

# MARTIN CODEL'S

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

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# Television Digest

with ELECTRONICS REPORTS

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## SUMMARY-INDEX OF THE WEEK'S NEWS—April 2, 1955

**RCA REPLY IN DEPT. OF JUSTICE** anti-trust action denies all charges of patent restraints, defends licensing policies (pp. 1 & 14, and Special Report).

**AIDS TO UHF AND WEAK VHF** sought by Govt. and industry—with "second look" at deintermixture, booster proposal, network investigations, etc. (p. 2).

**BATON ROUGE, BEAUMONT & WACO** get new starters, all vhf, bringing on-air total to 431, highest yet; 47 stations have quit air to date (p. 3).

**SUBSCRIPTION TV COMMENTS** of telecasters to stress dangers of losing known service while toying with the unknown; CBS to take strong anti-fee stand (p. 3).

**"RESCUE" OF 3 UHF STATIONS**, 2 now off air, projected as NATS-GE continue quest for president; Ted Streibert mentioned; Madison Ave. skeptical (p. 4).

**BOOSTERS PROPOSED** by FCC to fill in uhf "shadows"; majority of industry comment favors low-power operations, urges more relaxation of rules (p. 5).

**FCC GRANTS** Ch. 7 to WDBJ, Roanoke, Ch. 23 to KYAK, Yakima; examiner favors WKAT for Miami's Ch. 10; many uhf operators seek lower channels (p. 5).

**FAIR TRADE LAW REPEAL** urged by blue-ribbon committee, but Govt. is unlikely to take any action to curb discount houses (p. 11).

**AUTOMATION'S EFFECT ON ELECTRONICS** industry to be explored at CIO conference April 14; RCA contract talks with IUE start April 4 (p. 12).

**MAJOR FILM PRODUCERS TYING UP** with TV—Disney & Warner Bros. with network, 20th Century-Fox & Paramount with sponsors and their agencies (p. 7).

**FIRST LEGIT THEATRE-TV SHOW** a flop, but no one knows why; championship bout and polio report will be next large-scale uses of closed-circuit TV (p. 7).

**NEW "TRANSLATOR" SATELLITE** shipped to Manson, Wash., for experimental low-power operation; upcoming stations report on progress and target dates (p. 9).

**SENATE TV HEARINGS** won't get going for at least 6 weeks; House approves \$170,000 extra funds for FCC's own network study and application processing (p. 10).

**PROSPECTUS ON NEW STORER STOCK** offering discloses how gross and net zoomed after entry into TV; 1954 gross was \$17,736,531, profit \$3,680,779 (p. 16).

**RCA REFUTES PATENT RESTRAINT CHARGES:** RCA categorically denies practically every allegation in Dept. of Justice's civil anti-trust action instituted last Nov. 19 in N.Y. Federal district court (Vol. 10:47) -- and unequivocal wording of 36-p. brief filed March 29, replying to each of Govt.'s 63 points and asking dismissal of the charges, indicates firm intention of standing by its patent-licensing structure.

(Full text of brief is published as Special Report with this issue; full text of Dept. of Justice complaint was published as Special Report, Nov. 20, 1954.)

Repeatedly, RCA insists its patent licenses are available to all comers on "reasonable and non-discriminatory terms and without restriction." Far from stifling TV-radio competition, far from restraining the electronics industry, RCA asserts it "has pioneered and been responsible for the creation and expansion of much of this industry...the fastest growing and most dynamic industry in the world."

Its own share of the total electronics industry last year was put at 10%; and of combined TV-radio receiver sales same year, 12.6%. "Leadership of a 10% factor in the industry," says the brief, "has been a leadership by example, not by control in any way, shape or form." Govt. suit raises no monopoly issue with respect to RCA manufacturing, broadcasting and other operations; it names GE, Westinghouse, AT&T and latter's Western Electric and Bell Labs as co-conspirators but not as defendants.

Suit aims primarily at so-called "package licensing agreements," alleges the misuse of patents in pooling 10,000 or more of them. RCA patent royalties are said to exceed \$20,000,000 a year, which RCA concedes, but allegations of exclusion of competition and harassment of other manufacturers are vigorously denied. RCA says it not only pays for patents of others, without restraints upon them, but has spent many millions on research and development on its own -- notably some \$50,000,000 on black-&-white TV and an equal amount on developing a compatible color TV system.

Brief traces history of company from its formation in 1919 ("at the urgent



request of the U.S. Govt. in order to free American communications from foreign domination and to create a new American radio company") through licensing and cross-licensing agreements ("without them the industry would have been paralyzed by conflicting patent holdings and endless patent litigation") up to present stature as the industry's biggest entity, doing nearly a \$1 billion business (Vol. 11:9).

RCA rests its legal case largely on the consent decree of 1932 under which GE, Westinghouse & AT&T disposed of their stock in RCA and Govt. agreed to new cross-licensing agreements. "RCA avers," states the brief, "that the Govt. cannot attack a consent decree to which it is a party by charging RCA with violating the law -- beginning the very day after the decree was entered -- because it has conformed to the provisions of the decree." These were reaffirmed by the courts in 1942, says the brief, and reasserted by the court as recently as 1954.

You don't have to be a lawyer to understand even the technical details of the comprehensive legal document filed this week. Since RCA claims that every one of the TV receivers made by its licensees utilizes one or more of its inventions -- representing a public investment of more than \$10 billion -- and since RCA spells out its licensing philosophy and policies in detail -- it's an invaluable reference source for manufacturers, lawyers, students, anyone concerned with the industry. For more highlights culled from brief, with particular relation to electronics, see p. 14.

**FCC, CONGRESS & INDUSTRY WORK ON UHF:** Efforts to preserve and resuscitate uhf stations -- and ailing vhf outlets as well -- proceeded at many levels this week, as industry kept fingers crossed as to probable efficacy of the moves, particularly for the short run. FCC, Congress and industry took following steps:

- (1) FCC started its "second look" at deintermixture by inviting comments on a reconsideration of its denial of previous deintermixture petitions for Peoria, Ill.; Madison, Wis.; Evansville, Ind.; Hartford, Conn. (see below).
- (2) Uhf "booster" rule-making, to permit uhf stations to fill in shadow areas with low-power on-channel repeaters, was initiated by Commission (see p. 5).
- (3) AT&T's proposal for lower-cost off-air microwave service (Vol. 11:7) was set forth by Commission, and industry was invited to comment about it (p. 16).
- (4) House voted FCC \$80,000 to conduct a network study, in a surprise action; Commission has said this is long overdue, and Senate concurrence appears likely. In addition, House voted FCC \$90,000 for application processing (p. 10).
- (5) Uhf tuner makers were invited to meeting April 20 with Senate Commerce Committee, 5 days before set makers sit down with Committee, while Sidney Davis took over as head of investigatory staff and prepared for hearings (p. 10).
- (6) New money was being found to revive 2 defunct uhf stations and shore up one that is leaning badly, while GE continued work on its "help uhf" plan (p. 4).

\* \* \* \*

FCC's action on deintermixture was in line with promises to Senate Commerce Committee (Vol. 11:12), but it shouldn't be concluded that Commission is by any means hell-bent to deintermix. What the Commission wants is a lot more information before it makes up its mind. The 4 cases chosen are probably the most clear-cut. Peoria, Madison, Evansville and Hartford each have 1 vhf channel -- not granted yet, though hearings have been conducted on all. Evansville also has a vhf in nearby Hatfield.

In each case, uhf operators have asked that the vhf channel be deleted, moved out of town or given to educators -- to preserve the cities as "pure" uhf. FCC's previous denials were generally considered weak, vulnerable to court reversal, and it's certain Commission will be much more careful in next go-around. Usually, FCC has cited vhf applicants' investment in hearings as a major reason for denials.

Commission is studying similar cases -- Corpus Christi, New Orleans, Baton Rouge, et al -- but similar action isn't necessarily expected.

Commission is asking parties for "the works" in their comments, which are due May 2: Grade A & B contours of operating and potential stations in each area; number of families within the contours, plus number able to get signals beyond contours; total sets in area, including percentage equipped for uhf; availability of signals from stations in other cities; estimated loss of service if vhf is deleted; data on



how the deleted vhf channel can be used elsewhere; nature of network affiliations & number of network programs; availability of other programs; extent of advertiser support for uhf; impact of uhf set sales and conversions if uhfs lose network shows.

That Commission really intends to give subject full treatment is indicated by fact that it said oral argument will be conducted after comments are filed -- something rather infrequent in such proceedings.

Comr. Hennock dissented, stating that it is "utterly arbitrary and unjustifiable for the Commission to take steps looking toward deintermixture in 4 isolated cases without first announcing its intention with respect to deintermixture throughout the country...Whatever temporary advantage deintermixture might afford to uhf broadcasters located, like the petitioners, in isolated communities where no vhf station has yet been authorized, it would prove in the longer run to be illusory."

Commission action is bound to stimulate other uhf stations to plump for similar action in their areas -- even to extend principle to shift operating vhf's to uhf.

**NEW VHF's IN BATON ROUGE, BEAUMONT & WACO:** Three new stations went on air this week -- all vhf. They bring on-air total to 431, highest yet -- total having been held down in recent months by the 47 deletions to date (41 uhf, 6 vhf). Week's starters:

WBRZ, Baton Rouge, La. (Ch. 2), offering first competition to 2-year-old uhf WAFB-TV (Ch. 28), aired test patterns March 30, hooks up with NBC & ABC April 14. It has 10-kw RCA transmitter, 12-bay antenna on 750-ft. Ideco tower. Manship family, publisher of Baton Rouge Advocate and State Times, operating radio WJBO, owns 50%; other principals are ex-operators of radio WLCS, who dismissed own Ch. 2 application and sold radio station. Roy Dabadie is gen. mgr.; John Ferguson, program mgr.; Bob Reed, production mgr. Base rate is \$250. Rep is Hollingbery.

KFDM-TV, Beaumont, Tex. (Ch. 6), first local competitor of uhf KBMT (Ch. 31), which began year ago, started test patterns April 1, becomes CBS basic April 24. It has 10-kw RCA transmitter, 12-bay antenna, 608-ft. Emsco tower. Its principals are Darrold A. Cannan, who controls KFDX-TV, Wichita Falls, pres.; C.B. Locke, v.p.-gen. mgr.; with Gov. W.P. Hobby, publisher of Houston Post (KPRC-TV) and husband of Oveta Culp Hobby, Secy. of Health, Education & Welfare, holding option to acquire 32.5%. Mott M. Johnson, ex-KFDX-TV, is sales & operations mgr.; Edward F. Joslyn, program mgr.; Harold Bartlett, chief engineer. Base rate is \$300. Rep is Free & Peters.

