NBC's WRCV-TV Philadelphia (Vol. 13:33 p2). The text of FCC's ruling hadn't been released last week so the Commission's reasons haven't been made public. However, it's understood that FCC's grounds were primarily legal technicalities—that Philco had been too vague in its allegations, that it was too late with some of them, etc. Still pending before the Commission is Philco's application to compete for WRCV-TV's Ch. 3 in a license renewal hearing. The Commission hasn't said anything about that yet. Most lawyers believe that FCC is required to accord Philco the hearing, but a few theorize that certain 1952 amendments to the Communications Act may permit the Commission to refuse one. Incidentally, NBC has retained the Washington law firm of Koteen & Burt as consultants in the litigation involving the NBC-RKO station swap deal (Vol. 16:27 p7).

Shift of WEEK-TV Peoria from Ch. 43 to Ch. 25 has been denied by the FCC. WEEK-TV had sought both a modification of CP & a special temporary authorization for the lower channel. Comrs. Hyde & Lee dissented.

Sale of KTVE (Ch. 10) El Dorado, Ark. for \$1.1 million to Washington realtor William H. Simons, husband of the late former FCC Comr. Frieda B. Henneck, has been approved by the FCC.

WNEM-TV (Ch. 5) Bay City-Saginaw, Mich. has been denied permission to add Flint to its identification—Comrs. Hyde & Craven dissenting.

Stations

Decca Payola Hearing Put Off: The first contested FTC payola case to reach the formal hearing phase brought Decca Distributing Corp. before Examiner J. Earl Cox July 6, but the proceedings were postponed before they got started.

Cited by FTC in March for allegedly illegal payments to disc jockeys (Vol. 16:13 p6), the N.Y. subsidiary of Decca Records Inc. said it was ready to challenge the charges. However, Cox ordered a postponement—subject to 10 days' notice of another hearing date—when FTC attorney John Walker said that press of other FTC cases prevented him from going ahead.

Meanwhile, more payola complaints against big & little record firms flowed from FTC, which reported its campaign had passed the 100-case mark, with more than half the cases marked as settled with cease-&-desist orders.

New complaints were filed against: James Higgins & Robert West, co-partners in B&H Distributing Co., 3959 Woodward Ave., Detroit, and gen. mgr. Betty Alexander ● General Distributing Co. Inc., 2329 Pennsylvania Ave., Baltimore, and Henry Nathanson ● ARC Distributing Co., 40 Selden Ave., Detroit, and Henry Droz & Ralph Jewell ● Triumph Records Inc., 54 W. 74th St., N.Y., and Herbert C. Abramson ● Columbia Record Sales Corp. & Columbia Record Distributors Inc., 799 7th Ave., N.Y. ● Malverne Distributors Inc., 424 W. 49th St., N.Y., and Abraham Hirsch and William & Jack A. Shocket ● Mayfair Distributors Inc., 640 10th Ave., and Jerry Winston ● Concord Distributing Co., 620 Frankfort Ave., Cleveland, and Arthur Freeman & Ben Herman ● Interstate Electric Co., 3733 Conti St., New Orleans, and L. L. Firsh, George C. Howell Jr., F. P. Goodwin Jr., Millard H. Cook & H. F. Schmidt.

In other FTC payola developments: Dolores Enterprises Inc., N.Y. record manufacturer, was ordered in an initial decision by examiner Cox to stop payola practices, Cox citing its failure to respond to charges or appear for a hearing. Apollo Records N.Y. Corp. filed a denial of payola charges, asked that FTC's case against it be dismissed.

U.S. households totaled 52.6 million in March—up 600,000 from Jan. estimates by A. C. Nielsen in tabulations of TV set ownership & potential (Vol. 16:23 p5)—according to new Census Bureau figures. Other statistics compiled by the Census Bureau in a sample survey: Of all households, 64% are urban, only 8% are on farms, 75% are headed by husband & wife. The govt. report also said that only 2.4% of 40.2 million married couples don't maintain their own households.

Contempt citation against KTLA Los Angeles newscaster Pat Michaels was dismissed on a technicality recently by Superior Court Judge Russell S. Waite. Michaels had been cited following his refusal to tell a Grand Jury the sources which helped him prepare a documentary about alleged anti-semitism in Elsinore, Cal. The contempt citation was dismissed on the grounds that the newsman had been served less than 10 days prior to court appearance.

WJZ-TV Baltimore & AFTRA settled their 11-day strike July 1 (Vol. 16:27 p12). The strikers & 40 IATSE employes who had refused to cross the picket lines returned to their jobs which had been carried on by management & supervisory personnel without interruption.

Ottawa-Halifax TV Grants: Canada's Board of Broadcast Governors last week wrapped up 10 months of contests for competitive TV stations in 8 cities (Vol. 15:31 p1) by recommending awards in the last 2: Ottawa (Ch. 13), to a company headed by former CBC vp-gen.-mgr. Ernest L. Bushnell; Halifax (Ch. 5), to CJCH Ltd. Awards of licenses had been made previously for competing TV stations in Vancouver, Edmonton, Calgary, Winnipeg, Toronto and Montreal. Heretofore, CBC had monopolies in 6 of the 8 cities; private interests operated the only TV stations in Edmonton & Calgary.

The Ottawa Bushnell group includes British TV program contractor Granada TV Network, NTA's wholly-owned Canadian subsidiary NTA Telefilm Ltd., Canadian TV program supplier Spencer W. Caldwell and 37 individual shareholders. Granada & NTA reportedly are the largest investors, but operational control of the new company will reside with the Canadian shareholders. The Bushnell group won out over 4 other contestants for the Ottawa channel: Lawrence Freiman Associates (including the *Ottawa Citizen*), CFRA-TV Ltd., Roger H. Seguin Associates and M. Grattan O'Leary (for a group including the *Ottawa Journal*).

Halifax winner CJCH Ltd. is headed by Canadian radio personality Finlay MacDonald and includes British program contractor Associated TV. The only other applicant for Halifax was CHAL-TV Ltd., organized by the Franklin & Herschorn theater interests.

Other BBG actions last week:

Atlantic Television Co. Ltd. was awarded Ch. 9 in Antigonish, N.S.

CBC's application for a satellite at Pembroke, Ontario was set aside and award of Ch. 5 there was made to E. G. Archibald, whose investors include Bushnell & Granada TV.

CBC was granted a satellite at Mont Blanc, Que., and obtained a recommendation for power increases for CBMT Montreal and CKCO-TV Kitchener, Ont.

BBG reversed an earlier decision by recommending that the grant of a TV license to CKPG Radio Ltd., Prince George, B.C. be deferred pending a survey on the needs of both Prince George & Fort St. John.

BBG approved the application of Northern Bestg. Ltd. to purchase CKGN-TV North Bay, Ont. from Tel-Ad Co. Ltd., which advised the Board that it wanted to sell because of "certain market conditions that may develop." Northern Bestg., which operates radio CFCH North Bay, is owned 91.47% by Mrs. C. E. Campbell, daughter of newspaper-TV-radio magnate Roy Thompson.

* * *

Private TV networks may soon be competing with CBC. The BBG last week announced it will hold public hearings Sept. 1 & 2 on conditions & regulations for licensing & operating private networks. Briefs on regulations must be submitted by Aug. 15 for discussion at the September sessions. BBG also set a Nov. 1 deadline for applications for license to operate a TV network, indicated public hearings on such applications would be held at the end of that month or early in December. At the present time, Canada's only TV network is operated by the govt.-owned CBC. The new BBG action opens the way to the formation of networks by private companies.

NAB's 1961 conference of presidents of state broadcaster's associations will be held Feb. 22-23 in the Shoreham Hotel, Washington.

Networks

More about

A PIECE OF THE ACTION: Networks have a thumb in the financial pies of more than half of all the shows—primarily film packages—in nighttime network TV (see p. 3). In some, it's because the network has built, financed and produced the show, as in the case of NBC-TV's *Bonanza*. In most, it's a slice that goes to the network for "creative counseling & other services" (as the network contracts phrase it) or "just to be fed out of master control" (as one irate telefilm producer told us last week in N.Y.). All 3 networks prefer to avoid comment on the topic.

A direct result of the trend toward tighter network program control, financial participation by the networks comes in all shapes and sizes. TV columnist John Crosby wrote June 29 that "the going rate is 30%." Producers we talked with, however, stated that this was probably a good average, but an over-simplification.

What's at stake is a share of the profits (if any) on the first run of a telefilm show, and a slice of the often-lucrative syndication or network rerun business and overseas distribution. Here's how it works in practice:

A new 30-min. situation comedy, *I Love Nielsen*, is packaged-priced to a network by an independent producer at \$45,000 per first-run episode. The network buys the show, sells it to a pair of sponsors for \$25,000 each (or \$50,000 per alt. wk.). Now, there's a \$5,000 profit above the producer's normal "cushion." The network may get anywhere from 10 to 50% of this profit. And the network's syndication subsidiary may be assigned the rerun sales for a slice that may run as high as 50% of the profits plus a distribution fee (leaving the producer only 25% of the rerun profits).

Networks Reluctant to Comment

Networks dislike being queried about such deals. All will admit (and all did, in recent weeks) that they have financial participation in shows other than those directly produced by the network. But details of such deals are not disclosed at network hqs. Some general aspects of financial cut-ins, however, have come to our attention.

For one thing, producers (who can't be named, for obvious reasons) told us that there's a strong relationship between the size and current importance of a production company and the magnitude of the piece of the action that's awarded a network. A couple of seasons back, MCA's Revue Productions managed to hold onto the rerun and overseas rights on all the film packages it was selling to NBC-TV; this season, NBC reportedly has a big slice of the residual rights of Revue packages on an "every-other-show" basis.

By contrast, Four Star Productions, which has become a major show power, used to go through the motions (via the William Morris Agency) of haggling with CBS-TV over a CBS slice of the residuals. Almost invariably, Four Star had to give in. But lately Four Star is surrendering little or nothing to CBS and other networks in such deals. (Sample: *The Detectives*, in which Robert Taylor reportedly has a 50% share of profits, the show's producer and Four Star have 30%, and ABC-TV has only a 10% interest).

Networks, at the same time, deny that the trend to program control has meant a squeeze on independent producers, or a freeze-out of packages optioned. (or bought)

by sponsors & agencies. Thus networks are quick to defend the general move toward tighter network control.

"We will never make any progress in TV if we allow a few dozen people outside the network to decide what the network's program structure should be," CBS vp for corporate affairs Richard Salant told us. "What has really altered this year is the resolve at CBS that the scheduling will be our responsibility. By bringing in shows from several sources we can manage to achieve a well-balanced schedule with something for everyone at a decent time."

Stated NBC-TV nighttime programs vp Alan B. Courtney: "We have quite a few outside packages in our schedule this fall that were originally brought to us by clients or agencies. We are definitely not interested in taking over the production of all nighttime TV shows within the network structure. Yes, there's a growing amount of financial participation in shows. But we don't force it. When a producer comes to us, we ask him 'how do you want to do this?' Most producers prefer to arrange a co-production status."

ABC-TV programming vp Tom Moore conceded that "through cancellations and renewals of programs, ABC-TV has, in effect, full control over its nighttime shows." However, this did not, in his opinion, put producers in a creative strait jacket. "From the standpoint of production, the network will advise and make suggestions, but final creative control rests with the producer."

AB-PT Out of Disneyland: The 37% stock interest in Disneyland Park held by American Bcstg.-Paramount Theaters Inc., which cost AB-PT \$500,000 in 1954 (Vol. 10:14 p1), has been sold back to Walt Disney Productions and Disneyland Inc. Total price is \$7.5 million, and works out to \$1,500 per share. Disneyland Inc. paid a little more than \$2 million in cash for the stock; Walt Disney Productions gave nearly \$5.5 million in notes payable equally over a 5-year period. AB-PT, however, will continue to operate food concessions it now controls at Disneyland.

Coincidentally with the announcement by AB-PT Pres. Leonard H. Goldenson that the Disneyland shares were being sold back to Disney, AB-PT stated that "certain litigation between the companies involving the prior TV contract [i.e., between ABC-TV and Disney for the *Walt Disney Presents* and other Disney-produced series] has been terminated." There was no connection between the stock sale and the dropping of a breach-of-contract suit by Disney, we were told by AB-PT spokesmen.

Although details of the out-of-court settlement weren't revealed, there's no reason to believe the result will be a complete split between the 2 companies. Disney is going ahead with its plans to do several TV series for ABC-TV this fall, including a show about Daniel Boone in the time slot formerly occupied by *Walt Disney Presents*.

NBC will take legal action against ABC and Queen for a Day Inc. "to enforce an oral agreement" with the packager for a 5-year renewal of the program's time contract when it expires in Dec. ABC-TV and Queen for a Day Inc. had announced recently that the show would change networks in Jan. The program began on NBC radio in 1945, switched to NBC-TV in Jan. 1956. ABC had "no comment" concerning NBC's proposed legal action.

ARB Los Angeles office moves July 15 to 6615 Whittier Blvd., Los Angeles 22 (RAymond 3-8536).

Fall Sales Status: CBS-TV was nearly ready to post the "SRO" sign to advertisers last week, earlier than any previous sales year. The network's sole nighttime opening is Thu., 10-10:30 p.m., although a Bob Newhart live comedy-variety show has been temporarily planned for the 30-min. slot. Sponsorship is as yet undecided, CBS officials told us.

ABC-TV & NBC-TV are reportedly about 90% and 75% sold out, respectively. While ABC is "in the black" with its convention coverage—after making sales so far to Mutual of Omaha, 20th Century-Fox, Avco Mfg. Co. & Du Pont—it hasn't as yet sold its election coverage. NBC's convention-election package was sold out last week when RCA Victor picked up the remaining available one-sixth sponsorship. CBS's convention & election coverage has long been sold to Westinghouse in a \$5-million deal.

Aspiring fall network advertisers can still choose from ABC-NBC availabilities, primarily in 60-min. film shows. ABC has "limited" participations open in *Islanders*, *Cheyenne*, *Adventures in Paradise*, & *Naked City*; 5/6 available in *The Walt Disney Show*; 1/3 of *Hong Kong*; 3/4 of *Roaring '20's*; co-sponsorship of *The Law & Mr. Jones*; and full sponsorship of *Bugs Bunny*. NBC has 2/3 of *Riverboat*, *Outlaws* and *Bonanza* still open; one-half of *Wells Fargo*, *Klondike*, *Tall Man*, *Deputy*, *This Is Your Life*; and full sponsorship of *Shirley Temple* and *Groucho Marx*.

Late-night live shows are being discussed by ABC-TV as an audience rival this fall for NBC-TV's *Jack Paar Show*. No specific formats or stars have been picked. The network's project involves programming the Mon.-Fri. 11:15 p.m.-1 a.m. period now generally filled on ABC affiliates with local feature-film telecasts. Last season, ABC seriously considered programming reruns of 60-min. film shows (from Warner Bros., 20th Century-Fox, etc.) in the late period, with a price-to-producer of about \$25,000 per episode. The plan never got off the ground, but apparently ABC's hopes of moving into late-night network programming have not dimmed. To pave the way for the new plan, ABC has urged affiliates not to stock heavily on new feature libraries, and has promised station-level revenues that will compare with present film earnings.

CBS-TV News Facilities is shifting to new quarters on the 28th & 29th floor of the Graybar Bldg., Lexington Ave. & 43 St., N.Y., from its present quarters in the Grand Central Bldg. Broker in the transaction: Herbert Charles & Co. Inc. vp Martin A. Arrowood. The Grand Central Bldg. will soon be torn down to make way for the giant Grand Central City structure.

CBC's TV-confessing co-respondent-for-hire may prove to have more sham than shame. The *Toronto Telegram* has identified the masked sensation of CBC-TV's May 26 *Close-Up* (Vol. 16:27 p7): a 26-year-old Toronto model-actress who says her recital of a career of providing adultery evidence for lawyers & private detective agencies was pure fantasy—made up for a \$150 program fee. The program's interviewer contends, without proof, that the recital was fact. BBG Chmm. Dr. Andrew Stewart has put it up to CBC to investigate. Commented *Close-Up* producer Ross McLean: "It sort of shakes your faith in co-respondents, doesn't it?"

CBC & Canadian Council of Authors & Artists have produced a new one-year agreement covering rates & working conditions for TV performers. The product of a month of discussions, the agreement, subject to ratification, is effective as of July 1.

NETWORK SALES ACTIVITY

ABC-TV

- 77 Sunset Strip, Fri. 9-10 p.m., participations eff. Aug.
Procter & Gamble (Leo Burnett)
- Rockie & His Friends, Sun. 12:30-1 p.m., alt. half hrs., eff. fall 1960.
General Mills (Dancer-Fitz.-Sample) renewal
Peter Paul (Dancer-Fitzgerald-Sample)
American Chicle (Dancer-Fitz.-Sample)
- Naked City, Wed. 10-11 p.m., participations eff. April 1961.
Haggar (Tracy Locke)
- Daytime programming, Mon.-Fri., particip. eff. fall 1960.
Knapp-Monarch (Frank Block)
Johnson's Wax (Foote, Cone & Belding;
Needham Lewis & Brorby)
- Walt Disney Presents, Sun. 6:30-7:30 p.m., participations eff. fall 1960.
General Mills (Dancer-Fitzgerald-Sample)
- Convention coverage, July & Aug., participations.
Mutual of Omaha (Bozell & Jacobs)

CBS-TV

- Eyewitness to History, Fri. 10:30-11 p.m., full sponsorship eff. fall 1960.
Firestone Tire & Rubber (Campbell-Ewald)
- The Witness, Thu. 7:30-8:30 p.m., alt. wk. half hrs. eff. Sept. 29.
R. J. Reynolds (William Esty)
Helene Curtis (McCann-Erickson)
Esquire Boot Polish (Mogul, Williams & Sayler)
Schick (Benton & Bowles)
- New York Giants pro football coverage, fall 1960, quarter sponsorship.
P. Ballantine & Sons (William Esty)
- Captain Kangaroo, Sat. 8-9 a.m., alt. wk. quarter hrs.
Toy Tinkers, div. A. G. Spalding & Bros. (George Bond)
Highlander Sales (Mullen)
- Video Village, Fri. 9-9:30 p.m., participations eff. July.
J. B. Williams (Parkson)
Vick Chemical (Morse International)
- Special CBS News reports Nov. 13, 9-10 p.m. pre-emption of *GE Theatre*. Full sponsorship.
General Electric (BBDO)

NBC-TV

- Convention coverage, July & Aug. participations.
Bristol-Myers (Young & Rubicam)
RCA Victor (J. Walter Thompson)

CBS Venezuela TV station buy-in is being discussed between officials of CBS stations div. and YVLV-TV (Ch. 4) Caracas, commercial outlet whose owners include Diego Cisneros, Cuban broadcaster Goar Mestre and the Venezuelan govt. According to CBS-TV sources in N.Y., no deal has been completed, although CBS is reportedly seeking a 10% interest in the outlet (representing an estimated investment of some \$150,000). Other sources report the station is being sold by receivers for \$1.1 million to a group of investors who put up 80% of the purchase price. CBS recently concluded a deal with Mestre for a program-production center in Argentina, has a relationship as "special consultant" to a West German group planning a commercial network (Vol. 16:24 p7).

Programming

Susskind's Record TV Slate: Producer David Susskind has a record number of shows set for production next season—30% more than this season—he informs us.

He has a renewal of *Armstrong Circle Theater*, for which he will turn out 39 segments. He will do 6 specials for CBS in a series called *All Family Classics* (including "Great Expectations," "The Sea Wolf," "Huckleberry Finn" and "David Copperfield"). There will also be 7 episodes of *DuPont Show of the Month*, and a live series on CBS-TV, *The Witness*, to be a fictional account of Congressional hearings, "borrowing openly the techniques of Congressional committees." Said Susskind: "We will place before this committee a variety of witnesses, ranging from gangsters to political figures such as Huey Long and international criminals such as Hitler."

The producer's plans also encompass 6 specials, including a salute to Eleanor Roosevelt on her 76th birthday; another show dealing with child welfare, and a 90-min production about Eugene O'Neill. This last will carry excerpts from "A Touch of the Poet," "Moon for the Misbegotten" and "Long Day's Journey into Night."

Also on the agenda are 3 to 6 Elaine May & Mike Nichols specials. *Open End*, the syndicated series, has been renewed for 39 more segments, and Susskind will also produce 6 in the NTA *Play of the Week* series.

To avoid idleness, Susskind has also signed to write a book on TV for Little, Brown & Co. His tentative title, he says, tongue in cheek, is "Happy Shows for Happy People with Happy Problems."

Susskind, no friend of film TV, emphasizes that all his shows will be live from N.Y.

Short radio newscasts, with 5- & 10-min. programs replacing 15-min. headline reviews in popularity, are preferred by most news directors at more than 300 stations polled by NAB. In a follow-up report on NAB's survey of radio news policies (Vol. 16:23 p16), research mgr. Richard M. Allerton said the study showed the trend is away from a once-popular newscast format in which highlights were first summarized and then detailed. Many news directors now handle each item separately, believing that headlines on radio are superfluous, Allerton said. Also noted in the survey were marked increases (since a similar NAB poll in 1953) in sponsors of network-produced radio news shows. The increases ranged from 170% at small stations to 425% at big ones.

NBC's showcase for specials this fall will be the 10-11 p.m. Tue. slot, currently filled by *M Squad* (10-10:30 p.m.) repeats on the network and 30-min. syndication shows locally. Programming will be a potpourri of shows (5 *Dow Hour of Great Mysteries*, 3 specials for *Equitable Life*, a Jerry Lewis special, etc.). Other NBC specials will be scheduled on Fri. night for AT&T, plus a few political & entertainment specials on a pre-emption basis. Plans for specials this season at NBC have been trimmed about 40% from the level last season (Vol. 16:27 p11).

ABC-TV has signed 23 writers for documentary dramas based on Sir Winston Churchill's memoirs. The series will debut Nov. 27. Robert Lewis Shayon, TV-radio critic for *The Saturday Review*, will write the first 7 scripts. Also on the "staff" are Quentin Reynolds, William L. Shirer and Sir Arthur Bryant. British writers signed include Peter Fleming, T.E.B. Clarke and Constantine Fitzgibbon.

Two ex-"warmup men" on Jan Murray's *Treasure Hunt* program were arrested in N.Y. last week on charges of splitting winnings with friends they placed on the show. They are associate producer Bernard P. Martin & Artie Roberts. DA Frank S. Hogan said that a 3rd man named in a criminal information was out of town, would be arrested when found. NBC immediately issued a statement pointing out that it was through the initiative of the network and cooperation of Murray that the men were brought to the DA's attention in Nov. 1959, that they had been dismissed last year and that NBC Pres. Robert E. Kintner had testified before Congress last year that the network had discovered evidence of hanky-panky on the show. More arrests may be due soon, as a grand jury probe begins in N.Y., to determine whether criminal charges should be pursued against witnesses who may have testified falsely in Hogan's running probe of TV quiz shows which began last fall. What Hogan described as "a great many" of the 100 witnesses questioned during his office's investigation "are believed to have testified falsely" before a previous jury panel.

Programming questionnaire submitted by WHIO-TV Dayton to 1,500 viewers to ascertain their TV tastes drew a 33% return, established these facts: Detective-adventure programming is the popular favorite; only 54% prefer network specials to regular shows; 51% have no interest in more programming on world problems; 58% do not want prime-time regulars pre-empted for public-interest shows; only 12½% of respondents mentioned crime, violence or the preponderance of Westerns on TV; less than 3% of respondents mentioned the need for more cultural or educational programs. Reports WHIO-TV: "There was little evidence of widespread condemnation of TV programming as a whole—less than 1% were drastically critical. The majority of our viewers look upon TV primarily as a medium of entertainment & relaxation."

"Omnibus" will be back on NBC-TV next fall, with Alastair Cooke as host. At least seven 60-min. programs are planned by Robert Saudek Associates. Aluminium Ltd., which co-sponsored *Omnibus* for 5 years and dropped the series in May 1959, will again sponsor. Negotiations for a Sun.-afternoon time period "are in the final stage."

WSJS-TV Winston-Salem has issued a comprehensive, illustrated *In the Public Interest* brochure which notes, among others, these 1959 community services: 2,796 public-service announcements, 153 five-min. interviews, 188 hours of public-service films, 80 remote on-the-scene telecasts by mobile unit, heavy ETV programming. WSJS broadcast 3,768 service announcements during the year.

World Artists Concert Hall, a series of 13 thirty-min. concerts featuring Pablo Casals, Jascha Heifetz, Jan Peerce etc., was recently purchased by Westinghouse Bcstg. Co. for summer runs on the station group's 5 TV outlets. The package, purchased from Irving Lesser at Major TV Production Inc., includes 3 former NBC-TV programs.

Jackie Gleason will star in 2 CBS-TV specials next season—a 90-min. comedy-drama & a 60-min. variety show. The comedy is "The Million Dollar Incident," adapted by A. J. Russell, Sydney Zelinka and Walter Stone, from an original story by Gleason.

Although AFL-CIO-sponsored newscasts by Edward P. Morgan over ABC Radio have been renewed for one year, John W. Vandercook's labor-sponsored ABC broadcasts have been canceled because of his illness, AFL-CIO secy-treas. William F. Schnitzler announced.

Advertising

TV vs. Print: New circulation figures for TV and newspapers were available in separate reports for admen last week. Generally speaking, the figures showed that both print media and TV were still growing, but TV was growing faster.

TV: During the past 5 years, according to a special bulletin from the NBC research dept., TV has continued to make strides. The number of TV homes has increased 24% (by 8,800,000) while total homes have increased only 6%. People also spend more time watching TV than they do working in a normal week; the average viewing home watches TV a total of 45 hours weekly, as against the usual 40-hour work week. During the evening, the average TV home watches TV an average of 24 hours & 44 minutes weekly; this is 1 hour & 27 minutes more than the amount 5 years ago. On a Sun.-Sat., full-week basis, TV reaches 43,211,000 U.S. homes (95.6% of all U.S. TV-equipped households).

Newspapers: During the 6-month period ended March 31, U.S. & Canadian daily newspaper circulation rose to 63,534,551, reported the Audit Bureau of Circulation. This, stated ABC, represented an increase of 1.6% (1,063,304 copies) from the comparable 1959 period. Sunday newspaper circulation during the measured period also hit a new high of 50,427,164 for average issues, also a rise of 1.6% over the previous year. Canadian gains, incidentally, were higher than those of the U.S.

Top 100 U.S. advertisers spent 50.6% of the 1959 ad expenditures for gross time and print space (\$1,681,533,569) for network & national spot TV, reported TvB last week. The big TV figure—\$850,361,281—represented more money for TV than all other measured media combined. Last year's total investment of the group increased 11.4% from 1958, and of this increase 60.3% came from TV. There was also, TvB noted, a relationship between TV spending and corporate sales income. The average sales of the 42 "heavy" advertisers in TV (those which considered TV their basic medium) were about \$2.1 billion. The average of the 52 others (who didn't consider TV a basic medium) was a little more than \$1 billion. Sales last year of the "heavy" advertisers were up 11%; sales of the others were up 9%, said TvB.

Million-dollar spot campaign will be built around GE's new "Magoo" series of 1-min., 20-sec. & 8 sec. ID animated film commercials produced by UPA Pictures (Vol. 16:26 p6). Using about 100 spot announcement slots in each of 125 major TV markets this fall, the campaign is termed by GE as "light sell" ("not hard sell or soft sell"). "We found, very definitely, last spring that humor sells, and hence we are repeating the formula," stated GE mktg. mgr. Robert V. Corning. Although spot TV is the media keystone of the campaign, print ads and a 12-min. "Magoo" motion picture for use at GE dealer meetings will be part of the program.

Ad People: Stuart E. Hample and W. S. (Si) Mowat elected BBDO vps . . . Cecil K. (Mike) Carmichael appointed Benton & Bowles vp . . . Anthony C. DePiero appointed media vp, Geyer, Morey, Madden & Ballard . . . Larry Stoddart named TV group head, Ford Motor Co. account at Kenyon & Eckhardt . . . Edward J. Going named Sullivan, Stauffer, Colwell & Bayles vp.

Film & Tape

Film's Not-So-Merry-Go-Round: In an industry noted for personnel insecurity, TV-film set something of a record this season for executive turnover. At least 3 studio production heads and almost 20 producers left their jobs. The mass exodus was caused by policy differences, studio dissatisfaction with product quality, and—in a few instances—clashes with temperamental stars.

Probably the most sweeping changes occurred at 20th-Fox Television, which a year ago appeared to have a most promising future. There, production chief Martin Manulis resigned to go into feature film production. His 2 executive producers, Herbert Bayard Swope Jr. (*5 Fingers*) and Dominick Dunne (*Adventures in Paradise*) are also gone.

At MGM-TV, production chief Richard Maibaum (a WGA member) resigned, because he refused to hire "scab" writers during the strike. At Paramount Television, production chief Robert Cinader resigned over what he described as policy differences. And Betty Hutton set a record for producer turnover by going through 4 on her series before settling on a fifth. (Her series has since been cancelled.)

Other producer departures included Sam Rolfe and Ben Brady from *Have Gun—Will Travel*; Harry Tugend from *GE Theater*; Alvin Cooperman from *The DuPont Show With June Allyson*. Also: Hal Hudson, *Dick Powell's Zane Grey Theater*; Allen Rivkin, *The Troubleshooters*; Quinn Martin, *The Untouchables*; Herb Meadow, *The Man From Blackhawk*; Stanley Rubin, *Hotel de Paree*; Herbert Hirschmann, *Perry Mason*; Mort Briskin, *Grand Jury*. Mort Abrahams left NTA, where he'd been dir. of creative programming, and production vp Frank Cleaver is leaving Cal. National.

There being less live TV, there was less turnover in that area, the most notable case being the resignation of NBC-TV coast program vp Alan Livingston—now an NBC consultant. He was replaced by Felix Jackson.

Exit Jan. Changes? Mid-season program changes are virtually a thing of the past, according to Oscar Katz, CBS-TV program vp. Pointing out there were relatively few January changes last season, Katz told us "most shows today have alternate advertisers, each sponsor paying for 13 of the 26 shows. This takes a series through the end of March, and you usually don't start a new series in March."

In Hollywood working on CBS program plans for the 1961-62 season, Katz said pilots for next year will be produced in Dec. and Jan., "maybe earlier." They will all be completed by March 1, he said, because the network doesn't like to have pilots straggling in at end of selling season.

He declined to go into specifics on CBS program plans for next year, but stressed "we're not going down any single route—we plan a great variety of product." He explained CBS is starting early on plans for next year because "the selling season gets earlier and earlier, and there is a disadvantage in doing all this on a last-minute basis."

Katz, CBS-TV Pres. James T. Aubrey and other network executives were in Hollywood in continual meetings on next year's programs and fall season preparations.

Heritage Productions has sold 30-min. *Campy's Corner*, taped series featuring ex-Dodger Roy Campanella, to Pitluk Advertising, San Antonio, Tex., for 47 markets in Tex. & N.M.

NEW YORK ROUNDUP

Anti-trust complaint against Columbia Pictures, brought by the govt. in N.Y. District Court, was dismissed June 30 by Judge William Herlands. The court held that Columbia's 1958 acquisition of 647 pre-1948 feature films from Universal Pictures "did not constitute price fixing, nor did it tend to lessen competition in the field." Judge Herlands gave Columbia the right to distribute the Universal feature freely and ruled that "feature films are not a separate line of commerce and there is nothing unique about them as TV programming."

Silent movies ride again on ABC-TV this summer. As warm-weather replacement for Dutch Masters-sponsored *Take a Good Look* (Thu., 10:30-11 p.m.), ABC has scheduled *Silents Please*, a package produced by Sterling TV Films. Each episode will provide a condensed version of a silent film classic with such yesteryear names as Rudolph Valentino, the Gish Sisters, Lon Chaney, Clara Bow, Gloria Swanson, Buster Keaton and the Keystone Cops. Sterling acquired the rights to a considerable amount of silent footage, including early D. W. Griffith features, last year.

Independent TV Corp. has taken over distribution of *Best of the Post* for syndication sales. The 26 anthology episodes dramatizing outstanding *SatEvePost* stories by such authors as Stephen Vincent Benet and Conrad Richter, will feature June Lockhart, Everett Sloane and Jerome Cowan among others in leading roles.

Producer Steve Carlin plans to syndicate WABC-TV's *The Schaefer Circle* "in the near future." The 30-min. tape variety-musical will debut on WABC-TV Aug. 13. Singer Lonnie Sattin will star. Richard Hayman & his orchestra will be featured regularly.

WNEW-TV-produced "Remember Us," 60-min. documentary about Nazi concentration camps, will be televised on the station twice this month, and once on WTTG Washington, D.C. The documentary "is comprised of illustrative material recommended for adults only." Plans to syndicate the program, of which Quentin Reynolds is narrator, are in the working stages.

Danny Kaye will make his TV entertainment debut on CBS-TV Oct. 30, pre-empting Ed Sullivan. It will be the first of 3 Kaye specials, to be produced in as many years, under General Motors sponsorship. Kaye's previous TV appearance was a UNICEF documentary.

Official Films has acquired for syndication 2 public-affairs packages, *American Forum of the Air* and *Youth Wants to Know*. Both are Ted Granik productions taped by Westinghouse Bestg. Co. OF will handle syndication outside WBC markets.

People: Eugene V. Klein was elected National Theatres & TV vice chmn. . . . Sherlee Barish has been named Official Films vp . . . Wardell Gaynor, Robert Lawrence cameraman, has been elected Screen Cartoonists Guild pres. . . . Lloyd Krause has been named United Artists Associated Eastern div. sales mgr. . . . Selmer Chalif appointed Screen Gems assistant vp for West Coast activities . . . Bryon Paul named dir. and Ted Berkman writer for *See America with Ed Sullivan* series on CBS-TV fall 1961 . . . Henry S. White was named Screen Gems national sales mgr. . . . Edward J. Broman elected Ziv-UA Chicago office vp.

HOLLYWOOD ROUNDUP

Bill Bendix's Bonanza: Some Hollywood actors contend the value of telefilm residuals is highly overrated, that they don't really mean much in a market saturated with TV films. That's often true, but not in the case of William Bendix, who starred for 5½ years in *The Life of Riley*.

Bendix originally owned 25% of the net of the 217 films made before the series ended its first-run production 2 years ago. He then persuaded distributor CNP to change his deal so that he owns 10% of the gross.

To date CNP has grossed approximately \$3.5 million from *Riley*, earning Bendix about \$350,000. Bendix estimated to us the series may gross as much as \$5 million, which would mean a handsome \$500,000 residual bundle for the actor.

Bendix points out, however, that *Riley* has several factors in its favor. "Ours was a property the public had known for 13 years; we were in radio for 7 years before converting to TV. I did my first *Riley* radio show in 1943. As a result, *Riley* is a kind of tradition by now. It was a very popular series. Nobody liked it but the people," he remarked, in a swipe at the critics.

Screen Gems begins production Aug. 1 on *Dan Raven*, starring Skip Homeier. William Sackheim is exec. producer. . . . Production begins at Revue Studios this week on *Checkmate* and *The Tall Man*, and there will also be a resumption of production on *Johnny Midnight*, *Wagon Train* and *GE Theater* . . . Four Star TV begins production this week on its 60-min. series, *Stagecoach West*.

Warner Bros. has given producer Howie Horwitz of *77 Sunset Strip* a new 7-year contract, with a raise, to replace his old pact which had 5 years to run. Seven films for next season have been produced, and the series will have a one-month production hiatus in mid-July.

Producer Frank Cleaver and his Vortex Productions partner, director John Florea, have gone to Tokyo on an inspection trip to see facilities for production of a 60-min. pilot, *M. R.*, and 2 half-hour pilots they plan to film in Japan beginning Aug. 15. The 60-min. pilot is about a troubleshooter for American travelers abroad; one of the other series, *Christopher Blake*, is a melodrama; the other, untitled, is a comedy involving a news correspondent.

Screen Gems resumes production on *Manhunt*, starring Victor Jory and Pat McVey, July 18, with Jerry Briskin as producer. SG's *Route 66*, starring Martin Milner and George Maharis, also goes into production July 18.

Four Star Television has resumed production on *Wanted—Dead or Alive*, starring Steve McQueen; *The Rifleman*, starring Chuck Connors, and *The Law and Mr. Jones*, starring James Whitmore . . . Frazen Productions has acquired TV rights to a onetime radio serial, *Don't You Believe It* . . . Production on *Dennis the Menace* resumes July 26 at Screen Gems.

People: Harris Clayton, ex-Rosenberg-Coryell agency, named asst. to MGM-TV business affairs dir. Leon Mirell . . . Art Wallace named associate producer and story editor on *Hong Kong*, 20th-Fox TV series . . . Lawrence G. Clement, ex-NBC, has joined entertainment div. of California Bank in its Beverly Hills office.

Television Digest

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Educational Television

New ETV Research Grants: Federal grants totaling about \$600,000 have been awarded by the U.S. Office of Education for 13 more educational TV research projects by colleges, universities and public school systems under Title VII of the National Defense Education Act.

Biggest ETV awards went to Pa. State U., which will spend \$159,000 in a 2-year study of closed-circuit college-course programming under Dr. C. R. Carpenter, and to the U. of Ill., which will undertake 3-year \$140,716 research in teacher training under Dr. Robert W. James & Dr. Charles J. McIntyre.

Other new ETV grants (among 32 totaling about \$1 million for experimentation in teaching-aid uses of radio, movies and recordings as well as TV) included these:

Pacific Union College, Angwin, Cal., "short-term effects of some TV programs," \$2,291 for 10 months.

American U., Washington, teacher-student TV communication, \$9,237 for 10 months.

U. of Hawaii, ETV uses in speech improvement in elementary schools, \$21,600 for 2 years.

U. of Ill., tests of effectiveness of visual production techniques, \$10,753 for one year.

Portland, Me. school system, ETV's effectiveness in elementary grades, \$2,875 for one year.