KWTX-TV, Waco, Tex. (Ch. 10), planned as independent, began tests March 30. It's area's third outlet -- both KANG-TV, Waco (Ch. 34) and KCEN-TV, Temple (Ch. 6) having started in fall of 1953. It has 10-kw RCA transmitter, 12-bay antenna on 461-ft. Andrews tower. Owners include W.W. Naman, pres.; M.N. Bostick, v.p. & mgr. Chas. Boland is sales mgr.; Earl Huff, chief engineer. Base rate is \$200, rep Pearson.

**'TV CANNOT EXIST HALF FREE & HALF FEE':** Strong telecaster opposition to subscription TV is beginning to shape up as networks and stations begin preparation of comments which are due at FCC May 9. Though telecasters have been the "silent people" in the much-publicized pay-as-you-look picture (Vol. 11:9), they definitely will take a firm stand. Mostly, it will be in opposition to fee-TV.

Nature of opposition is becoming clearer, too. Among major arguments: (1) The economics of subscription TV are probably unsound, with no assurance of top-rated subject matter from any responsible source. (2) If economics prove sound, it will be because public is willing to pay for what it now gets free. (3) Why jeopardize a going system, of known value, to tinker with techniques of speculative worth?

Though RCA-NBC's and ABC's bearish views on fee TV have been known for some time (Vol. 11:9), CBS has taken a "let's study it" attitude. Now, says a spokesman, CBS will oppose it with full vigor. It's considering, for example, telling FCC that a show like I Love Lucy now costs sponsor about \$100,000 a week, which comes to a fraction of 1¢ per viewer. With a boxoffice in every home, on the other hand, no sponsor could match bid of pay-TV promoter who might get many times that from the viewer. Thus, all attractive programs would soon be converted to pay basis. The CBS thesis will be: "TV cannot exist half free and half fee."

CBS got into middle of a hassle this week, after March 27 Omnibus, produced by Ford Foundation, presented symposium on Phonevision. Broadcaster-telecaster Geo.



B. Storer participated, via film -- but audio was so bad his statements were hardly intelligible. Since he was only participant opposing subscription TV, Committee Against Pay-as-You-Look TV quickly protested and asked for new program.

CBS pres. Frank Stanton agreed program "did not do full justice to that side of the controversy," said CBS would put on another covering whole subject in Omnibus Sunday time after its season ends April 10. Storer will be invited again, as presumably will other opponents as well as proponents.

CAPT's campaign this week, as lines were being drawn for intense battle, was marked by retaining of noted inventor-engineer John V.L. Hogan as technical consultant. It also enlisted on its side of argument such groups as "Downtown Boosters," "Hospitalized Veterans for TV Committee," and "Shut-Ins for Free TV."

Note: Intensity of interest in subscription TV is indicated by the fact that Business Week April 2 devotes 2 pages to roundup on subject, and Wall St. Journal treated it in long front-page feature March 31.

**O**NE TOTTERING and 2 defunct uhf stations were subject of actual or potential "rescue" operations this week. In Macon, Ga., oldtime broadcaster E. K. Cargill, once chief owner of radio WMAZ (now companion to Ch. 13 WMAZ-TV in nearby Warner Robins, Ga.) and Texas oilman J. C. Barnes have agreed to take over 20-month-old WNEK-TV (Ch. 47) for \$1 plus assumption of about \$249,889 in liabilities. They propose to give it new business whirl. Present owners applied to FCC this week for transfer, saying they could not afford continued losses. Cargill will be mgr. and 25% owner, Barnes will hold 75% and put up new working capital. Station's operating deficit to date has been \$196,230.

In Lebanon, Pa., owners of WLBR-TV (Ch. 15), who lost about \$100,000 in year of operation up to sign-off last Oct. 16 (Vol. 10:42), are seriously contemplating reopening—depending on pledges of local ad support entirely, inasmuch as networks are all spoken for. They also are bucking application by WHUM-TV, Reading (Ch. 61) to take over the WLBR-TV channel. City has population of about 30,000 in center of rich farming & industrial area. It's "uhf country" with service from 2 uhf in Reading, 25 mi. away; 3 uhf in Harrisburg, 25 mi.; 2 uhf in York, 30 mi.; and from the vhf in Lancaster, only 22 mi., plus some from Philadelphia's vhf. Lester P. Etter is pres. & gen. mgr. of prosperous radio WLBR, which owns 52% of TV station, while *Lebanon News* owns 36%.

In Mobile, Ala., WKAB-TV (Ch. 48), which quit air last Aug. (Vol. 10:31) after some 20 months of operation, is definitely being sold to group headed by George A. Mayoral, exec. v.p. and chief engineer of WJMR-TV, New Orleans (Ch. 61)—but details of deal and time of reopening of station have not yet been divulged. Though station got on air about same time as vhf competitor, it was a consistent losing proposition. Sellers are Mrs. Louise P. Pursley and associates, with assent of lenders J. H. Whitney & Co., N. Y. investors, who own KOTV, Tulsa (Ch. 6).

\* \* \* \*

GE plan to finance uhf and other stations in trouble was going forward this week, said principals, but no president of projected new National Affiliated Television Stations Inc. (Vol. 11:12) had yet been found. There was talk of engaging Theodore F. Streibert, former pres. of WOR-TV & WOR and ex-MBS chairman, now director of U. S. Information Agency, top-level govt. service that runs Voice of America among other propaganda projects. Mr. Streibert, however, said he had not been approached.

Accolades came to GE, meanwhile, from CBS v.p. Richard Salant and Washington attorney Harry Plotkin, author of famous Plotkin Memorandum, during their debate before FCC Bar Assn. luncheon March 31. Said Salant: "GE has made an enormous stride forward, show-

ing imagination and boldness." Said Plotkin: "GE proposes a step in the right direction, but I don't think GE can do it alone. Others should join in."

But Madison Ave. was inclined to be skeptical about NATS project. Business rivals of Ely Landau's National Telefilm Associates Inc., program syndicate whose library services would be made available on deferred payment basis, didn't cotton to deal they said was beneficial only to a competitor. And station rep firms, which got letter from NATS v.p. Oliver Unger this week urging they cooperate on sales side, similar to Landau's letters to the program firms (Vol. 11:13), were not rushing to join the NATS project. Said one of top reps:

"Frankly, I don't know what to think about the whole setup. If it were not for the fact that GE has identified itself with it, and is apparently putting up a lot of money, I'd think it was simply a high pressure deal by film salesmen. I don't think the basic idea has much merit anyhow.

"Pouring money into a losing proposition—especially some of the uhf stations which were unsound in their planning and execution—is going to serve no more purpose than to get their owners further in debt. The money advanced to these stations—whether in cash or equipment—must be repaid. Unless there is a drastic revision in the entire spectrum picture, most of today's losers cannot be salvaged by going deeper in debt."

This rep went on to emphasize the costliness of TV installations, with uhf transmitters generally more expensive than vhf, and added: "Many basically uneconomic properties have jumped on the bandwagon in too-small markets because they heard stories about the golden TV goose and didn't want to be left in the lurch as long as there were channels available.

"Unless the situation has basic merit, all the pump priming in the world won't help stations in too-small markets that operate on a system that needs conversion from the norm. As for helping vhf stations, that may have more merit in some instances. Here again, if the station is basically sound, it would be operating profitably by this time."

First station to tell FCC it's seeking aid from new NATS Inc. is KTVQ, Oklahoma City (Ch. 25). In petition opposing change in tower site of vhf KGEO-TV, Enid, KTVQ told FCC its investment of \$600,000 in station "is presently in jeopardy." KTVQ petitioned added: "The station is presently in reorganization and an application . . . for reorganization [has] been approved by the court. The reorganization includes a plan for assistance from General Electric in accordance with the proposals advanced by that company for support and aid to TV stations." KTVQ said that its reorganization, together with expected support from GE, will afford it "reasonable opportunity to continue to survive and render a service meeting the needs of its community . . ."



**B**OOSTER proposal issued by FCC this week is companion piece to its low-power satellite proposal issued last year (Vol. 10:51) and on which industry commented this week. The booster rule-making is confined strictly to uhf—though it may be assumed that the principle, if adopted, will eventually be extended to vhf.

This week's proposal is quite general, aimed largely at gathering information. Commission stated that uhf just doesn't fill "shadows" in rough terrain as well as vhf does, so it proposed to permit operation of low-power units in "holes" simply repeating mother-station signals on same channel. It noted uhf booster experiments of RCA in Vicksburg, Miss., Adler Communications Labs in Waterbury, Conn., Sylvania in Emporium, Pa. It also noted that WSM-TV has "contributed extensively" to knowledge of subject through vhf experiments in Lawrenceburg, Tenn.

Commission shied away from using the term "booster," choosing to call the repeaters "amplifying transmitters." Its notice asks for technical data of all kinds, including handling of color, mileage separations, etc. It also seeks comments on costs, hours of operation, who shall be licensees, number of boosters in each area, applicability of multiple ownership rules, etc. Document is Public Notice 55-404, Mimeo. 17414, copies of which may be obtained from FCC or from us.

\* \* \* \*

Interestingly, new proposal was issued just day before industry filed final comments in FCC's satellite proposal (Vol. 10:51), which contemplates repeaters using *different* channels from those of mother stations.

RETMA committee, under chairman Ben Adler, suggested that FCC ease requirements on power tolerances, proof of performance & directionals and eliminate power minimum—provided station gives Grade A service to whole community. It also recommended that satellites be permitted anywhere, regardless how far nearest operating station is located.

Sylvania reported having received 95 queries about

satellites and boosters, including 16 from TV or radio stations, 16 from TV-radio distributors, 35 from individuals, 14 from corporate or civic organizations. It urged relaxation of requirements on frequency tolerance, side-band filters, directionals, and recommended that unattended or remote-control operation be permitted. It also suggested that Grade A coverage be substituted for minimum power requirement.

Sylvania estimated cost of on-channel (booster) station would run \$19,500, off-channel (satellite) \$21,500, while low-power outlet capable of local originations would run \$44,500. Annual operating costs were estimated at \$9950 for first 2, \$18,000 for the third.

Costs estimated by Adler were: A 20-watt on-channel station, capable of producing 750 watts ERP, would run \$12,500 for two 100-ft. towers, receiving & transmission antennas, transmission line, on-channel amplifier and test equipment; 150-watt amplifier, making 5-kw ERP possible, may be added for \$4960. A 20-watt off-channel station, which shifts any channel to any other, would run \$13,500 for same equipment listed for on-channel station—and 150-watt amplifier is \$4960. Station capable of producing local programs would run \$21,000, to which a "typical film & slide originating package," including vidicon camera, 16mm projector, slide projector, sync generator, audio equipment and auxiliary apparatus may be added for \$7500.