Boston U., follow-up study of effects of televised elementary science instruction, \$17,578 for 14 months; concept development in elementary science teaching by TV, \$80,787 for 17 months.

Okla. State Board of Education, ETV's uses in combination with correspondence courses & visits by student teachers, \$13,528 for one year.

U. of Pa., study of audiences for open-circuit college-credit courses, \$85,000 for 2 years.

U. of Utah, functions of uhf in distribution of visual teaching aids, \$49,956 for 30 months.

George Peabody College for Teachers, Nashville, development of scales to measure attitudes toward new educational media, \$4,934 for one year.

KBTW (Ch. 9) Denver has donated more than \$30,000 worth of TV equipment to the U. of Colo. for its planned ETV station.

Foreign

BBC Extends Service: Britain's BBC has obtained government approval to proceed with phase 2 of its service-extension program and will add 10 TV & 11 FM satellite stations to the network by March, 1964. The new stations will bring TV to more than 100,000 new viewers and improve reception for an additional 400,000. The extended radio service will introduce FM to 350,000 listeners.

Phase 1 of the program (Vol. 15:29 p13) already is under way and will add 14 TV & 10 FM stations by early 1962. This expansion will extend TV coverage to 200,000, improve it for nearly a million others, and bring FM to more than 640,000 listeners.

BBC now has 23 TV stations in operation, serving 98.8% of the population. The network is also operating 20 FM stations, covering 97.3% of the nation. Some of the new stations, BBC reports, will serve only the towns in which they will be located; others will have a wider range. "Many will combine to expand TV reception in the Highlands and the Isles of Scotland to scattered communities in the area," BBC said.

Under phase-2 scheduling, TV-only satellites are planned for Caernarvon, Hastings, Scarborough and Swindon; TV-FM satellites for Forfar, Grantown-on-Spey, Lewis, Pitlochry/Aberfeldy, Shetland, and Skye; FM-only satellites for East Lincolnshire, South-West Scotland, Enniskillen, Pembroke/Milford Haven, and Sheffield. All but the first 2 FM-only sites are slated to get TV satellites under phase 1.

Personals: Theodore G. (Ted) Bergmann, former managing dir. of the old Du Mont TV Network and now pres. of Parkson Advertising Agency, July 18 becomes Revlon ad vp, replacing Evan William Mandel, who will devote full time to his duties as asst. to the pres.

Hollis M. Seavey, former MBS Washington newsman, Clear Channel Bestg. Service dir., owner-operator of radio WCUM Cumberland, Md., and Regional Bcstrs. Assn. dir., joins NAB's govt. affairs staff . . . Frank Merklein, ex-NBC, named TvB member sales presentations dir. . . . Martin Codel returned to his Washington office last week after spending 4 months in Africa and the Middle East surveying TV-radio trade potentials as consultant to RCA; he and Mrs. Codel visited 25 cities in 22 countries . . . Eugene N. Aleinikoff, ex-CBS-TV, appointed National Educational TV & Radio Center legal & business affairs dir.

Norman Berger appointed program dir., WKBN-TV & WKBN Youngstown, Ohio, succeeding Paul Turner, named asst. TV program dir., KPIX San Francisco . . . J. D. Bond, FCC hearing examiner, joins Atomic Energy Commission in similar capacity . . . Vance L. Eckersley has resigned as vp-gen. mgr., WDAU-TV Scranton, Pa.

Meetings next week: Idaho Bcstrs. Assn. convention (July 19-20), Sandpoint, Idaho • American Federation of TV & Radio Artists annual convention (20-24), Shoreham Hotel, Washington, D.C.

Obituary

Donald Blount Gatling, 60, chief of FTC's radio & periodical advertising div. when he retired from govt. service in 1951, died July 2 at his Takoma Park, Md. home. Surviving are his widow, a son, 2 brothers, 3 sisters.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

FM STEREO DELAYED AS TESTS START: There will be another delay of 90 days in the establishment of standards for stereo FM radio. The FCC still hopes it can give manufacturers & broadcasters final specifications by year's end—but this is far from a sure bet. Further delays of up to a year are conceivable—so there's no assurance that the potentially rich stereo FM receiver market will be in business in 1961.

As the biggest TV-stereo-radio trade show gets under way this Mon. (11)—the Music Merchants' Trade Show at Chicago's Palmer House—the EIA's National Stereophonic Radio Committee starts final phase of its selection of ideal FM radio broadcasting standards in a series of midnight-to-noon field tests. NSRC's findings are advisory, but FCC is expected to ratify them.

The 90-day extension of time to file its findings with FCC was requested by NSRC, which says its field tests can't meet FCC's July 29 deadline. Commission is expected to approve extension to Oct. 29.

Field tests of the 6 proposed FM stereo systems will use facilities of KDKA-FM Pittsburgh and will continue until mid-August. The systems, as previously defined by FCC in its rule-making (Vol. 16:19 p6), are EMI (British Percival system), Crosby Teletronics, GE, Zenith, Multiplex Development Corp. (William Halstead) and Calbest Electronics.

Manufacturers have provided transmitting & receiving gear and all equipment has been checked out by NSRC's field test panel under NAB engineering dir. A. Prose Walker. Tests of stereo & monophonic reception will be made at the transmitter and at 3 locations: Uniontown, Pa. (where signal strength should be about 1,000 microvolts per meter), at transmitter site of AM station WMMN, Fairmont, W. Va. (300 uv/m), and at Fairmont State College (50 uv/m). Measurements & data will then be analyzed and reported to FCC.

If choice of system isn't difficult one, Commission is expected to issue final order before year's end, giving manufacturers green light to start making & marketing FM stereo radios and stereo converters. If whole issue is thrown into hearing, however, proceedings could drag on & on. FCC really wants to expedite FM stereo and can be expected to bend over backwards to get speed.

Although proposed systems have basic differences, most set makers are standing on sidelines merely hoping for quick decision which could open big new radio market and hypo stereo phono sales. For FM broadcasters, choice of system is very important—for some systems will permit use of additional money-making subcarrier (for storecasting, functional music, etc.) and some preclude it.

All the U.S.-invented systems are based on multiplex subcarrier principle. One unique system—proposed by EMI of Britain—stands out as most controversial, and gets its first thorough engineering test in the U.S. with the current field tests. Engineers say that on paper it's a dream system—measurements show it best in signal-to-noise and in freedom from distortion. In addition, networking of EMI stereo would require only a single telephone line, whereas the others need 2. Subjectively, however, there's great difference of opinion as to whether it can provide "true & acceptable" stereo. Field test tapes will provide answer.

Possibility of AM stereo radio standards will be considered by FCC after it returns from its August vacation. It may ask initial comments before FM proceedings are concluded, although some expect it to give FM good head-start by waiting until FM system is established before looking into AM stereo service.

Details on the FM stereo tests being conducted by top industry engineers in NSRC are on p. 17.

TV-RADIO PRODUCTION: EIA statistics for week ended July 1 (26th week of 1960):

	June 24-July 1	Preceding wk.	1959 week	'60 cumulative	'59 cumulative
TV	106,310	123,707	98,426	2,967,529	2,788,945
Total radio	285,651	347,687	258,234	8,522,815	7,110,758
auto radio	98,471	131,752	108,459	3,322,863	2,900,621

TV-RADIO OUTPUT & SALES: TV retail sales took an unusual downturn from April to May this year, newly-released EIA figures indicate. The dip was only 17,000 sets; nevertheless, this was only the 2nd year since 1954 that May sales were lower than those in April (the other year was recession-ridden 1958).

April traditionally is the year's poorest TV retail sales month; May is the 2nd worst. The drop from April to May this year may or may not indicate that TV is feeling the general slump observed in appliances. The decline still wasn't alarming—April 1960 sales beat April 1959 by nearly 55,000, and sales for the first 5 months of the year were still near the 6.5-million-a-year level.

Cumulative 5-month radio retail sales were exactly at the 10-million-a-year mark (on a seasonally adjusted basis). TV & radio production continued their increase. Here are the EIA's official 5-month figures with 1959 comparisons:

TELEVISION

Month	Total Production		Uhf Production		Retail Sales	
	1960	1959	1960	1959	1960	1959
January	526,494	437,026	50,119	35,841	590,867	501,704
February	503,453	459,492	43,537	34,678	507,673	448,173
March	549,500	494,032	45,411	32,112	501,829	425,751
April	422,551	389,251	39,240	20,501	351,214	263,998
May	442,176	431,911	32,295	28,247	334,283	279,536
TOTAL ..	2,444,174	2,211,712	210,602	151,379	2,285,866	1,919,162

RADIO

Month	Total Production		Auto Radio Production		Retail Sales (excl. auto)	
	1960	1959	1960	1959	1960	1959
January	1,355,788	1,124,737	632,461	420,052	803,388	700,490
February	1,442,368	1,125,385	596,872	432,551	611,479	474,888
March	1,667,550	1,347,554	633,761	511,219	664,441	515,563
April	1,230,323	1,040,183	399,963	422,346	547,839	388,863
May	1,277,040	1,039,562	463,165	476,222	548,322	400,882
TOTAL ..	6,973,069	5,677,421	2,726,222	2,262,390	3,175,469	2,480,686

FM radio production (1959 figures in parentheses): Jan. 33,816 (30,235), Feb. 50,963 (29,145), March 83,127 (32,994), April 61,953 (31,425), May 65,438 (48,841). Five-month total: 295,297 (172,640).

* * *

Factory sales of picture tubes & receiving tubes declined from April to May, EIA figures showed, but 5-month picture-tube sales were ahead of 1959, while receiving tube totals were lower.

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January	795,250	\$15,831,430	31,367,000	\$26,872,000
February	741,233	14,495,480	32,734,000	27,881,000
March	794,375	15,654,281	36,382,000	31,751,000
April	707,252	13,782,769	29,737,000	25,759,000
May	659,859	13,329,826	30,354,000	25,580,000
Jan.-May 1960	3,697,969	73,093,786	160,574,000	137,843,000
Jan.-May 1959	3,603,969	69,119,667	164,558,000	142,675,000

Foreign competition with U.S. industry, including electronics manufacturers, would be studied by a special Senate Committee on Trade Adjustment Problems under a resolution (S. Res. 350) drafted by Sen. Hartke (D-Ind.). It calls on the Committee to conduct hearings, report by June 30, 1961 on import impacts—particularly their effect on U.S. employment. A survey of foreign trade policies by a Presidential commission had been proposed earlier by Senate Minority Leader Dirksen (R-Ill.) in a similar resolution (Vol. 16:25 p18). Meanwhile, protests by EIA & Clevite against proposed reductions in tariffs on germanium diodes were inserted in the *Congressional Record* by Rep. Lane (D-Mass.). The U.S. Tariff Commission has announced that cuts—or elimination of the tariff—will be considered at the 1961 conference on the General Agreement on Trade & Tariff (GATT).

Newest do-it-yourself TV repair book: Profusely illustrated *Professional TV Repair Secrets* by Art Margolis (Arco Publishing Co., 141 pp. \$2.50), published July 11.

Trade Personals: W. Walter (Wally) Watts, RCA group exec. vp, takes over consumer products responsibilities of exec. vp P. J. Casella who is slated for re-assignment in RCA international activities. Watts has been chief officer of RCA international, tube, semiconductor divs., may retain some of these posts. However, it's anticipated that group exec. vp Charles M. Odorizzi will shortly add responsibility for the international div. to his other duties. A brigadier general in the Army Reserve, Watts is on a July 10-23 assignment at Fort McNair in Washington, D.C. . . . W. Rogers Herod retires as a GE vp & pres. of International GE; James H. Goss, GE International group vp & group exec. temporarily assumes Herod's duties . . . John M. Mihalic, Avco vp & pres. of its Nashville div. (aircraft assemblies, radar), also named pres. of Crosley div., succeeding the late F. C. Reith, deceased (see obituary). An 18-year veteran of Avco, Mihalic was once vp & mfg. dir. of the former Crosley & Bendix home appliances div.

George A. Schupp, ex-GE, named consumer products engineering dir., Magnavox . . . David Kutner has resigned as Motorola mgr. of distribution and Motorola Sales Inc. vp; Phil Reichman, formerly asst. to Kutner, named admin. asst. to consumer products mktg. vp S. R. (Ted) Herkes . . . W. G. Paradis named mfg. vp, Webcor; Robert G. Moffat named electronics div. vp . . . Philip J. Wood, ex-Zenith Sales Corp. mktg. mgr., appointed to new post of Ampex Audio equipment div. mgr. . . . Donald G. Clarke promoted from sales vp to pres., BSR (USA) Ltd. (record changers); Bernard B. Masket named vp & controller.



RCA color-TV gains: RCA distributors tallied a 300% increase in dealer orders of color-TV sets during their June 6-17 introduction meetings, compared with the order volume of the year-ago dealer meetings, reports RCA Sales Corp. Jres. Jack S. Beldon. During June, he said, there were dramatic distributor-to-dealer sales gains in 3 markets which colorcast major league baseball: Cincinnati, up 1,072%; Boston, 528%; Chicago, 493%. There were equally impressive gains in 2 cities which don't: Los Angeles, 1,000%; N.Y., 400%.

Olympic Radio & TV Sales Corp. has been formed as a subsidiary of the Olympic Radio & TV div., Siegler Corp., to handle merchandising, sales administration, advertising, customer relations & service of Olympic consumer products. Olympic Pres. Morris Sobin will serve as chairman of the sales subsidiary, while Olympic vp Morton M. Schwartz will be president.

Reflection-free viewing screens, using Corning's treated glass, have been added to 5 high-end 23-in. bonded-tube models by Sylvania. At no price increase, the treated-glass tubes will be used in 3 Heywood-Wakefield consoles and 2 top-of-the-line lowboy consoles introduced last month.

Obituary

Francis C. Reith, 45, Avco vp & pres. of the Crosley div., was found dead of a revolver wound in bed at his home in Hyde Park, Ohio. Police said the death apparently was suicide. An executive of the Ford Motor Co. for 11 years, he joined Crosley in 1957 when the division was in financial trouble after liquidating its consumer products business the preceding year.

John J. McIntyre, 81, a founder of Clevite Corp., died in Cleveland July 3 after a brief illness. He was Clevite chmn. until 1952, continuing as a director until 1957.

SWEET MUSIC SHOW: There'll be few blue notes at the Music Show this week—at least not for sponsor National Assn. of Music Merchants. The 5-day trade show at Chicago's Palmer House July 10-14 has 260 exhibitors, mostly from the consumer electronics industry, as opposed to 239 last year when the show was held in N.Y. Attendance of 12,000 is expected.

Biggest increase in exhibitors is in the TV field—now that the TV industry has virtually decided to make the Music show its own No. 1 product exhibition (Vol. 16:25 p15). There are 15 TV manufacturers represented this year, up from 6 last year. We know of 2 other TV set makers who were "frozen out" of the show because they applied for their space too late. Some 56 hi-fi manufacturers and 49 radio makers will also be showing their wares at the event, in addition to the electric organ, recorder & accessory manufacturers who are coming to the Music Show in increasing numbers this year.

As prelude to the opening of the Music Show, these announcements were made last week:

(1) Granco Products, big maker of FM sets, announced that it will show its FM auto radio converter (at \$49.95) at the Music Show. The small unit attaches to the bottom of the dashboard and plays through the car's AM radio. Although there are several foreign & domestic FM auto radio tuners on the market, this one is the first which has been announced for large-volume production. Motorola, which is making a complete auto FM radio at \$125, reports sales "far beyond expectations."

(2) RCA Victor joined the majority of the pre-recorded tape manufacturers in releasing 4-track 7½-ips open-reel stereo tapes, putting out 17 titles last week, with monthly releases of 12 titles to follow. RCA had held out against the 4-track open-reel approach—adopted as a sort of unofficial "standard" by the recorded tape industry—preferring to concentrate on its cartridge tape approach. Tape & recorder makers exhibiting at the show are likely to make news this week as the cartridge-vs.-open reel battle explodes again.

(3) Trend to "packaged-component" hi fi, pioneered by Pilot, Stromberg-Carlson, Fisher and other component houses, is due to pick up more adherents this year. Bell Sound div. of Thompson Ramo Wooldridge, for one, will announce a complete line of "custom-integrated component consoles."

(4) Radio importers will make their most intensive splash to date, as the field becomes more & more competitive. An institutional trade ad by Toshiba sales representative Transistor World, for example, announced last week its new "trade show policy:" It asked dealers to visit its display "with the understanding [that] no orders will be solicited or accepted during the show."

Prototype quantities of tunnel diodes are now being offered by Westinghouse at \$4-\$5.50 each in quantities of 24 or less, \$3.20-\$4 each in larger quantities.

Factbook No. 31 Closes August 1 for Plates

The 1960 Fall-Winter edition of TELEVISION FACTBOOK (No. 31) is now being prepared for September release by the editors of TELEVISION DIGEST. To reserve your advertising space for this new upcoming edition we suggest you get in touch with our Business Department today. Advertising reservation deadline is July 15.

Plant Vacation Shutdowns: Traditional in the industry to fulfill union contracts and to give manufacturers the opportunity to check inventories, most electronics plants again are shutting down for 2 weeks this summer. From EIA and other sources, here are the shutdown schedules:

Set manufacturers: Admiral, July 1-17; Arvin, July 4-17; Bogen-Presto, July 4-17; CBS Electronics, July 4-17; Harmon-Kardon, July 4-17; Hoffman consumer products div., July 4-17; Magnavox, July 18-31; Motorola, July 4-17; Olympic, July 1-17; Packard Bell, July 4-17; Philco, July 18-31; Pilot, July 4-17; RCA, July 1-17; Stromberg-Carlson, July 4-17; Sylvania, July 18-31; Trav-Ler, July 4-17; Warwick, July 1-17; Zenith, July 1-17; GE, TV Aug. 1-14, radio-hi-fi-phono Aug. 1-21.

Tubes & semiconductors: Clevite Transistor, July 4-17; Electronic Tube Corp., July 4-24; General Transistor, July 4-17; Machlett, Aug. 1-14; National Semiconductor Corp., July 18-31; Pacific Semiconductors, July 18-31; Philco, July 18-31; RCA, July 15-31 (Marion & Indianapolis, July 1-17); Sylvania (except picture tubes), July 18-31; Thomas Electronics, July 4-17; Tung-Sol, July 1-19; Varian, Aug. 1-14; Zenith, July 1-14. Not shutting down: Fairchild Semiconductor, Industro Transistor, Standard TV Tube Corp.

Components & others: Adler Electronics, July 25-Aug. 7; Aerovox, July 4-17; Amphenol-Borg (cable & wire div.), July 4-17; Blonder-Tongue, July 4-17; Clarostat, July 4-17; Du Mont Labs, July 18-31; Foto-Video, July 25-Aug. 7; General Industries, July 4-10; Mallory, July 18-31; Merit Coil, July 4-17; Muter, June 27-July 10; Oak Mfg., Crystal Lake plant July 4-17, Elkhorn plant Aug. 1-14 (Clybourn plant not closing); Ohmite, July 4-17; Orr Industries, July 4-10; Quam-Nichols, July 4-18; Radio Condenser, July 4-17; United Transformer, July 25-Aug. 7. Not closing: International Resistance, Lenz Electric, Skiatron Electronics & TV, Speer Carbon resistor div., Sprague Electric.

Labor Roundup: Five RCA plants in N.J. & Pa. were still strike-hobbled at week's end by the July 5 walkout of some 2,500 engineers and the refusal by an undetermined number of non-strikers to cross picket lines (Vol. 16:27 p16). RCA & the Assn. of Professional Engineering Personnel held week-long sessions with the Federal Mediation & Conciliation Service in a fruitless effort to resolve their deadlock over salary increases, layoff procedures, individual merit-review plan, other issues.

GE, which often sets the labor pattern for Westinghouse and other electrical-electronic companies, has notified its 110,000 unionized employees not to expect any "pot of gold" in renegotiation of contracts which expire Oct. 1. GE said it will make an offer that will give the workers "no valid reason from their standpoint" to strike. The company estimated that demands already presented by the IUE could cost an "astronomical" \$500 million in 2 years if extended to all unionized personnel. Responding to the proposals of the largest of its more than 100 unions, GE, in an internal publication, stressed the need to curb inflation and strengthen job opportunities in a "highly competitive" business climate. "Obviously, the very existence of thousands of GE jobs would be threatened or lost if we took on [these] staggering cost burdens," the company said. Contract negotiations are due to begin around Aug. 15.

Two mobile TV-tape-recorder units, with RCA equipment, are being used by the Army Transportation Training Command School at Ft. Eustis, Va., for demonstrations to students on vehicle maintenance.

More about

FM STEREO FIELD TESTS: More than a month of extensive midnight-to-noon field tests of 6 basic FM stereo systems begin this Mon. (July 11) in the hills of western Pa., moving later to mountainous W. Va. (see p. 14).

Manufacturers have provided experimental stereo receivers & station equipment. The NSRC field-test panel has already completed measurements of the characteristics of the equipment. July 11 will be devoted to testing monophonic reception of the stereo receivers—that is, their ability to receive & reproduce a standard, conventional non-stereo FM program.

With testing & measuring equipment set up at the Uniontown Motel, Uniontown, Pa., the panel will begin testing stereo reception of the 6 systems, using special test transmissions from KDKA-FM Pittsburgh, 40 miles away. The schedule for the Uniontown tests: EMI system, July 12-14; Crosby Teletronics, July 15-16; GE, July 17-18; Zenith, July 19-20; Multiplex Development, July 21-22; Calbest, July 23-24.

Then the crew will move to radio WMMN's more distant transmitter site in W.Va. to repeat the tests. A 3rd round will be staged at the more difficult reception area of Fairmont State College. Tests are being conducted from midnight to noon because these are outside of KDKA-FM's regular broadcast hours.

The tests will include measurements at specified frequencies, within the 50-15,000-cycle audio range, of frequency response, channel separation, distortion, signal-to-noise ratio, inter-channel crosstalk. A standard music stereo "test tape" will be played at the station and recorded on tape at each reception point for each system.

Although test results probably won't be filed with FCC until end of October, a description of the tests will be given by panel Chmn. A. Prose Walker at the Western Electronics Show & Convention (WESCON) in Los Angeles Aug. 23-26.

Illegal advertising allowances have been granted to favored retail customers by Emerson appliance distributors Emerson Radio Associates Inc., Newark, and Jefferson-Travis Inc., N. Y., according to an FTC complaint. Charging violations of the Clayton Act's price-discrimination prohibitions, FTC cited Emerson Radio Associates for alleged 1958 advertising allowances ranging from \$19,547 for Davega Stores to \$6,100 for Macy's. Jefferson-Travis was cited in particular for reported deals with Chicago's Polk Bros. FTC said Emerson Radio Associates, a franchised distributor, had appliance sales of more than \$10 million in 1959. Jefferson-Travis, a wholly-owned Emerson Radio & Phonograph Corp. subsidiary with 4 metropolitan-area branches, topped \$13 million in net sales in 1958, according to FTC.

Radio-phono-housewares brokerage firm has been established by Raymond C. Clevens, who resigned July 1 as sales vp of Symphonic Electronic Corp. (Vol. 16:27 p17). Raymond Clevens Associates (47 W. 63 St., N.Y.) plans to fit manufacturers' products to distributors' needs in consumer goods fields by putting together special lines for credit furniture and jewelry stores. It will handle the entire radio output of Daton Industries, Orange, N.J., as well as a special promotionally-priced line of phonos made by Symphonic and an organ line by Roxy Organ Corp., with whose management Clevens is affiliated. The go-between firm will also handle housewares & tape recorders.

Finance

Officers-&Directors stock transactions are reported to SEC for June:

Allied Artists. Albert Zugsmith bought 3,000, held 153,100.
 AB-PT. Edward L. Hyman sold 1,000, held 9,000. James G. Riddell sold 280, held 1,700.
 Ampex. Robert Sackman exercised option to buy 5,250, held 6,660.
 Amphenol-Borg. Byron C. Booth sold 200, held 2,034.
 Arvin Industries. Fred E. Daniel sold 1,000, held 6,280.
 Audio Devices. C. J. LeBel sold 1,000, held 73,414. Joseph K. McCammon sold 1,400, held 13,806. Ralph Peverley bought 100, held 100.
 Belock Instrument. Harry G. Belock sold 500, held 232,946. Stanley R. Grant bought 3,377 and 1,125 more for trust in exercise of rights, held 5,593 personally, 2,250 in trust. Donald C. Walton sold 400, held 19,171 personally, 1,743 for wife.
 Collins Radio. Lester E. Bessemer sold 2,900, held 2,989 personally, 352 in trust. Max W. Burrell sold 3,120, held 3,176. Arthur A. Collins sold 200 as trustee, held 82,423 as trustee, 131,288 personally, 221,864 as trust beneficiary, 55,132 for minor children, Robert T. Cox exercised option to buy 2,000, sold 2,042, held 2,000. H. V. Gaskill exercised option to buy 435, sold 200, held 1,368. Frederick F. Robinson sold 500, held 500. L. M. Schoon sold 260, held 260. Sveinn J. Storm exercised option to buy 100, sold 100, held 1,442. John B. Tuthill exercised option to buy 520, sold 500, held 540.
 Corning Glass. Frederick H. Knight sold 100, held 3,085. Thomas Waaland sold 1,100, held 3,600.
 Daystrom. Lewis E. Minkel sold 500, held none.
 Decca Records. Albert A. Garthwaite sold 300, held 3,700.
 Desilu Productions. W. Argyle Nelson bought 300, held 9,000.
 Electronics Capital. L. J. Rice Jr. bought 1,000, held 3,000.
 Emerson. Benjamin Abrams bought 2,800 and 200 more for trusts, held 281,638 personally, 31,213 in trusts, 65,560 in foundations.
 General Dynamics. Frederic de Hoffmann sold 407, held 2,023.
 Andrew I. McKee sold 7,530, held none. Frank Pace Jr. bought 500, held 30,500. Kenneth Stiles sold 200, held 500. Vernon M. Welsh sold 1,800, held 5,200.
 GE. F. J. Borch sold 2,600, held 10,719. Ralph J. Cordiner sold 2,400, held 12,090. Robert L. Gibson sold 1,200, held 6,319. George F. Metcalf sold 200, held 2,937 personally, 242 in profit sharing plan. Charles K. Rieger sold 1,000, held 4,825. Willard H. Sahloff sold 1,570, held 5,109.
 General Instrument. Henry A. Mulcahy sold 1,700, held 2,828. Fred C. Rummel sold 3,500, held 3,256.
 General Transistor. Norman A. Neumann exercised option to buy 1,500, held 1,500.
 Indiana General. Henry H. Arnhold sold 1,901, held 16,866. Paul R. Doelz sold 1,920 and 680 more from trusts, held 6,923 personally, 6,160 in trusts. Stephen M. Kellen sold 834, held 6,000.
 IBM. John J. Black sold 125, held 263. John G. Phillips sold 100, held 14,994.
 International Resistance. C. D. Vannoy exercised option to buy 400, held 2,020.
 ITT. John T. Jackson exercised option to buy 2,000, held 2,136. C. Douglas Webb sold 800, held 2,799.
 Lear. F. D. Beamer exercised option to buy 300, held 378. Albus Durham exercised option to buy 3,500, held 4,622. Richard M. Mock exercised option to buy 3,500, held 14,810. Glen C. Warman exercised option to buy 300, held 381.
 Litton Industries. Lewis W. Howard sold 600, held 6,300. Carl A. Spatz sold 400, held 5,000.
 Loral Electronics. William Lorenz sold 5,500, held 107,000.
 Magnavox. Richard A. O'Connor sold 200, held 99,931. T. Elwood Reeves exercised option to buy 578, sold 625, held 703.
 MGM. Bennett Cerf bought 300, held 800.
 Microwave Associates. Joseph C. Bothwell Jr. sold 2,000, held 6,020. Vessarios Chigas sold 2,000, held 15,000. Lawrence Gould sold 400, held 860. Julian Z. Millar sold 300, held none. Julian Pathe sold 800, held 2,000. Richard M. Walker sold 2,408, held 37,860.
 Minneapolis Honeywell. James H. Binger bought 400 for trust, held 400 in trust, 9,228 personally. Richard P. Brown sold 400, held 61,527. Finn J. Larsen exercised option to buy 100, held 300. P. B. Wishart exercised option to buy 200, held 6,460.
 Minnesota Mining & Manufacturing. Carl E. Barnes bought & sold 1,500, held 10. Cyril P. Pesek sold 1,000, held 6,063. George W. S. Swenson sold 1,500, held 14,684.
 NAF. George L. Coleman transferred 500 to trusts, sold 1,000, held none in trusts, 11,476 personally, 149,386 in Nafco Inc.
 Pentron Electronics. Marshall Petros sold 200, held 10,230. Irving Rossman sold 3,000, held 130,852. Theodore Rossman sold 3,000, held 122,334 personally, 12,519 in trusts.
 RCA. Martin F. Bennett sold 128, held 1,330. Charles M. Odorizzi sold 1,850, held 9,007.
 Raytheon. Stuart D. Cowan bought 100, held 100. Dean S. Edmonds received 39,059 in exchange for interim certificates, held 38,500.
 Reeves Soundcraft. Dolores J. Russell sold 300, held 896.
 Television Industries. Erwin H. Ezzes bought 400 as trustee, held 400 as trustee, 800 personally.
 Texas Instruments. E. O. Vetter sold 610, held 6,777.
 Thompson Ramo Wooldridge. Harold L. George sold 2,000, held 31,935. Burton F. Miller sold 100, held 3,657 personally, 8,700 in trust.
 Trans-Lux. Jay Emanuel bought 300, held 13,300.
 20th Century-Fox. Francis T. Kelly sold 200, held 1,050.
 Varian Associates. Emery H. Rogers sold 900, held 3,000. H. Myrl Stearns sold 100, held 28,268 personally, 3,800 as trustee, 20 in joint tenancy. Sigurd F. Varian sold 1,800 from community property, held 77,248 in community property, none personally.
 Westinghouse. John H. Chiles Jr. sold 918, held 96. W. O. Lippman sold 1,342, held 2,000. Dale McFeatters sold 600, held 600.
 Zenith. James E. Anderson exercised option to buy 900, held 1,350. Nathan W. Aram exercised option to buy 200, held 275. Alexander Ellett exercised option to buy 420, held 520. Albert J. Franczak exercised option to buy 230, held 240. Karl E. Hassel exercised option to buy 300, held 900. Clifford J. Hunt exercised option to buy 600, held 600. Clarence E. Isgrig sold 120, held none. John Kuhajek exercised option to buy 150, held 450. Donald MacGregor exercised option to buy 900, held 2,100. John A. Miguel Jr. exercised option to buy 300, held 300.

TV-Radio-Electronics Rankings Among 1959's 500 Largest U.S. Industrial Corporations

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RANK '59	RANK '58	COMPANY	SALES ¹ (\$000)		ASSETS ² (\$000)		NET PROFITS ³ (\$000)		CAPITAL ⁴ (\$000)		EMPLOYEES ⁵ RANK			
			'59	'58	'59	'58	'59	'58	'59	'58	'59	'58		
4	4	General Electric	4,349,509	2,561,493	11	11	280,242	7	8	1,457,687	12	12	246,840	2
11	10	Western Electric	2,314,874	1,474,821	19	20	102,188	18	17	927,614	17	16	127,913	8
15	13	Westinghouse Electric ..	1,910,730	1,498,128	17	17	85,947	20	20	924,321	18	18	112,737	9
17	20	General Dynamics ⁶	1,811,871	861,294	34	54	31,056	74	51	329,739	70	81	103,600†	10
24	29	Radio Corp. of Amer. ...	1,388,412	811,208	44	43	40,142	60	67	322,953	72	71	86,000	16
27	28	Int'l Business Mach.	1,309,788	1,466,122	20	18	145,633	13	11	843,520	21	23	65,646†	22
34	*	Gen. Telephone & Elec. ⁷ .	1,081,056	1,820,826	13		72,253	26		863,138	20		85,901†	17
42	44	Sperry Rand	989,602	778,475	51	46	27,644	94	74	345,807	67	63	98,250	13
52	49	Int'l Tel. & Tel.	765,640	932,269	31	30	29,036	85	77	415,088	54	52	136,000†	6
62	58	Bendix	683,798	384,669	95	98	27,404	97	98	231,464	100	97	51,775†	34
64	84	General Tire & Rubber ..	676,942	339,804	106	115	26,624	99	158	146,061	147	179	39,287†	49
86	110	Minnesota Mining & Mfg.	500,676	378,876	98	109	63,565	28	39	275,241	90	93	25,250†	85
90	111	Raytheon	494,278	206,237	167	226	13,481 ⁸	185	193	80,212	256	304	41,371†	44
103	97	Whirlpool	430,497	230,111	149	155	20,482	131	174	121,502	179	188	13,494	154
109	124	Thompson Ramo Wool. .	417,749	237,800	145	156	9,744	229	204	115,921	188	184	27,451	73
122	123	Philco	384,155	204,759	169	175	7,176	288	387	108,057	202	194	24,000	90
123	129	Minn. Honeywell Reg. ..	381,409	292,039	122	124	29,399	84	91	187,225	115	117	36,216†	56
127	142	Burroughs	358,119	325,772	112	108	7,110 ⁹	292	269	122,544	178	166	37,251†	54
146	174	Textron	308,202	218,713	162	171	16,643	151	165	116,802	186	207	21,000	100
148	144	Ayco	306,048	187,553	183	174	9,588	231	154	106,077	205	201	19,500	109
158	193	Motorola	289,529	149,764	230	240	14,171	175	240	83,338	249	267	14,000	147
177	172	Time Inc.	271,373	218,830	161	142	9,004	248	210	92,664	227	217	5,650	358
194	221	Zenith Radio	239,818*	129,546	252	268	16,630	152	151	79,604	261	269	10,000	225
212	241	Gen'l Precision Equip. ...	215,588	146,355	235	235	4,198	384	478	66,253	304	309	16,600	122
221	254	Corning Glass Works ...	204,887	168,076	211	196	24,336	111	120	124,987	175	183	14,800	137
234	366	Texas Instruments	193,213	105,994	290	429	14,143	176	279	56,728	340	459	13,000	165
244	252	Admiral	187,252*	111,115	280	282	4,108	388	454	63,911	314	307	9,000	242
252	140	ACF Industries	178,726	167,312	214	204	1,714	464	225	118,677	182	169	12,886†	167
322	395	Litton Industries	125,526	83,254	352	418	5,975	325	351	34,547	442	452	12,400†	178
333	309	American Bosch Arma ..	119,814	60,980	429	387	3,533	410	306	30,191	456	447	8,257†	267
336	318	I-T-E Circuit Breaker ...	118,501	79,378	366	360	2,748	434	343	46,479	381	358	8,622	254
337	324	Collins Radio	117,864	93,374	324	365	3,719	403	466	29,496	459	461	9,300	237
347	369	Stewart-Warner	114,309	80,403	360	366	7,884	274	298	56,004	343	336	7,762	287
394	456	Times-Mirror	96,259	75,307	377	445	4,800	366	413	44,166	400	440	4,287†	419
409	397	Magnavox	90,624	53,118	456	451	3,361	416	402	25,340	474	467	5,250	376
431	487	Lear	87,002	51,514	465	481	2,407	447	447	17,596	492	492	5,935†	350
432	*	Cons. Electronics Ind. ...	86,898	77,738	371		5,031	354		49,604	364		5,000	383
435	459	Mallory (P.R.)	86,504	57,606	437	423	4,339	380	390	34,240	444	437	5,678	356
443	489	Clevite	84,651	70,339	400	404	6,494	311	376	48,118	370	380	6,523	325
472	438	Siegler	77,074	40,956	489	479	2,203	450	462	20,535	486	482	3,500	452
475	401	Daystrom	76,640	50,501	470	432	564	487	414	29,765	457	446	6,152	335
489	454	Standard Coil Prod.	73,765	31,556	494	486	1,523	468	475	16,711	493	495	7,950	280
495	*	Tung-Sol Electric	72,345	48,269	476		2,713	435		32,122	451		7,321	300

Note: A bullet (*) in the 1958 sales rank column indicates that company was not in the 1958 list.

*Does not include excise taxes.

¹Net sales, including service & rental revenues for companies that derive at least 50% of their revenue from manufacturing or mining, for fiscal years ending not later than Jan. 3, 1960. Sales of consolidated subsidiaries included; excise taxes collected by the manufacturer not included. ²Total assets employed in business net of depreciation & depletion, but including govt. securities offset against tax liabilities. ³Including special charges or credits; non-recurring items of a non-oper-

ating nature are footnoted when they are 10% of total profit or loss. Figures in parentheses are losses. ⁴Capital & surplus (i.e., net worth). ⁵Average employment for year unless followed by dagger (†), in which case year end. ⁶Includes 1959 sales of Material Service (1958 rank: 313), which was merged into General Dynamics on Dec. 31, 1959. ⁷Name changed March 5, 1959, from General Telephone (in previous years on *Fortune's* list of the 50 largest utilities); includes 1959 sales of Sylvania Electric Products (1958 rank: 126), which was merged into General Telephone in March 1959. ⁸Includes special credit of \$3 million. ⁹Includes special charge of \$3,635,802.

FORTUNE'S '500': "Last year was the best ever for the 500 largest U.S. industrials"—including 43 in electronics & related fields—concludes July *Fortune* in its 6th annual study of boom at the top (see table).

It was a particularly upbeat year for the TV-radio-electronics-appliance manufacturers. They placed 3 of 12 newcomers to the list (GT&E, Consolidated Electronics Industries, Tung-Sol), lost only Sylvania (through merger with GT&E) among 26 firms displaced from 1958's 500 list (Vol. 15:28 p18), and racked up these 1959-over-1958 median gains: Profit up 44.4%, sales 16.7%; return on invested capital 11.6% (from 9.7% in 1958); return on sales 4.4% (from 3.5%). Consolidated Electronics Industries (expanded last year through consolidation of several Philips companies) led U.S. industrials in sales gains with a 215.8% rise; Texas Instruments was 7th best with a 110.1%

gain. Conversely, ACF Industries had greatest decline, down 39.4%.

The top 500 industrials had a banner year: Sales climbed 11.6% to \$197.4 billion. Profits rose 25.1% to \$12 billion. The median return on invested capital gained to 10.3% from 8.9%; return on sales up to 4.9% from 4.2%.

General Motors continued as the nation's largest corporation, with sales of \$11.2 billion, profits of \$873.1 million. In 2nd & 3rd places were Standard Oil of N.J. & Ford Motor. GE repeated 1958's 4th-place performance.

Note: *Fortune's* annual list of 100 largest foreign industrial companies will be published in the August issue, along with compilations of 50 biggest banks and merchandising, transportation, life insurance and utility companies. Combined reprints of all lists will be available after Aug. 15 from Fortune Directory, Room 2063, Time & Life Building, Rockefeller Center, N.Y. 20.

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during the last week. Dash indicates the information was not available at press time. Parentheses denote loss.

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Corning Glass	1960—24 wks. to Jun. 19	\$99,409,650	\$22,871,269	\$12,353,269 ³	\$1.81 ¹	6,754,000
	1959—24 wks. to Jun. 19	87,814,256	23,007,538	11,765,538	1.73 ¹	6,722,052
General Electronic Labs	1959—year to Dec. 31	1,907,781	—	44,523	.14	317,800
	1958—year to Dec. 31	1,638,386	—	27,456	.09	300,000
MGM Story below.	1960—40 wks. to Jun. 9	97,000,000 ⁵	—	7,317,000 ⁴	2.92	2,505,100
	1959—40 wks. to Jun. 9	101,000,000 ⁵	—	6,157,000	2.31	2,668,388
Muntz TV Story below.	1960—9 mo. to May 31	8,026,595	—	838,056	.70 ¹	1,165,376
	1959—9 mo. to May 31	5,091,239	—	316,556	.27	1,115,376
Republic Corp. Story below.	1960—6 mo. to Apr. 30	14,016,422	2,253,077	1,003,077	.40 ¹	2,004,190
	1959—6 mo. to Apr. 30	13,172,995	1,148,137	532,137	.16 ¹	2,004,190
Stanley Warner (WAST Albany)	1960—39 wks. to May 28	95,320,896	—	2,530,260	1.25	—
	1959—39 wks. to May 28	92,869,840	—	3,591,330	1.77	—
	1960—13 wks. to May 28	31,799,378	—	454,347	.22	—
	1959—13 wks. to May 28	30,938,598	—	1,337,598	.66	—
Transval Electronics	1960—6 mo. to May 31	1,658,399	81,612	44,673	.06	750,000
	1959 ²	—	—	—	—	—

Notes: ¹After pfd. dividends. ²Privately owned, comparison figures unavailable. ³Excludes non-recurring capital loss of \$2,308,132 resulting from sale of investments. ⁴Twelve-year high. ⁵Approximate.

OVER-THE-COUNTER COMMON STOCK QUOTATIONS

Thursday, July 7, 1960

Electronics TV-Radio-Appliances Amusements

The following quotations, obtained in part from the National Association of Securities Dealers Inc., do not represent actual transactions. They are intended as a guide to the approximate range within which these securities could have been bought or sold at time of compilation.

Stock	Bid	Asked	Stock	Bid	Asked
Acoustica Associates	27½	30¾	Magnetics, Inc.	11¾	13¾
Aerovox	12½	13¾	Maxson (W.L.)	10%	11%
Allied Radio	21	22½	Meredith Pub.	39	43
Astron Corp.	2¾	2¾	Metropolitan Bcstg.	14¾	16¼
Baird Atomic	37½	40¾	Milgo Electronics	20	23½
British Industries	14½	16¼	MPO Videotronics	7%	8%
CGS Labs	11½	14¼	Narda Microwave	7	7½
Control Data Corp.	46½	49¾	Narda Ultrasonic	6¼	7¼
Cook Elec.	15½	17	National Co.	21½	23¼
Craig Systems	20	21¾	Nuclear of Chicago	36½	39¾
Dictaphone	42¼	45¾	Official Films	1-7/16	1-11/16
Digitronics	25½	27¼	Pacific Automation	8	9¾
Eastern Ind.	13½	15	Pacific Mercury	10¼	11½
Eitel-McCullough	26¼	28½	Perkin-Elmer	42½	46%
Elco Corp.	22	24½	Phillips Lamp	156¼	162
Electro Instruments	50½	54¾	Pyramid Electric	2¾	3-3/16
Electro-Voice	13¾	14½	Radiation Inc.	23	25½
Electronic Assistance	24	26¼	Howard W. Sams	48½	51%
Electronic Associates	24¼	25¾	Sanders Associates	51½	56
Erie Resistor	9¾	10%	Silicon Transistor	8	9¾
Executone	33½	36¾	Soroban Engineering	27	29½
Farrington Mfg.	40	43	Soundscribe	14½	15¾
Fischer & Porter	14½	15¾	Speer Carbon	20¼	22
FXR	53	57½	Sprague Electric	62	65½
General Devices	20¾	22¾	Taft Bcstg.	12½	13%
G-L Electronics	9¾	11¼	Taylor Instrument	80	85¾
Granco Products	6	6¾	Technology Inst.	13¾	14%
Gross Telecasting	19¼	21	Tele-Broadcasters	1¼	1¾
Haydu	¾	5/16	Teletrome	12	13¾
Hewlett-Packard	77½	82¼	Telecomputing	9¾	10¼
High Voltage, Eng.	132	142	Telemeter	18½	20½
Infrared Industries	22	25½	Time Inc.	60¾	64¼
Interstate Engineering	27½	29%	Tracerlab	11¼	12%
Itek	65	69½	United Artists	7½	8¼
Jerrold	10¾	11¾	United Control	30½	32¾
Lab for Electronics	49	52½	Universal Trans.	1¾	2%
Leeds & Northrup	42	45¾	Vitro	13¾	14¾
Lel Inc.	5¾	6¼	Vocaline	4½	5
LFE Inc.	10	12%	Wells-Gardner	16	17¾
Ling-Altec Electr.	27	29¾	Wometco Enterprises	12¾	13¾
Magna Theater	2¾	3-7/16			

Republic Corp. (formerly Republic Pictures) nearly doubled profits on a strong rise in revenue in the 6 months ended April 30 (see financial table). Chmn.-Pres. Victor M. Carter forecast that earnings for the fiscal year ending Oct. 31 would equal 80¢-\$1 a share vs. 24¢ in fiscal 1959. "And we expect earnings to rise to between \$1 & \$1.25 a share next year," he added. He attributed the increased income to "more efficient operation," said the company has saved \$300,000 since last summer by eliminating unnecessary executives, described Republic's plastics operation as the most promising area of growth. He noted that the firm's TV feature film contracts exceed \$4 million.

MGM profits climbed 18.8% to a 12-year high of \$7,-317,000 in the 40 weeks to June 9, despite a strike-induced drop of about \$4 million in gross revenue from approximately \$101 million in the year-ago period (see financial table). The profit slack was taken up by other divisions, Pres. Joseph R. Vogel said, adding that film rentals to TV represented a prominent profit producer. Although TV rentals accounted for only 10% of MGM total revenue, they produced 40% of total profits, he pointed out. He predicted that the 1960 fiscal year, ending Aug. 31, will show a 30% profit gain over the preceding fiscal (to more than \$3.75 a share from \$2.91), said MGM in 1961 should "make more money than any other film company ever made."

Muntz TV increased profit more than 2½ times on a 58% sales increase in the 9 months ended May 31 (see financial table). The net earnings rose to 10.44% of net sales vs. 6.22% a year ago. In the 9-month period, Muntz sold a total of 65,715 TV & stereo sets, compared with 45,899 units in the year-ago period. The breakdown: 63,225 TVs (vs. 42,962), 2,490 stereos (2,937).

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
A. C. Nielsen Co.	Q	.25	Aug. 1	Jul. 11
A. C. Nielsen Co.	Extra	.50	Aug. 1	Jul. 11
Howard W. Sams	—	.15	Jul. 25	Jul. 11
Republic Corp.	Q	.15	Aug. 15	Aug. 5

Telectro Industries (symbol: TIC) and Electronics Assistance Corp. (EAC) were listed for trading on the American Stock Exchange last week.

BACKGROUND

No. 8

BROADCASTING'S ORGANIZATIONS —

Their Various Functions

July, 1960

ORGANIZATION	PURPOSE	WHO'S ELIGIBLE	NO. OF MEMBERS	DUES
Assn. of Independent Metropolitan Stations (AIMS)	Develop better image of independent radio.	Major-market radio independents which are non-competitive with others in AIMS.	26	\$60, annually.
Assn. of Maximum Service Telecasters Inc. (MST)	Assist FCC & industry in assuring maximum TV service to public.	TV stations operating at maximum effective radiated power permitted by FCC.	142	4 times highest ¼-hr. rate, quarterly.
Broadcasters Club (Washington)	Promote better understanding of industry problems.	Executive or professional employes in broadcasting or related business.	150 resident 300 non-resident	Resident: \$100 (\$250 initiation), annually Non-resident: \$50 (\$50 initiation), annually.
Broadcast Pioneers	Exchange industry information & historical data.	Anybody with 20 years' direct association with industry.	1,200	\$10 (\$5 initiating lapel insignia), annually.
Clear Channel Broadcasting Service (CCBS)	Preservation of Class 1-A AM frequencies; authorization for higher power.	Non-network licensees of Class 1A clear-channel AM stations.	12	Assessments, as needed.
Community Broadcasters Assn. Inc.	Obtain 1,000 watts day & night for Class IV radio licensees.	Licensees of Class IV 250-watt radio stations.	100	\$100, annually.
Daytime Broadcasters Assn.	Extend winter hours of operation by daytime radio stations.	Daytime AM stations.	235	\$25, annually.
FM Broadcasters	Protect FM portion of spectrum.	FM licensees	59	\$100 initial contribution.
Institute for Education by TV-Radio (Ohio State U.)	Promote educational programming through annual conferences on broadcasting techniques.	All interested in education by TV & radio.	600 (average enrollment)	\$10 registration.
Joint Council on Educational Television (JCET)	Preserve ETV channels & promote utilization.	Professional educational organizations.	10	Foundation-financed.
National Assn. of Broadcasters (NAB)	Foster & promote broadcasting in all its forms; protect members from "injustices & unjust exactions."	TV & radio stations, networks, CP holders (active); individuals & firms in broadcasting-connected business & professions (associate).	363 TV 2,182 radio 106 associate	TV: 20% of highest one-time hourly rate, monthly. Radio: \$10.50-\$420 in class-&-revenue scale, monthly. Associate: \$250-\$1,250 in gross sales scale, annually.
National Assn. of Educational Broadcasters (NAEB)	Promote educational broadcasting.	Institutions, organizations, individuals & firms engaged in activities related to instructional TV & radio.	22 TV 136 radio 770 others	TV: \$75-\$150 in class scale, annually. Radio: \$25-\$100 in class scale, annually. Others: \$7.50-\$500, annually.
National Community Television Assn. Inc. (NCTA)	Assist CATV operators.	CATV systems (regular); CATV manufacturers & suppliers, others interested (associate).	400 regular 24 associate	Regular: 3½¢ per subscriber, monthly. Associate: \$500, annually.
National Educational Television & Radio Center (NET)	Promote educational TV & radio for general welfare.	ETV stations.	46	\$7,000-\$15,000 as ETV network affiliation fee in sliding scale, annually.
Quality Radio Group	Advance quality programming, promotion, advertising.	Radio stations, by invitation.	19	Assessments, as needed.
Radio Advertising Bureau Inc. (RAB)	Promote & sell radio as advertising medium.	Radio stations, networks, reps.	1,188	Highest daytime hourly rate or 7 times one-time one-min. rate, monthly.
Radio Allocations Study Organization (RASO)	Oppose increased power (above 50 kw) for clear-channel stations.	All radio stations.	130	Assessments, as needed.
Society of Television Pioneers Inc.	Preserve history & traditions of early-day TV.	TV executives in ownership & management prior to FCC's July 1952 "freeze"; present executives active in industry for 10 years.	210	\$10 (initiation purchase of pin & plaque), annually.
Television Allocations Study Organization (TASO)	Develop technical data on present & potential vhf & uhf service.	Organizations by invitation.	4	Assessments, as needed.
Television Bureau of Advertising (TvB)	Promote TV as advertising medium.	TV stations, networks, reps.	262	Stations: highest non-network ¼-hr. rate, monthly. Networks: \$10,000, annually. Reps: 6% of aggregate ¼-hr. rate of clients, monthly.
Television Information Office (TIO)	Create 2-way informational bridge between TV industry & public.	TV stations, networks, NAB.	150	Highest ¼-hr. one-time rate, quarterly.

WEEKLY **Television Digest**

JULY 18, 1960

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

SUMMARY-INDEX OF WEEK'S NEWS

WITH THIS ISSUE:

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ROUGH MIAMI & BOSTON 'INFLUENCE' DECISIONS: Never was the "new broom" attitude of FCC, under new Chmn. Ford, more evident than last week—when it adopted tough decisions in Miami Ch. 10 & Boston Ch. 5 "influence" cases, rejecting soft recommendations of examiner Judge Horace Stern. Here's what FCC did:

(1) Took Ch. 10 (WPST-TV) from National Airlines' Public Service TV Inc.; gave it to L. B. Wilson Inc. "by default," completely throwing out Public and other 2 competitors—WKAT Inc. & North Dade Video Co.

(2) Took Ch. 5 (WHDH-TV) from WHDH Inc. (Herald-Traveler), strongly criticized WHDH Inc. & Mass. Bay Telecasters—but gave both another crack at the channel (under handicaps however) along with competitors Greater Boston TV Corp. & Allen B. Du Mont Labs.

WPST-TV was given mere 2 months to get off Ch. 10, and—most unusual—L. B. Wilson was granted the channel for only 4 months instead of customary 3 years. Presumably, Wilson can't build new facilities within 2 months, so it's expected it will seek to make deal to take over WPST-TV facilities. If deal isn't made, FCC probably will give WPST-TV an extension.

Vote was 3-1 on Miami, 5-0 on Boston. Comr. Craven participated in neither because engineering firm to which he belonged before joining Commission was consultant to applicants involved. Bartley didn't act in Miami case because he hadn't heard oral argument. Comr. Lee dissented on Miami.

Everyone was puzzled immediately about grant of only 4 months to L. B. Wilson, and decision sheds little light. It says only this: "The Commission is, however, aware and has considered that the peculiar circumstances of this matter have resulted in a type of award by default. Consequently the license period contemplated herein will be for 4 months subsequent to construction, rather than for the 3-year period which has been customary."

We talked to well-informed source at Commission who elaborated, unofficially of course, as follows:

(1) Public interest requires that Ch. 10 service continue without interruption. (2) National Airlines is absolutely disqualified, so we couldn't give it temporary authority to operate while a new grantee is selected. (3) We couldn't set up a trusteeship or the like to operate the station. (4) L. B. Wilson is qualified & available.

Then he got to the guts of it: The law & FCC rules say that anyone can apply for a facility when a license renewal is up. We hereby emphasize that fact. Everyone knows that if a man operates for 3 years his renewal is virtually automatic and a competitor hasn't a chance.

The clear implication, therefore, is that new applicants are welcome when Wilson's renewal is due.

Miami decision was mere 3 pages, had this to say about the disqualified applicants: "None of them was satisfied to be judged upon the record made in open hearing through the processes of adjudication specified by statute and grounded upon the principles of judicial fair play; each of them sought to influence the results by factors unrelated to the merits of the case and not a part of the hearing record. Willingness thus to pervert the process of administrative adjudication is convincing proof that the requisite character qualifications are lacking."

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Examiner Stern would have kept National Airlines and WKAT in the game but with big black marks against them (Vol. 14:49 p2). He wouldn't have handicapped North Dade, saying that activities on its behalf by ex-Comr. Robert F. Jones were "apparently not ill-intentioned." FCC disagreed last week, concluding that Jones was hired to apply "some form of political & extrajudiciary pressure."

In his dissent, Lee said he would adopt examiner Stern's recommendations—ordering all applicants to file briefs, holding oral argument and picking a winner, letting WPST-TV continue operating meanwhile.

Boston case is different, FCC decided. WHDH-TV principal Robert Choate, it said, "demonstrated an attempted pattern of influence" in lunches with former Chmn. McConnaughey. However, it went on, "Mr. Choate is not guilty of offering any material inducement to influence the outcome of the proceeding or of actually arguing the merits of the case ex parte, but rather of attempting to establish a personal relationship with a member of the Commission with the hope of creating a favorable bias in that gentleman's mind which might be calculated to operate in favor of WHDH in the event of a close decision and of attempting to present to a member of the Commission ex parte a legal brief on a matter so intimately concerned with the then pending hearing that he must have been aware of the applicability of the general problem discussed therein to the specific issue at stake in the Boston hearing." This is bad, FCC said, but not absolutely disqualifying. Commission observed that McConnaughey had refused to accept the proffered "legal brief," which dealt with 1956 Harris-Beamer House bills revamping FCC's policy of encouraging ownership diversification in media.

Commission said Mass. Bay principal Forrester A. Clark was guilty of similar attempt in his lunch with McConnaughey. "We cannot lend full credence to his statement," FCC said, "that he only sought to offset rumored 'political activity' by other applicants, for if he believed such rumors and believed that the Commission could actually be influenced by such activity, he could not seriously have believed that his mild protest at a social luncheon would have altered the course of events."

So Commission cancelled WHDH-TV's grant, but gave it special temporary authority to operate. Meanwhile, FCC invited all 4 applicants to submit briefs within 60 days, each telling why it's superior to competitors. After that, oral argument will be held and a winner picked.

Examiner Stern would have left WHDH-TV grant undisturbed (Vol. 15:39 p1). He concluded that some principals may have "stepped somewhat out of bounds"—but nothing serious.

Only one of the Miami parties commented on FCC's decision—attorney for North Dade who said, referring to Commission's evaluation of Jones's activities: "This is the first time in history that a judicial or quasi-judicial body has said 'we don't know what was done but we're going to hold the applicant responsible for it.'" He said he'd petition for reconsideration, appeal to courts if denied a rehearing.

Attorneys for all Boston applicants expressed assurance they'll win the next round. Said WHDH-TV's Choate: "I am convinced that in any further comparative evaluation, WHDH will be the best qualified applicant. Our record of operation proves that."

Now for more litigation—with an eye on the fact that there will be a new President next Jan., a new FCC Commissioner, and perhaps a new FCC Chairman.

WHO'S WHO & WHAT'S WHAT IN PAY TV: Promotion of pay TV is in ferment again—what with Telemeter's going Canadian project, TelePrompTer's CATV experiments, Hartford plans by Zenith & RKO General (Vol. 16:26), etc., including reports & rumors. We've tried to distill hard-fact developments from this ferment for quick run-down chart showing main companies involved, types of pay-TV systems, current status of promotion. It's on p. 10.

RKO-Zenith and anti-pay forces are girding for a battle, meanwhile, as former pushes for quick approval, latter for delay. When Hartford application was filed, RKO asked Commission for en banc hearing before Commissioners—which is customarily quick. Last week, exhibitor-sponsored Joint Committee Against Toll TV and Conn. Committee Against Pay TV asked FCC to designate Hartford application for "full evidentiary hearing before an examiner"—always a long affair.

All kinds of legal razzmatazz are involved, and best lawyers at Commission can't yet foresee all possibilities. For example, would an en banc hearing & decision immunize RKO from protests? Can anti-pay forces get courts to block Hartford start, if FCC-authorized? Etc., etc.

Exhibitor groups urged FCC to "do everything within its power to encourage the widest possible participation of interested parties in the hearing. A hearing before the Commission en banc would have exactly the opposite effect." Anti-pay camp wants FCC to hear witnesses for labor, veterans, women groups—the works.

Commission isn't exactly blind to the pulling-&hauling. Even though staff hasn't yet presented them with analysis of RKO application, Commissioners, examining fall workload last week, tentatively set aside several days in mid-Sept. for pay-TV discussion or hearings.

KING IN AT FCC AFTER WHITE HOUSE RECHECKS LAW: Administration lawyers have changed their minds, have decided that FCC nominee Charles King & other agency nominees may indeed get recess appointments right now—won't have to wait until Congress leaves after its Aug. session (Vol. 16:27 p2).

King will take oath this week, therefore, after coming to Washington July 18, will be sworn in by Chmn. Ford. How long he'll serve is up to political fates. If Kennedy wins, King may be out in Jan. If Nixon wins, he could serve until term expires June 30, 1961—then perhaps get full 7-year re-appointment.

He goes to work immediately, at any rate, will return to Detroit to clean up affairs when Commission takes off for August vacation. He sounds eager to dig into some of FCC's big chores.

Another recess appointment of significance to broadcasters is that of Robert A. Bicks, who is in as Asst. Attorney General in charge of anti-trust matters.

LAZARUS LAYS IT ON LINE: Not-so-veiled threat—along with a complaint about the amount of editorial space devoted to TV—was tossed at Newspaper Advertising Executives Assn. meeting in San Francisco July 12. Speaker was leading movie adman, Columbia Pictures vp Paul N. Lazarus Jr. Gist of his beef: Newspapers charge movies a high amusement-page ad rate, get more business from movies than TV, yet give TV a better break editorially. Lazarus was armed with survey figures (see p. 11) in a candid, bitter speech, pulled few punches. "We are sound, stable, publicly-held stock corporations who can and do pay our bills promptly," he said. "Yet, on an average, local amusement rates run about 25% higher than local retail rates. Why this discriminatory rate structure?"

Threat of heavy TV-radio ad usage by movies is the Damocletian sword held over heads of print media executives by Lazarus. During Dec.-1958 N.Y. newspaper strike, Columbia broke box-office records with a TV-radio-sold picture. "Certain pictures cry for radio & TV coverage. They're going to get it even if newspaper schedules have to suffer." Movie budget on which newspapers could virtually bank, Lazarus snapped, are "a thing of the past."

A \$35-million ad kitty is at stake, Lazarus warned. The 8 movie majors currently spend some \$22 million in co-op newspaper ads (in a cost split with local theaters). There's also \$500,000 annually in national newspaper advertising (no cost split), plus \$12 million in local-level theater advertising.

Much of this will be lost to newspapers, Lazarus indicated, unless they get on the ball to correct long-standing situation. Movie firms want, he said: (1) A better deal on ad rates. (2) Well-balanced movie pages with lots of Hollywood features, news, reviews and "no outside ads." (3) No censorship of movie ads. (4) More cooperation of newspaper editorial staffs with movie drum-beaters—certainly more than with TV.

OUT-OF-THIS-WORLD TV: Bewildering—but breathtaking—data on potentials of space-age TV & other earth-satellite communications systems poured in on FCC last week in comments on re-opening of its spectrum-allocation proceeding dealing with 890 mc & above (Vol. 16:21 p6).

Wonderful universe of electronics was charted in technical treatises on space-communications subject, which FCC prosaically labeled Docket 11866. Teams of mathematicians & astral physicists could keep busy for long time just analyzing data to prove or disprove conclusions in comments. But Commission proposed to run through oral testimony in its reopened microwave case in all-day hearing July 18. Witnesses representing half-dozen companies & organizations asked for appearances, and AT&T is scheduled to lead off into wide electronic yonder.

Up-in-sky-&down-to-earth prospects outlined in written testimony, submitted by AT&T's Bell System, envisaged worldwide communications via 50 satellites at height of 3,000 miles in random polar orbits. If about 26 transmitter-receiver stations were spotted in pairs around earth, there'd be enough ground terminals for telephone service anywhere, said Bell Labs' asst. chief engineer Charles M. Mapes. And equipment could be readily adapted for transoceanic TV channels. Total estimated installation cost for telephone-&-TV system (Bell to share expenses with foreign operators): \$170 million including satellite-launching, rockets, etc.

Such space communications are "absolutely necessary" to fill future needs of world, Mapes said, reporting on Bell's "extensive program of experimental research [to bring reality to plan] as early as possible." He told FCC that Bell hoped to be ready for active satellite system just as soon as developmental work "gives assurance of reasonable technical & economic success."

High enthusiasm for outlook in space was displayed in most other comments, too. They were filed by such outfits as EIA, RCA, General Telephone & Electronics, Western Union, American Rocket Society, OCDM, Motorola, M. I. T., Space Science Board of National Academy of Science, Collins Radio, Associated Police Communications Officers, Lockheed, Aeronautical Flight Test Radio Coordinating Council.

There was sharp technical disagreement on whether satellite systems can share frequencies with point-to-point microwave systems on earth's surface. Principal adversaries on this point were Bell & EIA.

"Satellite-system ground receivers can operate only if they are well beyond the horizon from any microwave transmitters operating on the same frequency," argued Bell Labs Pres. Dr. James B. Fisk. "This makes it impractical for satellite systems to share frequencies with ground microwave systems. In satellite communications, a transmitter or receiver terminal could use the same frequencies simultaneously in connection with satellites in different parts of the sky."

Not so, said EIA: "Based on the feasibility of co-channel sharing between satellite communications & conventional surface point-to-point systems, it is not necessary for separate allocations to be made for this new use of the spectrum."

Excerpts from other comments to FCC: RCA & RCA Communications—"Initial systems for trial commercial usage might be implemented by 1965. Extensive national & international systems might be implemented by 1970." General Telephone & Electronics—"Absolute minimum frequency assignment for earth-space-earth should provide for one high quality TV channel in each direction." OCDM—"In view of the national importance of spectrum allocation for space communication, we believe it is highly desirable to coordinate govt. & non-govt. needs." Motorola—Endorses EIA statement.

Conventions

BROADCASTING'S CONVENTION TRIUMPH: Most newspapermen attending the Democratic Convention in Los Angeles would rather not have admitted it, but broadcast journalists—network, station-group and individual station newsmen—were setting the news pace at the political event last week. Old-line journalists found themselves, as one writer put it, “in the deuce spot,” with key political figures saving their juiciest news & press conferences for right network exposure.

It wasn't of course, that TV was busy putting print news media out of work entirely. But the parade of news beats, hot tips and smoke-filled-room interviews which the small army of TV-radio newsmen fed to viewers & listeners proved without doubt that electronic journalism could win in a walk—when there was enough time available for extensive advance planning, and equipment installation. Newspapers found themselves playing second news fiddle, with analysis, 2nd-day angles and the like, and “pencil journalists” who didn't have access to a TV or radio set were likely to be out in the cold.

High Costs Concern Networks

Although each of the networks found sponsors for all or part of their convention coverage (Vol. 16:28 p9), it wasn't a profit-making operation, they told us last week. CBS dating back to last year, had a full-sponsorship deal with Westinghouse that amounted to \$5.5 million. So early was the deal made that there were no pre-emption payments necessary. Even so, CBS-TV will wind up nearly \$1.5 million in the hole because of overtime costs, extra transportation, additional talent fees for newsmen added to the package later, extra housing & feeding costs, etc.

The same free-spending problem plagued NBC, which was determined to out-do CBS at the conventions. NBC's outlay for coverage was some \$7 million, of which sold-out participation sponsorship will recover only about half. Similarly, ABC sold most of its convention coverage but will recover only \$3 million at most of its \$5-million expenditure. Last week, we learned, all 3 networks were becoming very concerned and had issued orders to try to keep costs down at the Republican Convention.

NBC Leads in Ratings

NBC led the other networks in Arbitron's national report on the first 4 days of convention coverage. On a 4-day average, NBC posted a 16:5 rating, with 7.3 million homes reached per average minute against 11.7 rating and 5.3 million homes for CBS and 6.3 rating, 2.3 million homes for ABC. NBC's highest score came July 13, the night of nominations and balloting, when the network received a 20.6 rating to reach 9 million homes per average minute, against a 12.2 rating and 5.5 million for CBS and a 6.9 rating, 2.5 million homes for ABC. Trendex would not release individual network ratings last week but announced a 3-network average of 72.6 share of audience and 25.3 rating for July 11. Rating periods were: Mon. 7:30-11 p.m., Tue. 7-11 p.m., Wed. 6-11, Thu. 8-11.

That CBS News was on something of a hot spot because of NBC's convention rating triumph was fairly evident in N.Y. last week. Making the most of the situation, NBC—which has generally played second-fiddle to the news & public-affairs coverage of CBS for the last few seasons—crowded loudly last week about its rating advantage. And, there were rumors in N.Y. of a pending shakeup, both

physical & spiritual, at CBS News in the wake of the convention audience loss.

* * *

“Even the Columbia Broadcasting System recognized the appeal of Messrs. Huntley and Brinkley. After starting off with Walter Cronkite as anchor man, the network also put Edward R. Murrow on camera. It was something of an improvement but still wanting in the subtle, informal and spontaneous banter of the NBC pair. The balance of stature among the networks news departments obviously is shifting.”—Jack Gould in *The New York Times*.

* * *

KHJ-TV, Los Angeles featured a local ad lib hassle on the Mort Sahl show, *The Future Lies Ahead*. The panel show was presenting prominent Democrats when its sponsor, Bart Lytton of Lytton Savings & Loan, walked on to caution Sahl and Phyllis Kirk not to turn it into a pro-Stevenson rally. Panelist Irving Kupcinet of the *Chicago Sun-Times*, recovered from his visible amazement long enough to remark, “I've never seen anything so crude on TV in my life.” Sahl, grim, implied he might not be back the next night. Lytton returned to the show to apologize. Sahl said he'd be back. (Actually, the show featured proponents for all Democratic candidates, not Stevenson alone. Then Drew Pearson took a full-page ad in the *Los Angeles Mirror-News* asserting he had been denied permission by KHJ-TV to appear on the show, and setting forth the remarks he would have made had he appeared. A KHJ-TV spokesman told us Pearson had been scheduled, but was barred after the station could not get indemnification forms from sponsor Lytton. Subsequently the station barred Lytton from his own show, “We didn't see any place where he would fit in.”

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Westinghouse promoted a pair of public-affairs TV series, *Reading out Loud* and *Lab 30*, being produced by subsidiary Westinghouse Bestg. Co., during commercials in its CBS-TV coverage of the Democratic Convention. Using 90-sec. institutional promotion announcements produced by Perry Lafferty (named, last week, as producer of CBS-TV's *Person-to-Person*), WBC plugged the series as being “available free of cost to any interested broadcaster” in the theory that many would be watching CBS's coverage of the convention. The rest of the commercial time, saleslady Betty Furness, did her last contractual chore for the electronics firm.

* * *

Paramount Television Productions fed specially-prepared taped coverage of the convention to stations in N.Y., Chicago, Washington, Kansas City, Seattle, Honolulu and Buffalo and CBC. They concentrated on interviews with politicians from areas covered by the subscribing stations. The tape went on direct wire to WGN-TV and CBC, air express to the others.

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Closed-circuit TV at the GOP convention in Chicago will be supplied by Theatre Network TV. Two large projection screens, mounted above & to each side of the rostrum, will be fed by TV cameras positioned in the rostrum wall. In addition to giving convention delegates a view of the speakers, closed-circuit TV will provide prompting through a periscope-projection system using one-way mirrors. TelePrompter provided the closed-circuit TV & prompting services for the Democratic Convention.

Democrats Pledge Agency Reform: Naming no names and singling out no govt. commission—but obviously aiming at practices exposed by the House Commerce Legislative Oversight Subcommittee in probes centered on FCC—the Democrats last week promised to overhaul regulatory processes.

The 1960 platform adopted by the Democratic Convention in Los Angeles said:

"The Democratic Party promises to clean up the federal regulatory agencies. The acceptance by Republican appointees to these agencies of gifts, hospitality and bribes from interests under their jurisdiction has been a particularly flagrant abuse of public trust.

"We shall bring all contacts with Commissioners into the open, and will protect them from any form of improper pressure.

"We shall appoint to these agencies men of ability & independent judgment who understand that their function is to regulate these industries in the public interest.

"We promise a thorough review of existing agency practices, with an eye toward speedier decisions, and a clearer definition of what constitutes the public interest.

"The Democratic Party condemns the usurpation by the Executive of the powers & functions of any of the independent agencies, and pledges the restoration of the independence of such agencies and the protection of their integrity of action."

Platform language leading to the civil rights plank also reflected headlines made by the House investigators and Congressional criticism of TV programming:

"We have drifted into a national mood that accepts payola & quiz scandals, tax evasion & false expense accounts, soaring crime rates, influence-peddling in high govt. circles, and exploitation of sadistic violence as popular entertainment.

"For 8 long critical years our present national leadership has made no effective effort to reverse this mood.

"The new Democratic administration will help create a sense of national purpose & higher standards of public behavior."

* * *

Democrats' "hostility to advertising" was charged & blasted by July 15 *Printers' Ink* in an open-letter editorial to Presidential nominee Sen. Kennedy (Mass.), keynoter Sen. Church (Ida.), Rep. Bowles (Conn.), and Harvard prof. Arthur Schlesinger Jr. The party's ad attack, the magazine claimed, began with the distribution by the Democratic Advisory Council of a Schlesinger-prepared booklet calling for curbs & a tax on advertising. The attack was "magnified," *Printers' Ink* added, "by Sen. Church's studied elocutionist's dramatics as he vilified advertising in his keynote speech. Now hostility toward advertising seems to be growing among Congressmen who will re-convene in Aug." The magazine rapped as "unwise" and "dishonest" the blaming of advertising for the country's ills, deplored the drive for a punishing tax and urged the Democrats to "stop these deliberately confusing attacks on advertising and those who make use of advertising techniques to communicate their feelings . . . In promoting your own objectives, you continue to use the very machinery you condemn."

Primer of TV techniques for the political performer in the coming campaigns has been prepared by WXYZ-TV Detroit. It supplements free courses offered to political candidates by the station.

The FCC

FCC'S WATCHDOG DIV.: The FCC has prepared a description of its new Complaints & Compliance Div., and is expected to release it soon. We understand that the description doesn't contain anything earthshaking.

There will be 2 branches—designated, not surprisingly, "Complaints Branch" and "Compliance Branch." The first will do the following about complaints: receive, classify, answer, prepare for FCC consideration, inform the rest of Commission staff.

Compliance branch has a little more, including:

(1) Conduct investigations to get facts about broadcasters' violations or abuses of laws & rules.

(2) Recommend use of field engineering & monitoring bureau help when engineering aid is needed.

(3) Hunt for problems by examining complaints, FCC monitoring reports, trade publications, FTC reports, etc.

(4) Recommend action to FCC, FTC, etc.

(5) Conduct audits in depth on individual stations where warranted.

(6) Supply FCC with information to enable it to judge whether stations, generally, are complying with laws & rules and are maintaining control over all their programs.

(7) Recommend to FCC measures for encouraging the industry generally to meet its public responsibilities—as determined by the Commission.

Philco's protest against renewal of NBC's WRCV-TV Philadelphia was dismissed by FCC for reasons indicated previously—legal inadequacy (Vol. 16:28 p6). This was shown by the text of the decision released last week. The allegations against NBC by Philco, the Commission said, either were filed 2 years after the protest deadline or had been considered & dismissed by FCC in other proceedings. The allegations were built primarily around RCA-NBC's anti-trust litigation through the years. Philco said these made NBC unfit to be a licensee. Concluded FCC: "Many arguments & allegations urged by Philco in its briefs contain matters *dehors* the Protest which may not be considered; certain matters raised by the Protest—pending litigation & Congressional inquiry—are either not alleged at all or without sufficient particularity under Sec. 309(c) of the Act; and still other matters raised are not new to this Commission and occurred so long ago that they do not warrant consideration. It is concluded, therefore, that even if the well-pleaded facts alleged in the Protest were proven, grounds have not been presented for setting aside our conditional grant herein." Comr. Bartley dissented, issuing no statement, and Comr. Cross didn't participate.

Albany's Ch. 10 was finally granted to Capital Cities TV Corp. (WTEN) and Veterans Bcstg. Co. was denied—despite furor kicked up by Sen. Proxmire (D-Wis.) because 5 representatives hold stock in Capital Cities (Vol. 16:27 p6). FCC hasn't yet released the text of its decision, but it's understood that it says this about the Congressmen's holdings: It would be arbitrary to ignore the fact that some of Capital Cities' stockholders are Congressmen and to say that their election to Congress means nothing in terms of "civic activity"—or less than other types of civic work. As for Veterans' argument that members of Congress shouldn't own broadcast facilities, FCC said that Veterans should ask the Commission to start rule-making to that end or request Congress for a new law.

On Patrol with FCC's M-Squad: The annual summer-time roundup of the trials, tribulations & triumphs of FCC's Field Engineering & Monitoring Bureau staffers has been completed. Produced by information chief George O. Gil-lingham, it yields these historical notes:

Item: Radios in the Long Beach, Cal. area were picking up strange conversations unrelated to any program. FCC's mobile direction-finding crewmen traced the interference to a house, found phone-oscillator-hi-fi equipment radiating on AM frequencies. Also discovered was a mike concealed in the living room so that the man of the house could listen in secretly on his wife's conversations. Equipment was dismantled.

Item: In Rochester, N.Y. an outraged TV viewer got up a neighborhood petition, complained to his Congressman about interference with his reception by a local amateur radio station. Local hams joined FCC's Buffalo field-office staff in tracking down the trouble: A butter conditioner in the complainant's refrigerator.

Item: Interference with air-ground airline communications at Chicago was traced to a Mich. piano factory where a radio frequency heater, being used to dry wood glue, was sending out signals heard hundreds of miles away. Surveillance from an FAA plane was necessary to locate the source of similar air navigation trouble in Mass.—an electronic heater in an industrial plant.