NARTB endorsed low-power principle but warned that originating stations have program rights which could be infringed by indiscriminate rebroadcasting.

National Assn. of Educational Broadcasters said it was "heartily in favor" and that adoption would speed growth of educational stations.

KFBC-TV, Cheyenne, urged that present allocation mileage separations be maintained; that one satellite be permitted in each area; that they have independent ownership.

WSM-TV, Nashville, recommended that multiple ownership rules be waived for satellites.

**F**CC's GRANTS this week comprised Ch. 7 CP to WDBJ, Roanoke and Ch. 23 CP to KYAK, Yakima, Wash., while examiner Herbert Sharfman issued initial decision favoring A. Frank Katzentine's WKAT for Ch. 10 in Miami Beach over 3 competitors.

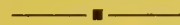
Sharfman said WKAT had "clear lead" over others in local ownership, civic participation, integration of ownership-management and had good broadcast record despite lapse into broadcasts of horse-racing information. He had good things to say about other 3 applicants but felt that none had quite the combination of favorable features exhibited by WKAT. Other 3 are: L. B. Wilson Inc., owned by estate of the late operator of WCKY, Cincinnati; Public Service TV, owned by National Airlines; North Dade Video, owned by 10 local businessmen whose pres. is Frank Bryson.

Several more uhf stations sought lower channels this week: WNOW-TV, York, Pa. (Ch. 49) asked that Ch. 15 or Ch. 21 be made available in York through shifts involving CPs and allocations in Williamsport, Lancaster & Lebanon. WTPA, Harrisburg, Pa. (Ch. 71) also petitioned for Ch. 21 through moves affecting Williamsport & Lancaster. WKNY-TV, Kingston, N. Y. (Ch. 66) applied for Ch. 21 and WHYN-TV, Springfield, Mass. (Ch. 55) applied for Ch. 36, though rule making providing those channels hasn't been finalized.

WICS, Springfield, Ill. (Ch. 20) asked that city be deintermixed by giving Ch. 2 to educators or moving it to St. Louis. WTVO, Rockford, Ill. (Ch. 39) sought deintermixture through shifting Ch. 3 from Madison, Wis.

to Beloit, Ch. 39 from Rockford to Madison, substituting Ch. 68 for Ch. 54 in Fond du Lac, Wis. FCC tied latter into "second look" at Madison deintermixture (see p. 2), day after it was filed.

Also of an allocation complexion were complaints filed this week by KOTV and KVOO-TV, Tulsa, asking Commission to issue cease-&-desist order against KTVX, Muskogee, directing it to quit creating impression it's a Tulsa station.



FCC is cracking down on illegal boosters (Vol. 10:46-47) in series of hearings next month in Seattle. Examiner J. D. Bond will conduct hearings on proposed cease-&-desist orders for 3 rebroadcast operations in Washington State, has called 21 individuals and one corporation to appear. They're charged with operating without licenses and without licensed operators, and rebroadcasting programs without authority of originating stations (all Seattle outlets). Ordered to appear at hearing May 9 are 20 individuals from Quincy, Wash.; May 12, H. J. Miller of Nespelem; May 16, C. J. Community Services Inc., Bridgeport.

Profit-&-loss statement filed at FCC this week with application to switch WKNY-TV, Kingston, N. Y. from Ch. 66 to Ch. 21 in Poughkeepsie shows operating loss of \$42,017 from time it began commercial operations May 31, 1954 to Feb. 28, 1955. Net income totaled \$84,059, including \$58,189 from local time sales, \$13,560 national, \$531 network. Operating expenses totaled \$126,077. Total assets on Feb. 28 were \$225,571; liabilities included \$116,574 in equipment notes, \$137,901 common stock.



**Personal Notes:** Thomas W. Sarnoff named director of production & business affairs, NBC Pacific div., reporting to network services v.p. Earl Rettig . . . Marvin Josephson resigns from CBS-TV legal dept. to form Broadcast Management Inc., 5 E. 57th St., N. Y., specializing in business consultation to TV-radio production firms . . . Peter Finney resigns as TV-radio v.p., Harry B. Cohen Adv., to join Vidican Pictures Corp., 240 E. 39th St., N. Y., as partner & exec. v.p. . . . W. Ward Dorrell, research director of rep Blair-TV, elected v.p. of John Blair & Co. . . . Thomas R. Murphy, ex-Grant Adv. v.p., named Dallas mgr. of Pearson rep firm, succeeding Robert M. Baird, who goes to Atlanta to open new Pearson branch . . . Frank Fouce, pres. of Pan American TV Corp., Los Angeles, and owner of chain of Spanish-language theatres there, elected pres. of XETV, Tijuana, Mexico (near San Diego), controlled by Emilio Azcarraga; George Rivera, station's founder and operator of radio XEAC, becomes treas. . . . James M. Harmon, ex-KOTV, Tulsa, named program director, KFMB-TV, San Diego, succeeding Bill Fox, now gen. sales mgr. . . . Hoyt Andres now v.p. as well as gen. mgr. of WSFA-TV, Montgomery, Ala., with John C. Hughes promoted to sales mgr. and following transferred to WSFA-TV from WKY-TV, Oklahoma City: Gene R. Jacobsen, production supervisor; Robert F. Doty, program director; Robert M. Hayward, chief engineer . . . Sidney Barbet, ex-Buyers Associates Inc., ex-United Artists & Eagle-Lion Films, appointed film buyer of Hearst Radio's newly acquired WTVW, Milwaukee . . . Stephen C. French, ex-WTVP, Decatur, Ill., ex-GE adv. dept., appointed gen. mgr. of Gov. Noe's WNOE, New Orleans, succeeding James E. Gordon, resigned . . . John Schultz, ex-NBC TV Spot Sales, Chicago, named station mgr. of upcoming WFRV-TV, Green Bay (Ch. 5), due in mid-April, reporting to gen. mgr. Don Wirth . . . Herbert S. Stewart named acting mgr. of CHCT-TV, Calgary, succeeding John H. Battison, latter having completed contract to put station on air . . . Ann Brenton (Mrs. Gary Bronneck) has resigned as CBS Hollywood director of music copyrights after 17 years . . . John A. Thayer Jr., ex-DuMont Network, named sales mgr., Gotham Recording Co. . . . Harry Trenner, ex-v.p., Wm. Weintraub Agency, has formed Station Film Library Inc., 579 Fifth Ave., N. Y., offering daytime strips; associated with him is Richard Hubbell, ex-DuMont . . . Howard Grafman, ex-NBC, forms Howard Grafman & Assoc., Chicago, film distribution . . . Wm. G. Grainger resigns from NBC film div. to become pres. of National TV Distributors Inc., N. Y., film producers & distributors . . . Sidney Matz, ex-Feigenbaum & Wermen Adv., Philadelphia, named merchandising exec. of WRCA-TV & WRCA, N. Y. . . . Donald C. Arries assigned to Chicago office, N. W. Ayer as a TV-radio dept. director and production supervisor . . . Ervin J. Brabec elected v.p. of MCA Corp., affiliate of Music Corp. of America, in charge of industrial films for manufacturers & distributors . . . Edward G. Thoms, WKJG-TV & WKJG, Ft. Wayne, elected pres. of Indiana Bestrs. Assn., succeeding C. Bruce McConnell, WISH-TV & WISH, Indianapolis.

Two newspaper publishers who pioneered both radio and TV—Joseph Pulitzer, 70, and Col. Robert R. McCormick, 74—died this week. Pulitzer, editor & publisher of *St. Louis Post-Dispatch*, founded its KSD in the early '20s and its KSD-TV in 1947, latter at urging of newspaper's then adv. mgr., now TV-radio director, George M. Burbach. Col. McCormick's *Chicago Tribune* acquired WGN in radio's early days, established WGN-TV in 1948.

Junius Blair Fishburn, 89, chairman of Roanoke Times-World Publishing Co., pioneer in radio whose station WDBJ holds Ch. 7 grant, died April 1. His son Junius P., who was pres. & publisher, died last year when stricken with a heart attack during an FCC hearing.

Edward Lamb denied he wrote an article for the Communist *Sunday Worker*, in his first day on the stand April 1 as the lengthy hearings resumed on his application for license renewal of his WICU, Erie. Speaking softly in response to questions from equally soft-spoken Broadcast Bureau attorney Joseph Kittner, the Toledo broadcaster-publisher-industrialist said part of the article referred to in previous testimony by ex-Communist Louis Budenz may have been obtained by "someone picking up a copy of one of my manuscripts" of a series of speeches delivered in 1936. He also flatly denied testimony by his former secretary that he sent a telegram to *Daily Worker* editor John Gates in 1948. Much of the rest of the questioning was centered around Lamb's 1933 trip to Russia. He said he traveled as a tourist, received no special treatment. At outset, examiner Herbert Sharfman barred Lamb from making a preliminary statement. A statement was distributed to the press, however, expressing gratitude that "after 2,000,000 words of testimony [the] time has come in this fantastic proceeding when I can now tell *my* story." He claimed FCC had cleared him of same charges "many times before"—but that this time "my Government is on trial." Lamb's attorney J. Howard McGrath said that the loss to Lamb's enterprises as result of the FCC charges "runs into hundreds of thousands." In unusual Saturday session April 2, Lamb denied he ever knowingly was member of any committee of International Labor Defense organization, and clashed with Kittner over whether latter was trying to "entrap" him.

FCC set new limits on length of briefs filed with it and added more flexibility to its rules on time allotted for oral argument. The newly amended rules, as listed in Public Notices 55-387 and 55-388: In adjudicatory proceedings designated for hearing, briefs must not be longer than 15 double-spaced typewritten pages, unless exception is granted by motions commisioner. Memoranda accompanying exceptions to or statements in support of initial decisions, as well as briefs in reply to exceptions, will be limited to 50 pages, exceptions to be granted only by the Commission. In hearings before Commission en banc, former 20-min. limit on oral argument by each party has been rescinded. Instead, orders designating cases for oral argument will specify time allotted each party, Commission granting exceptions if "good cause" is shown.

Two major positions in FCC Broadcast Bureau are still unfilled—chiefs of Hearing and Renewal & Transfer Divs. Chairman McConnaughey, now firmly in position after Senate confirmation, is expected to make appointments soon. There's no clear indication who will be selected, though Joseph Nelson is known to have strong support for Renewal & Transfer post. He now heads TV application branch.