Item: It took banishment of a shrimp fisherman by his employer to remote waters off Fla. to close FCC's files on a case of profanity on the international distress frequency. After much monitoring & direction-finding, the Commission's Tampa marine office traced the terrible language to a shrimp boat whose captain used his radio to express his feelings when the shrimp weren't running. The captain was taken off his regular run when a written FCC warning, 3 successive license suspensions and a \$200 fine failed to stem the tide of obscenities.

N.Y. uhf project was discussed by FCC last week, and, at the request of Chmn. Ford & Comr. Craven, chief engineer Edward Allen was instructed to come up with a complete new report outlining the whole experiment. One of the biggest problems is to find adequate space on the Empire State Bldg. Engineer Dr. Frank Kear, consultant to the Empire State management, says he's sure space will be found. He estimates that it will take 6-12 months to design & test the antenna. Among experts consulted by Comr. Lee in his trip to N.Y. were those of Bell Labs.

Continuity-of-service bill (S-1965), providing that FCC, FPC and SEC Comrs. whose terms expire may stay in their jobs until successors replace them (Vol. 16:28 p2), was enacted into law July 13. President Eisenhower signed the measure to bring the 3 agencies in line with existing law covering FTC, ICC and CAB, whose members already could continue in office after expiration of their terms. The new law specifies, however, that additional FCC, FPC and SEC service can run only until the end of the next Congressional session following expiration of a commission member's term.

No protest to FCC is planned by the Fresno County Board of Supervisors over the conversion of Fresno to all uhf (Vol. 16:28 p6). The Board's decision to accept deintermixture without protest stemmed largely from the recommendations of KFRE-TV & KJEO.

FCC Chmn. Ford will appear on CBS-TV's *Person to Person* this week (July 22).

Film & Tape

POST-1948 ACTIVITY INCREASING: A prime source of movie-industry speculation in N.Y. last week was a possible liaison between 20th Century-Fox and Screen Gems for the distribution of a large package of post-1948 20th features. Although executives of neither firm would confirm, the speculation is along this line: Screen Gems has won its anti-trust battle with the govt. in N.Y. District Court concerning distribution of Universal's pre-1948 backlog. This green-lights the Columbia Pictures subsidiary to distribute picture backlogs for any major company, and its currently available library of Columbia and U-I pictures is running low. (*TV Feature Film Source Book* reports 1,985 post-1948 films already available and a total of 9,200 film features in current release by 45 distributors.) At the same time, 20th will no longer release feature packages through NTA. This is due to possible govt. action springing from 20th's financial interest in National Theaters, now NTA's parent company. Summed up: Screen Gems is on the prowl for post-1948 product, and 20th is seeking a fully-staffed national distributor.

On other movies-for-TV fronts last week:

Warner Bros., with nearly a quarter of its post-1948 film library—slightly over 100 pictures—being readied for TV release via Creative Telefilms & Artists Ltd. (Vol. 16:28 p1), was quietly making a related move on the financial front. According to Wall St. sources, WB may soon attempt to buy back as many as 500,000 shares of its common stock at above-market (about \$50) quotations. The idea is to reduce the number of shares outstanding at a time when some substantial new TV revenues will be coming WB's way. WB's agreement with CT&A Ltd. gives the latter exclusive TV distribution rights to the films for 7 years in the U.S. & Canada—at a reported per-picture price of \$100,000 plus half the profits after distribution costs. The package reportedly includes such titles as "A Star Is Born," "Battle Cry," "East of Eden" and "The James Dean Story." Meanwhile, Show Corp. of America has released for TV a package of 12 post-1950 features including "Bundle of Joy" and "Susan Slept Here," both starring Debbie Reynolds. A package of Regalscope low-budget post-1948 features also has been released to NTA for TV distribution.

Paramount Stock Is Active

But movie financial activity was most brisk last week in Paramount stock. That company has no immediate plans to sell post-1948s in regular TV channels even though MCA has distributed its pre-1948 library in over 80 markets for a total gross (before MCA's cut) of over \$60 million. Paramount subsidiary International Telemeter, however, has received considerable attention for its pay-TV system in Toronto (see p. 10), and is actively pitching possible pay-TV deals with Britain's BBC-TV and Rank.

Some indication of the general TV appetite for movies was provided by Republic Corp. (formerly Republic Pictures) and MGM. Republic, which became the first major Hollywood studio to put its post-1948 backlog into TV distribution (by the simple expedient of frustrating union threats with the dropping of all movie production), called TV sales "an increasingly important source of profits." For the 26 weeks ending April 30, Republic Corp. scored a net income of over \$1 million (50¢ per share, double that of

the previous year's comparable period). Current value of non-cancellable feature-film contracts through Republic's subsidiary, Hollywood TV Service: "More than \$4 million."

MGM, now in fine shape, thanks in part to record grosses from "Ben-Hur," has thus far grossed \$34 million in handling its own release of MGM-produced pre-1948 features & shorts. It visualizes another \$24 million in revenue, stated MGM Pres. Joseph R. Vogel, in adding that new movies now produce only 40% of MGM's net revenues against TV's 43%—although the movie gross is actually much higher than TV's. (The remaining 17% comes from MGM Records, music rights, theaters overseas, studio rentals, lab processing of other people's films, lease or sale of stock footage). MGM is in no hurry to unload its post-1948 library—some 500 features—on the TV market, may explore pay-TV deals, but hasn't ruled out straight syndication distribution.

Release of post-1948 Hollywood product may well tend to put a crimp in the TV sales value of British & other foreign films—even those filmed in the last year or so, distributors tell us. Accordingly, sales pressure has mounted behind such mostly-overseas-product packages as those handled by Lopert Films (a UA subsidiary) and the recently formed TV Programs Inc. One indication of this last week: Flamingo Films, which has acquired distribution rights from Joe Harris of a package assembled last year as *Art Theatre of the Air*, is actively making station sales on the 52-picture package—although 20 titles in the group are still in theatrical release. By all indications, it's a case of the scrub team getting in its licks before Hollywood sends out its post-1948 varsity.

Animators Eye Cartoons Profits: The latest film union demand for a slice of residual profits is due this fall from the Motion Picture Screen Cartoonists, local 839, IATSE, and will affect the growing number of animated TV series in network & syndication release (Vol. 16:26 p6). The cartoon animators want a percentage—probably ½%—of the huge annual gross business done in "franchised merchandise." Such toys, games, dolls, hats, books, etc. tied in with cartoon shows are estimated by the cartoonists' union to be worth \$100 million annually at retail level. The cartoonists' slice, which would go to a management-labor trust fund, could amount to \$500,000 annually.

If the cartoonists' pending demands are met by producers & others who hold cartoon merchandising rights, they may have some effect on the existing price of current cartoon packages, syndicators & distributors in N.Y. indicated—particularly if labor contracts are so written that higher labor costs are to be automatically passed on to purchasers or sponsors. "It will certainly be a factor in the pricing of new cartoon shows, other than those produced overseas outside the jurisdiction of the union," said Trans-Lux TV sales vp Richard Carlton.

Distributors, networks, news-feature syndicates and others now reaping most of the royalty from franchised cartoon merchandise are likely to oppose the cartoonists' demands. ("It's just another step in the trend toward profit participation by every film union in the field," said a Screen Gems executive in N.Y. "We're certainly not happy about it.") However, the cartoonists may not have to fight too hard. There's a definite shortage of experienced animators and few training facilities for newcomers. Production of an animated TV series in the U.S. with non-union labor would be almost impossible, producers admit.

NEW YORK ROUNDUP

Foreign Sales Report: Overseas telefilm activity of 3 major distributors sharpened last week:

Fremantle International—which holds distribution rights to Sterling TV Films' network-sold *Silents Please* (Vol. 16:28 p12)—sold the series last week to the Australian Bestg. Commission. One result of the sale: *Silents Please* will have virtually a day-&-date premier in Australia & the U.S. (both, incidentally, on networks whose initials are ABC-TV) this summer.

CBS Films reported that during the first 5 months of 1960 the firm's total overseas business was 45.2% larger than for the same period of 1959. The biggest percentage jump was scored in Europe, where sales increased 455%. The network-owned distribution firm expects to maintain the higher business level, said international sales dir. Ralph M. Baruch, because of "new stations opening in Australia, the new quota in Japan, & additional stations in Canada."

International Television Programs Inc., which handles overseas distribution of Ziv-UA product, is launching a new series of sales trips by its executives. ITP Pres. Edward J. Stern left last week for Europe and sales calls to stations & networks in England, Italy, Germany, Belgium, France and the Netherlands. Executive vp Millard Segal headed for Australia and other Far East markets, while sales dir. Ralph Franklin is planning a swing around South American markets such as Brazil, Argentina, Peru.

Add syndication sales: UAA's *Mel-o-Toons*, 104 animated cartoons based upon popular children's records, has been sold in 14 markets in the last 2 weeks . . . MCA-TV's *State Trooper* mystery adventure series has been renewed by Liebmann breweries for WNBC-TV N.Y. . . . CBS Films' Robert Herridge Theatre has picked up 3 participating sponsors for WCBS-TV N.Y.: General Foods, Procter & Gamble, Colgate-Palmolive. Pairing of competitors Procter & Gamble and Colgate-Palmolive in a single show is rather unusual. P&G will advertise Duz Detergent, C-P Palmolive hand soap.

More syndication sales: Screen Gems' *Two Faces West* has been sold in 115 markets for its fall debut. Breweries making multiple-market regional purchases of the new Western include Labatt's, Coor's and Drewry's beers. In addition, Miles of California bought 2 *Faces* for San Francisco last week and "is interested in other West Coast markets." Meanwhile, Standard Oil of Texas announced it would sponsor the series in 6 Southwestern markets.

Cal. National Productions' *Blue Angels* (series about a Navy precision flying-demonstration team) was cited in Congress last week by Rep. James E. Van Zandt of Pa., as "coming at a time when this nation cannot afford . . . relaxation in . . . development of its defensive powers."

Robert Lawrence Animation, commercial producer, confirmed its first venture into programming last week (Vol. 16:26 p6), *Toy Box Time*. It's "a children's show with strong appeal to the adult," in 30-min. episodes, produced in color, and aimed at a network sale.

Ziv-UA's *Lock Up* has been locked-up in 133 markets to date. Ziv has sold off to alt.-wk. sponsors 42 of the 53 markets in which American Tobacco Co. has renewed the series on a bi-weekly basis.

HOLLYWOOD ROUNDUP

Ziv-UA is instituting a new co-production policy. The first such deal with an outside production company was signed last week with John Robinson's Libra Ltd. for "a contemporary action-series." Hitherto, Ziv output has been almost entirely "house" production, with producers, directors, *et al.*, working on salary. The addition of jointly-owned co-production packages, however, is not unexpected. Parent United Artists operates in the feature-movie field as a financier-distributor, not as a producer, and has distribution contracts with over 40 independents. Robinson is creator-producer of *Wanted—Dead or Alive*, and was formerly an executive of Four Star Productions. Virtually every major telefilm distributor-syndicator now operates primarily on the basis of co-production deals or deals in which producers & talent own an interest.

Negotiations to sell NT&T's National Telefilm Associates and its N.Y. station WNTA-TV to NTA Pres. Oliver Unger and founder Ely Landau, collapsed last week, when NT&T Pres. B. Gerald Cantor decided against selling either subsidiary. "I don't believe it would be in the best interests of our stockholders," he told us. The three men have held extensive conversations regarding such a sale. Landau, who recently resigned as NTA vp, headed a group which negotiated for WNTA, and later he & Unger discussed the purchase of NTA.

NTA is moving its hq back to N.Y., after having shifted to Los Angeles last year. The move is being made because the company has decided N.Y. is best for sales activity.

Members of Screen Extras Guild voted in Hollywood to instruct their board to conduct a mail referendum seeking authorization for a strike against the Alliance of TV Film Producers, and to plan for a strike unless the Alliance bargains in "good faith." NLRB is currently investigating SEG charges that the Alliance is "unfair" and refuses to negotiate a contract to replace the one which expired April 2, 1959. SEG complains the Alliance has offered no pension-welfare fund nor "any decent wage offer."

Hong Kong's first 3 segments go into production here July 20, Herbert Hirschman producing. 20th-Fox Television has been filming backgrounds in *Hong Kong* for the past 5 weeks . . . Desilu Productions holds its annual public stockholders meeting July 19, with Pres. Desi Arnaz in charge. Lucille Ball will also be on the dais . . . "Angel" has begun production starring Annie Farge & Marshall Thompson. Edward Feldman is producing at Desilu Cahuenga studios.

Screen Gems begins production on *My Sister Eileen* July 27 . . . Hubbell Robinson series, *Thriller*, has resumed production at Revue Studios, Fletcher Markle producing. MGM-TV will shortly film a pilot for *Diamond Jim Brady*, Seton Miller producing . . . Jerry Lewis Productions will do a pilot of *Permanent Wave* late this month. Patrice Wymore is signed for the lead.

Obituary

E. Maurice (Buddy) Adler, 51, 20th Century-Fox production chief, died of lung cancer July 12 in Hollywood. While head of the studio's movie operation, Adler last fall unofficially supervised its TV operations for a time to upgrade quality. Surviving are his widow (Anita Louise), 2 children and 3 brothers.

Programming

All in the Game: Goodson-Todman Productions is the latest packager to feel the lengthening reach of network control (Vol. 16:28 p11), we learned last week. With an eye to tapping the growing amount of revenue from image-minded advertisers, Goodson-Todman—which does a \$15-\$20-million annual business, primarily in "game" shows—had packaged a new public-affairs game show, titled *A Matter of Opinion*. (As in *What's My Line?*, the audience lure is off-the-cuff wit, rather than a key to a bank vault. Contestants & panelists match guesses on public opinion with actual findings of pollster Elmo Roper.)

Having done considerable business with CBS-TV, G-T offered *A Matter of Opinion* to CBS program buyers, according to the packaging firm's exec. vp Bud Austin. The network turned it down. Reason: Although there's been a thaw in the network freeze on new quiz & game shows, CBS-TV thought the new G-T show invaded the realm of public affairs sacrosanct to CBS News. It would take the series—however funny it was—only if it could be produced by CBS News officials.

Busy Season Lies Ahead

Apart from this setback, Goodson-Todman is set for a busy & lucrative fall season, Austin told us. In the live/tape area, G-T will have the perennial *What's My Line?* (CBS-TV, Sun.), *To Tell the Truth* (CBS-TV, Thu.), *The Price Is Right* (NBC-TV, daytime strip and Wed. night), *Play Your Hunch* (NBC-TV daytime strip and Fri. night) and *Beat the Clock* (ABC-TV daytime). Now entering its 4th season of film packaging, G-T will also have network representation with the co-produced *The Rebel* (with Fen-Ker-Ada Productions) on ABC-TV. It is also discussing network fall deals on 30-min. *The Yank* (dealing with a Union veteran who is a doctor in a small Southern town) and *One Happy Family* (a 30-min. situation comedy). In addition, G-T is talking of a revival of its *Philip Marlowe* series with CBS-TV, and a 60-min. version of its suspense series, *The Web*, with NBC-TV. The stronghold of G-T, however, is game shows.

"We were never really hit by the Washington quiz probe, and none of our shows or personalities were challenged," said Austin. "Also, although it's tough these days for a producer to make an advertiser-agency sale and then find time on a network, we are in good shape."

Austin doesn't share a common network sales theory that full-sponsorship, or even co-sponsorship of programming is dying out in favor of buys governed by sheer audience size, as in partial-sponsorship buys of ABC-TV's *Surfside Six*, NBC-TV's *Dan Raven*, CBS-TV's *Route 66*.

"Advertisers still want sponsor identification," he said. "In live game shows, sponsors can plaster their logo around, develop integrated commercials, and have a feeling of identity in both day and night buys. In film shows, particularly reruns, this is lacking."

G-T also has a foothold in the foreign market, thanks to rerun & overseas sales of its filmed shows. Few production firms have as many overseas distributors, however. ABC Films handles *The Rebel*; Cal. National sells *Philip Marlowe*; and Screen Gems sells *Jefferson Drum* and the 30-min. version of *The Web*. G-T itself handles overseas licensing of its live game shows, although this operation has its special perils. "In England, we licensed *What's My Line?* to BBC-TV. Everybody's happy," said Austin. "In Australia, they lifted the format without a by-your-leave. We're arguing with the Australian gov't."

BACKGROUND

No. 9

PAY-TV SYSTEMS—Where They Stand

July, 1960

COMPANY	TRADE NAME	SYSTEM TYPES	STATUS
International Telemeter Corp. (Paramount Pictures Corp.)	Telemeter	Wire & broadcast	Started cable operation Feb. 26, 1960 at Etobicoke, Ont.; 5,400 subscribers.
Zenith Radio Corp.	Phonevision	Broadcast	With RKO General, filed FCC application June 22, 1960 for 3-year test on WHCT (Ch. 18) Hartford; reported readiness to start 6 months after FCC approval.
TelePrompTer Corp.	Key TV	Wire (CATV systems)	Experimented with live feed of June 20 Patterson-Johansson fights to CATV systems; plans tests with movies, merchandising, etc., on TelePrompTer CATV systems.
Skiatron Electronics & TV Corp.	Subscriber-Vision	Wire	Skiatron Electronics & TV stock trading suspended by SEC. System licensee Matthew J. Fox's Tolvision Inc. reported in merger negotiations with 20th Century-Fox and/or MGM.
Teleglobe Pay-TV System Inc.	Teleglobe	Wire (sound) & broadcast (visual)	Reported negotiating with TV stations for joint FCC application for tests.

Telemeter 'Success' Hailed: The wired pay-TV experiment in Toronto suburb Etobicoke will show a profit for its first 6 months of operation. This is the prediction of Trans-Canada Telemeter operations mgr. W. O. Crampton, who says the success proves toll TV is here to stay.

Business is so good, boasts Crampton, that Telemeter has dismissed its 7-man sales staff, and, in effect, is letting the orders come in over the transom. He said the system, which began operation Feb. 26, now has 4,500 subscribers and will have 6,000 by the end of August. Then Telemeter plans to halt further installations for a 2-month examination of costs, programming and public acceptance.

Among findings expected from the study: How much the average home-owner is spending weekly on pay TV. A Toronto newspaper sampled 10 homes and came up with the figure of \$2.35 for the average family. Crampton said this was way off, but refused to give even a clue. "I could get a million dollars for those figures," he said. "Movie companies, TV stations & advertisers would love to have them." The results of the study will be released only to Telemeter franchisers in U.S., Canada, England.

Telecasting & advertising firms have been investigating Telemeter's operations on their own, however. Crampton said that NBC and several N.Y. ad agencies have been conducting door-to-door canvasses to find out average spending figures. He said that British TV programmers and 3 British non-TV organizations have also had study groups on the scene. Not one customer has asked that his pay-TV coinbox be removed, said Crampton.

Anti-pay-TV forces, in the form of movie exhibitors, will concentrate their first main pitch in a petition to FCC requesting that the RKO-Zenith Hartford application (Vol. 16:26 p2) be made the subject of extensive public hearings. After a strategy meeting in New Haven July 5, Philip F. Harling, chmn. of the Joint Committee Against Toll TV, said that JCTT and the new Conn. Committee Against Toll TV would urge the Commission to hear the objections to be offered by representatives of labor, veterans, etc., before acting on the RKO-Zenith application.

British pay-TV project has been mapped by J. Arthur Rank and Associated-Rediffusion Ltd. (film producer-distributor and commercial TV programmer, respectively). The 2 firms reportedly are putting up about \$275,000 for technical research on pay-TV systems. The Rank Organisation has long been interested in pay TV, and has even wired up a few British theaters for experimental large-screen pay TV. The new project, named Choiceview Systems, ultimately will be directed at the home audience. Recent visitors to London were Paramount Pres. Barney Balaban and Louis Novins, pres. of International Telemeter, to discuss a deal with BBC-TV (Vol. 16:26 p5).

Stations

NAB legislative lobbying against the House-passed payola bill (S-1898) at Senate hearings next month (Vol. 16:28 p2) will be confined to the measure's station suspension-& fine features. This was decided by NAB's Policy Committee at a strategy conference in Washington hq last week. The 3-man committee, headed by Clair R. McCollough, instructed NAB govt. affairs vp Vincent T. Wasilewski to offer no opposition to other sections of the bill (including bans on payola & quiz rigging) when he testifies August 10 at Senate Commerce Communications Subcommittee hearings. In a statement calling on the Senate to knock out provisions authorizing FCC to discipline stations by lifting licenses or 10-day periods and/or fining them \$1,000 daily, McCollough said: "These amendments to permit suspensions & fines against broadcasters are a matter of serious concern to the industry—and to authorize their use against a communications medium, we believe opens up a whole new concept of govt. regulation."

Sale of WCHS-TV & WCHS Charleston, W. Va. by the Tierney Co. to Rollins Telecasting Inc. subsidiary C-B-T Inc. was announced July 13. The price wasn't disclosed, but was reported to be about \$3 million. Not affected by the sale was Tierney's radio WPLH Huntington, W. Va. Rollins owns & operates WPTZ Plattsburgh, N.Y. & WEAR-TV Pensacola, radios in Wilmington & Georgetown, Del., Norfolk, Newark, Indianapolis and Harvey, Ill.

HOW MUCH NEWS SPACE FOR TV? Although 4 out of every 5 newspapers have an amusement page or section, "more than one out of every 5 newspapers adopts a definitely uncooperative attitude toward motion pictures" and "33% of the papers checked do not even review new movies." So stated Columbia Pictures vp Paul N. Lazarus Jr. to a group of leading newspaper executives last week (see p. 3), citing the results of a survey of 160 newspapers in 91 cities prepared recently by the Council of Motion Picture Organizations.

Other highlights of the COMPO checkup:

1. TV gets more editorial coverage than movies in 44% of the nation's major newspapers. This compares with 32% which "emphasize motion pictures over TV."

2. From an advertising standpoint, only 5½% of these papers carried more ads from TV than from movies, while 63% carried more ads from movies than from TV.

Movie adman Lazarus wasn't attempting to put a dollar-laden shotgun to the heads of newspapers—or so he said. "I realize that editorial space is not awarded on the basis of advertising volume," he stated. "I know full well that public interest is the primary criterion . . . But," he added, in an obvious rejection of the traditional responsibility of newspapers to serve their readers before their advertisers, "given 2 entertainment media of equal appeal, does it seem right that the lesser advertiser should receive the greater attention? Particularly when it is an advertising medium competing fiercely with you for the motion-picture dollar."

New & Upcoming Stations: Spanish-language border outlet XEWT-TV (Ch. 12) Tijuana-San Diego began programming July 18. Owner Telesistema Mexicano S.A. operates Mexican TV network with hq at XEW-TV (Ch. 2) Mexico City. Its principal owners are publisher-industrialist Romulo O'Farrill Sr. and theater-radio station owner Emilio Azcarraga Sr. The latter is also the principal stockholder of Tijuana-San Diego ABC-TV affiliate XETV (Ch. 6). XEWT-TV has 5-kw GE transmitter and guyed 200-ft. tower on Monte San Antonio. It also has TV tape-recorder equipment. Bernard Urilla is gen. mgr.; Ernesto Hevia, sales mgr.; Rene Armando Lafon, program dir.; Felipe Fernandez, chief engineer. Base hour is \$96. U.S. on-air total remains 569 (89 uhf) inasmuch as XEWT-TV operates on a channel allocated to Mexico.

* * *

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

KCBY-TV (Ch. 11) Coos Bay, Ore. has studios ready, expects to have 2-kw RCA transmitter ready for use by end of July and is keeping tentative Sept. 1 programming target, reports S. W. McCready, gen. mgr. of owner KVAL-TV (Ch. 13) Eugene, Ore. KCBY-TV will operate as semi-satellite of parent KVAL-TV, which is NBC-TV affiliate. Work on 200-ft. Fisher tower began toward end of June. Resident engineer is Glenn McCready, ex-KPIC Roseburg, Ore. Base hour will be \$150. Rep will be Hollingbery.

WIPM-TV (Ch. 3) Mayaguez, P.R., to be non-commercial operation of P.R. Dept. of Education, has changed target to August, reports R. Delgado Marquez, gen. mgr. of Dept.'s other station WIPR-TV (Ch. 6, educational) San Juan. It has 6-kw RCA transmitter ready, but installation of antenna on 202-ft. Ideco tower was delayed until July.

Transfer of WUSN-TV Charleston, S.C. by Southern Bcstg. Co. Inc. to Reeves Bcstg. & Development Corp.—new company formed in Feb. in a merger of Southern, Reeves Sound Studios Inc. & Reeves Products Inc. (Vol. 16:14 p23)—has been approved by FCC, Comr. Bartley dissenting. In the merger & stock transaction, Hazard E. Reeves relinquished positive control of the station, retaining 43.4%. Other interests include Christiana Oil Corp. (13.3%), Jay Drayton Hastie & 3 relatives in the Hastie family group (11.8%), Southern Stockholders (7.4%).

Sale of WDAF-TV (Ch. 4) & WDAF Kansas City for \$9,750,000 to Transcontinent TV Corp. has been approved by FCC (Vol. 16:18 p9). This gives Transcontinent a full complement of 5 vhf plus 60% of a uhf.

Networks

ABC affiliate KETV Omaha preempted the network's convention coverage July 12 at 10:15 p.m. to program a movie, "The Yellow Canary." A Mutual of Omaha executive, monitoring the company's ABC convention commercials on KETV, spotted the preemption and reported it to the network. Both ABC and Mutual's agency Bozell & Jacobs, were "irate" at the station's move, but hadn't taken any action as of July 13. KETV was the only station in ABC's lineup, to switch off the convention coverage prematurely, the network said. "The preemption came after everything at the convention had settled down as far as we could see," a KETV spokesman told us July 13.

CBS & NBC won't follow ABC's recently-announced 40-second station-break policy for its nighttime schedule—at least for a while. The policy would allow an additional 10-second break, which affiliates could sell locally. Attitude of most agency men last week was that the additional spot would "be a dangerous step toward over-commercialization." CBS & NBC station relations departments were in agreement that their respective networks "would be holding the line on evening chainbreaks at present." NBC, however, indicated to us that they may incorporate a 40-second break in nighttime schedule "in about 6 months."

NETWORK SALES ACTIVITY

ABC-TV

American Bandstand, 4-5:30 p.m. Mon.-Fri., participations eff. Aug. —*Jantzen* (Hockaday Associates)

Peter Gunn, 10:30-11 p.m., co-sponsorship eff. Oct.
Bristol-Myers (Dougherty, C., S. & S.)
R. J. Reynolds (William Esty)

The Debbie Reynolds special, Oct. 27, 9:30-10:30 p.m., full sponsorship. —*Revlon* (Grey)

Daytime programming, participations eff. fall 1960.
Peter Paul (Dancer-Fitzgerald-Sample)
Curtis Publishing (BBDO)
Dow Corning (Anderson & Cairns)
Miles Laboratories (Wade)
Ex-Lax (Warwick & Legler)

CBS-TV

California All-Star Rodeo, Aug. 5, 8:30-9:30 p.m., full sponsorship. —*Carter Products* (SSC&B)

NBC-TV

Dan Raven, Fri. 7:30-8:30 p.m., participations eff. fall 1960.
Mentholatum (J. Walter Thompson)
Riverboat, 7:30-8:30 p.m., participations eff. fall 1960.
Block Drug (SSC&B)

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Personals: Howard G. Barnes, CBS Radio program vp in N.Y., named CBS-TV dir. of programs, administration, Hollywood . . . Thomas R. Nunan Jr., ex-Steinman stations, joins Crosley Bestg. Corp. in N.Y. in new post of TV-radio marketing communications dir.; Walter E. Bartlett, acting gen. mgr. of Crosley's WLWC Columbus since death of James Leonard in June (Vol. 16:25 p13), appointed gen. mgr. . . . Wynn Nathan resigns as vp & dir., MCA TV & MCA International to organize a new TV producers' rep company . . . Charles E. Norton, ex-RCA, named mgr. of Ampex International's video mktg. dept. . . . Frank P. Fogarty, exec. vp, Meredith Bestg. Co. and vp-gen. mgr. Meredith WOW Inc. (WOW-TV & WOW Omaha), named a dir. of the U.S. National Bank of Omaha.

Peter B. Kenney, ex-NBC International station operations consultant in Buenos Aires, appointed station mgr. of NBC's WRC-TV Washington . . . George C. Carpenter III, ex-WOW-TV Omaha, appointed gen. sales mgr., KCRG-TV Cedar Rapids, Ia. . . . Richard Beesemyer, CBS-TV Spot Sales, N.Y., named sales mgr., KNXT Los Angeles and CBS-TV Pacific network . . . Alfred N. Greenberg, ex-TelePrompTer ad & PR dir., appointed stations promotion-services mgr., CBS-owned radio stations . . . Stephen I. Simon, ex-Compton Advertising, appointed client services dir., TV Audience Research div., NTA Telestudios . . . Richard Dreyfuss, ex-KDKA-TV Pittsburgh, named program dir., WSAZ-TV Huntington, W. Va.

Robert D. J. Leahy, who was FCC's chief investigator when he retired in 1958 after 24 years on staff, joins WSUN-TV & WSUN St. Petersburg-Tampa as business affairs mgr.; David G. Lee, ex-KMSP-TV Minneapolis-St. Paul, named news dir. . . . William H. Bauer, retired FCC patent attorney, establishes own practice in Washington Bldg., Washington . . . Robert M. Parrish, FTC secy. since 1954, promoted to exec. dir., replacing late Harry A. Babcock, who retired April 1 (Vol. 16:19 p19); Basil J. Mezines named to new post of associate exec. dir.

George B. Storer Sr., chmn.-pres. of Storer Bestg Co., and Mrs. Dorothy Manville Kiggins were married July 16 in Saratoga, Wyo. Mrs. Kiggins is the widow of Keith Kiggins, former Storer vp, onetime vp of NBC and exec. vp of ABC. The couple will reside in Miami Beach.

FCC members will visit Ft. Huachuca, Ariz. July 21-23, at the invitation of the Army, on a "classified" matter.

Meetings next week: Advertising Federation of America 2nd annual ad & mktg. management seminar (July 24-Aug. 5), Harvard Business School, Boston.

Obituary

Chesser M. Campbell, 62, *Chicago Tribune* publisher and pres. of the Tribune Co. (WGN-TV & WGN Chicago), died July 10 while on a fishing trip in Baie Comeau, Que. Death was attributed to a heart attack. He is survived by his wife, a son and a daughter.

C. P. Edwards, 74, former Canadian govt. radio & aviation official, died July 13 in Ottawa. Retiring in 1951 as deputy minister for the Transport Dept.'s air services div. (responsible for radio, civil aviation & meteorological services), he terminated a 41-year career in govt. service. He was a key figure in the negotiations leading to re-allocation of North American radio channels.

Advertising

Anti-trust probe of Sunday newspaper supplements has been started by the Justice Dept., which subpoenaed records of 7 firms for Grand Jury testimony beginning July 19 in U.S. District Court, Buffalo. Ordering the proceedings, Deputy Attorney General Lawrence E. Walsh said there's "reason to believe that an indictable offense may have been committed" in handling & sale of supplements & copyrighted news features. Companies named in the subpoenas were Hearst's King Features Syndicate, Newspaper Enterprise Assn., Greater Buffalo Press, International Color Printing Co., E. W. Scripps Co., Atlantic Features & Printing, Southern Colorprint.

BBDO will not handle Republican National Committee campaign advertising this year. Instead, the Republicans will employ a special house agency, Campaign Associates, to be headed by BBDO vp Carroll P. Newton. Campaign Associates will collect the regular 15% commission on business placed and will return to the party any funds left over after the agency is dissolved at the end of the year. Agencymen from BBDO and other major outfits, loaned to CA, will be retained on the payrolls of their agencies. The Democratic National Committee agency is Guild, Bascom & Bonfigli.

Felix the Cat Creations, Inc., which claims to be the "largest film cartoon house in the U.S.," has announced formation of a commercial film cartoon div. to produce commercials & animated industrial films.

Ad People: Harold Graham Jr., N.Y. client planning mgr., and Thomas F. Greenhow, Los Angeles program services mgr., named vps, McCann-Erickson TV-radio affiliate M-E Productions . . . Maxfield S. Gibbons named vp, Ketchum, MacLeod & Grove.

Station Rate Increases

Station	Base Hour	Minute	Date
KSD-TV St. Louis	\$1750 to \$2000	\$380 to \$400	July 1
WJXT Jacksonville	850 to 900	250 to 300	July 1
WAST Albany, N.Y.	800 to 900	1	1
KTVH Wichita	700 to 800	145 to 160	July 1
WMT-TV Cedar Rapids	700 to 750	160 to 175	July 1
KSBW-TV Salinas-Monterey	425 to 450	110 (no change)	July 1
KCSJ-TV Pueblo, Colo.	225 (no change)	45 to 60	July 1
KSBY-TV San Luis Obispo	220 to 250	50 to 60	July 1
KCMT Alexandria, Minn.	200 to 300	40 to 70	1

¹ Not reported.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

THE MUSIC SHOW—RHUBARB OVER REVERBERBERBERB: "There hasn't been anything to confuse the public in the last 3 weeks—this was overdue," remarked one cynical dealer. "Terrific—more demonstrable than stereo itself," said another.

Little Sir Echo—the reverberation effect, or "reverb"—was the most controversial issue at the Music Industry Show last week in Chicago's Palmer House. Both sides had powerful supporters & detractors. But, as manufacturer after manufacturer hopped on the bandwagon (some reluctantly), it became obvious that the industry will give reverb a good spin this fall-winter selling season. "We had 3-channel sound last year," summed up one dealer. "This year it's reverb."

Here's the reverb line-up, as of this writing—others due to join without notice: Philco (Reverbaphonic Sound) started it, along with Zenith (Sound Reverberation). Motorola showed an advance preview of some of its fall stereo models, with "Vibrasonic" in 2 top-end stereo units, plus its Drexel & Heritage consoles. Hoffman displayed "Sonic-Tuner" in 2 consoles and a 23-in. combination (\$300 to \$725) and will soon feature the reverb unit in its high-end portable stereo phono—the first application to a portable. Sears Roebuck is expected to feature reverb sets in its fall catalog. Mathes has it. Capehart plans to add it.

Even in the rarified, perfectionist atmosphere of the "packaged component" hi-fi business, reverb has its adherents. Fisher showed its own version—the Space-Expander—which will be offered in accessory form (\$59.95) with Fisher consoles and component stereo. Pilot demonstrated a unit (on request only), admitting it had doubts, but probably will offer it.

Others were even less certain about it, but the attitude was: "If the public wants it, we'll have it." (Loose translation: "If enough of our competitors have it, we will.") Magnavox reluctantly showed a packaged reverb system, which it probably will offer at extra equipment (price guesstimate, \$40-50).

There's certainly no agreement whether this electronic echo chamber enhances music or distorts it—but its supporters are by no means limited to such crass & unmusical characters as merchandisers. One of most enthusiastic backers is Avery Fisher, pres. of the Fisher Co., whose name is synonymous with highest-quality high-priced component hi fi. By the same token, there is strong opposition at Stromberg-Carlson—which also caters to sound connoisseurs.

Least confusion of all about reverb was in the Hammond Organ suite at the Music Show. There, in comfortable surroundings, as the organ music rose and swelled—and reverberated—we found Hammond spokesmen enthusiastic about the "acceptance" of their echo effect, developed originally for electronic organs. (No matter what they call it, all set makers buy the reverb delay lines from Hammond.) One official estimated that the basic reverb device (set makers add their own amplifiers) will bring Hammond \$1.5 million this year in sales to stereo manufacturers. That's sweet music, and Hammond hopes it will continue to echo down through the years. "That's not all," said a Hammond official. "We have some other devices which we'll introduce soon to phonograph makers."

Reverb by-products are cropping up, too. Checker Electronics, Grayslake, Ill., displayed at the show a \$169.95 combination reverb unit, reverb amplifier & speaker which can be added to any hi fi to produce the reverb effect. "We have 8,000 units on order from Hammond," sales mgr. August Buck told us.

We listened to plenty of reverb at the show and are convinced that it adds to some records, detracts from others—that it must be used selectively by the listener. We agree that it's easily and impressively demonstrated—and that it will add more confusion, as well as another control knob. Prognosis for fall-winter selling season: Every major manufacturer will offer reverb, but feature enough non-reverb models to give customer a choice.

For more Music Show trends, see next page.

TV'S MUSIC STILL SWEETER THAN STEREO: When it comes to cash-register music, TV still warbles a far sweeter tune than stereo. So we were told by dealers & manufacturers at last week's Music Industry Show. This is consensus: TV is settling down into a good, all-year, bread-&-butter business. Although most people in the business hopefully predict a "good year" for stereo, they also are disappointed with the extremely seasonal aspect this branch of the business is taking on—both in the console & portable merchandise. They're hopefully looking to Sept. & Oct. to supply big pickup.

"TV is the best business we're in." That was how it was summed up to us by Philco consumer-products gen. sales mgr. Gibson B. Kennedy. And his sentiment was echoed (or reverberated) by others, who commented on health of TV business.

If there's one really significant trend common to both TV & stereo it's the accelerated emphasis on furniture craftsmanship (Vol. 16:26 p18). Westinghouse, which showed new TV & stereo lines, created something of a sensation among design-oriented visitors with its "curio gallery" of experimental hand-crafted furniture pieces, built around TV & stereo. Although they were unpriced and officially "not for sale," Westinghouse officials said after the show that retailer enthusiasm may prompt the production of some of the demonstration models.

"A well-designed piece of equipment can be sold as a fine piece of furniture rather than as an electrical appliance," said famous designer Jay Dorf in introducing Westinghouse line. "We are in the home fashion field." There was some rebuttal from dealers—who don't all fancy themselves furniture salesmen. "Too many portables but not enough emphasis on other low-end stuff" was a comment we heard from one high-volume dealer—aimed at the industry in general.