Joint Committee on Educational TV, at meeting this week marking 5th anniversary, elected Dr. Albert N. Jorgensen, pres. of U of Connecticut, as chairman, succeeding Dr. David D. Henry, pres.-elect of U of Illinois. Dr. Edgar Fuller continues as vice-chairman, Ralph Steetle as exec. director.

Col. Edwin L. White, chief of FCC Safety & Special Radio Services Bureau, retires at end of July after 35 years of govt. service; he joined old Federal Radio Commission in 1930, served previously in Army and in Naval Research.

Lambert B. Beeuwkes, ex-KYW, has opened offices in Little Bldg., Boston (phone Hubbard 2-2070) as management consultant specializing in uhf and declining-revenue radio stations.

Edward B. Crosland, asst. AT&T v.p. & attorney in Washington for last 3 years, named asst. to the pres. of AT&T in N. Y.



**Telecasting Notes:** Direct tieups of major film producers with ad sponsors & agencies look like next phase of Hollywood's growing affinity with TV. Whereas top-rated *Disneyland* began as tieup of Walt Disney studios with ABC-TV, which found the sponsors, and Warner Bros. entry into field is also by way of affiliation with ABC-TV (Vol. 11:12-13), 20th Century-Fox's projected advent represents direct deal with GE and its agency, Young & Rubicam, and it looks like Paramount will supply Colgate (Wm. Esty agency) with film format as substitute for Sun. NBC-TV *Comedy Hour* next fall . . . **Format for GE show** hasn't been decided, says Young & Rubicam, but at least 26 shows will be placed on CBS-TV, Wed. 10-11 p.m. Spyros Skouras himself handled negotiations, with assist from Y&R's Peter Levathes, who was once a Fox executive handling *Crusade for Europe* series for *Life Magazine* . . . Warner Bros. modus operandi, it's understood, will be 45 min. of entertainment, with 6 min. of behind-the-scenes in Hollywood, 3 min. of plugs for studio's latest films, 6 min. for sponsor commercials. Paramount, which released clips from its upcoming *Seven Little Foys*, starring Bob Hope, and *Run for Cover*, starring James Cagney, for colorcast celebrating opening of NBC-TV's new Color City in Burbank March 27, is expected to make available to Colgate the best of its old film properties, musical scores, etc., with excerpts from new shows and appearances of its contract players . . . Walt Disney proved there's boxoffice promotion (*20,000 Leagues Under the Sea*) and even theatrical re-release potential (*Davy Crockett*) for current as well as old shows—if the appetite is whetted by TV. He really started the rush of the big producers into TV, about which we've heard only the beginning . . . **First 20th Century production** made solely for TV syndication, though adapted from film and story properties, will be 39 half hours of *My Friend Flicka*, to be handled by General Artists Corp.; other film prop-

erties that may be adapted are *Cheaper by the Dozen* and *Jesse James*. It's suggested new "Emmy" may be added next year for best performance by an animal on TV, as horse star Flicka joins Lassie, Rin Tin Tin and J. Fred Muggs as TV celebrities . . . CBS got jump on stage & screen bidders by acquiring right to J. P. Marquand's current best seller *Sincerely, Willis Wayne*, will first adapt it to TV on *Climax*, May 5 . . . Philco Playhouse hit *Marty* is coming out as feature film this month (Vol. 11:13), then may become Broadway play—prompting USC's great TV educator Prof. Frank Baxter (*Shakespeare on TV* and *Now & Then* on CBS-TV) to remark to us while in Washington this week: "All we need now is a novel based on the plays—and we'll complete a reverse cycle" . . . U. S. Steel Hour's *Fearful Decision*, ransom kidnap drama played twice on ABC-TV and due for third telecast in May, has been bought by MGM for feature film . . . TV's Steve Allen appears to be choice to play Benny Goodman in Universal film based on bandleader's life to be produced in Hollywood; Walter Matthau, one of TV's top actors, signed for feature role in Kirk Douglas ferry's first production, *The Indian Fighter* . . . NBC signs Perry Como to 12-year contract, taking him away from CBS where his radio & TV shows have been sponsored by Liggett & Myers since 1943; NBC has also signed Martha Raye for 15 years, Ralph Edwards for 5. CBS tieup with Jackie Gleason is for 15 years, with Ed Sullivan 20 . . . Greta Garbo being sought for TV, says *Variety*, but she declined to participate in this week's Academy Awards show on NBC-TV; recently she conferred in N. Y. with CBS chairman Wm. S. Paley, giving rise to conjecture she may be signed by that network . . . Paul Dixon, who went from Cincinnati's WCPO-TV to DuMont, joins WLWT, Cincinnati April 18 for 3-3:30 p.m. Mon.-thru-Fri. show, to be fed also to Crosley outlets in Dayton & Columbus.

**LEGITIMATE THEATRE** took to the "road" this week via theatre TV in long-heralded and closely-watched experiment, which many theatrical personalities predicted would revitalize the American theatre. Nobody knows just why, but the March 29 theatre telecast of *ANTA Album*—closed-circuited to 33 theatre screens in 31 cities from coast to coast—was a flop.

Joint benefit for American National Theatre & Academy (ANTA) and CARE originated in DuMont's Adelphi Theatre, N. Y. (the only theatre reporting a full house), using DuMont facilities and syndicated by DuMont. Live performance in N. Y. cost theatregoers \$3-to-\$100; at movie theatres prices ranged from \$2-\$10, although at least one theatre halved prices before show time, due to poor advance sale.

Theatres booking the telecast had total capacity of 80,000, and ANTA & CARE officials had predicted gross of \$400,000 in event of a sellout. But no theatre reported more than a half-capacity crowd, one Chicago theatre (the Uptown) reporting that only 300 of its 4400 seats were filled. Cost of show was estimated at \$250,000.

Second-guessers submitted a number of possible reasons why the first legit theatre-TV offering flopped: (1) The fragmentary nature of the show, which, despite the big names appearing (Helen Hayes, Ezio Pinza, Lena Horne, Victor Borge, Ruth Draper, et al.), gave it the aura of a home-TV variety show. (2) Late hour of performance (10:30 p.m. in east) may have discouraged potential attendees. (3) Poor advance promotional buildup.

\* \* \* \*

Theatre-TV's most solid successes so far have been with televised championship prizefights—and May 16 Marciano-Cockell bout, slated to be theatre-televised from San Francisco by Nathan Halpern's Theatre Network Tele-

vision Inc., may be biggest such hookup in history. About 100 theatres are equipped with permanent closed-circuit equipment, and TNT has an additional 50 projection units available for rental at rates varying from \$100-\$500, depending on size of picture. TNT hopes to book out into more theatres than the record 71 which featured second Marciano-Charles bout.

Another closed-circuit TV show—this one using not only theatres but hotels, medical auditoriums and TV studios—will be the April 12 report to physicians on results of use of the Salk vaccine in combatting polio. Sponsored jointly by pharmaceutical firm of Ely Lilly & Co. and National Foundation for Infantile Paralysis, it will feature pickups from Ann Arbor, Mich., Indianapolis & New York City. It's scheduled to be closed-circuited to 65 cities, is being handled by DuMont's closed circuit dept. (Morris Mayers) and Medical Communications Inc. (Paul Klemtner & Co., Newark adv. agency).

NBC Radio's new week-end program concept, designed to revitalize its radio operation through 48-hour around-the-clock network service of music & information and possible use of audio portions of popular TV programs (Vol. 11:10), was approved this week by affiliates exec. & study committees, which will recommend it to all affiliates. Committees got details of plan, which will be revealed fully next week, at meeting with network officials in N. Y. Committees' members are Robert D. Swezey, WDSU, New Orleans, chairman; R. B. Hanna Jr., WGY, Schenectady; George Norton Jr., WAVE, Louisville; Harold Essex, WSJS, Winston-Salem, N. C.; Paul W. Morency, WTIC, Hartford; Richard H. Mason, WPTF, Raleigh; Jack W. Harris, KPRC, Houston; Walter J. Damm, WTMJ, Milwaukee; Edwin K. Wheeler, WWJ, Detroit; Wm. Fay, WHAM, Rochester.



**Station Accounts:** Valuable advice for using TV is given its members by American Bankers Assn., 12 East 36th St., N. Y., in 40-p. booklet, *Television for Banks*, plus kit of TV program ideas (85¢) released last week. It says banks' use of TV has been steadily increasing, 200 banks now buying TV time and devoting average of 33% of their ad budgets to medium. Results have been highly gratifying, ABA says, noting that one bank traced almost \$7,000,000 worth of business to 13-week TV series, another increased number of savings accounts by 2500, another sold 3000 calendar coin banks at \$1.25 each after two 90-sec. announcements. Though many banks sponsor syndicated film shows, ABA recommends greater use of local live programs—such as panel discussions on personal and family money management, dramatizations of bank's services, weather programs originating in front of bank, etc. . . . National Dairymen's Assn. to sponsor film series for children's audience, *Kite-Flite to Moonland*, on selected markets in all sections of country starting in late April, thru McCann-Erickson, Chicago . . . Helaine Seager Inc., Los Angeles, planning TV spot campaign to introduce its Pink Ice facial toiletry in East, thru Fiore & Fiore, N. Y. . . . Greyhound Bus signs Jerry Fairbanks Productions to produce 40-min. travel film in color for eventual distribution to TV outlets, thru Beaumont & Hohman, Chicago . . . Pillsbury Mills buys *Stars of the Grand Ole Opry*, 39 half-hour film features, from Flamingo Films, for 18 mid-western markets initially, thru Campbell-Mithun, Minneapolis . . . Emerson Drug (Bromo Seltzer) to sponsor Ziv's *Science Fiction Theatre*, which debuts week of April 17, in 20 markets, thru Lennen & Newell; Olympia Brewing Co., 16 markets exclusively, and 8 jointly with PictSweet Foods, thru Botsford, Constantine & Gardner, Seattle, and Brisacher, Wheeler & Staff, San Francisco; Serutan, 3 markets, thru Edward Kletterer & Assoc. . . . Ralston Purina buys live *Bandstand Revue* for San Francisco, Portland, Seattle, Providence, Cincinnati & St. Louis, thru Guild, Bascom & Bonfigli, San Francisco; company plans expansion to dozen markets by fall . . . Bulova to launch most concentrated ad campaign in its history shortly for new "23" series of watches, using spots on 270 TV-radio stations, thru McCann-Erickson . . . Philadelphia Distributors, Stromberg-Carlson outlet, sponsors *Standby Broadway* on