The furniture emphasis was everywhere—and the larger component-hi-fi manufacturers showed expanded lines of ready-built stereo console models. These included Pilot, Stromberg-Carlson, Fisher, Ampex.

These were other outstanding trends noted at Music Show:

New TV Names: Two component hi-fi houses showed 23-in. TV combination consoles for first time. Fisher had TV-radio-phono units at \$1,145 & \$1,195, with bonded-tube chassis purchased from an outside supplier. Pilot, once a big name in TV but now concentrating on component & packaged-component hi fi, displayed a home-entertainment-center console (including tape recorder) at \$2,500, also with an outside-built TV. Representatives of both Stromberg-Carlson and Columbia conceded they may soon enter the TV-stereo combination field "if there's demand by our dealers."

Capehart again showed its line of TV-radio-stereo & stereo-radio combinations, adding one new TV combo. Its TV chassis are still made by Wells-Gardner pending tooling up of its own plant, a spokesman said, but the entire line will be available for deliveries by this October. Capehart's portables and other TV-only models probably won't be shown till next year. Symphonic, another TV newcomer, soon will be delivering its entire TV and TV-stereo combo line.

FM Radio: If there was any doubt about FM's upsurge, the variety of models and the comments of dealers at Music Show should have dispelled it. More & more console phonos are being shown with AM-FM tuners or with provision for dropping in tuners later. Most AM-FM tuners in stereo or TV-stereo combination consoles are now of the simulcast variety, permitting AM & FM sections to be used simultaneously for pickup of AM-FM stereocasts. Most manufacturers have few illusions about a quick FCC decision favoring FM stereo multiplexing (Vol. 16:26 p14) and feel that the only stereo broadcasting available to public for year at least will be of the AM-FM simulcast variety. But just in case, they point to the "multiplex jack" on back of their tuners—to plug in an FM stereo attachment.

As number of FM stations increases, manufacturers foresee increasing consumer choice of FM in stereo consoles. Most we talked with said they expect more than half of their stereo units to include FM this season. Many big manufacturers already exceed this ratio.

Granco showed its tiny car radio FM converter (\$49.95 list), slated for Oct. delivery. FM enthusiast Henry Fogel, Granco president, said he believes sale of domestic FM sets of all kinds will total "close to a million" this year—not including 100-150,000 imported FM radios. Granco's \$19.95 FM tuner, he said, has become a bread-&-butter item, in same way as original \$29.95 FM-only radio which really put the company "in business" several years ago.

New sets: Westinghouse's was only completely new TV line shown for first time in Chicago. Continuing its "fine furniture" approach, it showed 37 basic TV models, 23 stereo consoles, plus expanded line of portable phonos. Its 19- & 23-in. tubes are non-bonded.

Magnavox, which traditionally drops in large number of new models (but does not change "lines" as such) showed some unique pieces, in addition to those previously announced (Vol. 16:26 p21). Its 3-set color line is dominated by \$1,100 stereo theater in 3 cabinets which can be separated or joined—making color unit available for use as TV console, since phono & radio tuner are in removable side speaker cabinets. Also novel in Magnavox line: 23-in. TV console with FM radio (using separate tuner) at \$349.50, and return of the 27-in. set, in short-short 90-degree-tube version, at \$375 in a console. Considerable comment, pro & con, was aroused by unusually designed non-bonded 19-in. table model in wood cabinet with large speaker grille and tuning controls facing front above screen.

TV imports: Only new imported TV set shown was Star Lite Merchandise Co.'s widely publicized 8-in. plug-in all-tube portable, originally slated to sell for \$69, later revised to \$89 (Vol. 16:11,17). The midget, made by Riken TV Industry Co., bore surprisingly high retail tag of \$110, but is priced to be "marked down" to about \$99. Most dealers still were doubtful, remembering their experience with RCA's 8-in. set which was list-priced at \$125, liquidated at \$99.

Sony again showed its 8-in. transistor portable, was still cryptic about price, but promised deliveries "in time for Christmas." Delmonico's similar set, made by Nippon Victor (Vol. 16:20 p17) is being shipped from Japan now, we were told by exec. vp Herbert Kabat. Although company originally was shooting for under-\$200 price, the tiny set now lists at \$249.95. Delmonico also showed new Japanese 19-in. stereo-AM-FM combo console at \$299.95 (delivery in Oct.) and 19-in. portable at \$179.95 (latter Aug.). The 19-in. tubes are U.S.-made, inserted domestically. Both Delmonico & Sampson showed their mammoth color sets again, but neither apparently has firmed up plans for delivery. Only other imported TV sets we saw were in Majestic's German-made Grundig combinations.

For more Music Show highlights, see p. 16.

TV-RADIO PRODUCTION: EIA statistics for week ended July 8 (27th week of 1960):

	July 1-8	Preceding wk.	1959 week	'60 cumulative	'59 cumulative
TV	51,637	106,310	73,087	3,019,166	2,862,032
Total radio	173,906	285,651	198,096	8,696,721	7,308,854
auto radio	75,310	98,471	71,369	3,398,173	2,971,990

Standard Kollsman Industries now owns more than 80% of the stock of Casco Products Corp., for which it paid more than \$4 million, Pres. James O. Burke told Casco's annual meeting last week. Casco makes auto accessories & small appliances. Burke said more than 400,000 of Casco's 511,356 shares had been acquired at \$10.50 a share, and that the offer to buy at that price has been extended to Aug. 1. He stated that the name of the new Casco president will be announced in 10 days. It's widely expected to be Leonard F. Cramer, ex-Magnavox & Crosley (Vol. 16:23 p20). Burke heads Casco's new 4-man board as pres. & chief exec. officer. Other Casco directors: Arthur Richenthal, Standard Kollsman secy.-gen. counsel; Perry Addleman, management consultant; John P. Hoffman, vp of Continental Ill. National Bank & Trust Co. All 4 are also Standard Kollsman directors. Former Casco Chmn. Joseph H. Cone was named honorary chmn.

Olson Radio Corp., Akron wholesale & retail distributor, has been accused by FTC of misrepresenting rebuilt TV picture tubes as "top quality picture tubes in factory-sealed cartons." Formerly called Olson Radio Warehouse Inc., the firm had been charged earlier by FTC with making deceptive price claims, failing to disclose foreign origins of products and misrepresenting guarantees on them. Olson denied the original charges.

Minnesota Mining & Mfg. Co., whose diversification moves this year have included acquisition of MBS and merger negotiations with tape-recorder & camera maker Revere Camera Co. (Vol. 16:27 p18), is in anti-merger law trouble over two 1956 acquisitions. In a Clayton Act complaint, FTC accused the 3M firm of putting itself into a position to monopolize the electrical insulation business by taking over Chicago's Prehler Electrical Insulation Co. and Fort Wayne's Insulation & Wires Inc. The FTC complaint noted that earlier acquisitions by the company included Irvington Varnish & Insulator Co., Mica Insulator Co. and American Lava Corp.

Merger of Symphonic Electronic Corp. (TVs, phonos) into Lynch Corp. (Vol. 16:23 p19) will be submitted to stockholders of both companies in special meetings late this month or early in August. Directors of both firms have approved the exchange-of-stock transaction. Lynch supplies industrially glass-forming & packaging machinery.

Settlement of 6-day RCA strike came July 11 for 2,400 engineers at 5 N.J. & Pa. plants (Vol. 16:28 p16) with a new 1-year contract retroactive to July 1. Agreement between RCA & Assn. of Professional Engineering Personnel provides: 4¾% salary increase (vs. APEP's 6% demand, RCA's 3¾% counter), union voice in company's merit-review program.

Music Show Highlights

IMPORTS didn't steal the show at NAMM's Music Industry Trade Show in Chicago (see p. 15) this year, although plenty of importers had exhibits there. There was a noticeable increase—compared with last year—in imported products being sold under the labels of U.S. manufacturers.

For example, there was CBS's Columbia phono dept., whose complete radio & tape-recorder line is imported. Paradoxically, Columbia's transistor radios & tape recorders are made in Germany (the recorder is made by Grundig), while the tube-type radios & recorders are from Japan. Webcor showed a line of transistor radios and a battery-operated miniature tape-recorder from Japan. Capehart also displayed, for the first time, a group of Japanese-made transistor radios at \$29.95 to \$59.95.

Among other Japanese merchandise, most attention was drawn to Yashica's complete 3-piece 14-transistor stereo phono with 2-band radio—all battery operated.

* * *

Record-playing equipment in console phonographs is coming in for more attention. Motorola proudly announced it was the first manufacturer to use a brand new Sonotone-made ceramic pickup cartridge (9-T), whose flat response curve compares favorably with most magnetic cartridges. Its shape is said to be designed to eliminate dust static.

Magnavox showed for the first time a completely redesigned record changer, which is being incorporated in most of its phonos. The Magnavox Imperial, made in Britain by Collaro, which is controlled by Magnavox, features a 3-gram diamond-stylus pickup. Another British changer manufacturer, Birmingham Sound Reproducers, kicked off a big promotional drive at the show. New BSR (U.S.A.) Ltd. plans a large consumer-ad campaign for its BSR brand changers, now used in phonos made by Westinghouse, Emerson, Olympic, Trav-Ler, Arvin and others. BSR also will have cartridges & tape decks.

* * *

Hi-fi component manufacturers have broadened their lines of fine-furniture stereo consoles. Pilot's completely new line, highlighted by the \$2,500 TV-phono-radio-tape entertainment center (see p. 14), has 15 stereo consoles from \$299.50 to \$695. Fisher, which also has a TV combination this year, showed 7 basic consoles at \$395 to \$2,595. Ampex and Bell Sound also offered new console lines. Stromberg-Carlson showed 14 basic console models at \$285 to \$1,060.

Two Canadian phono manufacturers launched invasions of the U.S. market—Stereo-Voice, with a line of component consoles, and Clairtone with a complete stereo line.

* * *

Bucking the trend: While almost every manufacturer added more TV-stereo-radio combinations, Westinghouse quietly dropped the only one it had. There are no combos in the 1961 Westinghouse line introduced last week.

* * *

Electronic air purifiers are providing a new field for consumer-electronics manufacturers. Among those entering this market are Pentron, heretofore known almost exclusively as a tape-recorder manufacturer, and Granco, whose products have been limited to radios.

"Picture on a pole" is the unique approach of Fischer Electronics Inc. (7712 S. Broadway), St. Louis. The company showed its "TV-bar," consisting of a formica-covered padded bar for the home, with a metal-encased TV picture-tube atop a brass pole protruding from the top of the bar. The TV chassis & controls are behind the bar, and the picture screen swivels a full 360 degrees. The bar, complete with 17-in. TV, is available at \$349.95 up. A company spokesman said the TV picture tubes could be operated up to 18 ft. away from the set's chassis, and that 2 picture tubes could be driven from a single chassis. He suggested that this arrangement would be ideal for classroom TV (but without the bar). The chassis shown were modified Sylvania units.

* * *

Reverberation effect for home use (see p. 13) isn't limited to phonos & organs. Ecco-Fonic Inc. (905 S. Vermont Ave.), Los Angeles, demonstrated a \$350 unit designed principally for amateur use with electronic guitars and other musical instruments. The adjustable echo can give the effect of a concert hall or make one guitar sound like a large group. Used to amplify voice, it can make one singer sound like a chorus—or as if he were singing into a rain-barrel. Ecco-Fonic modestly proclaimed in its press announcement that its "unique new development in sound reproduction makes a rank musical amateur sound good."

* * *

Tape-cartridge-vs.-open-reel dispute didn't flare up at Music Show this year. In the pre-recorded music tape field, everything was open-reel—with 2 exceptions. RCA and Bell Sound (Thompson Ramo Wooldridge) again showed their recorder-players for the RCA-type tape cartridge. None of the proposed new cartridge-tape systems now under development (such as the 3M-CBS or the Armour Research Foundation systems) was demonstrated.

Officials of Bell Sound conceded that consumer demand for its cartridge machine had fallen off, but said business was good in other fields—particularly in dentistry. A spokesman said Bell had orders for a total of 10,000 of the machines for use by dentists—not for the playing of music, but as a pain-deadener. The machines, used with headphones, play a pre-recorded "white sound" which cancels out much of the psychological discomfort felt by patients during dental drilling.

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Major contract awards: Magnavox, 2 contracts totaling \$32.5 million from the Bureau of Naval Weapons for radar sets & indicators. • Sylvania, \$20-million contract from Convair div. of General Dynamics for electronic defense systems for the Air Force's B-58 bomber. • Westinghouse, \$19.2-million Air Force award to produce long-range-search radar systems for the continental air defense network. • Lab for Electronics, 2 Air Force awards totaling \$12 million for airborne navigation equipment. • RCA Service Co., \$5.3-million award to operate an Air Force communications network. • Belock Instrument, \$5-million Army contract to produce radar simulator systems. • ITT, awards totaling \$4.7 million to its Federal div. from the Army, Air Force and Federal Aviation Agency for various electronic equipment. • Daystrom, \$2-million Navy award for continued work on the Julie System. • International Resistance, \$1.7-million contract to develop precision resistors for North American Aviation's Autonetics div., for use in the Minuteman missile. • GE, \$1.4-million award from Autonetics for a reliability program on silicon transistors for Minuteman.

TOP 100 DEFENSE FIRMS: General Dynamics pushed Boeing out of first place as the nation's No. 1 defense contractor last year, according to the Defense Dept.'s compilation of the 100 firms with the highest volume of prime contracts in 1959. Of the 100 companies, at least 32 are strongly identified with electronics.

As compared with the 1958 list (Vol. 15:31 p20), the electronics firms show considerable realignment. On the 1959 list but not on the 1958 list are Hazeltine (ranking 56th), Standard Coil (70th), Magnavox (71st), Litton Industries (92nd), Gilfillan Bros. (97th), Texas Instruments (99th). On the 1958 list but missing last year were Cal. Institute of Technology (58th) & Rand Corp. (59th).

Companies showing sharp rises in ranking were Raytheon (18 to 11), Avco (31 to 20), Thompson Ramo Wooldridge (44 to 29), Philco (46 to 35), GPE (67 to 44), Hoffman (94 to 54), Lab for Electronics (97 to 78). In the top 10, GE dropped from 3rd to 5th, AT&T from 6th to 9th.

We've prepared this summary showing standing of prominent electronics firms in the top 100 for calendar 1959 compared with 1958. (Subsidiaries included, dollar figures in millions. Dash indicates firm was not among top 100 during 1958.)

	1959		1958	
	Contracts	Rank	Contracts	Rank
General Dynamics	\$1,491.1	1	\$1,542.3	2
GE	915.7	5	952.4	3
AT&T	501.4	9	792.0	6
Raytheon	369.5	11	274.1	18
Hughes Aircraft	322.7	13	565.7	8
Sperry Rand	318.7	14	423.7	10
RCA	303.2	15	365.1	15
Bendix Corp.	279.9	16	243.7	21
IBM	262.5	17	417.6	11
Westinghouse	220.5	18	271.6	19
Avco	199.6	20	102.0	31
ITT	156.9	24	135.8	25
Thompson Ramo Wooldridge..	133.0	29	71.9	44
Burroughs	117.9	30	107.0	29
Collins Radio	116.4	32	84.4	36
Philco	102.0	35	71.5	46
American Bosch Arma.	98.2	36	85.4	35
Minneapolis-Honeywell	94.8	37	86.1	34
Northrop Corp.	83.5	41	245.1	20
Gen. Precision Equipment ...	77.6	44	44.2	67
Mass. Inst. of Technology....	64.7	48	60.1	52
Hoffman Electronics	57.1	54	30.1	94
Hazeltine Corp.	54.2	56	—	—
Gen. Telephone & Elec.	51.9	58	41.2*	69
Lear	37.9	67	44.3	66
Standard Coil Products.....	35.4	70	—	—
Magnavox	34.9	71	—	—
Laboratory for Electronics...	32.9	78	27.9	97
Litton Industries	25.9	92	—	—
Motorola	25.0	93	33.2	84
Gilfillan Bros.	24.0	97	—	—
Texas Instruments	23.7	99	—	—

* Sylvania only.

Servel Inc. will enter magnetic tape field this year and expects to initiate production at its Freeport, Ill. plant around the end of October, Pres. Duncan C. Menzies reported recently. The onetime refrigerator-compressor-air-conditioner giant now derives its income almost exclusively from its Burgess battery divs., expects a "substantial number" of the 1,500 electronic parts distributors who handle its Burgess lines also to distribute the new magnetic tape to retailers. Menzies said it would take 3-6 months from the start of production before Servel's magnetic tape is in national distribution. Initial production will be of tape for home recorders. Eventually Servel will branch into magnetic tape for computers.

New plants & expansions: Westinghouse will establish an astrophysics lab on a 50-acre site in Conejo Valley, Cal. for advanced development of molecular electronics, semiconductors, thermoelectrics, sensing tubes—primarily for military use. A temporary facility at the site will be occupied this month, pending completion of lab next March.

• Collins Radio broke ground recently for a 38,000-sq.-ft. \$750,000 communications & data-processing center at Cedar Rapids. The center is scheduled for March 1961 completion, will house a fully operational system of single-sideband & microwave communications equipment and a centralized computing system. • Sylvania semiconductor div. has moved its advanced-device research lab from Northlake, Ill. to the Waltham, Mass. facility—pending relocation early next year at div. hq. in Woburn, Mass. The move was made for "closer liaison" between semiconductor development & production.

Merger of Seeburg and Itek Corp. is the subject of preliminary talks being held between the 2 companies. Seeburg, which claims to be the largest manufacturer of coin-operated phonos, also makes electronic components for the govt., Western Union & American Photocopy Co. (assets more than \$11 million; 1959 net profit \$1,929,000 on sales of \$22,936,886). Itek Corp., producer of graphic information storage & handling equipment, photocopy machines & accessories, is 22.6% owned by Laurance Rockefeller (assets \$13,299,702; for fiscal year ended last Sept. 30, net of \$485,483 on sales of \$25,056,879).

Best-selling TVs in Britain continue to be 17-in. models, which in 1959 accounted for 91% of the total 2,750,000 sets sold (up from 83% of 1958's 2-million TV sales), notes the annual report of the British Radio Equipment Mfrs. Assn. The 1959 sales of 21-in. TVs increased to 165,000 units (or 6% of total sales) from about 100,000 units (5%) the preceding year. Exports of British TV-radio sets declined 8% in 1959 to a total value of about \$9.1 million. Sweden was Britain's top TV customer (purchasing a value of \$822,628 TVs), followed by Erie (\$285,415). Nigeria was 2nd-highest TV-radio importer, but only a fraction of its total \$695,887 purchases went to TV.

Heat-to-electricity converter which can provide practical amounts of power from heat of ordinary fuels has been developed experimentally by RCA Labs. The new thermionic converter tube, developed under an Air Force research contract, has been operated with 14% efficiency from heat sources of 1,100° C—equivalent to the heat produced by gasoline or natural gas. The experimental tube, according to RCA Labs research dir. H. W. Leverenz, "combines practical simplicity with the highest efficiency yet known to have been achieved by any thermionic device working at [such low] temperatures." Being developed primarily for conversion of solar heat to energy in space, the tube points the way to mass-producible devices which potentially could be used in nuclear power plants, to run an auto or to provide standby home power, according to RCA Labs. The tube, which employs no working parts, was developed by RCA Labs' Dr. Karl G. Hernqvist.

Magnavox will acquire facilities in Glasgow, Scotland, for production & distribution of tape recorders & record changers in the British Commonwealth. Output of TVs & radios will be subcontracted initially, but the company may buy or build its own TV-radio plant later.

AM radio designed for desk & office use, the Zephyr, has been introduced by Zenith at \$39.95. A special filter-in antenna is designed to reduce electrical interference.

Japan's Export Quotas: Exports this year of radios with 3 or more transistors from Japan to U.S. will total about 4 million sets—or approximately the same as last year. So said the Commerce Dept. Business & Defense Services Administration, on the basis of its own unofficial advices as to the Japanese govt.'s newly-established quotas for shipments to the U.S. & Canada (Vol. 16:27 p14).

The BDSA electronics div. said quotas—which have not been revealed officially—provide for maintenance of 1959's volume of shipments to the U.S. & Canada, but provide for a 10-20% increase in exports to the rest of the world. The quotas are divided among exporters (not manufacturers) on the basis of their exports during 1958 & 1959, but provision is made for companies not in business during the base period.

Last year's Japanese exports of sets with 3 or more transistors to the U.S. & Canada totaled 4,405,738 units. Of these, 4,011,784 went to the continental U.S. & Hawaii, 3,608 to Puerto Rico, 390,346 to Canada.

In addition to radios with less than 3 transistors, these types are exempt from quotas: Sets with FM or long-wave (30-300-kc) bands, vehicular radios and those combined with watches or cameras.

Trade Personals: R. G. Simpson named consumer-products vp, L. D. Headley record div. gen. mgr., RCA Victor Ltd. (Montreal) . . . Milton Auster and Stanely R. Seltzer named vps, Olympic Radio & TV Sales Corp. (Vol. 16:28 p15) . . . James F. Haley promoted from Motorola Philadelphia regional mgr. to new post of national field sales mgr. . . . Elwood Reeves resigns as Magnavox vp and radio-TV div. sales mgr.

Dr. C. Lester Hogan, semiconductor products div. gen. mgr., named Motorola vp . . . John R. Meagher appointed electronic instruments mdsg. mgr., distributor products dept., RCA electron tube div., responsible for test-equipment merchandising . . . J. A. (Shine) Milling reappointed chmn. of EIA's distributor relations committee . . . Leonard D. Sullivan named Raytheon senior corporate representative in Washington . . . E. E. Ferrey resigns as Hoffman PR dir. to become mgr. of Western Electronics Mfrs. Assn. (WEMA) . . . Berkley J. Baker, ex-Eitel-McCullough, named ad mgr., Litton Industries electron tube div. . . . William H. Cotton, ex-Standard Brands, elected secy.-treas., Reeves Soundcraft.

Joseph A. Lagore resigns as Philco govt. & industrial div. mfg. vp . . . Don Kehn appointed commercial products ad mgr., Stromberg-Carlson, succeeding Ken Juno, named ad operations mgr. . . . Fred W. Edwards promoted from chief engineer to new post of engineering vp, Standard Kollsman Industries . . . Herbert A. Frank, ex-Granco sales dir., appointed American operations vp, Clairtone Sound Corp., Ltd., Ontario, headquartering in N.Y. . . . Irving Kaplan appointed sales dir., Fidelity Electronic Corp. (phonos) . . . Walter L. Schott, Walsco founder, named distributor sales div. mgr., International Rectifier . . . Joseph F. Degen named vp-gen. mgr., Daystrom Weston Instrument div., succeeded as operations vp by Edward Klein.

Obituary

Forrest F. Davis, 72, retired asst. vp, ITT, died in Mexico City July 10. He was formerly asst. gen. mgr. of the Shanghai Telephone Co., and vp-gen. mgr. of the Mexican Telephone & Telegraph Co. His wife survives.

Finance

Acquisitions & mergers: Bendix has acquired controlling interest in Diseñadores y Constructores S.A. (Dis-cosa), a leading Mexican tool & die company, and will operate it as Bendix de Mexico S.A. ● Anton-Imco Electronics Corp. directors have approved the sale of the firm's assets to the Lionel Corp. on the basis of 1½ shares of Lionel for each share of Anton-Imco. Shareholders will vote on the proposal at special meetings. ● Hudson Radio & TV Corp. is negotiating a merger with Terminal Electronics Co. Both are N.Y.C. area electronic parts & hi-fi jobbers & retailers. ● Dominion Electrohome Industries Ltd., Kitchener, Ont. maker of TVs, radios, hi-fi, other products, has acquired control of Campbell Electric Ltd., Brantford, Ont. manufacturer of lighting products. ● National Union Electric, manufacturer of electron tubes and home heating & air conditioning equipment, has purchased furniture maker Durham Mfg. Corp. for an undisclosed cash sum. ● International Rectifier has acquired Dallons Labs for less than 20,000 shares of International stock, will operate the Los Angeles electronics manufacturer as a wholly-owned subsidiary. ● Ling-Altec and Temco Aircraft shareholders have approved the merger of the 2 concerns into Ling-Temco Electronics (Vol. 16:22 p20). For each of their shares Temco stockholders will receive 48-100 of a share of common to be issued by the new corporation, plus 12-100 of a share of a new convertible preferred. Ling-Altec shareholders will get one share of the new common for each share held. ● Thompson Ramo Wooldridge has 51% ownership in a new French electronics concern, Compagnie Europeenne d'Automatisme Electronique, formed in partnership with France's largest electronics manufacturer, Compagnie General de Telegraphie Sans Fil (40%), known throughout Europe as C.S.F., and Inter-technique of France (9%). The new concern, with an initial capitalization of \$1.5 million, will produce automation equipment for the European market.

Reports & comments available: Zenith, comments, Goodbody & Co., 115 Broadway, N.Y. 6 ● Daystrom, analysis, Laidlaw & Co., 25 Broad St., N.Y. 4 ● Belock Instruments, discussion, Ira Haupt & Co., 111 Broadway, N.Y. 6 ● Avco and AT&T, memos, Oppenheimer, Neu & Co., 120 Broadway, N.Y. 5 ● Columbia Technical Corp., offering circular, Diran, Norman & Co., 37 Wall St., N.Y. 5 ● Standard Kollsman Industries, profile, July 1 *Forbes*. ● Siegler, discussion, Joseph D. Goodman & Co., 1526 Chestnut St., Philadelphia 2 ● Victoreen Instruments, memo, Auchincloss, Parker & Redpath, 2 Broadway, N.Y. 4 ● Warner Bros., analysis, E. F. Hutton & Co., 61 Broadway, N.Y. 6 ● Collins Radio, review, H. Hentz & Co., 72 Wall St., N.Y. 5 ● Dynamic Films, offering circular, Morris Cohon & Co., 19 Rector St., N.Y. 6 ● Liberty Records Inc., prospectus, Crowell, Weedon & Co., 650 S. Spring St., L.A. 14 ● TelePrompTer, profile, July 13 *Financial World* ● Varian Assoc., prospectus, Dean Witter & Co., 14 Wall St. N.Y. 5. ● Allied Radio, profile by Sidney B. Lurie in July 15 *Forbes*.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Allied Radio	Q	\$0.08	Aug. 22	Aug. 8
Gross Telecasting	Q	.40	Aug. 10	Jul. 25
Gross Telecasting "B"	Q	.07½	Aug. 10	Jul. 25
Internatl. Resistance	Q	.07½	Sep. 1	Aug. 15
Magnavox	Q	.25	Sep. 15	Aug. 25
Taft Bcstg.	Q	.10	Sep. 14	Aug. 15

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during the last week. Dash indicates the information was not available at press time. Parentheses denote loss.

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Allied Artists	1960—year to Jun. 30 ¹	\$14,000,000	— ²	\$1,100,000	\$1.25	895,346 ³
	1959—year to Jun. 27	15,000,000	—	(262,500)	—	895,346 ³
American Electronic Labs	1960—6 mo. to May 31	1,120,304	—	21,698	.21	96,663
	1959—6 mo. to May 31	882,584	—	25,780	.26	96,663
AT&T	1960—12 mo. to May 31	7,618,508,000	—	1,185,743,000	5.36	214,513,000 ⁴
	1959—12 mo. to May 31	7,036,389,000	—	1,074,390,000	4.94	211,017,000 ⁴
	1960—3 mo. to May 31	1,971,317,000	—	311,848,000	1.41	215,110,000 ⁴
	1959—3 mo. to May 31	1,836,938,000	—	290,118,000	1.32	212,561,000 ⁴
GE Story below.	1960—6 mo. to Jun. 30	2,022,699,000	\$227,877,000	111,429,000	1.26	87,925,923 ⁵
	1959—6 mo. to Jun. 30	2,065,447,000	243,736,000	117,239,000	1.34	87,515,284 ⁷
	1960—qtr. to Jun. 30	1,065,266,000	120,577,000	58,815,000	.66	87,925,923 ³
	1959—qtr. to Jun. 30	1,088,879,000	135,142,000	64,461,000	.74	87,515,284 ⁷
General Instrument Story below.	1960—qtr. to May 31	13,010,910 ⁶	—	430,923	.25	1,758,123
	1959—qtr. to May 31	12,728,861	—	211,129	.14	1,497,723
International Resistance	1960—25 wks. to Jun. 26	10,354,177	—	1,045,972	.75	1,379,398 ¹⁰
	1959—25 wks. to Jun. 26	9,409,128	—	927,601	.68	1,354,989 ¹¹
	1960—10 wks. to Jun. 26	4,163,000	—	369,000	.26	1,379,398 ¹⁰
	1959—10 wks. to Jun. 26	3,920,000	—	357,000	.26	1,354,898 ¹¹
Loew's Theaters radio WMGM N.Y.	1960—12 wks. to Jun. 9	10,309,000	—	636,700	.24	2,668,389
	1959—12 wks. to Jun. 9	9,968,000	—	375,100	.14	2,668,389
P. R. Mallory	1960—6 mo. to Jun. 30	43,707,226	4,297,961	2,010,806	1.32 ⁸	1,443,739
	1959—6 mo. to Jun. 30	42,514,460	4,082,795	1,976,686	1.30 ⁸	1,411,774
Taft Bcstg.	1960—qtr. to Jun. 30	2,874,875	900,798	429,772	.29	1,486,528
	1959—qtr. to Jun. 30	2,498,764	757,739	362,090	.24	1,486,528
Westinghouse Story on p. 20.	1960—half to Jun. 30	953,844,000	—	40,454,000	1.41	34,679,456 ⁹
	1959—half to Jun. 30	914,204,000	—	34,150,000	.96	34,360,056 ⁹
	1960—qtr. to Jun. 30	495,027,000	—	20,958,000 ⁵	.59	34,679,456 ⁹
	1959—qtr. to Jun. 30	474,132,000	—	19,741,000	.56	34,360,056 ⁹
Wometco Enterprises	1960—24 wks. to Jun. 18	5,526,953	—	490,235	.51	—
	1959—24 wks. to Jun. 18	4,740,379	—	371,287	.41	—
	1960—12 wks. to Jun. 18	3,108,003	—	289,914	.29	—
	1959—12 wks. to Jun. 18	2,380,111	—	200,643	.22	—

Notes: ¹Estimated. ²Not subject to tax because of \$1.7-million tax-loss carry-forward. ³On Mar. 29, 1960. ⁴Average. ⁵Record. ⁶Average shares Jan. 1, 1960. ⁷Average shares Jan. 1, 1959. ⁸After pfd. dividends and based on 1,443,739 common shares outstanding June 30, 1960. ⁹Per 2-for-1 stock split Jan. 1960. ¹⁰Jan. 1960. ¹¹Jan. 1959.

GE reports a profit drop of 9.6% on a 2.2% sales decline in 1960's 2nd quarter and an overall first-half recession of 5% in earnings & 2% in sales (see financial chart). Chmn. Ralph J. Cordiner explained that while TVs & radios are "performing well," other consumer products were down in volume and "disappointing in terms of what had been hoped for the period." Sales of defense products continued the decline begun in the first quarter, he added, "but sales of industrial components & materials continued to show strong gains over the corresponding months of last year. Re the declining appliance volume, Cordiner added: "Consumers are allocating the smaller portion of their higher incomes to the purchase of major appliances. This situation can best be changed by our continuing efforts to make values & services constantly more attractive."

Jerrold's sales for the first quarter ended May 31 were approximately at last year's level, Pres. Milton J. Shapp told the company's annual stockholders meeting. He said the company's backlog of CATV & closed-circuit installation & construction contracts exceeds \$1 million. Referring to the company's call for redemption of its 6% convertible subordinated debentures (Vol. 16:26 p23), he said Jerrold will be freed of all long-term debt only 5 years after the issue of the \$2,750,000 debentures—"an indication of the company's increased financial strength."

NAFI Corp. Pres. John G. Bannister ruled out the possibility of a stock split or a cash dividend this year at the company's stockholders meeting. "Our first obligation," he said, is to pay off the \$28-million debt incurred in the recent purchase of Chris-Craft Corp. Bannister said advertising income of NAFI's TV-radio stations should increase during the 2nd half because of political & convention programs. He reaffirmed the company's intention to eventually acquire 5 TV & 7 radio stations, but said no acquisitions are currently under consideration. NAFI's broadcast properties: KPTV Portland, KCOP Los Angeles, radio KXYZ Houston, KFJZ-TV Ft. Worth.

General Instrument scored a 104% profit gain on record sales of \$13 million in fiscal-1961's first quarter ended May 31 (see financial chart). Chmn. Martin H. Benedek credited the improved profit picture to continuing increases in the percentage of industrial-military sales, particularly in the semiconductor field. Semiconductor shipments during the quarter were 46% ahead of the year-ago volume. General Instrument's order backlog was a record \$44.6 million at the quarter's end, vs. \$20.8 million a year ago.

Electronic Specialty Co. has obtained shareholder approval to create 200,000 shares of preferred stock (the company's first). The Los Angeles concern has 547,240 shares of common outstanding.

Westinghouse posted an 18% profit gain on a 4% sales increase during 1960's first half (see financial chart). The 2nd-quarter profit rose 6% to a record \$20.9 million; sales were up 4%. With the exception of major appliances, which declined slightly, all segments of the company contributed to the sales & profit increase. Westinghouse said that new orders booked during the first half were up 9% from the year-ago level.

Famous Players Canadian Corp. consolidated net profit dropped 22.4% in first-quarter 1960 to \$593,518 (33¢ a share) from \$764,370 (44¢) in Jan.-Mar. 1959. Pres. J. J. Fitzgibbons attributed the drop in part to start-up expenses (including depreciation) of the Telemeter operation.

Republic Pictures sale to Victor M. Carter in July, 1959, in a deal involving common stock shares transferred to him & 6 associates by Associated Motion Pictures Inc. (Vol. 16:24 p6), has been cleared by SEC. Technical non-compliance with the Investment Co. Act in the transaction had been noted by SEC, but it granted a retroactive exemption from the law to Associated.

Capital Cities Bcstg. Corp. (WTEN & radio WROW Albany, with satellite WCDC Adams, Mass.; WTVD Durham, N.C.; WPRO-TV & WPRO Providence) is now listed on the American Stock Exchange. Symbol: CCB.

Dynamic Films, N.Y. program supplier & film producer, last week offered 100,000 shares of common (\$3 a share) for public sale through an underwriting group headed by Morris Cohon & Co. Upon completion of the new financing, Dynamic's capitalization will be 250,000 common shares.

Foreign

Amadeo Barletta, former Cuban GM distributor, publisher of *El Mundo* and owner of Telemundo TV network, in exile in Miami, writes of Castro's seizure of his \$40-million business empire (Vol. 16:9 p2) in an article for the North American Newspaper Alliance. "We and the thousands of readers who have been loyal for 58 years still own *El Mundo* and its TV affiliate of 7 stations," he writes, "but they are occupied by the enemies of freedom." His column recounts the events of the seizure ("We had millions in inventory and in the bank—this is what they really wanted"). He spent 111 days in the Italian Embassy in Havana (he is an Italian citizen) before fleeing to Miami. "The Cuba we and many knew is ruined and dead," he writes. "It is now but a cell in the international Communist conspiracy."

British TV-ad spending jumped 33% to a record \$51.5 million during 1960's first-quarter. Six product groups topped the £500,000 mark (\$1.4 million) and scored impressive gains over the same 1959 quarter: sweets & toffees, 78%; health beverages & baby foods, 59%; soups, gravy makers and meat extracts, 50%; chocolates, 47%; cigarets & cigars, 46%; household soaps, 23%. The last category was the quarter's top TV advertiser, with an investment of \$4.4 million.

Educational Television

Stratovision ETV equipment in 2 DC-6 A/B planes scheduled for Feb. 1961 takeoff by the Midwest Council on Airborne TV Instruction (Vol. 16:18 p14) will be installed—and trained technicians supplied—by Westinghouse under a \$2.2-million contract. The 2-year agreement for operation & maintenance of the airborne system will be executed under the direction of Westinghouse's Charles E. Nobles, who originated & demonstrated Stratovision techniques in the mid-'40's.

N.Y. city schools more than doubled their use of TV for in-class instruction during the 1959-60 year. TV-viewing classes increased to 15,352 from 6,920 in the preceding year, reported the Board of Education. It attributed the rise to "a wider variety of offerings" and a near tripling of school TVs: to 1,311 from 486 in the 1958-59 year. Each city school now has at least one TV set. The Board's report noted a decline for in-school radio instruction. Radio-listening classes decreased to 33,511 from 39,510.

National Assn. of Educational Bcstrs. has retained radio & electronic consulting engineers Jansky & Bailey. They'll aid NAEB with, among other things, its contemplated survey of education's need for spectrum space.

Technology

Assault on land speed record by Briton Donald Campbell, to take place at Utah's Bonneville Salt Flats in Sept., will make an unusual use of radio. To relieve Campbell of the distractions of dial reading, data from his car's instruments will be telemetered to a "flight engineer" in the pit who will tell Campbell what's going on by voice. Pye is doing the electronic work. FCC has assigned 4 channels for the job: 465 mc for telemetering, 157.4 mc for officials to talk to Campbell, 151.625 mc for pit men to talk to Campbell, 162 mc for Campbell to talk to officials & pit. Because Campbell is an alien, the FCC grants are to his ad-PR organization, Josephson & Cuffari, Montclair, N.J.

OVER-THE-COUNTER COMMON STOCK QUOTATIONS

Thursday, July 14, 1960

Electronics TV-Radio-Appliances Amusements

The following quotations, obtained in part from the National Association of Securities Dealers Inc., do not represent actual transactions. They are intended as a guide to the approximate range within which these securities could have been bought or sold at time of compilation.

Stock	Bid	Asked	Stock	Bid	Asked
Acoustica Associates	34	37 1/4	Magnetics Inc.	12 1/4	14
Aerovox	12 1/8	13 1/4	Maxxon (W.L.)	9 1/2	10 1/4
Allied Radio	20 1/4	21 1/4	Meredit Pub.	39	43
Astron Corp.	2 1/8	2 1/2	Metropolitan Bcstg.	16 1/4	17 1/2
Baird Atomic	34 1/4	36 1/4	Milgo Electronics	21	24 1/2
British Industries	14 1/8	16	MPO Videonics	7 1/4	8 1/2
CGS Labs	10 1/2	13 1/8	Narda Microwave	6 1/2	7 1/8
Control Data Corp.	41 1/2	45 1/8	Narda Ultrasonic	5 1/2	6 1/8
Cook Elec.	15 1/4	17 1/4	National Co.	19 1/4	21
Craig Systems	18	19 1/2	Nuclear of Chicago	31 1/2	34 1/2
Dictaphone	42	45 1/8	Official Films	1-7/16	1-11/16
Digitronics	27	29 1/2	Pacific Automation	8 1/4	9 1/4
Eastern Ind.	12 7/8	14	Pacific Mercury	9 1/2	10 1/2
Eitel-McCullough	26 1/8	28	Perkin-Elmer	38 1/2	41 1/2
Elco Corp.	21 1/4	23 1/4	Phillips Lamp	155	160 1/2
Electro Instruments	46	50 1/2	Pyramid Electric	2 3/4	3-1/16
Electro-Voice	13 1/2	14 1/2	Radiation Inc.	23 1/4	25 1/2
Electronic Associates	22 1/4	24 1/2	Howard W. Sams	47	50 1/2
Erie Resistor	9 1/2	10 1/2	Sanders Associates	48	52 1/2
Executone	30 1/2	33 1/2	Silicon Transistor	8	8 1/2
Farrington Mfg.	37	39 1/2	Soroban Engineering	26 1/4	29 1/2
Fischer & Porter	15 1/2	16 1/2	Soundcriber	13 1/4	15 1/4
FXR	53	57 1/2	Speer Carbon	19 1/2	21 1/2
General Devices	19	21	Sprague Electric	58 1/2	62 1/2
G-L Electronics	10	11 1/4	Taft Bcstg.	12 1/2	13 1/2
Granco Products	5 7/8	6 1/4	Taylor Instrument	71	77 1/4
Gross Telecasting	19 1/2	21 1/2	Technology Inst.	12	13 1/2
Haydu	1/16	5/16	Tele-Broadcasters	1 1/8	1 1/2
Hewlett-Packard	74	78 1/4	Teledrome	12 1/2	13 1/2
High Voltage Eng.	125	135	Telecomputing	8 1/4	9 1/2
Infrared Industries	21	25 1/8	Telemeter	17 1/2	19 1/2
International Rectifier	24 1/4	26 1/4	Time Inc.	59 1/4	63
Interstate Engineering	27	29 1/2	Tracerlab	13	14 1/2
Iték	63	67 1/2	United Artists	7 1/4	8 1/2
Jerrold	10 1/4	11 1/2	United Control	32 1/2	35 1/2
Lab for Electronics	43	46 1/2	Universal Trans.	1 1/4	2 1/4
Lel, Inc.	5 1/8	6	Vitro	12 1/8	13 1/2
LFE Inc.	10	12 1/2	Vocaline	3 1/4	4 1/4
Ling Altec Electr.	25 1/2	27 1/4	Wells-Gardner	15 1/2	16 1/4
Magna Theater	2 1/2	3-5/16	WJR Goodwill Station	9 1/2	—
Magnetic Amp.	10	—	Wometco Ent.	12 1/4	13 1/4

WEEKLY **Television Digest**

JULY 25, 1960

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SUMMARY-INDEX OF WEEK'S NEWS

FCC

FCC, COMMERCIALS & "INTERRUPTIONS." No fixed formula, but FCC eyebrows begin to rise when spots go above 12 per hour in radio. Little trouble in TV—yet (p. 1).

COMMISSION LAWYERS HIT MIAMI CH. 7; urge cancellation of WCKT grant; say 3 out of 4 applications should be completely barred or heavily handicapped (p. 2).

FCC TO QUIZ HOLLYWOOD TV-FILM MAKERS IN OCT., delve into relationships with rest of industry in a 2-week session (p. 3).

FCC UHF PROJECT KICKS OFF JULY 29 with meeting of industry groups to form advisory committee. Manufacturers invited to bid on equipment (p. 9).

Auxiliary Services

JERROLD SELLING ITS CATV SYSTEMS FOR \$4-5 MILLION to unidentified purchaser. Nine systems & 32,000 subscribers involved. Jerrold expected to buy others (p. 2).

NLRB SPURNS JURISDICTION, holding—in first labor case of its kind—that community antenna setups aren't communications systems subject to regulation (p. 14).

Advertising

BETTER TASTE IN TV COMMERCIALS noted by Code Review Board's Gaines Kelley & E. K. Hartenbower and FTC's chief broadcasting monitor Charles A. Sweeny (pp. 2 & 5).

Networks

ABC FORMS FILM SUBSIDIARY to develop network-owned film shows, with an eye to bringing major slice of residual income directly to network and to keeping film suppliers on their toes (p. 9).

Consumer Electronics

6-MONTH RETAIL SALES of TV & radio were 13% & 22% above 1959. Some softening of both markets noted in preliminary June figures (p. 15).

RECORD FM SALES certain this year, estimates varying from 1.7 to 2 million receiving devices. Boom will accelerate in next few years (p. 15).

JAPANESE EXPORTS—UP AGAIN, BDSA reporting that \$16 million first-quarter 1960 electronic shipments to U.S. are nearly double those in 1959 period (p. 17).

PHONO SALES UP 19% at retail in May over last year; increase for first 5 months is greater than 20%. More stereo means higher dollar volume per unit (p. 17).

3M TO MAKE PLAYERS for its tape-cartridge system. Purchase of Revere puts it in position to accelerate manufacture (p. 18).

Stations

FELLOWS' POST STAYS OPEN; selection of new NAB leader not yet in sight, policy committee Chmn. Clair R. McCollough tells NAB's Harvard seminar (p. 7).

Film & Tape

AFTRA ACCEPTS SAG OFFER for joint contract negotiations & administration, convention approving it as stopgap step toward one-big-union-now plan (p. 12).

Other Departments

CONVENTIONS (p. 4). **PROGRAMMING** (p. 6). **CONGRESS** (p. 11). **EDUCATIONAL TV** (p. 13). **PERSONALS** (p. 14). **FINANCE** (p. 19).

FCC, COMMERCIALS AND INTERRUPTIONS: FCC attitude on "overcommercialization" is much misunderstood subject. Actually, there is no simple formula on "too many commercials," as such. What's involved, according to Commission officials, is excessive "interruption to service."

It concerns radio, mostly, because that's primarily a spot medium. TV, with its format of programs, hasn't had much trouble with Commission. Even in radio, however, FCC has no fixed formula. Nonetheless, staff follows Commission precedent—and that's to give at least a 2nd look at formats showing more than about 12 spots (commercial or otherwise) per hour. If licensee's spots rise to 15-16 or more per hour, he's likely to get a letter asking what's what.

Some Commissioners are tougher than others, Lee probably toughest. He figures that if station averages more than 12 spots an hour, its peak periods must be so broken up that program service is sketchy.

But Commission has yet to revoke a license for "interruptionism." Fact is, however, that receipt of querulous letter is enough to make most stations take measures to avoid catching FCC eye again. It's punishment enough to face a hearing—with its expenses, time-consumption, embarrassment & uncertainties—even if chances of losing license are remote.

TV may be in for some closer scrutiny at FCC, however. Commission began discussing staff's 300-page analysis of its programming hearing on July 14, did nothing conclusive, plans to resume last week of

this month. Study recaps FCC's past policies on assertion of authority over program performance, summarizes testimony of hearing. Included is discussion of principle of requiring stations to seek out community needs and tell FCC what they intend to do to meet them. Big question: How to administer such procedure? It's most unlikely anything final will come before August vacation.

Meanwhile, FCC's heightened interest in programming put another radio station on hook—KOL Seattle. Commission voted to hold up its renewal & pending sale until station tells why its renewal form discloses little or no education, discussion, talks, etc. Comr. Craven dissented.

COMMISSION LAWYERS HIT MIAMI CH. 7: FCC's legal staff continued tough recommendations on "influence" cases last week, urging that grant of WCKT (Ch. 7) Miami to Cox-Knight-Trammel group (Biscayne TV Corp.) be set aside and that 3 of the 4 original applicants be either thrown out completely or heavily penalized in any new comparative consideration.

Encouraged by Commission's tough action week before on Miami Ch. 10 & Boston Ch. 5 (Vol. 16:29 p1), associate gen. counsel Edgar W. Holtz and assistants James Brennan & Joel Rosenbloom analyzed record of hearing before Judge Horace Stern (Vol. 16:25 p11 & 16:26 p8) and concluded there's clear evidence of wrongdoing on part of Biscayne, East Coast TV Corp. and South Fla. TV Corp.—leaving only Sunbeam TV Corp. untainted. FCC attorneys were the only ones filing recommendations last week. Other parties were given extension of deadline to July 25. Judge Stern has said he plans to issue initial decision by Sept. 15.

Commission's Miami Ch. 10 decision, taking grant from WPST-TV and giving it to L. B. Wilson Inc. (Vol. 16:29 p1), has one aspect deserving amplification: Though Wilson is granted license for 4 months, its renewal won't be due until year from now. That's because FCC rules give grantees 2 months to start construction & 6 months more to complete it—so Wilson's 4 months would end July 15, 1961. Meanwhile, Wilson has asked FCC for call letters WLBW-TV.

JERROLD SELLING CATV SYSTEMS FOR \$4-5 MILLION: Pioneer & major force in CATV industry, equipment maker & system operator Jerrold Electronics Corp. is presently in the process of selling its 9 systems.

Jerrold spokesman would not confirm the report, but we've learned that deal is imminent—with a purchaser whose name wasn't divulged. The systems have 32,000 subscribers, and with recent system sales going at rate of \$100-150 per subscriber, it's assumed that price is in \$4-5 million bracket.

Systems are in following communities: Wenatchee, Walla Walla & Richland, Wash.; Pocatello, Ida.; Ukiah, Cal.; Flagstaff, Ariz.; Ventnor, N.J.; Florence, Ala.; Dubuque, Ia. Questioned, Jerrold spokesman stated:

"The systems haven't been sold. It is the general policy of the Community Operations Div. of Jerrold to purchase CATV systems and by application of its technical & management experience to build these systems into profitable operations and to sell them when considered proper & timely from a corporate viewpoint. Within the framework of this policy, Jerrold acquired 10 CATV systems over a 3-year period and on March 31, 1959 sold the CATV system in Key West, Fla. after 2 years of company operation, at a profit of \$283,656."

Most of the systems are 6-7 years old, are therefore fairly ripe for sale from depreciation-tax standpoint. From spokesman's statement above, it's apparent that Jerrold will be system-shopping shortly—to get back into field it has found very profitable.

BETTER TASTE IN TV COMMERCIALS: Two men who should know TV commercials best—Gaines Kelley (WFMY-TV Greensboro, N.C.) of NAB's TV Code Review Board & Charles A. Sweeny of FTC's broadcasting monitoring unit—agree that good taste in them is rapidly replacing bad.

"Amazing improvement in good taste & acceptability" of commercials in TV Code's "personal-products" category was noted last week by Kelley at 2-day N.Y. meeting of his Review Board subcommittee which has assignment of policing that sensitive advertising area.

"I can see definite signs of improvement," Sweeny told us coincidentally in Washington, where we inspected FTC's TV & radio surveillance facilities to find out what monitors are up to currently (see p. 5). "In the next few months, as the new TV season comes along, I think we'll see further improvement."

Pockets of resistance to purification of commercials remain, however, it was pointed out quickly.

TV ads for bras need reshaping and those for girdles need tightening, Review Board's personal-products subcommittee reported. "There appears to be a tendency on the part of some advertisers & agencies to go

beyond the limits of acceptable good taste," said Board Chmn. E. K. Hartenbower (KCMO-TV Kansas City), who attended sessions. He also pointed with scorn at some local commercials for movies: "Scenes involving sex, violence and horror clipped from a theater feature film are not suitable for the family viewing audience." Code staffers were instructed to step up clean-up efforts in both areas.

"There is still much to be done," Sweeny said in concurring opinion, expressing personal distaste for hard-sell TV advertising tactics which don't run afoul of FTC law but which he said he finds offensive nevertheless. He added—hopefully—that objectionable commercials may be carry-overs from days before Congressional & FTC disclosures of bad practices aroused industry to reform itself. "In a good many cases, advertisers haven't thrown out old film, which was expensive to make," Sweeny told us. "But new ones do seem to be of better caliber."

"It was a pretty grim experience" for Code Board when it first sat down in April to take new & hard look at personal-products commercials, Kelley conceded in his subcommittee progress report which cited "amazing" changes since then.

FCC TO QUIZ HOLLYWOOD TV-FILM MAKERS IN OCT.: FCC finally set a date for film portion of its marathon network hearing, scheduling it to start in Los Angeles Oct. 5. Chief examiner James D. Cunningham will preside, as he did in previous sessions with witnesses from networks & ad agencies (Vol. 15:28 p2). Top Commission counsel Ashbrook Bryant estimates hearing will run about 2 weeks, delve into details of TV film production & sales, with emphasis on relationships with networks. He & associate James Tierney visited Hollywood last year to scout talent for witness chair (Vol. 15:44 p10).

Hearing is another phase of network inquiry which, FCC explains, "concerns the policies & practices of networks & others in the ownership, acquisition, production, distribution, selection, sales & trade licensing of TV programs." Some time in future, date unpredictable, 2 more sessions will be held to wind up the proceeding—testimony by advertisers and a final round with network policy makers.

DAYTIME'S BIG REACH: Daytime network TV will play major role in "the moving of goods, ideas & services" during the coming decade, says TvB in strong new presentation (see p. 11) which points out that more than 8 out of 10 U.S. homes (85.9%) watch TV during the day in typical Mon.-Fri. week. This gives the medium a basic dimension of 37 million homes—more than the total number of all TV homes only 4 years ago. During average daytime minute (6 a.m.-6 p.m.), there are 8,859,000 homes tuned in to TV, representing 57% increase over 1955 level.

Big power of daytime network TV lies in its ability to reach big cumulative audience with network Mon.-Fri. strip programs, such as quiz shows, audience participation, film reruns, etc. Average network strip reaches only 8.4% of homes per telecast. During course of month, audience turnover jumps the figure to sizable 32.4%, with average frequency of 5.2 times per home.

Daytime gross billings are currently off, as compared with those of year ago. Decline, according to TvB, started last Dec. and has been anywhere from .8% to 5.8% in 1960 (average: about 4%) below comparable months. In 1959, ABC-TV was making its entry into daytime, and shot total billings figure up considerably. Later, ABC lost several daytime sponsors, dropping billings level. Only recently has ABC daytime bounced back to nearly original strength. Other 2 nets have continued meanwhile at strong 1960 pace. Daytime gross figure as late as May was down, however (see p. 12).

THE POST-1948s ARE HERE: Dam is breaking on pent-up post-1948 movies sooner than most buyers had expected. Many film distributors have been hinting about packages reaching the market this fall (Vol. 16:28 p1). But last week it became clear that many of largest distributors aren't waiting that long.

Credit for opening film floodgates goes chiefly to Warner Bros.-Creative Telefilms & Artists deal (Vol. 16:23 p1 et. seq.) hatched in Toronto by financier Louis Chesler and ex-UAA Pres. Eliot Hyman. CT&A, split in Feb. from United Telefilm, has given major Hollywood firms much to think about by depositing \$1 million against \$11 million price of first package of 100-plus post-1948 Warner features ("Capt. Horatio Hornblower," "Task Force," "Damned Don't Cry," etc.).

CT&A will pay \$11 million to Warner Bros. no later than Sept. 1, under present plan, for a total of 122 pictures. After CT&A recoups this sum in syndicated package sales, WB will come in for 50% share of further net receipts after CT&A distribution costs. This share may amount to \$10 million, and make whole

deal worth more than \$20 million to WB. Since this is new revenue of approximately \$175,000 per picture, it proves value of TV market in terms any film producer can appreciate.

Other big studios & distributors are hopping on post-1948 bandwagon, and first sales calls are now being made among top station film buyers. Among latest post-1948 packages headed or being considered for TV: A 24-picture package from United Artists ("Marty," "Man with the Golden Arm," "Devil's Disciple," etc.) via UAA; a 50-picture package distributed by NTA, half of the titles ("Twelve O'Clock High," "Viva Zapata," etc.) from the post-1948 vaults of 20th Century-Fox; a group from Columbia Pictures ("From Here to Eternity," "On the Waterfront," etc.) via Screen Gems. Other (and smaller) packages of post-1948s are also expected from such distributors as Flamingo Films and Show Corp. of America.

Crimp may be put in pay-TV plans for post-1948s by the sudden rush of major film companies to launch them into the regular sales channels. Although financial potential for exposure of post-1948s to paying TV audiences is strong, it's just that—potential. A good post-1948 film, on the other hand, can start grossing immediately upwards of \$100,000 in syndication. Real blockbusters (award-winning "Bridge on the River Kwai," for instance) will command prices on order of \$30-\$50,000 for N.Y. market alone. For producers of good low-budget films ("Marty" cost only \$300,000 to produce, and has long since made it all back), free-TV's bird-in-hand may indeed seem worth several in-the-bush rewards of pay TV.

Conventions

AND NOW THE REPUBLICANS: "It feels like half-time at Army-Navy game," a network news official who had ducked into N.Y. for a between-conventions breather told us last week. "We went out to Los Angeles and beat our brains out. Now we're going to Chicago to do it all over again."

In the brief lull between the 2 political wing-dings, many TV executives last week had little chance to rest. Having bowed to NBC-TV in convention ratings in Los Angeles (Vol. 16:29 p5), CBS-TV was in no mood to have it happen again, and was examining various plans for beefing-up its Westinghouse-sponsored GOP coverage.

The networks concentrated on a build-up for their Chicago coverage, using a variety of drum-beating TV specials. ABC-TV scheduled shows for July 23 & 24, including an interview in Washington with Vice President Richard Nixon. CBS-TV scheduled warmup specials for July 21 & 24, and NBC-TV scheduled 4 (July 19, 21, 22, 23).

In Los Angeles, George Murphy, special asst. to the arrangements chmn. for this week's Republican Convention, informed us that it would follow the trend, made necessary by TV, of redesigning the old-fashioned convention. A time limit of 10 minutes has been set for demonstrations, 20 minutes for nominating, 3 minutes for seconding.

"While you can't tell the nominee how long to talk, if it's Vice President Nixon, he'll probably keep it to 15 or 20 minutes, because he doesn't believe in long speeches," Murphy said. The platform report will probably need 40 minutes, Murphy said. President Eisenhower's address will run about 20 minutes, Hoover's will be 10 minutes.

Networks still stand to lose huge sums on their convention coverage, despite heavy sponsorship. When all the bills are paid, the total tab may run as high as \$20 million, of which at best about 60% will be recovered by commercial sponsorship. Facilities, engineering costs and labor & line charges will represent a big part of the \$20 million outlay, perhaps as much as 65% or \$13 million. (By contrast, back in 1948 when Philadelphia-originated network coverage of the conventions involved only 13 stations—and those principally in the Northeast U.S.—costs of all floor pickups, technical facilities and line charges came out of a \$95,000 fund raised by the stations. But the final expense amounted to only \$87,000—so all 13 stations got a rebate!)

N.Y. independent TV stations told us they "rated very well" against network flagship stations during the Democratic Convention. "Most of the time, the independent stations' combined ratings were 40% higher than the combined network stations' ratings during the week," one WOR-TV N.Y. spokesman told us. He compared this to 2 weeks prior when, on an average night, the network stations' combined rating was 30% higher than the independents. The 4 non-network N.Y. stations went along with their regular programming, consisting mainly of feature films & syndicated 30-min. shows, during convention week.

* * *

NBC-TV led the networks in over-all 5-day Democratic convention ratings, according to Arbitron national reports. In average audience, NBC scored a 16.5, CBS 12.0, ABC 6.4. In homes reached, NBC was highest with 7.3 million in the 5-day tabulations, as against 5.4 million for CBS & 2.4 million for ABC. There were 263.9 million total home hours of viewing for the week, of which NBC had 129 million, CBS 95.7 million and ABC 39.1 million. In a Schwerin N.Y. viewer study, NBC-TV's coverage emerged with the best "image." Some 39% liked NBC's coverage best, 36% CBS-TV, and 3% ABC. More than half the audience panel reported tuning in one network and sticking with it: 25% stayed with NBC, 23% with CBS, 4% with ABC. Of the "switchers," only 12% watched all 3 nets, while 36% rotated between NBC and CBS. More men favored CBS & Walter Cronkite; women preferred the Huntley-Brinkley team on NBC.

* * *

"Return to old values" was NBC-TV's convention-coverage secret, in the view of NBC Chmn. Robert W. Sarnoff. He said last week in one of his periodic open letters to the press: "We tried to treat all our electronic gadgetry as a means to an end and to put the greatest emphasis on the solid journalistic values of getting the story accurately & swiftly." Concerning the conventions themselves, Sarnoff had some sharp words: "It is difficult to understand why the party chieftains persist in the kind of ritual that displays to a national audience the ostentatious indifference of a hallful of delegations to their own speakers. I also found it hard to fathom why the convention planners fritter away the peak viewing hours on drab preliminaries, sometimes putting off their most exciting and important business until only the hardest viewers are still awake."

Advertising

FTC EYES 53 PRODUCTS: Potential perils for TV & radio advertisers & agencies lurked last week between carbon sheets of a freshly-typed list of 53 separate suspect products—and nearly as many manufacturers—which have been marked for special scrutiny by FTC's broadcasting police force.

The 13-member FTC radio & TV advertising unit under legal advisor Charles A. Sweeny, an ex-FBI man, under instructions to flag commercials—or print ads—for any of the products as evidence for possible proceedings alleging violations of FTC law.

Heavily loaded with familiar trade names of medicinal preparations & toiletries, the 53-item alert list ranged alphabetically from analgesics to weed killers, and it was studded with names of some of the biggest sponsors on TV. Each had been the subject of informal complaints received at FTC offices from competitors and/or consumers—or which came from within FTC.

Yet if past performance is any guide, few of the TV advertisers on the FTC monitoring unit's current surveillance docket will be confronted with formal complaints that they knifed competitors illegally or defrauded the public.

In the preceding fiscal year ended June 30, similar monthly alerts were posted as part of FTC Chmn. Earl W. Kintner's much-publicized drives against deception on the air. From the lists, 75 fraudulent-advertising cases in all media were originated in the 12-month period by Sweeny's TV-radio force, which also polices newspapers & periodicals. Of these, only 7 reached the stage of formal proceedings. Six involved TV in combination with radio & print media. One involved newspaper ads only. Some of the other cases are still pending in FTC's files, but most were either dropped or closed before charges were issued.

Sees Improvement in TV Commercials

This record of beefs vs. police action is seen by Sweeny (who has had 25 years of FTC experience) as evidence in itself that (1) TV commercials are getting better (see p. 2). (2) Knowledge that FTC's monitors are watching makes for fewer actionable cases against TV commercials.

Under Kintner's administration, FTC at least has proceeded on the theory that a well-patrolled community is a well-behaved community. The monitoring unit was set up haphazardly in 1957 with 4 staffers. In the past 18 months alone its payroll has more than doubled from \$43,265 to \$108,430, and more additions to Sweeny's present staff (6 attorneys, 4 monitors, 3 secretaries) are planned.

Chief monitor is Mrs. Olive Vierbuchen, who has put in 20 years with FTC. She spends most of her working days now in a "no admission" room on the top 7th floor of the FTC building in Washington, surrounded by TV sets, radios, tape recorders and camera equipment.

Scattered in cubbyhole offices on the 4th floor are the other monitors—FTC veteran R. Karl Peterson and night law-school students Herbert G. Keene Jr. & Andrew T. Gleason. They spend much of their time going through advertising continuities which are mailed in by TV & radio stations and networks at a rate of 6,000 per day.

Sweeny also counts on other FTC hq employees and field staffers to help in the TV monitoring job at home sets and at hotels when they travel. They are kept supplied with mimeographed forms to fill out whenever they catch commercials that look bad to them. We checked one day's inflow of these backstop forms last week: Not a single report had come in.

High-Priced TV Admen: While networks move more firmly into the TV programming driver's seat (Vol. 16:28 p3), ad agencies' control declines. Yet agencies are, paradoxically, spending more money than ever to maintain top TV executives. The key reason, as quoted in July 18 *Sponsor* study: "It takes a real pro to know where to put his program bets," stated McCann-Erickson Productions Chmn.-gen. mgr. Terence Clyne. "It costs a lot of money to protect a lot of money; competition for audience and for sales is at its roughest."

Because so much of a manufacturer's total ad budget goes to TV, reported *Sponsor*, demands for top TV executives have skyrocketed salaries to \$60,000-\$100,000 per year. Trends in agency-TV operations cited by the study: There is an upward surge in TV production costs; a specialization of talents becomes necessary at the agency level; high wages for union technicians has its "rub-off" on the higher-ups; bigger-budget clients are often willing to pay premium fees plus the fixed 15% agency commission.

Republican Party's plan to form a "house agency," Campaign Associates, to handle the GOP campaign (Vol. 16:29 p12) was criticized sharply last week by a N.Y. agencyman who is a veteran of 18 political ad campaigns in the past 12 years. Kastor Hilton Chesley Clifford & Atherton exec. vp Lloyd G. Whitebrook stated to the N.Y. *Times* July 21: "During a campaign, all advertising components have to be blended under the most adverse circumstances. Unless you have a smoothly functioning team to begin with, you're in serious trouble. In addition, there is the problem of who shall be the chief and who shall be the Indians." Another danger cited by the *Times*: "If a political party can set up its own advertising group, why can't the electric companies to sell more electricity or the citrus fruit growers to sell more citrus fruit?"

Procter & Gamble has agreed to an FTC consent order forbidding it to make unlimited exclusive contracts with manufacturers of washing & dishwashing machines to pack samples of soaps, detergents or bleaches in the appliances. In settling the year-old case, in which FTC accused P&G of achieving a monopoly in product promotion (Vol. 15:31 p 14), the company also agreed that its TV commercials & other advertising won't misrepresent tie-ins with the appliance makers. The consent order said there must be "a clear & conspicuous disclosure" of any such tie-ins when the Procter & Gamble samples are supplied free in return for plugs. Neither P&G nor its subsidiary Procter & Gamble Distributing Co., which also signed the agreement, admitted any violations of FTC laws.

Japanese TV audiences will be measured by A. C. Nielsen Co. next year. During a recent trip to Japan, Chmn. Arthur C. Nielsen signed a 5-year research contract with Nihon TV Network Corp. of Tokyo. Initially, Nielsen will measure audience size & characteristics in the Tokyo and Osaka areas. By Nielsen's estimate, Tokyo now has 40% set saturation in a total population of 9 million. The research operation in Japan will use the same techniques & equipment used in the U.S. Nielsen now conducts research in 13 countries.

Ad People: Jack Sidebotham Jr. named Y&R TV commercial production vp; Stephen Frankfurt appointed a vp for special projects; Dermott McCarthy named a vp . . . Louis A. Kennedy and Raman W. Stultz named Leo Burnett vps.

Programming

MORE SEX & VIOLENCE: Despite the steady stream of criticism, many Hollywood producers are injecting more sex & violence into next season's shows. But the blue-pencil squad is moving in.

In a Los Angeles check we made with the network censors and with Frank Morris, asst. dir. of NAB's TV Code affairs office there, only ABC-TV had a good word to say about those of next year's scripts which are now being studied. Dorothy Brown, dir. of network continuity acceptance, Western div., ABC-TV, told us: "Producers are showing consideration & concern for the large volume of criticism about sex & violence. There is a concerted effort by everybody—producers, writers, ourselves—to keep it down. But on detectives & Westerns, producers feel rightfully that violence is sometimes necessary."

Others did not share this opinion. Perhaps the most outspoken was Morris, who said: "I haven't detected any efforts to tone down sex & violence. Some are trying to put even more into next year's films. The criticism from Congressmen and others hasn't filtered down to the level of the producers & production companies. They don't believe what's going on in Washington is serious. But we believe it, and the networks do, and that's where the brakes are being applied. I look mainly at syndicated scripts & films, inasmuch as the networks have their continuity-acceptance depts., which cooperate fully. Among the networks there is a greater awareness for the need of self-regulation. But the producers are different. I killed one script which had lesbianism as its theme. The compulsion of the writer seems to be to find new areas—which gets him into such themes."

William Tankersley, CBS-TV dir. of program practices, said: "I don't see any remarkable change, although I'd hoped the new scripts would have less violence & sex. We're cracking down on the producers. Just last week the first big influx of scripts came in (they're late because of the recent writers' strike), and I turned down one script because it implied incest. I've also rejected parts of other stories because of the amount of sex & violence."

Bob Wood, NBC-TV mgr. of continuity acceptance, told us: "There is more violence & sex in some series, but we have cut it down. I'm certain a number of these series seek to include more violence and would do so if we didn't keep a close eye on them."

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Avoid "needless violence" in fall shows being produced for NBC-TV scheduling, producers were warned last week by network vp for programs & talent David Levy. Restating the network's "responsibility in making certain that the programs we produce & present are in good taste," Levy added: "I am sure that you agree with us that we can achieve audience impact without impairing the dramatic validity of material."

* * *

Continuous exposure to TV-movie violence convinces the youngster that it "is natural and that if he commits an act of violence he is not alone," asserts Philadelphia Youth Study Center dir. Dr. E. Preston Sharp. He also notes that youths at the Center confided that violence on the screen tends to "aggravate & lend an air of legitimacy to the violence on the streets." The interviewees were of the opinion that fictional violence is a dimmed reflection of real-life crime & delinquency; said that if TV portrayed off-screen violence accurately, viewers would be revolted.

ONE STATION'S CONVENTION EDITORIAL

Here's how one station, now using editorials, talked back to those of its viewers who expressed discontent about the monopoly of TV by the Democratic Convention. This editorial was telecast July 13 by WAGA-TV Atlanta:

THE nighttime television this week has been taken over by the Democratic National Convention—something every family in America knows without being told.

An interesting factor has been the reaction noted at this station. Interesting to the station because we're in the business of serving the public, and reactions are important guidelines . . . but in this case, we think the reaction should be of interest to you—an American citizen.

It has been a disturbing reaction, frankly. We'd like to wave the flag a little and beam with pride and read from a stream of congratulatory notes commending this excellent service by television. But this hasn't been so.

Instead, the past two nights have had our switchboard under a steady fire of protest!

Listen to some of the comments noted from these calls: "When is this mess going off TV?"

"Do we have to listen to this on *all* TV stations?"

"Why do we have to give up our regular TV shows?"

"Do you *have* to carry the Democratic Convention? Why not be daring and be different?"

Many of the callers were even more blunt and forceful in tone and language. And one woman resident undertook her own telephone poll to check public reaction. It wasn't favorable. The result of these comments is a sad commentary on the interest—or lack of interest—of the people in one of the biggest and most important news events of the year. It is true that Georgia's part in the Democratic Convention in Los Angeles is relegated to that of a stepchild at a family reunion. But the man who may well be the next President of the United States was being nominated there—and it behooves every thinking American to know everything about him and how he is chosen.

We agree that much of the goings-on at Los Angeles has been a sad spectacle and it has been poorly staged. But thanks to the TV cameras, it has been truly presented. And the convention is a basic part of our national life, producing decisions vital to the future of our country.

We may disagree with *what* is done; we may disagree with the *way* it is done. But every resident of this country who calls himself a citizen has a responsibility to be as fully informed as possible on the people who would lead our nation and the policies for which they stand. Television gives this age the opportunity to develop the highest level of citizenship in history. With that opportunity goes a responsibility of the individual to use TV with a sense of citizenship.

Indeed, instead of complaining about missing a few hours of entertainment on television, every viewer should be grateful to television for the opportunity to learn what is being afforded by the TV coverage of this convention.

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NAB's editorializing committee will be headed again by co-Chmn. Joseph E. Baudino (Westinghouse Bcstg. Co.) & Daniel W. Kops (WAVZ New Haven & WTRY Troy, N.Y.). Their reappointments for 1960-61 terms were announced by NAB policy committee Chmn. Clair R. McCollough (Steinman stations).

Oscarcast Is Up for Grabs: The movie industry's Oscar Awards show will no longer be sponsored by the industry, and is again open for commercial sponsorship. This is the result of a decision by the Motion Picture Producers Assn. in N.Y. to withdraw financial support. As a result, Academy of Motion Picture Arts & Sciences Pres. B. B. Kahane is currently in negotiations with all 3 networks regarding an alignment for next April's show. NBC-TV has carried it in the past, but its contract has expired. Kahane says a commitment will be made only after a network submits a sponsor, and he & his sales pitch are approved.

Troubles for the Academy began early this year when MPAA member Universal-International withdrew its financial support of the awards show and resigned from MPAA. After much indecision, the other member companies decided to proceed with sponsorship, and Eastman Kodak contributed \$100,000 to help out.

In pre-industry-sponsorship years the event had been bankrolled by Oldsmobile, but criticism of the commercials led to industry sponsorship. Now, with boxoffice receipts in decline, the movie moguls don't want to shell out that money to TV. It has always irritated some that the movie industry should pay money to its arch-rival, TV. Movie exhibitors, too, are generally siding with MPAA in applauding this end to movie-industry sponsorship of the Oscar show. In Los Angeles, an exhibitor group spokesman said of the last Oscarcast: "We counted on the show plugging new films, but it wasn't done. Exhibitors won't make the same mistake again."

Jack Paar will be colorcast by NBC-TV starting in Sept. The move adds 7 more color hours per week to the network schedule. NBC's daytime color schedule is also being expanded, with *Play Your Hunch* and *The Jan Murray Show* slated for regular colorcasting. "The addition of these shows," said NBC, "will bring network color schedule to nearly 1,100 hours in 1960, an increase of more than 50% over last year's 720 hours." Due to be used in the stepped-up color schedule are cameras equipped with RCA's new 4401 image orthicon tube, whose sensitivity is similar to monochrome tubes.

Former "Twenty-One" contestant David Mayer, who won \$47,500 in 10 appearances in 1957 on the defunct quiz show, testified before a grand jury exploring possible perjury charges against quiz contestants who had testified before a previous jury panel. Mayer, who declined to comment on his testimony, had been summoned by N.Y. DA Frank S. Hogan, who has charged that "a great many" of the 150 witnesses who testified earlier had done so "falsely." The original grand jury probe is generally credited with having launched the big Congressional quiz probe.

Ernest Hemingway, William Faulkner, William Inge, Budd Schulberg, A. E. Hotchner and Jessamyn West are some of the big names on stories which have been lined up by Revue Productions for *General Electric Theater* as a result of the sponsor's request for a name-writer policy on that show. Stanley Rubin is exec. producer of the series for the 1960-61 season.

Public service idea: KDKA-TV Pittsburgh launched the newly-formed Pittsburgh Pops Orchestra by absorbing time & production costs for a Sunday (6-7 p.m.) debut concert. The orchestra was formed by a group of civic-minded citizens to help keep unemployed musicians in Pittsburgh; the KDKA-TV concert produced 2 immediate bookings.

Stations

Fellows' Post Stays Open: The long search for a successor to the late NAB Pres. Harold E. Fellows, who died March 8, is still under way. There's no telling when a man will be picked, NAB policy committee Chmn. Clair R. McCollough said last week.

Addressing 63 broadcasting-industry executives at commencement exercises at NAB's 2nd annual 2-week management seminar on the Harvard University Business School campus, McCollough asked NAB members to be patient while the 8-man selection committee headed by C. Howard Lane continues its hunt.

"Long is the list of those who have been mentioned as potential candidates by the trade press & elsewhere," McCollough said. "All possibilities, I am sure, will be carefully considered. I do not know when the work of the committee will be completed. It is not a job to be done hastily. No more important decision will be made in broadcasting in the next 10 years."

Elaborate new broadcasting center, claimed to be the "largest custom-built broadcasting facility ever built in this country for an individual station," is now being built by WFAA-TV & WFAA Dallas. The \$1.5-million building will house about \$2-million worth of new studio & broadcast equipment. Designed by WFAA engineers with the cooperation of Ampex & GE, the new facility will have: (1) A mobile video-tape cruiser with 2 Ampex recorders, 6 Marconi 4½-in. cameras. (2) Three additional studio-based Ampex VTRs. (3) Over 12 cameras including GE color.

Full TV Code Review Board will meet in Washington Oct. 4 for its next regular check-up sessions, Chmn. E. K. Hartenbower (KCMO-TV Kansas City) announced last week following a N.Y. meeting of NAB's personal-products subcommittee (see p. 2). The Code-planning subcommittee will caucus just before the Washington meeting. NAB's new Radio Code Board under Chmn. Cliff Gill (KEYZ Anaheim, Cal.) will hold its first meeting Aug. 29 at NAB hq. Top item on the agenda: enforcement procedures.

Recent Ampex VTR shipments bring total in use to 653, Ampex Professional Products Co. announced last week. Latest shipments: Four each to the educational Stratovision project at Purdue U. and to Sports Network Inc., N.Y.; 2 each to WTVJ Miami and WLOS-TV Asheville, N.C.; one each to WAST Albany, KTLA Los Angeles, KOMU-TV Columbia, Mo., WRBL-TV Columbus, Ga., KARK-TV Little Rock, KIMA-TV Yakima, educational stations WETV Atlanta, WGTV Athens, Ga., WTHS-TV Miami.