WPTZ Sun. 6:45-7 p.m., as Broadway show tryout, with winners qualifying for show business auditions . . . Shamrock Oil of Texas buys *Bill Corum's Sports Show* from National Telefilm Assoc. for 8 southwestern markets, thru McCormick Co., Amarillo . . . Among other advertisers currently reported using or preparing to use TV: Richman Brothers, Cleveland (men's clothing), thru Lang, Fisher & Stashower, Cleveland; Northrup, King & Co., Minneapolis (Golf Brand lawn seed), thru BBDO, Minneapolis; Alsol Products Co., Newark (auto wax), thru Hal Tunis Assoc., N. Y.; Carpet Institute, N. Y., thru Morey, Humm & Johnstone, N. Y.; Remington Arms Co., Bridgeport, Conn. (firearms), thru BBDO, N. Y.; Ben-Hur Mfg. Co., Milwaukee (farm & home freezers), thru Walker B. Sheriff, Chicago; Boyle-Midway, N. Y. (Wizard deodorizers), thru Geyer Adv., N. Y.; Hamilton Metal Products Co., N. Y. (Scotch insulated ware), thru Leber & Katz, N. Y.; Cremo Co., Philadelphia (Cremo toppings & cake frostings), thru Gresh & Kramer, Philadelphia; Madison Pharmacal Co., Chicago (In-Ex for pain & Wayless reducing tablets), thru Duggan & Phelps Adv., Chicago; Precision Radiation Instruments, Los Angeles (Precision Snooper geiger counters, scintillators, metal locators), thru McCarty Co., Los Angeles; Majo Co., Philadelphia (Emperor auto wax), thru Gresh & Kramer Adv., Philadelphia; Trio Chemical Works, Brooklyn, N. Y. (Amazon floor wax), thru Peck Adv., N. Y.; Geigy Chemical Co., Fresno, Cal. (insecticides), thru Julian Besel & Assoc., Los Angeles; Wesix Electric Heater Co., San Francisco (water & room heaters), thru Albert Frank-Guenther Law, San Francisco; Shirtcraft Co., N. Y. (Airman shirts & sportswear), thru Friend-Reiss Adv., N. Y.; Keystone Paint & Varnish Corp., Brooklyn (Key-Lux, Key-Tex, Key-Tint paints & enamels), thru C. K. Kondla Adv., N. Y.; Potato Advisory Board, Bakersfield, Cal. (California Long White Summer potatoes), thru McCarty Co., Los Angeles; Tura Inc., N. Y. (eyeglass frames), thru Dundes & Frank, N. Y.; Durall Products Co., York, Pa. (Durall tension screens & screenarium), thru Wilson, Haight, Welch & Grower, N. Y.; Jiffy Steak Co., Freedom, Pa. (Jiffy Super beef steaks), thru Friedman-Rich Adv., Pittsburgh; Jane Art Co., N. Y. (Misteez perfume), thru Ben Sackheim, N. Y.; Rilling Dermetics (Fluid facial), thru Dowd, Redfield & Johnstone, N. Y.

Several morning TV shows and about 1000 phone circuits were knocked out from 1:15 a.m. to 9:40 a.m. March 31 when Southern Bell's coaxial cable at Columbia, S. C. was dynamited by vandals—one of series of incidents that started when Communications Workers of America (CIO) went on strike March 14. Union has repeatedly disclaimed sabotage. Most of service was immediately restored by rerouting, but 8-9 a.m. of NBC's *Today* was knocked off WJHP-TV, Jacksonville; WJNO-TV, W. Palm Beach; WGBS-TV, Miami; and 7-8 a.m. of CBS's *Morning Show* was lost to WMBR-TV, Jacksonville; WDBO-TV, Orlando; WTVJ, Miami.

In connection with damage to KPIX, San Francisco and KEAR, San Mateo, during labor negotiations (Vol. 11:8), FCC has scheduled hearings in San Francisco May 3-6 on suspension of licenses of 5 technicians, to determine whether they "willfully damaged" equipment or "maliciously interfered" with operations. J. D. Bond will be examiner.

RCA cuts price of vidicon camera tube (type 6198) from \$345 to \$315, second reduction since tube was introduced in 1952, also doubling warranty period when purchased for replacement in broadcast and industrial use.

RCA shipped 3-V color film camera March 31 to KPTV, Portland, Ore. (Storer); April 1 to *Detroit News'* WWJ-TV.

Strong farm appeal is also forte of WREX-TV, Rockford, Ill., with *Town & Country* show popular with urban as well as rural audience; with 16 implement dealers of nearby communities partic. sponsors of *Waterfront*; with Murphy Products Co., Burlington, Ia. (livestock & poultry concentrates) buying 5 live market reports weekly on 52-week contract, thru Van Auken, Ragland & Stevens, Chicago; with Ralston Purina & John Deere sponsorships; with test starting March 7 for Lederle Labs Div., American Cyanamid Co. for Targot, cow disease remedy, placed thru Conklin-Mann & Son, N. Y. In connection with items in this column on farm programming (Vol. 11:10-11), compilation of TV station farm directors is carried in March *Television Age*—very handy.

Jackie Gleason is going to be "Mr. CBS" on Sat. night this fall. He'll control 2 hours of time each Sat., with 3 shows, either as producer or actor. Here's his lineup: 8-8:30 p.m., Dorsey Brothers film show, produced by Jackie Gleason Enterprises; 8:30-9 p.m., *Honeymooners*, starring Gleason & Art Carney; 9-10 p.m., *Cafe Mardi Gras*, variety show in night club setting.

WTVY, Dothan, Ala. (Ch. 9) this week announced affiliation with CBS under Extended Market Plan (Vol. 10:49-51), 21st station to sign up for EMP.

Bill exempting TV-radio stations from libel suits stemming from political broadcasts was passed by N. Y. state legislature this week.



**Network Accounts:** Network switches by sponsors and talent—*Variety* calls them “raiding parties”—increased this week, and the end of the fiercely competitive fight isn’t in sight yet. Following recent switch of Pabst fights from CBS to ABC-TV, former turned the tables this week and lured U. S. Steel from ABC-TV, its high-rated *U. S. Steel Hour* moving in starting July 6, Wed. 10-11 p.m., as alt. with GE. On the talent side, CBS-TV’s Perry Como, Chesterfield-sponsored, shifted to NBC, possibly for hour-long Sat. night show . . . Hallmark buys 6 of NBC-TV’s upcoming color spectaculars this fall on Sun. 4-5:30 p.m., and has taken option on remaining 2, thru Foote, Cone & Belding; shows will be produced by Maurice Evans, who will act in some . . . Lucky Strikes cancels alt. sponsorship of *Robert Montgomery Presents* on NBC-TV next fall, Mon. 9:30-10:30 p.m.; network says it will disclose new sponsor next week . . . Pontiac drops *Red Buttons Show* on NBC-TV in latter May, will join Armstrong Cork as alt. sponsor of *Circle Theatre* next fall, when it will expand to full hour, Tue. 9:30-10:30 p.m., thru MacManus, John & Adams . . . Whirlpool Corp., in first network sponsorship, buys 20 min. of Milton Berle & Martha Raye shows on NBC-TV starting Sept. 20, Tue. 8-9 p.m., thru Kenyon & Eckhardt; American Chicle Co. also buys 20 min., thru Dancer-Fitzgerald-Sample . . . Welch’s Grape Juice buys 15-min. per week of Disney’s upcoming *Mickey Mouse Club* on ABC-TV starting Sept. 5, Mon.-thru-Fri. 5-6 p.m., thru Kenyon & Eckhardt; it’s 8th partic. sponsor, others being Mars Candy, Carnation Milk, Post Cereals, Campbell Soup, Ipana, Armour, American Dairy Assn. . . . Camels to sponsor *You’ll Never Get Rich*, filmed series starring Phil Silvers, on CBS-TV next fall, time and starting date undetermined, thru Wm. Esty Co. . . . Dixie Cup to sponsor 30 min. alt. weeks of *Super Circus* on ABC-TV, Sun. 5-6 p.m., thru Hicks & Greist . . . General Foods to sponsor one-shot Roy Rogers rodeo from San Antonio Coliseum on NBC-TV June 21, Tue. 8-9 p.m., thru Benton & Bowles . . . Eastman Kodak, which dropped *Norby* last week on NBC-TV Wed. 7-7:30 p.m., to sponsor filmed *Kodak Request Performance* on NBC-TV starting April 13, Wed. 8-8:30 p.m., thru J. Walter Thompson; series will present some of best TV film productions of 1954-55 season . . . Hoover Co. (vacuum cleaners) buys 5 partic. on CBS-TV’s *Morning Show*, Mon.-thru-Fri. 7-9 a.m., starting April 18, thru Leo Burnett Co., Chicago . . . Kleenex, thru Foote, Cone & Belding, buys 3 time periods on alt. weeks this summer on NBC-TV for undetermined shows—Tue. 9-9:30 p.m., Fri. 8-8:30 p.m., Sun. 10-10:30 p.m. . . . CBS-TV to present unsponsored *Look Up and Live* Easter morning religious program Sun. April 10, 10:30-11 a.m. . . . Noxzema drops out as alt. sponsor (with Amoco) of Ed Murrow’s *Person to Person* on CBS-TV Fri. 10:30-11 p.m. . . . Quaker Oats to drop alt. week sponsorship of *Zoo Parade* on NBC-TV May 8, Sun. 4:30-5 p.m.; other sponsor, American Chicle Co., drop out April 17 . . . Longines-Wittnauer Watch Co. cancels *Longines Chronoscope* on CBS-TV starting May 13, Mon.-Wed.-Fri. 11-11:15 p.m.

New ABC-TV Rate Card No. 5, effective May 1, establishes minimum purchase of \$25,000 per 30-min., with client free to pick as many stations as he wishes, as long as they include network’s 5 o-&o stations. Another feature of card enables advertiser to earn up to 32½% in discounts, as opposed to present 27½%, provided he spends minimum of \$80,000 a week for 52 weeks. Production Manual No. 4, accompanying rate card, separates charges for facilities-equipment & personnel, charging flat rate for equipment & facilities, sliding rate for personnel.

Station reps will designate their member of Television Bureau of Advertising board May 10; with Petry joining this week, there are now 3 reps in TvB—others being Blair-TV & Meeker.

**N**EW TYPE of satellite transmitter was shipped this week by Adler Communications Laboratories, New Rochelle, N. Y., to Manson Community TV Co., Manson, Wash., which plans experimental transmission at first, then commercial operation after FCC finalizes low-power rules (Vol. 10:51 & 11:3). Manson grantee plans to “translate” Ch. 4 signals of KXLY-TV, Spokane, retransmit them on uhf Ch. 16 without demodulation. Transmitter is rated at 20 watts, and outlet will have 200 watts ERP, with identification automatically by Morse code, no operator required to be on duty. Equipment shipped by ACL for the new “booster-satellite” is similar to on-channel booster now in experimental operation at WATR-TV, Waterbury, Conn. (Ch. 53).