Facility changes: WTOM-TV (Ch. 4) Cheboygan, Mich. boosted to 100 kw July 5 • Also due to boost to 100 kw in July is KPHO-TV (Ch. 5) Phoenix, Ariz., which began tests July 1 from new site on South Mt. • WSAV-TV (Ch. 3) Savannah, Ga., boosted power to 100 kw July 23, using new 521-ft. tower at new \$1-million Broadcasting Center on E. Victory Dr. • KHQ-TV (Ch. 6) Spokane, Wash. has Aug. 27 target for programming with 87.1 kw, using 904-ft. tower on Krell Hill, renamed Tower Mt.

Radio KOBV San Francisco has been sold, with FM adjunct, to Sherwood R. Gordon Bcstg. Co. (KSDO San Diego & KBUZ Mesa-Phoenix) for \$700,000 by David Segal. He acquired it as KEAR in 1956 for \$442,000.

Radio WWIL Ft. Lauderdale, Fla. has been brought for \$400,000 by Washington TV-radio attorney W. A. Roberts.

Empire State Invites FMs: All 17 N.Y. Metropolitan-area FM stations are being solicited as tenants by management of the Empire State Bldg., which has found antenna designs that can handle them. The building now carries all 7 N.Y. TV stations.

Engineering consultant Dr. Frank Kear said that both RCA & Alford Mfg. Co. have come up with ingenious designs. "It takes quite a bit of mixing," he said, "to handle that many signals. But they've produced designs that permit the addition or removal of stations without disturbing the others. And they can handle every stereo system proposed to date."

Kear reports that FM operators have expressed great interest, and the prospects for use of the antenna are good. It would take 6-8 months to install. The antenna is made up of 2 rows of broad-band dipoles and would be located above & below the 102nd-floor observatory. Five FM stations now transmit from the building. They could continue from the existing antennas or move to the new system.



Parade to payola mourner's bench at FTC (Vol. 16:28 p7) has been joined by the following record manufacturers & distributors which have agreed to make no under-the-table payments to TV & radio disc jockeys (but haven't admitted charges that they had done so): Ideal Record Products Inc., N.Y., and Ideal Record Products of N.J. Inc., Newark • Fargo Records (Lou Fargo), N.Y. • King Records Inc., Cincinnati • Eric Distributing Co., San Francisco • W. S. F. Inc., N.Y. • Southern Record Distributors Inc., Nashville • Field Music Sales Inc., San Francisco • New complaints on FTC's payola docket included charges against: Capitol Records Distributing Corp., 1750 N. Vine St., Hollywood • Schwartz Bros. Inc., 901 Girard St., N.E., Washington, and officials Harry, James, Bertram H. & Stuart D. Schwartz • Meanwhile Joseph M. Zamoi-ski Co., Baltimore, accused in an earlier FTC complaint of practicing payola, asked dismissal of its case, saying it is "without knowledge of the allegations."

Three-day strike at WTOP-TV & WTOP Washington by 18 announcer members of AFTRA ended July 18 in a new contract settling the issues of job security & taped station-breaks. Negotiations for an agreement replacing the one which expired July 1 had broken down over union demands that present staffers be guaranteed continued employment by the station despite the recorded breaks. Washington Post Co. management kept its right to use the tapes but AFTRA won security concessions in the settlement. Station executives took over during the walkout.

Hold-up of FCC's spot rep decision, requested of the Commission by NBC and its repped stations while they appeal to the courts (Vol. 16:24 p8), has been considered by the Commission and is expected to be turned down. It is understood that FCC leans toward the view that no irreparable harm will be done to the appellants and that the stations have plenty of time to find new reps. CBS & NBC have been given until end of 1961 to get out of rep field.

Rules allowing daytime radio stations to sign off at 6 p.m. without notifying FCC and permitting TV & radio stations to quit briefly for technical reasons without informing the Commission have been finalized by FCC.

Reps merge: TV & radio reps Richard O'Connell Inc. & Devney Inc. have formed the joint firm of Devney-O'Connell Inc., with hq in N.Y., branches in Chicago, L.A., S.F.

The FCC

About Congressmen-Owners: Award of Ch. 10 Albany to WTEN over Veterans' Bestg. Co. was amplified by FCC last week as it issued the text of its final decision giving the reasons reported (Vol. 16:29 p6). Here's what the Commission had to say about Congressmen's stockholdings:

"For the Commission to hold that political activities, unlike other activities of a civic nature, are of no significance, would be without foundation in fact, and arbitrary. Veterans' observation that it is 'up against' a situation in which a competing applicant has stockholders who are also members of Congress carries with it an implication of impropriety either upon the part of the Commission or upon the part of the Congressmen, or both; it is sufficient in this regard to note that Veterans has not even charged, much less alleged any facts to indicate, such impropriety. Veterans also suggests that the Commission should consider the adoption of a policy as to whether it is in the public interest for members of Congress to be stockholders in broadcast licensees.

"Quite aside from the larger question of whether the Communications Act of 1934, as amended, authorizes the adoption of a policy which would proscribe, limit or otherwise qualify such stock ownership by members of Congress, the adoption of a general rule embracing such policy is beyond the scope of an adjudicatory proceeding. The advocates of any such rule should present their views in an appropriate rule-making proceeding or to the Congress. In effect what counsel for Veterans appeared to request at oral argument is the adoption of a policy of discrimination based upon a man's occupation. Aside from the wisdom of such a policy, it is clear that this Commission has no such authority...

"A fair reading of the examiner's initial decision will clearly indicate that he did not award an independent preference to [WTEN] simply because certain of its stockholders were Congressmen. On the contrary, the preference awarded was for participation in civic activities which has been considered traditionally as an indication of awareness of community needs. Obviously, it would be unseemly & arbitrary either to favor or penalize an applicant solely because it numbers members of Congress amongst its officers, directors or stockholders. We have had no such discriminatory policies in the past and we have none now."



Renewal of NTA's WNTA-TV Newark-N.Y. has been challenged by FCC in a stiff letter which demands answers to allegations that the station's management "has been guilty of bad faith & unfair dealings." WNTA-TV was given 30 days from July 20 to come up with a reply or face dismissal of its renewal application on grounds that it failed to fulfill public-service programming promises. Specifically cited by the Commission were complaints by the N.Y. State Board of Regents and Rutgers U. that the station refused to carry out educational program commitments. FCC said WNTA-TV had promised to devote more than 4% of its schedule to such programming, but that its most recent log "fails to reveal the broadcast of any programs of the type described by you as educational." Also challenged was the station's failure to respond to Commission inquiries about "an allegedly questionable quiz show entitled *La Hora Musical*." Negotiations by NTA's parent NT&T to sell WNTA-TV to NTA Pres. Oliver Unger & founder Ely Landau collapsed earlier this month (Vol. 16:29 p9).

FCC Uhf Project Kickoff: Public notice of its plans for the N.Y. uhf experiment (Vol. 16:16 p2, et seq.) was broadcast by FCC last week. It invited all interested parties to come to the Commission July 29 and help form an Industry Advisory Committee. The Commission asked the following organizations "and others" to join: NAB, EIA, IRE, Assn. of Maximum Service Telecasters, Joint Technical Advisory Committee, Joint Council on Educational TV, TV Allocations Study Organization, Assn. of Federal Communications Consulting Engineers.

The project will be under the direction of Commission chief engineer Edward Allen. All manufacturers seeking to bid on equipment are asked to contact him. Allen is establishing a special staff unit to handle the project. He has proposed the following for Commission approval: Arnold Skrivseth, chief; George Waldo, analyst; Sidney Lines, transmission; Jules Deitz, receivers; Daniel Hutton, measurements & observation.

Philco's fight to block FCC renewal of NBC's WRCV-TV Philadelphia (Vol. 16:29 p6) has been carried to the U.S. Court of Appeals, as expected. Philco—appealing Commission's rejection of its protest & asking that FCC be ordered to give it a hearing—also petitioned the Court in Washington for an immediate status-quo temporary stay order. Argued Philco: (1) It "has a substantial likelihood of succeeding on the merits of its appeal." (2) Failure by the Court to grant the order "would subvert the statutory policy" of FCC to decide issues in the public interest. (3) "Philco represents the public interest" in the case.

New FCC Comr. Charles H. King (Vol. 16:29 p3) took office July 19. He was sworn in by Homer Ferguson, judge of the Military Court of Appeals and former Republican Senator from Mich. King had first planned to have Chmn. Ford administer oath but changed his mind when he was informed that judges are usually chosen. Ceremony was simple & quick, no speeches. The 7 Commissioners then sat & stood for picture-taking. Two days later, all except Craven left for a 3-day inspection tour of Signal Corp's facilities at Ft. Huachuca, Ariz. (Vol. 16:29 p12), planning to return July 23.

Renewals of KING-TV & KIRO-TV Seattle and their radio affiliates are being held up by FCC pending resolution of a "duopoly" problem. The Commission wrote the principals, noting that: (1) Mrs. A. Scott Bullitt, pres. & major stockholder of KING-TV, is a dir. & stockholder of Pacific National Bank of Seattle. (2) The bank holds in trust, with voting rights, 11,004 shares of KIRO-TV. (3) Bank dir. Dietrick Schmitz owns 1,345 shares of KIRO-TV. FCC indicated overlapping ownership must be eliminated.

FCC examiner Charles J. Frederick got impatient last week, and the Commission announced that he had this to say about the filing of findings & conclusions in the proceeding involving the application of WHAS-TV Louisville to change transmitter & antenna: "Parties are on notice that this extension of time [to July 25] is positively the last extension of time which will be granted for this or any ancillary purpose in this proceeding while it is within the hearing examiner's jurisdiction."

Sale of WKOW-TV (Ch. 27) & WKOW Madison, Wis. for \$925,000 to Mid-Continent Bestg. of Wis. has been authorized by the FCC. Mid-Continent is 80% held by the owners of KELO-TV Sioux Falls, KDLO-TV Florence & KPLO-TV Reliance, all S.D.

Networks

ABC to Film Own Shows: Through parent AB-PT (whose latest earnings show income gains—see p. 19), ABC-TV has created a new subsidiary to produce TV film shows directly. The action is no doubt taken with an eye to the frequently-lucrative residual earnings of wholly-owned telefilm shows, and as a hedge against abdicating film-program creation to outside suppliers.

The subsidiary, as yet unnamed, is not a duplication of ABC Films, and will have no connection with it. ABC Films is primarily a syndication distributor, and involved with production primarily in partnership or co-production deals similar to those conducted by the network with outside suppliers. The idea behind the new film subsidiary is to create, own & produce TV film shows, following the formula of such CBS-TV vehicles as *Gunsmoke* and *Have Gun, Will Travel*. ABC-TV will then not have to split profits or residuals with outside production companies as is now done with Warner Bros., Screen Gems, Four Star, *et al.*

In both N.Y. & Hollywood last week, ABC-TV officials were reluctant to discuss the new AB-PT film offshoot, and refused to discuss possible properties or to speculate on the implications of the move. All that's admitted officially is that the subsidiary is coming into existence, and that it will be headed by Selig Seligman, who's resigning as vp-gen. mgr. of network-owned KABC-TV Los Angeles to become pres. of the subsidiary. (Seligman is being succeeded at KABC-TV by sales mgr. Elton Rule.)

Some of the implications, however, are obvious. Originally receiving nearly all of its film programming from Warner Bros. and Disney Productions, ABC has been spreading the risk—following a season of mixed success with product from its original suppliers—among several film companies. WB's *Bourbon St. Beat*, *Colt .45*, and *The Alaskans* didn't make the grade for fall renewals, although *Surfside Six* and *Roaring Twenties*—also from WB—are filling most of this slack. With the new film company developing network properties (to which the network, presumably, will give high preference), ABC will keep its film suppliers on their creative toes.

Ex-MBS Pres. Alexander L. Guterma, charged by the govt. with failure to register as an agent of the Dominican Republic in a \$750,000 broadcast-propaganda deal, tried to change his plea from no-contest to not guilty last week. His counsel asked Judge Joseph R. Jackson in Washington's U.S. District Court to reinstate the case for trial because of remarks made by the judge in fining Guterma's MBS colleague Hal Roach Jr. \$500 on similar charges (Vol. 16:26 p12). Jackson had blamed Guterma for Roach's troubles, said Roach was "more sinned against than sinner." The judge said he'd decide in Oct. whether to accept the switch in pleas, which was opposed by govt. attorneys. Meanwhile, the U.S. Court of Appeals in N.Y. upheld Guterma's conviction on SEC conspiracy charges in connection with his alleged manipulation of stock of F. L. Jacobs Co., which he also headed. Two of 14 counts of the indictment in that case were knocked out by the Appeals Court, however, resulting in reduction of Guterma's fine from \$160,000 to \$140,000. Unchanged by the decision was Guterma's prison sentence of 4 years & 11 months.

Robert Alan Aurthur, exec. producer of NBC-TV's *Sunday Showcase*, has been signed to a new NBC contract for 1960-61. He'll produce 3 original dramas and will write one of them.

FOUR NEW REPORTS: New views of the size, shape & effectiveness of network TV came from 4 sources last week. One, from TvB, was a general status report on an area of TV—daytime network programming—that has witnessed considerable development by program officials & sponsors in recent seasons. The others—one from each of the major networks—had frankly partisan points to make in line with particular network strengths. All, however, had something to say to admen who carefully note audience trends & analyses.

TvB Daytime Network Report: Network TV during the 6 a.m.-6 p.m. hours—said TvB—is becoming increasingly popular with advertisers, and increasingly effective as an ad medium. To prove this point, it last week began distributing a 57-page study of daytime network TV (see p. 3). Some of its facts:

During the average month of 1956, 1,812 commercial minutes were carried in daytime weekday periods on the networks. By last year, the number of such “insertions” had grown to a monthly figure of 2,775—an increase of 53% at a time when all other periods of network TV went up only 6.5%.

A favorite Nielsen-based measure of TV's efficiency, cost-per-1,000 homes reached, has declined 13.4% (from \$1.57 to \$1.36) in daytime network TV in the 1956-1960 period. At the same time, there's been an increase (from 637 to 735) in terms of home impressions per dollar. (The TvB figures, incidentally, include both net time-&talent here, unlike the periodic TvB listings of gross time.)

In 1959, there were 59 new network TV advertisers in the medium generally, and of these more than half (54%) bought daytime TV. Advertisers in the daytime ranks are drawn from 18 product categories and range all the way from small advertisers like Gulf Guaranty Land & Title Co. and Old London Foods to giant Procter & Gamble (which spent \$29 million of an over-\$50 million network budget in daytime gross time).

CBS-TV Boasts Daytime Leadership

CBS-TV Daytime Study: High marks for daytime audience appeal went to CBS-TV this past season (Oct. 1959-April 1960), stated a management-level network memo from the CBS research dept. last week. Some highlights:

Despite stepped-up program competition from NBC-TV and ABC-TV, CBS last season scored 7 of the “Top 10” Nielsen average-audience honors between 7 a.m.-6 p.m. ABC scored 2, NBC one. During the 35 daytime quarter-hour periods weekly in which the networks compete, CBS led the parade in 54%, NBC in 34% and ABC in 12%.

CBS-TV average rating strength gained 6% during the 7 a.m.-6 p.m. period last season as compared with the previous one, and gained 10% during what CBS calls the “housewife TV hours” (10 a.m.-5 p.m.). During the longer daytime period, CBS reached 19% more homes than NBC and 62% more than ABC because of the network's “large list of strong stations” that can be cleared for daytime TV.

Daytime TV shows on CBS reach “a higher concentration of women” for Best Foods, Colgate, General Mills, Scott Paper, Toni, Pillsbury, *et al.* The average number of women per minute between 10 a.m.-5 p.m. tuned to CBS is 3,718,000 vs. 3,050,000 for NBC and 1,379,000 for ABC.

* * *

NBC-TV Views “Specials:” One-spot TV specials have many attractions as advertising vehicles, and can “effectively deliver a wide variety of messages to both the con-

sumer & the dealer audiences.” That's the gist of *Special Report*, a booklet issued to admen last week from the office of NBC-TV dir. of research Thomas E. Coffin. The report, based on an R. H. Bruskin Associates consumer-dealer study of the Sinclair Oil-sponsored “Music From Shubert Alley” special (NBC-TV, Nov. 13, 1959), found:

Among those audience members (18.5% of ordinary viewers; 63.5% of Sinclair dealers) who watched the show, consumer-brand awareness and slogan-&-trademark identification were notably higher. Only 27% of non-viewing consumers named Sinclair as a brand of gasoline, while 41% of those tuned to the special gave the correct identification—a 52% advantage for the sponsoring oil firm. Among viewers, 60% could correctly identify the firm's dinosaur trademark, while only 32% of non-viewers could do so—an 88% advantage for the TV-exposed group.

The musical special also gave a boost to the general opinion (i.e., “image”) held concerning the sponsor & the sponsor's products. A “favorable attitude” was held by 30% of viewers as compared with only 11% among non-viewers—a 173% advantage. Concerning products of the oil firm, 40% of viewers said they were “more interested” than before the show, 59% hadn't changed whatever views they held, and 1% had no opinion.

Sinclair dealers liked the show. Of the oil firm's dealers queried, 92% said they wanted “more TV specials,” only 6% said they didn't want any more, and 2% had no opinion. Most (88%) dealers felt the program “made people feel more favorable” toward the sponsor, and “more interested” in buying Sinclair products. The dealers, incidentally, voted heavily in favor of TV as the “most effective” national ad medium, with 80% naming TV, against 10% for the next highest (newspapers). The remainder was split among magazines, radio, “all others.”

* * *

ABC-TV 24-City Study: Network program executives at ABC-TV had an especially good reason to celebrate the recent July 4 holiday. For the week ending July 3, ABC racked up what it called “best performance of the year” in grabbing a big share of the Nielsen-measured TV audience in the 24 cities which have direct network competition during peak nighttime hours. The scorecard:

During the Mon.-Sun., 8-10:30 p.m. period, the ABC share was 38.7 vs. 33.7 for CBS-TV and a 27.6 for NBC-TV. In terms of “advantage,” this gave ABC a 15% lead over CBS and a 41% lead over NBC.

The results marked a sizable growth for ABC in the competitive markets as compared with its position at the start of the season. The Oct.-July audience-share growth for ABC was an increase of 28%. For CBS, it represented an 8% drop and for NBC a 17% fall-off. “All the signs,” stated ABC, “point to a greater growth still in 1960-61.”

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Strong blast by NBC research at Magazine Advertising Bureau's recently-released “Profitable Difference” study (which attempts to show the advantages of national magazines over TV in capturing higher-income consumer audience) was published last week in a 7-page research bulletin. “Even by stacking the cards in their favor by the adroit use of definitions, research design and statistical manipulation, MAB could not avoid the inevitable conclusion: TV as a mass medium reaches a larger share of the advertiser's market than any other medium and does it with greater frequency,” said NBC. NBC further charged the study with “definitional and design weaknesses.”

CBC To Face ITO Network? Canada's 8 newly-licensed competitive TV stations have wasted little time in arranging stiffer competition for CBC on a network basis. Last week they formed a network-promoting arm, The Independent Television Organization, in a reflex action to BBG's announcement that it will hold September hearings on competitive networks (Vol. 16:28 p7). Included in the group is a 9th member: longtime independent (since 1954) CFRN-TV, which was Edmonton's only TV outlet until BBG's recent award to CBC of a competitive channel.

ITO's formal program has not been disclosed, pending discussions with BBG, but the organization of the newest stations may have closed the door on any other major bid for CBC-competing networks. President of ITO is CFCF-TV Montreal official R. E. Misener. Other officers: Vp, CJAY-TV Winnipeg Pres. Ralph Misener; secy., CFTO Toronto mgr. Charles Baldour; treas., Bushnell Bestg. Ltd. (Ottawa) Pres. E. L. Bushnell. ITO's directors: CFCH-TV Halifax Pres. Finlay MacDonald; CFTM-TV Montreal (French) vp Paul L'Anglais; CFCO-TV Calgary Chmn. Gordon Love; CFRN-TV Edmonton Pres. G. R. Rice; CHAN-TV Vancouver Pres. Art Jones.

NETWORK SALES ACTIVITY

ABC-TV

- Daytime programming, alt. wk. quarter hrs. in 10 shows, eff. fall 1960.
H J. Heinz (Maxon)
- Walt Disney Presents, Sun. 6:30-7:30 p.m., participations eff. fall 1960.
General Mills (Dancer-Fitzgerald-Sample)
- Naked City, Wed. 10-11 p.m., participations eff. fall 1960.
Dow Chemical (Norman, Craig & Kummel)
- Hawaiian Eye, Wed. 9-10 p.m., participations eff. fall 1960.
Procter & Gamble (Compton)
- Adventures in Paradise, Mon. 9:30-10:30 p.m., participations eff. fall 1960.
Burlington Hosiery (Donahue & Co.)
- Daytime programming, Mon.-Fri. particip. eff. fall 1960.
Knapp Monarch (Frank Block)
S.C. Johnson & Son (Foote, Cone & Belding)
Miles Labs (Wade)
Curtis Publishing (BBDO) renewal eff. July.

CBS-TV

- Miss America Parade, Tue. Sept. 6, 8-8:30 p.m., & Miss America Pageant, Sat. Sept. 10, 10-12 mid. participations.
Philco (BBDO)
Toni (North)
Oldsmobile (D. B. Brothier)

NBC-TV

- The Groucho Marx Show, Thu. 10-10:30 p.m., co-sponsorship eff. fall 1960.
Toni (North)
P. Lorillard (Lennen & Newell)
- 12 specials including 2 *Project 20*, 3 dramas and 7 daytime women's shows, eff. 1960-61 season. Purex (Edward H. Weill)
- Timex All-Star Circus, Fri. Oct. 21, 9-10 p.m., full sponsorship.
Timex watches (W. B. Doner)
- Riverboat, Mon. 7:30-8:30 p.m., participations eff. fall 1960.
Warner-Lambert (Ted Bates)
- Yes, Yes, Nanette, Fri. 8:30-9 p.m., full sponsorship eff. Jan.
Westinghouse (McCann-Erickson)

Inter-American Telecommunications Network, linking all Latin-American countries with the U.S. via microwave & cable, may be organized under auspices of the Organization of American States. Blueprints for the project—which would cost an estimated \$232 million—have not yet been drawn. But a permanent organization to develop plans for the network was set up at an OAS conference in Mexico City in May. A proposed charter is being sent to the 21 member states, 11 of which must ratify it before the project reaches a planning-board stage. As envisaged at the Mexico City meeting, the network would have channels for TV as well as radio, telephone, telegraph, facsimile, "alarm & public order," etc. Each participating govt. would be responsible for financing & constructing its segments in links stretching to privately-operated systems in the U.S. The U.S. govt. would not participate directly in the network.

Household-furnishings network TV advertising (gross time billings) increased 78.7% during the first 5 months of this year, to \$2.9 million, compared with \$1.6 million in the like period last year, reports TvB. Leading advertiser in that classification was Armstrong Cork floors & walls. Procter & Gamble was again the leading network TV advertiser during May with gross time billings of \$3.9 million. Following were American Home Products with \$2.7 million and Lever Bros. with \$2.1 million. Leading brand advertiser was Anacin, with \$821,396 in billings, followed by Texaco (\$671,953) and Dristan (\$648,779). Other product classifications showing substantial gains for the first five months of this year were gasoline, lubricants & other fuels; apparel, footwear and accessories, and beer & wine. May nighttime billings increased 11.3%, daytime billings decreased 3%.

CBC's "shady lady" continues to haunt the network (Vol. 16:28 p9). Her lawyer, in a police affidavit, charges CBC knew in advance that the TV "confessions" were fiction. There were indications at week's end that BBG would take another & harder look at the matter.

CBC gained its first surplus in 5 years last year—a healthy \$6,103,722, the Canadian network disclosed in its annual report. Contributing to the profit picture was a record gain of 20.5% in ad revenue to \$36,312,000.

Salt Lake City network switch has been advanced to Sept. 25, that being date on which KUTV (Ch. 2) begins with NBC-TV, relinquishing ABC-TV to KCPX-TV (Ch. 4).

Congress

TV campaign debates between Presidential tickets were anticipated last week by Democratic standard-bearer John F. Kennedy—but prospects for any joint appearances depend on whatever action the House takes on suspension of the Communications Act's Sec. 315. The Senate had passed a resolution (S. J. Res. 207) lifting equal-time rules for nominees for President & Vice President, but the measure was left hanging in the House when Congress recessed until Aug. (Vol. 16:28 p2). In Hyannisport, Mass., Kennedy was reported ready to fling a TV challenge at prospective Republican candidate Richard M. Nixon. His press secy. Pierre Salinger explained, however, that Kennedy "presumes such appearances will take place" on the networks following suspension of Sec. 315. Meanwhile, Salinger announced appointment of exec. dir. J. Leonard Reinsch of WSB-TV & WSB Atlanta as Kennedy's campaign communications consultant to coordinate TV & radio appearances and deal with networks & stations. Reinsch, on leave from his job with the Cox Stations, managed arrangements for the 1956 & 1960 Democratic conventions.

Film & Tape

AFTRA Accepts SAG Offer: Much-debated Hollywood-N.Y. proposals for one big union of broadcasting performers won midway acceptance last week when the American Federation of TV & Radio Artists voted for joint contract negotiations & administration with the Screen Actors Guild.

The new AFTRA-SAG cooperation plan, worked out in Hollywood by committees of the 2 unions following rejection of mediator David Cole's merger proposals (Vol. 16:27 p9), was approved by the 23rd annual AFTRA convention in Washington.

Disappointment over failure of the latest merger move was voiced at the AFTRA sessions, but the 160 delegates voted to unite with SAG in network bargaining—due to start Sept. 15—in the fields of live, film & taped commercials and taped programs. The jurisdictional area of tape long has been in AFTRA-SAG dispute.

Also accepted at the AFTRA meeting was an SAG proposal that the 2 unions study the feasibility of interchanging union cards and cross-crediting AFTRA & SAG members for pension & welfare fund purposes. SAG members were being polled meanwhile on both plans as stopgap substitutes for merger.

Other highlights of the 5-day convention, which was scheduled to act on contract-demand guidelines for negotiators before adjourning July 24, included an off-the-cuff speech by Labor Secy. James P. Mitchell and AFTRA executive secy. Don Conaway's state-of-the-union report.

Mitchell challenged TV performers to do what they can about "the mediocrity of some of our TV programs." If something isn't done, he told the convention, "public control of the media you work in" may come.

* * *

Although Writers Guild of America has reached agreement with TV producers after its 22-week strike, feuding within the Guild continues—this time over the means of implementing the agreement. Two WGA factions will have another showdown at a special membership meeting this week (July 27). The faction which has won 2 previous disputes (to reject producer offers) is the negotiating committee & a majority of the membership. The other is a majority on the Guild's TV-radio board. The present disagreement is over how a Guild representative on an Alliance-WGA fact-finding committee should be selected. The agreement with the producers is not in jeopardy. It's understood a move may also be made at the meeting for adoption of a constitutional amendment keeping hyphenated members (producer-writers) out of board positions.

* * *

Sharp criticism of Screen Extras Guild was voiced last week by Alliance of Television Film Producers Pres. Richard W. Jencks for a Hollywood tradepaper ad placed by SEG which, alleged Jencks, attacked the "integrity & good faith" of the producers. The ad stated the Alliance had refused to negotiate a new contract to replace the one which expired in April, 1959. Jencks answered that the Alliance and the Assn. of Motion Picture Producers had met jointly with SEG 10 times in negotiations, but that on March 22 SEG declared that it would no longer bargain with both groups. NLRB is currently studying the dispute and SEG should be prepared to abide by its decision, said Jencks. If NLRB sustains the Alliance position, SEG's threatened strike could be termed an unfair practice by the Guild, added Jencks. SEG complained to NLRB that the Alliance had refused to negotiate.

HOLLYWOOD ROUNDUP

Producer Don Fedderson, Johnny Carson and writers Hal Goodman and Larry Klein are partnered in a new TV venture, *Oh Johnny*, a comedy series starring Carson. Preparations are under way for production of the pilot . . . 20th Century-Fox TV's *Adventures in Paradise*, starring Gardner McKay (Richard Goldstone and William Froug, producers), has resumed production. The same studio is filming *Dobie Gillis* and *Hong Kong* and is preparing pilots of *Silent Investigators* and *The Ginger Rogers Show*.

Four Star Television, which is producing 273 hours of prime time on the 3 networks next season with its 12 series, has named Robert Soderberg and ex-20th Century-Fox TV producer Dominick Dunne exec. assts. to production exec. vp Tom McDermott. Robert Claver, N.Y. TV producer, will also be an asst. to McDermott. Four Star has signed Paul Stewart as associate producer & director of *Michael Shayne*, Tom Gries as writer-director, and Sidney Miller as director.

Movie producer Jerry ("Peyton Place") Wald will produce his initial TV series, *Rocky Point*, about residents of a small American town. Wald's 20th Century-Fox-TV project will be a co-production deal with ABC-TV which already has links with 20th via *Hong Kong & Adventures In Paradise*. Still another new 20th series is *Monte Carlo*, to be filmed partly in Monaco.

Revue Studio's *Laramie*, starring John Smith & Robert Fuller, has begun its 2nd season of production. John Champion is producer . . . CBS-TV's *Pete & Gladys*, comedy series produced by Parke Levy, began production last week. Harry Morgan, Cara Williams and Verna Felton star in the series, being filmed at Paramount-Sunset studios . . . *The Andy Griffith Show* has begun production at Desilu Cahuenga, with Aaron Ruben as producer and Sheldon Leonard exec. producer.

Hubbell Robinson Jr. plans a 60-min. pilot on *The Family*, a dramatic anthology series, in Hollywood late this year. The pilot is being financed in part by ABC-TV which intends to offer the show to advertisers for the 1961-62 season. Robinson meanwhile has another pilot completed (*The Lawyer*, a 60-min. film show, also in deal with ABC) and is producer of *Thriller*, to be seen on NBC-TV.

A record \$635,078.73 in telefilm-rerun residuals was received by Screen Actors Guild members in June. The figure brings to \$15,456,793.37 the amount collected by SAG since such payments began in Dec. 1953. This does not include payments actors received for movies sold to TV—or for TV commercials, which alone total more than \$11 million a year.

Warner Bros. will pilot a new 60-min. series, *Las Vegas File*, based on files of the sheriff's dept. of Clark County, Nev. and the Las Vegas police dept. . . . NTA's *Assignment: Underwater* has completed production.

People: Allen H. Miner has signed to produce a documentary series for Cal. National Productions . . . Mike Road is signed to a Warner Bros. contract. The studio plans to slot him in a new series . . . Oren Haglund, production mgr. of Warner Bros.' TV operations, has left the studio . . . Producer-writer-dir. Sherman Marks has left CBS-TV . . . Robert Fellows named exec. producer of Alan Ladd's Jaguar Productions, to supervise TV & movie production. On Jaguar's TV agenda: A pilot of *Hong Kong Express* . . . George Schlatter signed as NBC-TV producer.

NEW YORK ROUNDUP

Electronic sound simulator is being offered as part of the new jingle-writing services of composer-conductor Raymond Scott. To meet agency requests for something other than "just another jingle" in TV-radio commercials, electronics enthusiast Scott has concocted a hooked-together series of electronic sound generators to produce almost anything an adman can dream up in the way of trick sounds. It's known familiarly around Scott's establishment, the Jingle Work Shop (140 W. 57th St. N.Y.), as "The Karloff." Blended with music & jingle lyrics, the machine's results will alert the most commercial-hardened viewers or listeners, Scott claims.

Giantview General TV Network, Detroit closed-circuit & TV-tape producer & manufacturer of TV projection systems, has acquired Tapes Unlimited, independent N.Y. TV-tape producer. Former Tapes Unlimited partners Nat B. Eisenberg & Victor J. Kemper become exec. vp & engineering vp, respectively, of new subsidiary Giantview General TV Network of N.Y. Inc., with offices in the former Tapes Unlimited studio, 1280 5th Ave. (formerly CBS studio 57).

Walter Winchell, who's been absent from network TV since 1955 apart from his narration chores on *The Untouchables*, will be back with a show of his own this fall on ABC-TV (news, commentary and celebrity interviews). He'll hold down what amounts to a warmup position for the forthcoming Churchill memoirs series (Sun. 10:30-11 p.m.), occupying the period from early Oct. to the end of Nov. After that he'll move to a 15-min. network slot at 11, following the Churchill show.

Pathé News is reactivating its TV newsreel service with a 30-min. series, *The World This Week*, to be syndicated in the U.S. & abroad. Each episode will feature 4 Pathé-covered reports. In addition to several reported U.S. sales, negotiations are under way with Canadian, English, French and Latin American stations.

ABC Films has 3 properties set for fall syndication, including ex-ABC-TV adventure series John Gunther's *High Road*. The others are *Exclusive*, a European-produced program featuring adventures of members of the Overseas Press Club, and *Counterthrust*, a Manila adventure series.

Wolper-Sterling Productions—a combine of the production companies of David Wolper and Saul Turell—has been formed for the production of 12 one-hour specials and a 30-min. TV series, both aimed at network sale. The specials will be of an entertainment & public-affairs nature. Both companies will also continue to operate individually.

Cal. National Productions' *Blue Angels* adventure series based on the U.S. Navy's air defense operations, has been bought by Storer Bcstg. Co. for its 5 member stations. CNP also scored its initial regional sale of the series last week—to Continental Oil Co. for 68 central-state markets.

Goodson-Todman Productions plans to film its 5 new pilots in Sept. & Oct. to be ready early for next spring's selling season, we're told by G-T exec. vp Harris Katleman. First pilot is *Las Vegas Beat*, to be produced in association with Andrew Fenady, Irvin Kershner and Bernard Kowalski. G-T has already filmed 19 of *The Rebel*, will take a break after filming 26 by Sept. 1, to allow star Nick Adams time for a personal appearance tour.

Educational Television

NAEB Talks Radio Network: A live radio network to feed educational shows to non-commercial stations may be on the horizon for 1961. The idea was discussed in the 4-day National Assn. of Educational Bcstrs. convention in Madison, Wis. last week. NAEB has previously operated a tape radio network, distributing 10 hours of programming per week to 100 member stations. "We have found this to be inadequate in the past and hope to discover financial & technical means to initiate a more effective educational communications system," stated keynote speaker Hartford N. Gunn Jr., gen. mgr. of WGBH-TV Boston.

Gunn also described the activities of WGBH-TV Boston as "vital to both ETV & commercial stations." Our checkup in N.Y. revealed that several ETV programs, particularly those produced by WGBH-TV, are finding a home on commercial outlets. Examples: WGBH-TV's *Laughter's a Funny Business*, *Invitation to Art*, *Sunday Gallery*, *They Speak for Themselves*, *Recital Hall* and *Open Mind* are all being televised by commercial outlet WNBC-TV. (There is no charge for the shows, which are taped.) WABC-TV N.Y. is using the U. of Cal.-produced *The Written Word*, while WNTA-TV N.Y. is giving its summer audience WGBH-TV's seminar on *American Civilization*. Examples in other cities further indicate this interest among commercial broadcasters in ETV programming.

N.Y. Board of Education plans to launch a TV workshop program for teachers this fall, offering teacher-level training in elementary science & secondary-level English. The program, to be televised on commercial WPIX N.Y., financed by state funds, will combine 30-min. lectures with 90-min. workshops conducted in city centers. "With this new program, it may be possible to reach in 2 years as many teachers as older methods of in-service training would have reached in 2 generations," reported N.Y. Board of Education authorities.

ETV-testing communications system which enables a TV teacher to quiz & obtain responsive answers from remote students has been placed on the market by Robert E. Corrigan & Associates, Garden Grove, Cal. Heart of the patent-pending "Teletest" system is its push-button "record-o-pak" unit for each student. This enables him to select an answer to a multiple-choice question telecast by the teacher, advises him immediately by light code whether he has pushed the correct button, and automatically records his answer on an IBM card. Corrigan said initial orders for the system have been placed by the Cal. education dept.

School participation in ETV more than doubled in Alabama during 1960 compared with 1959, notes the Ala. ETV Commission in its report on the 3rd year of in-school telecasting by the state's ETV network. In May, more than 500 schools, with a total of 218,000 student viewers, participated in the network's telecourses. A year ago there were 56,000 students in 240 schools. Ala. ETV Commission has also announced that a new educational station in Montgomery may be added to the state's ETV network—on the basis of interest by local "civic groups." The ETV channel reservation in Montgomery is 26 and would provide the network's 4th affiliate.

TV equipment worth \$54,000 has been presented to Flint Jr. College, Flint, Mich., by WNEM-TV Bay City-Flint-Saginaw. Included are 2 complete camera chains to enable the college to set up a closed-circuit system.

Television Digest

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Personals: Richard J. Raburn, NBC accounting dir., appointed controller . . . Charles J. Hartman named dir. of engineering operations, TelePrompTer programs & productions div. . . Richard E. Reed promoted to sales mgr. of WLWC Columbus . . . Martin I. Levy promoted to asst. chief, FCC Broadcast Facilities Div., continuing as chief of TV Applications Branch until replacement is named . . . A. Prose Walker, NAB engineering mgr. & chief editor of new *NAB Engineering Handbook*, toasted by publisher McGraw-Hill at N.Y. authors' luncheon attended by 14 of 47 contributors . . . Milton E. Magruder, from UPI's Washington bureau, joins NAB's public relations staff as asst. mgr., replacing chief writer Larry Sims, who resigned as of Aug. 1 to join Institute of Life Insurance, N.Y.

Lacy Kastner retires as pres., Columbia Pictures International Corp., Columbia Pictures foreign sales subsidiary. He remains as Columbia International vp . . . Albin R. Hillstrom, ex-WOAI-TV San Antonio, appointed chief engineer, KOOL-TV & KOOL Phoenix, Ariz. . . James M. Henneberry, ex-KMOX-TV St. Louis, named ad, sales promotion & PR dir., WICS Springfield, Ill. . . David E. Cassidy, ex-Bolling Co., named RKO General asst. to Hathaway Watson, vp for bestg.

Total of 1,821 TV-radio courses (1,648 for degrees) was offered in 1959-60 by 145 colleges & universities which responded to U. of Wash. Prof. Harold Niven's 5th annual survey. Other findings: 96 schools had 3,009 upperclassmen majoring in TV-radio for bachelor degrees; 49 had 422 students studying for master; 13 universities had 121 graduates studying for a doctorate. Degree courses were offered in 12 different departments or schools. Number of TV-radio degree courses offered by individual colleges ranged from 5 to 43. Among all 145 colleges & universities, 29 have TV stations, 22 closed-circuit TV, 9 film studios, 4 TV studios, 5 video-tape recorders, 112 TV lab-classrooms.

Meetings next week: International TV-radio workshop (Aug. 1-12), sponsored by Bestg. & Film Commission and various church groups, 475 Riverside Drive, N.Y.

Sindlinger & Co., market-analysis firm, has moved its central offices to the Sindlinger Bldg., Norwood, Pa.

NCTA picks Washington as site for its 1962 convention, having chosen San Francisco for 1961.

Auxiliary Services

NLRB Spurns CATV Jurisdiction: The first CATV-union dispute to reach the National Labor Relations Board has been sidestepped by the agency on grounds that a community antenna system "is merely an auxiliary service"—not a communications system subject to federal regulation.

Sustaining traditional no-govt.-controls arguments by the National Community TV Assn. (Vol. 16:26 p3), the NLRB rejected jurisdiction in a bargaining-election petition filed by a Warren, Pa. affiliate of the Hod Carriers Union to represent employes of the 3,200-customer Warren TV Corp.

Pointing out that CATV "is not franchised by any govt. authority and is not licensed or regulated" by FCC, the 5-man NLRB—member Joseph Alton Jenkins dissenting—said: "Our own evaluation leads us to conclude that the employer's operations merely service the existing communication at the receiving end for the consumer. This function consists of installing, maintaining and servicing the cables which are, under the special circumstances, an extension of the consumer's own TV antenna."

The representation plea by Construction & General Laborers Local 836 in Warren also was turned down by the NLRB on grounds that CATV business there is almost entirely intrastate in character. The NLRB said Warren TV Corp.'s revenue in the 12 months preceding the petition was \$130,000—all derived from local customers—and that there were no out-of-state sales and only \$12,500 in out-of-state purchases.

In his dissent, Jenkins agreed that CATV is an auxiliary communications service, but said he couldn't go along with the argument that it doesn't "fall within the general classification of instrumentalities & channels of commerce." He pointed out that FCC itself has held that CATVs "are related to interstate transmission," that testimony in Senate Commerce Committee hearings supported this position. "I believe there is room for doubt, and would hold, that CATV is a part of the communications industry," he said.

Translator starts: K72AV Big Sandy Valley, Ariz., K77AM Chloride, Ariz. & K80AP Peach Springs, Ariz. began July 5 with KLRJ-TV & KLAS-TV Las Vegas and K82AA Kingman, Ariz. (repeater of KOOL-TV Phoenix) • K83AM & K77AS Carrizo Springs & Crystal City, Tex. began testing in June for start by July 12 with KONO-TV & KENS-TV San Antonio • K71AW, K77AQ & K80AU Memphis, Tex. began May 13 with KGNG-TV, KVII & KFDA-TV Amarillo.

Translator grants: Ch. 70 McDermitt, Nev., to Quinn River TV Maintenance District, to relay KTVB Boise. • Ch. 70, Carrizo Springs & Crystal City, Tex., to Winter Garden Translator System Inc., to relay WOAI-TV San Antonio. • Ch. 70, Susanville & Herlong, Cal., to Honey Lake Community TV Corp., to relay KOLO-TV Reno. • Ch. 81, Alpine & Marfa, Tex., to Honor System TV Assn. Inc., to relay KTSM-TV El Paso. • Ch. 74, Dubuque, to Dubuque Area Translator, to repeat WISC-TV Madison.

First settlement of CATV-station dispute over a microwave to feed the CATV was recorded when FCC granted the joint petition of KSWs-TV Roswell, N.M. and Microrelay of N.M. Inc. to dismiss the former's protest and remove an FCC-imposed freeze on the microwave grant. The dispute faded after KSWs-TV owner John A. Barnett acquired an interest in Microrelay; terms of the acquisition weren't disclosed in the petition.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

6-MONTH SALES GOOD, JUNE SOFT: TV & radio retail sales for first-half 1960 were up substantially over 1959, on basis of preliminary estimates, but both markets showed slight softening in June.

If the 6-month pace is maintained for rest of year, 1960 should see total TV retail sales of slightly less than 6.4 million sets, radios (excluding auto) of about 9.7 million units. These figures are based on seasonal adjustments. Historically an average of 41.6% of year's retail TV sales and 39.1% of home radio sales are made during first half.

It's estimated that TV sales at retail are 13% over last year's first half, radio sales up about 22%. While June retail sales in both categories were higher than June 1959, June failed to maintain the sales momentum of the first 5 months. June's TV sales were at an annual rate of 6.35 million, radio sales at 8.75 million. Previously, TV sales had been running at 6.5 million or better, radio at very close to 10 million. First signs of blunting of this boomlet came in May (Vol. 16:28).

Whether this means beginning of let-up in consumer eagerness isn't clear yet. Most set makers & merchandisers are watching closely, but feeling is that in TV the new features of 1961 models will add more zip to market. FM resurgence (see below) is definitely adding to dollar volume of radio market.

TV inventories appear to be in excellent shape. At midway point in 1960, inventories at all trade levels were up 10% from mid-1959, although cumulative retail sales were 13% higher this year. Inventory problem may be developing in radio, however, with pipeline stocks up about 50%.

Retail phono sales for May and for first 5 months of 1960 continued to show good improvement over 1959. (Phono sales details on p. 17.)

FM SALES TO SET RECORD THIS YEAR: FM radio is enjoying a full-fledged boom— even bigger than in its early post-war heyday. And this is only the beginning. All signs indicate FM sales can't go any place from here but up.

Sales of FM receivers this year will top previous record of nearly 1.6 million sets in 1948—perhaps by as much as 30%. They'll be 10 times higher than FM's low-water year of 1954.

It's difficult to get authoritative figures on FM production or sales. The market is complex—and even record-keeping EIA lost interest in tallying statistics during the mid-'50s. But based on what figures are available (radio & phono data from EIA), and from our continuing conversations with industry leaders, here are our estimates of sales of FM receiving devices in 1959, together with minimum & maximum 1960 forecasts:

Type	1959	1960 minimum	1960 maximum
FM & FM-AM radios	540,500	750,000	820,000
Phonos with FM	623,000	700,000	1,000,000
Component FM tuners	150,000	150,000	200,000
Imports (all FM types)	100,000	80,000	120,000
Total	1,413,500	1,680,000	2,140,000

Background of 1960's boom:

Number of FM stations is now increasing rapidly. From a low of 549 in 1954, the figure has grown to 741 on air, 64 having started during first half of 1960.

Upsurge of public interest in music, manifested in rising sales of higher-priced phonos, has been important factor. Phono makers at recent Music Industry Trade Show reported increasing demand for FM in stereo consoles. Some packaged hi-fi makers say about 50% of their sales now include FM radio. Component-maker Pilot says 70% of its console sales include FM-AM tuners, as compared with 60% last year. Every-

one agrees business is going up. One big stimulant is the "drop-in" FM-AM tuner, now offered by most large manufacturers. It can be added by dealer or consumer into special cubbyhole in stereo console—making every phono console a potential FM set.

AM-FM stereocasting is popular in some areas. Most AM-FM tuners in stereo phonos are of the simulcast variety—permitting reception of 2-station stereocasting.

Although hi-fi component sales are said to be down in some areas, popularity of the new combination AM-FM-tuner-preamplifier-amplifier unit (complete radio less speaker & cabinet) is increasing total component FM business. Pilot says its FM tuner sales are up 100% over last year.

European imports are off, say industry specialists—but rising imports of FM-AM radios from Japan may offset any decline in German-made sets with FM.

Public now has available a wide variety of brands & designs of FM & FM-AM table radios. In first 5 months of 1960, U.S. manufacturers made 295,297, a 70% increase from 172,640 in last year's same period.

Here's why FM sales must keep rising in next few years:

(1) Extension of FM service. Manufacturers say FM sales are still largely confined to city areas—but now more & more rural areas are getting multiple-station FM services.

(2) FM stereo-multiplexing. Although it may not come as soon as some industryites anticipate, FM-broadcast stereo service is inevitable (Vol. 16:28 p14). Without exception, all manufacturers predict land-office FM business—particularly in combination with stereo phonos—as soon as FCC sets stereo standards.

(3) New FM receiving devices. Too small to tally now are the varying new shapes & forms of FM receivers, any one of which could spring into big-business category: TV-phono-FM & TV-FM combinations; battery-operated portable FM sets; FM clock radios; FM auto radios.

Take just one category—FM car radios. Complete radios, tuners & converters are now available in U.S., built by Motorola, Gonset and others, as well as European imports. They're even offered in Sears Roebuck catalog. This fall, Granco will bring out its mass-produced auto converter at \$49.95 (Vol. 16:29 p14). Granco Pres. Henry Fogel sees "reliable market for 100,000 auto FM sets a year" beginning in 1961—and a much bigger market if auto dealers offer FM as original-purchase accessory.

FM receiver outlook for 1961—a consensus of the industry: another 50-60% increase in retail sales, which could bring total to the 3-million mark.

Here are our estimates of retail sales of all FM receiving devices annually since 1946:

1946	163,055	1951	960,000	1956	420,000
1947	1,175,100	1952	526,000	1957	530,000
1948	1,590,000	1953	455,000	1958	850,000
1949	1,298,000	1954	189,000	1959	1,413,500
1950	1,400,000	1955	256,000	1960	1,680-2,140,000

TV-RADIO PRODUCTION: EIA statistics for week ended July 15 (28th week of 1960):

	July 8-15	Preceding wk.	1959 week	'60 cumulative	'59 cumulative
TV	48,075	51,637	83,907	3,067,241	2,945,939
Total radio	196,175	173,906	198,703	8,892,896	7,507,557
auto radio	68,608	75,310	59,425	3,466,781	3,031,415

GE contract negotiations with IUE broke off abruptly last week when company negotiators walked out, charging IUE Pres. James B. Carey with being "abusive & obscene." IUE represents 70,000 workers in GE plants across the country; present 5-year contract expires Oct. 1 (Vol. 16:28 p16). The 3rd day of bargaining broke up suddenly 75 min. after it began, and the GE team did not appear for a scheduled July 21 afternoon session. Said an IUE spokesman: "If the union walked out every time GE people used that kind of language, we'd never meet."

Sylvania's UK associate, Thorn Electrical Industries Ltd., which produces TV sets & tubes, has acquired for an undisclosed price the Brimar Valve (vacuum tube) div. of ITT's UK manufacturing associate Standard Telephone & Cables Ltd. The Brimar div. manufactures cathode-ray & receiving tubes for TVs & radios. STC will continue to make & sell industrial tubes and, through its Kolster-Brandes subsidiary, TVs & radios. ITT explained the sale as a step in its program of realigning area & divisional activities to achieve increased efficiency & growth.

JAPANESE EXPORTS—UP AGAIN: Exports of Japanese electronic products to the U.S. in the first 1960 quarter totaled nearly \$16 million, almost double the level of the similar 1959 period but down seasonally from the final quarter of 1959 (Vol. 16:15 p19).

Reporting the continuing upsurge in shipments from Japan, the electronics div. of the Commerce Dept.'s Business & Defense Services Administration noted "large gainers" in electronic categories: receiving tubes (up 383% from the first 1959 quarter), speakers (up 233%), sound equipment (up 301%), transistors (up 1,059%).

Although BDSA didn't supply comparable first-quarter 1959 figures, from Japanese sources these partial comparisons are available: Total radios, 1,121,000 units in first-quarter 1960 (vs. 895,000 in first-quarter 1959); radios with 3 or more transistors, 662,000 (vs. 436,000); with fewer than 3 transistors, 342,000 (vs. 376,000); tube radios, 117,000 (vs. 83,000); radio-phonos, 4,000 (vs. 2,000); tubes, 2,846,000 (vs. 728,000); transistors, 386,000 (vs. 42,000).

The BDSA report pointed out that last year the total value of all Japanese electronic products received here rose steadily from \$8.29 million in the initial quarter to \$22.47 million in the Oct.-Dec. period.

Following is a breakdown of Jan.-March 1960 Japanese exports to the U.S. by products (add 000 to units & dollars);

Product	Units	Value
Radio receivers, total	1,121	\$11,838
Tube type	117	833
3 or more transistors	662	10,004
Other	342	1,001
Radio-phonographs	4	92
Sound recorders and reproducers	12	586
Amplifiers	31	110
Microphones	44	74
Speakers	435	636
Capacitors	3,559	145
Earphones	430	103
Electron tubes, total	2,846	762
Receiving tubes	2,839	758
Others	7	4
Transistors	386	336
Other semiconductor devices	34	5
Phono parts, accessories	—	193
Other electronics products	—	1,074
TOTAL	—	\$15,954

"Survey of the European Common Market for Electrical Products" has been completed for its members by the British Electrical & Allied Mfrs.' Assn. The 60-page study of export potential in the 6-country market forecasts electrical-product sales of \$9.24 billion by 1963—up 44% from \$6.44 billion in 1958. In the 5-year period of 1959-63, the Common Market is expected to absorb electrical products totaling some \$39.2 billion. This equals 10 years of United Kingdom output at present levels.

Britain will continue its 50% purchase tax on TVs, radios, tubes, phonographs and records. The tax is expected to yield \$196 million this year. Arguing against a proposal to reduce the tax to 37½%, Treasury Economic Secy. Anthony Barber told Parliament: "We watch very carefully what happens in industries whose products are subject to a tax of 50%. There is no evidence at present that the products on which there is a duty of 50% are unable to bear it."

Removal of excise tax on uhf sets to encourage uhf receiver production, as proposed in HR-366, is again under FCC consideration. It's understood that the Commission will repeat its opinion that the tax should be removed.

PHONO SALES UP: Retail phonograph sales rebounded in May from a relatively dull April (Vol. 16:25 p14), showing a 19% gain in units sold in May 1960 as compared with May 1959. For the first 5 months of 1960, unit phono sales at retail were up more than 20% over 1959. The dollar gain is probably far greater than the unit gain, because a much higher percentage of sales has been stereo in 1960 than in 1959.

Here are the EIA's official 1960 & 1959 monthly figures for phono factory & retail sales:

PHONO FACTORY SALES

Month	1960			1959		
	Mono	Stereo	Total	Mono	Stereo	Total
January	118,400	341,329	459,729	184,147	177,336	361,483
February	90,854	324,666	415,520	164,873	188,750	353,623
March	63,264	242,523	305,787	119,075	168,117	287,192
April	30,606	142,409	173,015	47,153	125,111	172,264
May	36,793	144,474	181,267	33,356	89,827	123,183
TOTAL	339,917	1,195,401	1,535,318	548,604	749,141	1,297,745

PHONO RETAIL SALES

Month	1960			1959		
	Mono	Stereo	Total	Mono	Stereo	Total
January	150,688	368,964	519,652	231,429	159,214	390,643
February	100,268	347,860	448,128	171,127	156,477	327,604
March	61,249	249,497	310,746	139,577	140,075	279,652
April	41,147	152,141	193,288	94,226	118,197	212,423
May	39,734	139,378	179,112	70,228	82,765	152,993
TOTAL	393,086	1,257,840	1,650,926	706,587	656,728	1,363,315

Factory sales of transistors in May continued to run sharply ahead of 1959, although below sales in April. Here are EIA's official figures on transistor unit & dollar sales monthly, Jan.-May 1960, with 1959 comparisons:

Month	1960		1959	
	Units	Dollars	Units	Dollars
January	9,606,630	\$24,714,580	5,195,317	\$13,243,224
February	9,527,662	24,831,570	5,393,377	14,550,056
March	12,021,506	28,700,129	6,310,286	18,117,560
April	9,891,236	23,198,576	5,906,736	16,864,049
May	9,046,237	24,714,580	6,358,097	19,007,293
TOTAL	50,093,271	\$125,591,228	29,163,813	\$81,782,182

Basic patent on magnetic recording tape has been invalidated by the U.S. Appeals Court in Chicago, but Minnesota Mining & Mfg. Co. Pres. Herbert P. Buetow says the decision won't hurt 3M's position in the tape business. The Appeals Court upheld a lower court's dismissal of a patent infringement suit brought by 3M against Technical Tape Corp. and C. K. Williams & Co., which produces oxides used in the manufacture of magnetic tape. At issue was the 1954 Armour Research Foundation patent on magnetic material used in tape. Armour had licensed 3M to produce tape and to grant sub-licenses under the patent. The court said the patent was invalid because the process had been known & used before the patent was filed in 1947. The court also threw out a counter-suit by Williams which charged that 3M had built a tape monopoly. Buetow said, in commenting on the decision, that 3M's technical & manufacturing advantages, plus its other basic tape patents not affected by the decision, continue to give it a strong edge over competitors.

New series of silicon tunnel diodes which extends the range of peak current levels is being introduced by the semiconductor div. of Hoffman Electronics. The devices are designed for new applications in amplifiers, oscillators, switching circuits and voltage level detectors. Hoffman is also reducing prices 40% on its HT-1 through HT-10 tunnel diode line introduced earlier this year.

3M to Make Cartridge Players: With an eye to pushing its tape-cartridge business, Minnesota Mining & Mfg. has decided to make machines to play the cartridges. This week, with that purpose in mind, it announced the purchase of Revere Camera Co. 1

Development of a tape-cartridge player would have taken at least 2 years, said 3M Pres. Herbert P. Buetow—but, by purchasing recorder-maker Revere, “we acquired these resources immediately.” The 3M cartridge system was unveiled to the public last March at the IRE convention (Vol. 16:13 p18), using a player mechanism produced by CBS Labs.

Buetow said last week that the 3M’s tape-cartridge ambition was the principal reason for buying Revere. “While a number of top companies in the industry will manufacture tape-cartridge equipment [under 3M license],” he said, “our management felt that to maximize the return on this very substantial research investment, the company should also produce tape-cartridge players.”

The acquisition will also put 3M in the camera business—and it wouldn’t be surprising to see Revere come out with a sound-on-film camera-projection system for home-movie enthusiasts à la Fairchild and Eastman Kodak. Revere, a privately-held company, is said to have grossed about \$25 million last year. Revere Pres. Sam Briskin will serve as consultant. Son Theodore S. Briskin will become 3M vp & chief operating officer of Revere.

Direct appeal to Japan has been filed by import-troubled EIA of Canada. Gist of the brief to the Japanese govt.: Limit tube exports on the Canadian market to tube types not made in Canada. A tenfold increase in imports of Japanese tubes resulted in a 23% drop in employment last year in Canada’s tube industry. The EIA said that a switch in types of tubes exported to Canada would result in an increase of dollar exports to Canada by Japan and prevent serious injury to Canadian industry. Of some 1,200 tube types used in Canada, about 200 are made there. The rest are imported—largely from U.S. & Holland.

Drastic reductions in prices of tunnel diodes—as predicted (Vol. 16:26 p17)—have already made them competitive with transistors for some uses. GE last week cut prices of 2 gallium arsenide tunnel diodes and announced 5 new types. The older types were cut to \$4.50 & \$6 each from \$55 & \$60; the new units range from \$7.50 to \$18. Prices of transistors that operate at the same high frequencies as the tunnel diodes designed for computer use range in the \$8-\$15 class. Semiconductor mktg. mgr. J. H. Sweeney said the reductions reflect the beginning of high-volume production. He predicted that tunnel diode prices would drop to less than \$1 each by 1962.

Craig Corp., Los Angeles, which claims to be the West’s largest electronics & photographic consumer-product distributor, has sold \$750,000 ten-year convertible debentures to Electronics Capital Corp., San Diego. The small-business investment company will have the right to convert its investment into about 30% of Craig’s stock. Craig’s sales volume is now at an annual rate of \$12 million. Its wholly-owned subsidiary Panorama Enterprise imports consumer & industrial electronics products.

New 6,500-mile scatter system for the Army—extending from Hawaii to the Philippines—has been placed in operation by Page Communications Engineers. The stations are at Oahu, Kauai, Midway, Wake, Ponape, Guam, Palu & Luzon.

Trade Personals: G. C. Connor promoted from regional vp to mktg. senior vp, Sylvania, succeeding B. K. Wickstrum, who remains as senior vp with a special assignment; Arthur L. B. Richardson named senior vp for PR, industrial relations & purchasing, law dept.; William F. Rueger named secy., continuing as senior div. counsel.

Joseph A. Lagore retires as mfg. vp, Philco govt. & industrial div. after 32 years with Philco. . . Lorin McCarthy named gen. mgr., Pacific Mercury Electronics mktg. div., succeeding Eugene J. Freeman, now vp-gen. mgr., Roberts Electronics . . . Robert C. Seamans Jr., chief engineer of RCA’s missile electronics & controls div., named associate administrator of National Aeronautics & Space Administration, replacing Richard E. Horner, who resigned to join Northrop as senior vp for technology.

Thomas S. Hurley, ex-Raytheon, appointed CBS Electronics semiconductor operations supervisor of merchandising & advertising, a new post . . . Reinhard E. Rist promoted to computer transistor mfg. mgr., RCA semiconductor & materials div. . . Ira Kamen, ex-General Bronze, elected pres., Portland Industries Corp.

Frank Delves named General Precision foreign mktg. vp . . . Louis H. Aricson promoted from vp-gen. mgr., Daystrom Transicoil div., to human relations vp for the parent company . . . J. Gerald Mayer promoted from vp to defense & engineered products exec. vp, General Instrument. He also heads subsidiaries Radio Receptor & Harris Transducer.

Ralph H. G. Mathews resigns from Westinghouse TV-radio div. Aug. 1 to become dir. of mktg., Blonder-Tongue Labs . . . George D. Butler, International Resistance mktg. dir., elected a vp . . . Boyd B. Barrick promoted to gen. sales mgr., Raytheon distributor products div. . . Warren H. Davis named to new post of asst. dir. of mktg., Hoffman semiconductor div.

Henry Brief Aug. 12 becomes exec. dir. of Record Industry Assn. of America, succeeded as TV-radio editor of *Home Furnishings Daily* by Alfred L. Perkins, now floor coverings editor . . . James J. Cassidy, onetime TELEVISION DIGEST associate editor, promoted to new post of associate managing editor of McGraw-Hill’s *Electrical Merchandising Week* . . . Jules Steinberg returns to his desk as mid-west editor of *Mart* after surgery.

Panel on stereo-multiplex broadcasting will be the consumer-electronics highlight of the Western Electronic Show & Convention (WESCON) Aug. 23-26 at the Los Angeles Sports Arena. The Aug. 23 session will feature papers by NAB engineering dir. A. Prose Walker, chmn. of the NSRC field-test panel, on progress of the FM stereo field tests (Vol. 16:28 p14), and by Hazeltine’s R. J. Farber on requirements for FM stereo transmission. Panel members will represent companies espousing 5 of the 6 systems now under test by NSRC: Carl Eilers, Zenith; William H. Beaubien, GE; Murray G. Crosby, Crosby-Teletronics; Harold Parker, Calbest; William Halstead, Multiplex Development.

Obituary

Edward F. McGrady, 88, former RCA vp in charge of labor relations and NBC director, who was the New Deal’s foremost labor troubleshooter, died July 17 at Newton, Mass. He joined RCA in 1937 after 4 years as Asst. Secy. of Labor and earlier work in Washington as Asst. NRA Administrator. In World War II he was a special consultant to Secy. of War Henry L. Stimson, and after his retirement was retained by RCA as a labor consultant.

Finance

Upbeat AB-PT: Good news characterized Pres. Leonard H. Goldenson's first-half report to AB-PT stockholders last week: (1) The 2nd-quarter & half-year net operating profits were the highest in AB-PT history. (2) The ABC-TV Network, in the 2nd quarter, posted a 30% increase in gross time-billings over the year-ago quarter. (3) ABC Radio Network's exclusive broadcast of the Johansson-Patterson fight attracted 61 million people—"the largest audience for any entertainment or sports event in the history of radio." The report's only soft spot: "Theater business was not up to last year's level in the 2nd quarter," Goldenson noted, adding: "This was primarily due to the fewer pictures made available because of the recent Hollywood strike and to the quality of the product released."

Net operating profit in the first half soared 45% to \$5,653,000 (\$1.35 a share on 4,149,362 shares) from \$3,886,000 (90¢) in Jan.-June 1959. Including capital gains of \$1,328,000, the consolidated net earnings rose to \$6,981,000 (\$1.67) vs. \$3,885,000 (90¢), which reflects a \$1,000 loss.

In the 2nd quarter, net operating profit jumped 47% to \$2,317,000 (55¢) from Apr.-June 1959's \$1,573,000 (36¢). Including capital net gains of \$1,284,000, the consolidated net earnings totaled \$3,601,000 (86¢) vs. 2nd-quarter-1959's \$1,618,000 (37¢) which included a capital gain of \$45,000. The 1960 2nd-quarter capital gains of \$1,284,000 (31¢) included capital gains (after taxes of \$1,400,000) on the cash portion of AB-PT's sale of Disneyland Park stock (Vol. 16:28 p8).

RCA Profit Sag: Despite a 12% sales gain to a record \$707 million, RCA experienced a 7% sag in earnings to \$18.1 million during the first half (see financial table). Profit also was down sharply in the 2nd quarter. The cause: "Our rapidly increasing data-processing investment which was stimulated by a strong pick-up in orders & inquiries during the first 6 months," Chmn. David Sarnoff & Pres. John L. Burns explained (Vol. 16:27 p3). "Because of the unique leasing nature of the data-processing business, these costs actually represent a current investment that promises to yield the profits of tomorrow."

Sarnoff & Burns emphasized that RCA's ability to make major advances in the highly competitive data-processing field, to absorb build-up costs, is bolstered by the performance of other divisions.

"Among other strengthening factors has been the performance of NBC, which registered the largest [but undisclosed] first-half profit in its 34-year history," they pointed out. "Color TV set sales, for example, are firmly anchored in the profit column, and the current sales curve indicates that this profit story is only in its first chapter."

Magnavox rolled up a 60% profit gain on a 10% sales rise during 1960's first half (see financial chart). Pres. Frank Freimann credited the consumer-products div. for the gains, attributed the higher income to a better product mix & reduced operating costs. Although Magnavox's April-May TV-stereo sales declined, June orders ran 50% ahead of the June 1959 volume. Freimann forecast that the rate of increase will be maintained during the balance of the year—the period in which Magnavox normally produces 2/3 of its annual sales volume—and described the 2nd-half profit picture as bright.

Mergers & Acquisitions: Electronics merger news this week was highlighted by the completion of the purchase of Revere Camera Co. by Minnesota Mining & Mfg. Co. (Vol. 16:27 p18)—and the revelation that 3M had tape cartridges in mind in negotiating the acquisition (details on p. 18). Other merger news this week:

General Instrument Corp. and General Transistor Corp. last week signed a merger agreement subject to authorization by the directors of both companies and approval of stockholders at special meetings scheduled for Aug. 30. General Instrument would be the surviving company, each outstanding share of General Transistor common to be converted into .7 of a share for GI.

Stockholders of Itek Corp. and Hermes Electronics approved the merger of the 2 firms, on the basis of issuance of one Itek share for 3/4 shares of Hermes. Merger negotiations between Itek and Seeburg Corp. have been broken off, but both seek other acquisition possibilities.

Daystrom Inc. is acquiring Wiancko Engineering Co., Pasadena, Cal. producer of instrument systems & transducers for measurement & controls, in an exchange of stock said to involve about \$4 million.

FXR Inc., manufacturer of microwave test equipment, has acquired Budd-Stanley Co., Long Island City custom microwave-components manufacturer, from Indian Head Mills. Meanwhile, FXR officials are negotiating with Loral Electronics on possible acquisition of FXR by Loral.

Advance Ross Electronics Corp., maker of TV yokes & flyback transformers, announced that it has bought Magneco Corp., maker of ferrite products, for undisclosed sum.

Desilu Productions will report a loss for fiscal-1961's first quarter ending July 30, reports Pres. Desi Arnaz. He did not disclose the amount of loss, blamed it on the recent writer strike. In the year-ago quarter, Desilu earned \$167,500 (23¢ a share) on a gross income of \$3.7 million. Arnaz forecast that performance for the 1961 fiscal year, ending next April 30, will at least equal fiscal-1960's net income of \$811,500 (70¢ on 1,155,940 shares) on a \$23.4-million gross. Meeting with stockholders last week, he had these answers to questions: Salaries—Desi gets \$215,000, Lucy \$180,000, exec. vp Martin Leeds \$135,019. Diversification—being explored but "we have no intention of merging with anyone." Expansion—Desilu International Ltd. has been established to co-produce in Europe and to increase Desilu's quotas in foreign markets; Arnaz heads for Europe in Sept. to explore co-production deals. Inventory—Desilu will continue its policy of piecemeal rather than mass sale of its rerun backlog which, with the studio's current TV series, will increase to about 1,014 half-hours of films.

Hewlett-Packard has proposed a 200% stock dividend which will be payable Sept. 15 to stockholders of record Sept. 1—if shareholders approve at their special Aug. 9 meeting. The proposal would increase the Palo Alto electronics manufacturer's authorized common to 15 million shares from the present 5 million—of which about 3,272,000 are outstanding. Pres. David Packard forecast 1960 earnings of \$1.35-1.40 a share, 15% ahead of last year.

Hallicrafters Co., Chicago manufacturer of short-wave radio & military electronic equipment, plans public sale of 300,000 capital stock shares, 100,000 to be offered by the company, 200,000 by present holders. Paine, Webber, Jackson & Curtis head underwriters of the offering, price undetermined, according to an SEC registration statement (File 2-16825).

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during the last week. Dash indicates the information was not available at press time. Parentheses denote loss.

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Electronic Specialty Co.	1960—qtr. to Jun. 30	\$2,496,000	\$14,000	\$6,700	\$0.01	547,440
	1959—qtr. to Jun. 30	2,058,000	172,000	83,000	.20	405,920
Hermes Electronics	1960—3 mo. to Apr. 30	917,902	—	(73,957)	—	999,408
	1959—3 mo. to Apr. 30	875,433	—	30,812	.02	999,408
Hudson Radio & TV	1960—10 mo. to Mar. 31	4,091,986	137,070	82,559	.17	499,970
	1959—10 mo. to Mar. 31	3,481,265	81,013	48,053	.13	374,970
Itek Corp.	1960—7 mo. to Apr. 30	17,864,225	677,396	362,046	.42	859,957
	1959 ¹	—	—	—	—	—
Magnavox Story on p. 19.	1960—6 mo. to Jun. 30	51,700,000	—	1,825,000	.77	2,359,606
	1959—6 mo. to Jun. 30	47,278,000	—	1,140,000	.48 ²	2,345,718 ²
RCA Story on p. 19.	1960—6 mo. to Jun. 30	707,000,000 ³	35,400,000	18,100,000	1.14 ³	14,436,000 ⁴
	1959—6 mo. to Jun. 30	633,700,000	38,800,000	19,400,000	1.29 ³	13,866,000 ⁴
	1960—qtr. to Jun. 30	345,800,000	10,000,000	5,100,000	.29 ³	14,436,000 ⁴
	1959—qtr. to Jun. 30	311,900,000	13,000,000	6,500,000	.41 ³	13,866,000 ⁴
Sangamo Electric	1960—6 mo. to Jun. 30	25,616,000	1,422,000	759,000	.47	1,620,930
	1959—6 mo. to Jun. 30	24,696,000	2,869,000	1,465,000	.91 ^o	1,612,266 ^o
	1960—qtr. to Jun. 30	13,873,000	—	463,000	.29	1,620,930
	1959—qtr. to Jun. 30	12,744,000	—	689,000	.43 ^a	1,612,266 ^a
Standard Kollsman Industries	1960—6 mo. to Jun. 30	45,329,044	2,887,064	1,377,714	.69	2,006,213
	1959—6 mo. to Jun. 30	35,221,567	1,155,103	639,703	.34	1,904,779
	1960—qtr. to Jun. 30	23,457,224	1,759,939	805,589	.40	2,006,213
	1959—qtr. to Jun. 30	18,629,715	520,706	249,306	.13	1,904,779
WJR Goodwill Station	1960—6 mo. to Jun. 30	—	—	166,023	.26	—
	1959—6 mo. to Jun. 30	—	—	134,284	.21	—

Notes: ¹Not available, ²Adjusted to reflect Nov.-1959 stock split. ³After p'd. dividends. ⁴Average. ⁵Record. ⁶Adjusted to reflect May-1960 2-for-1 split.

OVER-THE-COUNTER COMMON STOCK QUOTATIONS

Thursday, July 21, 1960

The following quotations, obtained in part from the National Association of Securities Dealers Inc., do not represent actual transactions. They are intended as a guide to the approximate range within which these securities could have been bought or sold at time of compilation.

Stock	Bid	Asked	Stock	Bid	Asked
Acoustica Associates	30	33	Magnetic Amp.	9	—
Aerovox	11¼	12½	Magnetics Inc.	11¼	12½
Allied Radio	20½	22½	Maxson (W.L.)	8½	10
Astron Corp.	2	2½	Meredith Pub.	42	46½
Baird Atomic	34½	36%	Metropolitan Bcstg.	16¼	17½
British Industries	14¾	16¼	Milgo Electronics	22	24%
CGS Labs	10½	12½	MPO Videotronics	7	7½
Control Data Corp.	42%	45%	Narda Microwave	6½	7
Cook Elec.	15	16½	Narda Ultrasonic	5¼	6
Craig Systems	16¾	18%	National Co.	20¼	22
Dictaphone	39½	43	Nuclear of Chicago	34	36%
Digitronics	26½	28½	Official Films	1-7/16	1-11/16
Eastern Ind.	12½	13%	Pacific Automation	8½	9½
Eitel-McCullough	24½	16¼	Pacific Mercury	9	9½
Elco Corp.	18½	20%	Perkin-Elmer	40%	43%
Electro Instruments	44	45½	Philips Lamp	151½	157¼
Electro Voice	13½	14%	Pyramid Electric	2¾	2¾
Electronic Associates	23¼	25%	Radiation Inc.	23¼	25%
Erie Resistor	9½	9¾	Howard W. Sams	42	45%
Executone	29	32	Sanders Associates	48	52½
Farrington Mfg.	32¾	35%	Silicon Transistor	7¼	8½
Fischer & Porter	15¼	16%	Soroban Engineering	25	27¼
FXR	48	52½	Soundsciber	12	13%
General Devices	18	19%	Speer Carbon	19¼	21
G-L Electronics	9%	11	Sprague Electric	55	59
Granco Products	6%	7%	Taft Bcstg.	12%	14½
Gross Telecasting	19½	21½	Taylor Instrument	72	77¾
Haydu	1/16	¼	Technology Inst.	10	11¼
Hewlett-Packard	82	86%	Tele-Broadcasters	1½	1¾
High Voltage Eng.	137	147	Telechrome	12%	14%
Infrared Industries	19½	22½	Telecomputing	9	9¾
International Rectifier	21¾	23%	Telemeter	16	17½
Interstate Engineering	26¼	28½	Time Inc.	58%	62
Itek	61½	66	Tracerlab	14¼	16¼
Jerrold	10¼	11¼	United Artists	7%	8%
Lab for Electronics	44½	47¾	United Control	31¼	33¾
Leeds & Northrup	40%	43½	Universal Trans.	1%	2½
Lel Inc.	5	5¾	Vitro	12½	13%
LFE Inc.	10	12%	Vocaline	3½	4½
Ling Altec Electr.	22½	24½	Wometco Ent.	12½	13½
Magna Theater	27½	3-5/16			

"The new millionaires"—identified in July 25 *Time* as "the men responsible for the success of the nation's new growth companies"—are heavily concentrated in the electronics industry. Examples: Arnold O. Beckman, whose 1,380,000 shares of Beckman Instruments stock are now worth \$44.9 million; Texas Instrument Chmn. John Erik Jonsson, with \$82 million in TI stock; TI exec. committee Chmn. Eugene McDermott with \$65 million; TI Pres. Patrick E. Haggerty with \$26 million; Transitron's Chmn. & Pres. Leo & David Bakalar with a stock fortune of \$307 million (plus \$34.4 million realized in cash); Litton Industries Pres. Charles B. (Tex) Thornton, with \$37 million in Litton Industries. Hardly a "new millionaire," Laurence Rockefeller is also listed in *Time*, with his \$12 million in Itek stock.

Reports & comments available: Tung-Sol Electric and MGM, reports, Francis I. du Pont & Co., One Wall St., N.Y. 5 • Advance Ross Electronics, analysis, Freehling, Meyerhoff & Co., 120 S. LaSalle St., Chicago 3 • Fairchild Camera & Instrument, report, Eastman Dillon, Union Securities & Co., 15 Broad St., N.Y. 5 • Daystrom, report, Blair & Co., 20 Broad St., N.Y. 5 • Medallion Pictures Corp., offering circular, Hancock Securities Corp., 79 Pine St., N.Y. 5 • Espey Mfg. & Electronics Corp., prospectus, Sutro Bros. & Co., 120 Broadway, N.Y. 5.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Desilu Productions	—	\$0.15	Aug. 26	Aug. 12
National Video "A"	—	.22½	Aug. 19	Aug. 4
Storer Bcstg.	Q	.45	Sep. 9	Aug. 26
Storer Bcstg. "B"	Q	.12½	Sep. 9	Aug. 26
TV-Electronics Fund	—	.04	Aug. 31	Aug. 4
Thompson Ramo	—	.35	Sep. 15	Aug. 31