RCA shipped 10-kw transmitter April 1 to upcoming WHIS-TV, Bluefield, W. Va. (Ch. 6), which has May target; also April 1 it shipped 50-kw transmitter with 2-kw standby to KCOP, Los Angeles (Ch. 13). DuMont reports it has shipped 25-kw transmitter and complete studio equipment to upcoming WFRV-TV, Green Bay, Wis. (Ch. 5), due April 15; also 50-kw amplifier to KHQA-TV, Hannibal, Mo. (Ch. 7).

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

KRNT-TV, Des Moines (Ch. 8), granted to Cowles last week, has ordered GE transmitter, will use 709-ft. Ideco tower, reports v.p. & TV-radio mgr. Bob Dillon, who says target date is Aug. 1. Remodeling of three office floors for TV has already begun in building which houses KRNT Theatre, called “largest legitimate theatre in the country,” seating 4200. Cowles publish *Des Moines Register* and *Tribune*, *Minneapolis Tribune* and *Star*, *Look Magazine*, also operate KVTU, Sioux City (Ch. 9), radio stations KRNT, Des Moines and WNAX, Yankton, S. D., and own 47% of WCCO-TV, Minneapolis (Ch. 4) & WCCO. Adding TV to radio KRNT duties are sales mgr. Paul Elliott, program director Dick Covey, asst. program director Joe Hudgens. Rep will be Katz.

KOTA-TV, Rapid City, S. D. (Ch. 3), now installing 500-watt RCA transmitter, plans test patterns between May 15 and June 1, programming by June 15, reports gen. mgr. Leo Borin. RCA 3-bay antenna is due to be installed soon on 300-ft. Fisher tower, formerly used by FM, about mid-April. Station has signed with CBS under Extended Market Plan, has agreement with other 3 networks. Rep will be Headley-Reed.

WTHS-TV, Miami (Ch. 2, educational), won’t get going in April as planned (Vol. 11:10) because of delays in converting old WTVJ Ch. 4 transmitter & antenna, reports Vernon Bronson, asst. director, Dept. of Radio & TV Education of Dade County Board of Public Instruction. Transmitter will be in Everglades Hotel, with antenna on rooftop FM tower, 306-ft. above ground.

KLFY-TV, Lafayette, La. (Ch. 10), has 5-kw DuMont transmitter due by mid-April, plans June 1 test patterns, July 1 CBS programming, reports gen. mgr. Bill Patton. It will use 384-ft. Trilsch tower. Earlier this year it got FCC permission to buy out share-time CP-holder KVOL-TV for \$5,000 out-of-pocket expenses incurred by grantee *Lafayette Advertiser* and KVOL gen. mgr. George H. Thomas (Vol. 10:49 & 11:4) Base rate will be \$200. National rep not chosen; Clarke Brown Co. will be rep in south & southwest.

WCBC-TV, Anderson, Ind. (Ch. 61) now doesn’t plan to start until late summer, reports program director Fred M. Mullen for grantee Great Commission Schools, owned by Church of God denomination, which operates local school system & Anderson College & Theological Seminary (Vol. 11:7). On hand are RCA 1-kw transmitter and studio equipment purchased from John L. Booth’s now defunct WBKZ-TV, Battle Creek, Mich. (Ch. 64).



**H**EARINGS IN SENATE Commerce Committee's investigation of "the entire field of broadcasting, telecasting and communications" won't get going for at least 6 weeks—possibly not until summer—but the House this week approved \$80,000 for the FCC to make its own study of "problems of radio and TV network broadcasting."

Sidney Davis took over this week as chief counsel for the Senate investigation (Vol. 11:12-13), and indicated he favors go-slow policy, wants time to familiarize himself with the problems involved in the inquiry, to conduct preliminary staff investigation, etc. At week's end, Committee Republicans had not yet officially named their choice for minority counsel. Announcement probably won't be made before April 12 or 13, after Congress returns from Easter vacation, but it's understood Republicans want Robert D. L'Heureux, staff member who served as Committee's chief counsel under late Sen. Tobey (R-N. H.).

Next move in Committee's attempt to alleviate plight of uhf stations will be its all-out campaign to encourage production and sale of all-channel receivers. Chairman Magnuson (D-Wash.) has invited large TV tuner manufacturers to meeting in Washington April 20, five days before big meeting with receiver makers (Vol. 11:12). One of main reasons for tuner makers' meeting is understood to be collection of data on prices of all-channel tuners as opposed to vhf-only tuners. Meanwhile, Committee has received acceptances for the April 25 meeting from all major TV manufacturers.

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In a surprise Congressional move this week, House approved \$170,000 more to run the FCC in fiscal 1956 than had been requested in President's budget—\$90,000 of it earmarked for processing backlog of applications, and \$80,000 for the study of network TV-radio broadcasting which the FCC has wanted to undertake for many years.

Increase in appropriation was unexpected—even by FCC, which is accustomed to having its budget estimates slashed by House Appropriations Committee. Committee's questioning of FCC on the subject was short and sweet.

**Color Trends & Briefs:** Color is featured heavily in NARTB convention's engineering sessions May 25-26, which include papers exceptionally well keyed to current major topics. The TV agenda May 26:

"Advancements in Color Film & Slide Programming," Fred F. Bartlett, Philco; "Conversion of Iconoscope Chains to Vidicon Operation," Joseph W. Belcher, GPL; "General Characteristics of Color TV Displays," Bernard D. Loughlin, Hazeltine; "Network Transmission of Monochrome & Color TV," James R. Rae, AT&T; "A CBS-TV Color Studio," Robert B. Monroe, CBS; "Integration of Color Equipment & Existing Monochrome Installations," Anthony H. Lind, Lannes E. Anderson & Nils J. Oman, RCA; "Design, Construction & Operation of TV Boosters & Satellites," Dr. George Brown of RCA, Ben Adler of Adler Communications & Eugene E. Overmeir of Sylvania; "A Review of Color encoding Principles," Robert Deichert, DuMont; "Proof of Performance Measurements for a VHF TV Station," Richard K. Blackburn & Bernard C. O'Brien, WHEC-TV, Rochester; "Achieving One Megawatt ERP at UHF," Frank J. Bias, GE; "Considerations of Microwave Installations," Richard C. McLaughlin, Raytheon; "A Low Power TV Station for \$50,000," F. Dan Meadows & Joseph W. Alinsky, Dage.

Exhibitors are also expected to devote considerable attention to color. Among other things, RCA is likely to stress new amplifier which produced drop in color camera price from \$67,000 to \$49,500 (Vol. 11:12), GE to step up campaign for "Chromacoder" camera chain and "Y" channel system for improving monochrome aspects.

In reply to Congressman's questions, Comr. Hyde cited Commission's repeated efforts to get money for an investigation. When asked how much was needed, Hyde turned to Broadcast Bureau chief Curtis Plummer, who said \$100,000. No more was said on subject. At same hearing, Plummer was asked about backlog and processing. He replied that an additional \$50,000 could process 100 of the pending 237 AM applications by year's end. Committee earmarked, and House approved, \$90,000 extra for processing all classes of applications—TV, AM, other.

Commission's fiscal 1956 appropriation as approved by House in Independent Offices Appropriation Bill (HR-5240) would be \$6,870,000, as opposed to \$6,700,000 in President's budget estimate and \$6,629,400 appropriated for fiscal 1955. Committee envisioned adding 26 employees to Commission, bringing total to 1057.

Bill now goes to Senate Appropriations subcommittee on independent offices — by coincidence, headed by Sen. Magnuson. Commission must comment to Magnuson's subcommittee on the House bill. Magnuson is understood to favor the increased appropriation.

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One network's arguments against Plotkin Memorandum were previewed this week in debate between Harry Plotkin and CBS v.p. Richard Salant at FCC Bar Assn. luncheon. Reviewing many of his recommendations to Senate Commerce Committee, Plotkin said basic problem of uhf was set circulation, and only answer to network problems was increasing source of programs — mainly through abolition of option time.

The big question posed by Plotkin report, replied Salant, is: "Do we want to have networks?" He said there is no indication whether networks could survive if Plotkin proposals were adopted. "A network has to be big or it's not a network," he added. "There's no such thing as a small network, as one company has found out." Ultimate arbiter is the public, he said—adding, "I don't think there has ever been any business which has had such a clear stamp of public approval."

Upcoming network color schedules: NBC-TV—April 4, *Producers' Showcase*, "Reunion in Vienna," with Greer Garson, Brian Aherne, Peter Lorre & Robert Flemyng, 8-9:30 p.m.; April 6, *Norby*, 7-7:30 p.m., last of series; April 9, *Max Liebman Presents*, "The Merry Widow," with Ann Jeffreys, Edward Everett Horton, John Conte, Bambi Linn & Rod Alexander, 9-10:30 p.m.; April 15, *Home* segments, 11-11:15 a.m. CBS-TV—April 6, *Best of Broadway*, "Stage Door," with Rhonda Fleming, Diana Lynn & Dennis Morgan, 10-11 p.m.; April 14, *Shower of Stars*, "Ethel Merman's Show Stoppers," with Ethel Merman, Red Skelton, Peter Lind Hayes, Mary Healy, Harold Lang & Cindy Robbins, 8:30-9:30 p.m.

Total of 67,300,000 saw NBC-TV's *Peter Pan* March 7, NBC reported this week on basis of Nielsen and ARB figures. NBC Research's day-after estimate was 65,000,000 (Vol. 11:11). Nielsen gave show rating of 66.1, with 68.3 share of audience. Homes reached totaled 20,400,000, meaning 43% of U. S. families. ARB reports 3.3 viewers per set. Nielsen figures don't include audiences in public places, such as Ford and RCA dealer showrooms, where most of color viewing was done. There was no estimate of color viewers.

Color schedule of WKY-TV, Oklahoma City reached total of 37 hours March 27-April 3, when station micro-waved 32 hours of film and live programming to 12 color sets at annual home show in addition to its regular daily 1-hour *Cook's Book*. Home show, in Municipal Auditorium, is sponsored by local Home Builders Assn., has as motif the application of color to home decoration and furnishings.



**PLENTY TALK BUT NO ACTION ON DISCOUNTERS:** Behind big headlines and well-publicized oratory this week about fair trade and discount houses, lies the simple, inescapable fact that nobody -- least of all the Govt. -- wants to take any formal action against the discounters which might be construed as stifling legitimate competition. Thus, you can expect a continuing barrage of publicity on the subject -- but very little action of any consequence, at least not on the Federal level.

Attorney General Brownell expressed Administration sentiment on subject in address before National Retail Dry Goods Assn. home furnishings conference April 1 in Washington. His speech came only one day after the National Committee to Study the Anti-Trust Laws, a 60-man blue-ribbon panel of experts under Brownell's direction, had urged that fair trade laws be repealed. Speech started as attack on fair trade laws, ended in what amounted to a defense of discount house. He said:

"Vigorous protests are being registered concerning the 'unfair competition' of the 'discounters.' But similar protests were made in our grandfathers' time, when mail-order houses began competing with local merchants, and again, more recently, when chain stores presented another threat to established patterns of distribution.

"It may be that what is called 'unfair competition' is really just keen competition. This nation is so thoroughly committed to a belief in competition that we sometimes forget that some of its advocates may be thinking solely in terms of competition for the other fellow...There is the danger, however, that cries of 'unfair' and insistence that there be more and more laws to 'civilize' competition may lead to ever-increasing curtailment of individual initiative and regulation by the Government until the very essence of free competition will have been dissipated."

This "free enterprise" declaration was echoed at same meeting by Magnavox pres. Frank Freimann, who warned the group, largely dept. store executives, to quit trying to change their stores around to meet discount house competition. Instead, he urged them to concentrate on their particular selling specialties. Speaking off the cuff, he told them, in effect: "Be yourself."

Robert A. Seidel, RCA exec. v.p. for consumer products, another conference speaker, shied away from the fair trade-discount house controversy. Instead, he urged dept. store people to expand their TV lines as a sure way to greater profits.

"The greatest opportunity for increases in home furnishing sales and profits this year, next year, or perhaps any year during our lifetime, will be in TV," he said. "It is now a \$1 billion industry. With the advent of color, and it's coming fast, it will top \$2 billion annually." He said almost 67% of the 38,000,000 TVs now in use are smaller than 21-in. -- "thus obsolete by today's standards."

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The 60-man committee's 392-p. report urging repeal of all fair trade laws acknowledged that those laws reflect some "legitimate" commercial aims, among them protection of "quality items from debasement in the consumer's mind" but that fair trade pricing is not "an appropriate instrumentality for such protection." It said the "legislative price-setting authorization extends far beyond the essential guarantees of 'loss-leader control' and strikes at all price reductions."

The Senate Small Business Committee, Democratic-controlled (Sen. Sparkman, D-Ala., chairman), took a somewhat different view of the fair trade-discount setup this week. Its annual report warned that small, independent appliance store is not likely to survive in a fierce competitive struggle with the discount house. It said expanding discount house operations represent "a more serious challenge to the fair trade laws than ever was presented by any court decision." It already has disclosed plans to investigate fair trade and discount houses (Vol. 11:11).

TV production totaled 163,042 week ended March 25, compared to 164,478 units



preceding week and 160,995 week ended March 11. It was year's 12th week, one short of 3 months by RETMA calculations, and brought production for year to date to about 2,000,000, compared to approximately 1,325,000 in corresponding period of 1954.

Radio production totaled 300,568 (158,204 auto), compared to 307,549 units in week ended March 18 and 297,595 week before. For 12 weeks, production was 4,200,000, compared to 2,410,000 in corresponding period year ago.

**Trade Personals:** Jack S. Beldon, marketing mgr. of GE air conditioning div., named marketing mgr. of TV-radio dept., Syracuse, succeeding Eugene F. Peterson, now mgr. of International GE's consumer goods export dept. . . . John B. Coullard promoted to mgr. of product planning in expansion of GE's electronic components dept., Syracuse; he's succeeded as sales mgr. by Roy L. Merwin Jr., ex-central district mgr. of light military electronic equipment . . . Herbert J. Allemang, ex-Philco v.p., now exec. v.p. of Eureka Williams Co., named a director of National Union Electric Corp. . . . Russ Hansen, ex-Motorola, named mgr. of RCA Service Co. Cleveland district succeeding Russ Dunlap, now mgr. of New England district . . . Wm. T. Higgins, who formerly headed own distributorship for Raytheon in Baltimore, joins Zenith as asst. sales mgr. in charge of market development . . . Wm. R. Crotty promoted to TV-radio sales mgr., Erie Resistor electronics div.; Robert W. Orr promoted to mgr. of govt. liaison activities . . . James Frye, ex-mgr. of now-discontinued Chicago factory branch, named Stromberg-Carlson national merchandise mgr. . . . Earl Olson, chief engineer of Jensen Industries, Chicago, named operations v.p. . . . Robert F. Swift, ex-Graybar, named CBS-Columbia regional mgr. for Mich.-Ind., headquartering in Detroit; he replaces O. R. Barnes, resigned . . . George T. Stewart, ex-pres. of Stewart Wholesalers Inc., Rochester, named Sylvania upstate N. Y. district sales mgr. . . . Theron A. Cramer named GE mgr. of carrier current engineering, under Charles M. Heiden, mgr. of engineering for communications equipment . . . Jules Alexandre resigns as Emerson sales mgr. for air conditioners.

Frank M. Folsom, pres. of RCA, has been named by Joint Congressional Committee on Atomic Energy to high-level citizens' panel to help speed peaceful uses of the atom. Eight-man board is headed by Robert McKinney, publisher of *Santa Fe New Mexican*, ex-Asst. Secy. of Interior. Other members: Ernest R. Breech, chairman, Ford Motor Co., Detroit; George R. Brown, of Brown & Root, Houston (construction), chairman of Texas Eastern Transmission Co., member of President Truman's Materials Policy Committee (which was headed by CBS chairman Wm. S. Paley); Sutherland C. Dows, chairman, Iowa Light & Power Co., Cedar Rapids; Dr. John R. Dunning, dean of engineering, Columbia U, director of Oak Ridge Institute of Nuclear Power; Dr. T. Keith Glennan, pres. of Case Institute of Technology, Cleveland, ex-member of Atomic Energy Commission; Samuel B. Morris, gen. mgr. & chief engineer of Los Angeles Dept. of Water & Power, chairman of American Public Power Assn. atomic energy committee.

Maj. Gen. Francis H. Lanahan, Army asst. deputy chief of staff for logistics and onetime chief signal officer of SHAEF and chief of SHAPE signal div., retired from active service March 31 to enter private industry.

Brig. Gen. Frank L. Howley (USA Ret.), ex-Philadelphia adman who commanded in Berlin during the airlift, elected a director of Gray Mfg. Co., Hartford.

Capt. Samuel M. Tucker, deputy director since 1953, named director of Naval Research Lab, Washington, succeeding Capt. Willis H. Beltz, retiring.

Dr. Ragnar Thorensen named research director of Magnavox's new research lab in W. Los Angeles.

**A**UTOMATION'S EFFECT on American industry, prominently including electronics business, will be discussed by CIO at Washington's Mayflower Hotel April 14—right in the middle of RCA's contract negotiations with IUE, an affiliate of CIO. An IUE spokesman said, however, that the automation conference should not cause any interruption or interference with the RCA negotiations which start April 4, or with the Philco talks which begin on or about the April 14 conference date.

Purpose of the national conference, says CIO, is to make sure everybody — including itself — knows what's meant by automation. It will discuss "the meaning and implications" of the term, including its relationship to a guaranteed annual wage, which the CIO has declared to be a goal in its contract talks this year (Vol. 11:11). The electronics industry, already showing profound effects of automation (Vol. 11:13), will be included in these talks with IUE, though each local is given wide latitude on how intensively to press annual wage issue.

Battle of words on automation's effect—even its meaning—goes on unabated, meanwhile. Ewan Clague, head of Bureau of Labor Statistics, describes automation by comparing a thermometer and a thermostat. Former, he says, automatically measures temperature whereas latter not only measures but also automatically controls the temperature. CIO pres. Walter Reuther calls automation "the second industrial revolution," warns that Govt. & industry must prepare for large-scale unemployment and migration of workers as a result. General Motors pres. Harlow Curtice, on the other hand, said he'd like to debunk word "automation," added it's only another step in technological progress.

Govt. is taking official "hands off" policy on both automation and annual wage, public officials adopting note of caution in speeches. Labor Secy. Mitchell said problem of job displacements by new automation machinery cannot be "brushed off" but doubted mass unemployment would result. He declared annual wage issue should be settled at bargaining table and Labor Dept. would express no opinion, barring a national emergency.

Authoritative United Business Service generally supports Mitchell's view on automation's effect on employment. It said that some temporary layoffs are bound to result but that "automation does not hold a long run threat of rising unemployment." Reason given is that automation will eventually expand the national productive capacity tremendously, thus increasing job opportunities.

One of most popular—and frustrating—exhibits at IRE show last week was electronic computer which took on all comers in game of tic-tac-toe. In every case we observed, the electronic brain bested the human brain. Device, displayed by G. H. Leland Inc., Dayton, O. maker of solenoids and relays, was specially designed binary relay logic computer, designed to recognize some 362,000 game sequencies and containing 10,000 individual parts.

Noting our report that Lambda-Pacific is offering 10,700-13,200-mc microwave for first time (Vol. 11:13), Raytheon informs that it announced such equipment year ago, is currently taking orders for 30-day delivery.

National Conference on Aeronautical Electronics will be held at Dayton's Biltmore Hotel, May 9-11.



**Topics & Trends of TV Trade:** Federal Trade Commission cracked down on Admiral this week, issuing complaint (No. 6319) charging misrepresentation in its national ads. Specifically, FTC charged that Admiral's advertising claims that its "giant 21-inch picture tubes" provided 20% more screen area than other 21-in. sets were false. It was FTC's first advertising complaint against a major TV manufacturer.

Admiral declined immediate comment on complaint, issued April 1. A spokesman indicated displeasure that press received notice before company had seen copy. He said Admiral had discussed ads with FTC last fall, but had had no communication from agency this year. Admiral has 20 days to answer, and hearing has been set for May 17 in Chicago before examiner James A. Purcell. Edward F. Downs represents FTC as attorney.

[Note: An FTC complaint is not in itself a punitive action. It is merely a preliminary step to determine if prosecution is warranted. In the past, many such complaints have ended with filing of consent judgment in which the company, without admitting guilt, promises to halt the practices in future. Within industry, most recent FTC case involved complaint of conspiracy against National Electronic Distributors Assn. in sale of parts, which ended last year in consent judgment (Vol. 10:27).]

In accordance with FTC policy, Downs declined to identify complainant but said case was "thoroughly investigated to determine the truth of the complaint." He noted that FTC has been considering a code of fair merchandising practices for TV-radio industry (Vol. 8:19, 9:41, 10:23), and doubted that Admiral's advertising claims would be sanctioned by any such code.

Trade sources recalled that a spate of protest broke out from other set makers about a year ago, when Admiral first started its "giant" 21-in. ads. They said it was somewhat reminiscent of TV's early days, when 14-in. sets were described as "giant life-sized screens."

The complaint cites as "typical" of the company's advertising: "Admiral announces a brand new Giant 21-inch picture tube, accurately described as 'The World's Largest' . . . with 270 square-inch screen . . . 20% bigger than other 21-in. TV . . ." It said this claim had been made in TV-radio commercials as well as in publications.

"In truth and in fact," the complaint states, "the screen area of Admiral TV sets, which are equipped with its giant 21-in. picture, is not 20% larger than the screen area of Admiral's competitors' TV sets which are also equipped with 21-in. picture tubes." As result of this advertising, complaint notes, trade has been "unfairly diverted" to Admiral from its competitors.

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N. Y. Better Business Bureau put the blast on TV-radio-appliance ads claiming their products were "first" or "best" on the market. In special bulletin this week, it said it had no objection to accurate description of proven superior features of a particular model, but recommended that no claims be made, directly or indirectly, that (1) any TV set or appliance is "Rated No. 1," or (2) any TV set or appliance outperforms all other makes or models. Latter was regarded as subtle criticism of money-back offer last week by Crosley N. Y. distributor Gerald O. Kaye if Custom V did not outperform any other TV set (Vol. 11:13), though it didn't mention any company by name.

Wilcox-Gay Corp., currently operating under Chapter XI of Bankruptcy Act (Vol. 11:5), this week proposed plan to pay 50% to unsecured creditors with claims over \$100, offering non-interest notes in 10 semi-annual installments of 5% each, starting 6 months after confirmation. Plan was filed in Federal court in Charlotte, Mich. by Wilcox-Gay on behalf of itself and subsidiaries Majestic Radio & Garod Radio.

**DISTRIBUTOR NOTES:** Emerson establishes factory branch, Emerson-Buffalo Inc., 285 Kenmore Ave., Buffalo (Warren F. Hardy, gen. mgr.); Emerson Radio of Washington (Herman E. Goodman, pres.) creates branch, Emerson Radio of Virginia Inc., 166 MacTavish St., Richmond . . . Stromberg-Carlson appoints McLain & Son, 974 Sullivant Ave., Columbus, O. (F. M. McLain, owner) and D&N Auto Parts, 420 Howard St., Greenwood, Miss. (V. Whitehead, sales mgr.) . . . Bendix Radio appoints Bailey's Inc., Chattanooga . . . Phillips Distributing Co., Salisbury, Md. (Raytheon) opens Baltimore branch (Louis A. Berwanger, mgr.) . . . Crosley-Bendix appoints Davies Electric Co., Saskatoon . . . Emerson Radio of Florida appoints Harry Karp, gen. mgr. of Tampa branch, as v.p. . . DuMont New York promotes Harry Ripps to gen. sales mgr. . . Boyd Distributing Co., Denver (Philco) appoints Berry Long, ex-radio KLZ & KOA, as sales mgr. . . A. K. Sutton Inc., Charlotte (CBS-Columbia) appoints W. T. Winter as sales mgr. . . Radio City Distributing Co., Dallas (Zenith) promotes Gene Willett to sales mgr. . . Westinghouse Electric Supply Co. transfers S. B. Folckomer from Baltimore to Richmond as mgr. of consumer products div., succeeding Charles R. Ross, transferred to Chicago; Folckomer is replaced in Baltimore by John B. Nolan . . . Philco Los Angeles appoints John E. Kelly adv. & sales promotion mgr. . . Gross Distributing Corp., Newark (Stromberg-Carlson) reports resignation of gen. mgr. W. D. Goldberg.

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CBS-Hytron has changed brand name on its TV & radio tubes, as well as on semi-conductors, to "CBS"—in order, according to CBS-Hytron pres. Charles F. Stromeyer, "to take full sales advantage of the national recognized and respected letters CBS." Shipments of the newly branded merchandise start about April 7. CBS-Columbia has been shipping TV sets with "CBS" brand since first of year (Vol. 11:8).

GE planning ad campaign to promote TV servicing by helping dealers inform public about facilities for receiver maintenance and repair, thru Maxon Inc. Huge promotion kicks off with 9 1/2-p. insert in May 3 *Look* (on stands April 19)—biggest insert ever carried by magazine, listing 5331 service dealers in 2281 cities and featuring \$25,000 consumer contest to fill in last line of jingle.

Sentinel Radio, noting our story of last week on advent of clock TV this year (Vol. 11:13), writes that it had TV sets with Telechron timers in 1952 but discontinued them in 1953 after selling "quite a few." The clock was installed on a 27-in. open-face console retailing at \$575 and a full-door blonde console at \$645.

Emerson Radio executive offices and plant facilities are now located at 16th & Coles Sts., Jersey City (phone Journal Square 3-5100). Only the public relations dept. & Emerson Radio Export Corp. continue to maintain offices at 111 Eighth Ave., N. Y. (Oregon 5-7000).

RCA's TV sales this year are running ahead of record 1954 at an "almost unbelievable rate," said Robert A. Seidel, exec. v.p. for consumer products, in address April 1 before NRDGA home furnishing conference. He predicted a continued high industry-wide level of TV sales this year.

More expansion predictions: Norman B. Krim, v.p.-gen. mgr. of Raytheon tube operations, foresees 65-70,000,000 TVs, 140,000,000 radios in use by 1965, with doubled sales of replacement tubes by then. He spoke at recent Raytheon tube symposium attended by company's sales officials.

Hoffman Electronics cuts prices of 15 receivers by \$30-\$50 as special April-June promotion, line ranging from \$180 for 21-in. walnut table to \$350 for 24-in. cherry console.

RCA Victor Chicago regional office will be moved in May to Merchandise Mart but company will retain display space on 5th floor of American Furniture Mart.



**R**CA's LICENSING POLICY has been a major factor in the spectacular growth of the electronics industry, including the radio-TV industry, and the pre-eminence of the U. S. in that industry . . .

"Today aircraft manufacturers, automobile manufacturers, business machine manufacturers and many other areas of American industry, and universities as well, are actively conducting research and development in electronics and are producing electronic equipment.

"This chain reaction of research and development in the electronics industry was initiated with the formation of RCA, and is attributable in large part to RCA's policy of making inventions available to others."

Foregoing are a few of the statements in RCA's reply brief in Dept. of Justice's civil anti-trust suit, filed this week (see story p. 1 and Special Report herewith). While obviously self-serving in a lawsuit, they are cited to point up the impact of TV-radio developments on widening fields of electronics. For the brief notes that Dept. of Labor's Bureau of Labor Statistics in Jan. 1952 reported 629 companies qualified to do work in electronics research, 277 giving that as their major specialty and reporting their 1951 cost of research & development was \$531,600,000. That year, RCA said it had expended about \$39,000,000 on research & development in electronics.

Many companies not formerly in electronics are now devoting their efforts to intensive research in the field, and the brief cites such aircraft manufacturers as Boeing, Douglas, Hughes, United; auto manufacturers like General Motors and Willys; business machine manufacturers like Burroughs, IBM, Remington Rand; makers of industrial control equipment like Maxson, Minneapolis-Honeywell, Otis Elevator; makers of automation equipment like General Mills and United Shoe Machinery Corp.; companies developing atomic energy applications such as General Dynamics Corp.; firms in the motion picture industry such as Bell & Howell and Paramount Pictures.

"The assets of these companies alone," the brief states, "total many billions of dollars, and their research facilities far exceed those of RCA." And a substantial part of their electronics work was said to have direct application to the TV-radio industry.

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"Substantially all" TV-radio manufacturers are licensed by RCA, according to the brief. Yet there is "intense and effective competition." Listed as substantial competitors with large research resources of their own are Admiral, CBS, DuMont, Emerson, GE, IT&T, Motorola, Philco, Ray-

**Electronics Reports:** Transistor developments reported this week: First transistorized digital computer designed for aircraft use was announced by Bell Labs and Wright Air Development Center; called TRADIC (Transistor Digital Computer), it uses 800 transistors, 11,000 diodes, draws only 100 watts power, can be housed in 3-cu. ft. cabinet. Millivac Instrument Corp., Schenectady, reported development of transistorized audio amplifier far quieter than any vacuum tube amplifier, with electronic noise level of one-third of millivolt or less. Radio Receptor Co. announced that it will turn out more than 2,000,000 transistors by year's end, and that prices have been cut to range of 75¢-\$4.50, compared with high of \$8 a year ago. Signal Corps has tested power transistors made for it by Transistor Products Inc. (Clevite Corp.) and found them to be of value in replacing items with moving parts, such as small dynamotors and vibrators—holding out hope of solving problems of unwanted noise and necessity of frequent servicing of such items in electronic gear.

Weston Electrical Instrument Corp. stockholders will be asked to approve merger with Daystrom Inc., Elizabeth,

Sylvania, Westinghouse, Zenith—whose sales figures "amount to many billions of dollars."

RCA's present royalty rates, which it says compare favorably with those of other licensors in this or any other industry, were result of reductions last summer (Vol. 10:31). Based on manufacturer's selling price, they are now ½ of 1% for radio broadcast receivers using tubes, 1⅓% for radio receivers using transistors, 1¼% for black-&-white TV sets, 1¾% for color TV receivers, 1¼% for electron tubes other than color tubes, 1¾% for color tubes, 2% for color TV commercial apparatus except govt. apparatus, 1½% for other commercial apparatus except govt. apparatus, 1% for all commercial apparatus manufactured for govt. use.

"In return for these reasonable royalty rates," states brief, "licensees have the privilege of obtaining a license under, or using, any one or more patents under which RCA has the right to grant licenses [and have] complete freedom to manufacture apparatus in competition with RCA under any and all patents available to RCA, to the extent to which RCA has the right to grant such licenses. No royalties are payable on any apparatus under any license agreement granted by RCA unless the apparatus uses patents licensed by RCA."

Among its competitors who have granted licenses to others, RCA lists Maj. Edwin H. Armstrong, CBS, DuMont, Eitel-McCullough, GE, Hazeltine, IT&T, Philco, Sperry, Sylvania, Western Electric, Westinghouse, Zenith. Since 1940, RCA states, it has brought only 2 patent infringement actions—one a suit settled before trial [presumably DuMont] and the other a suit pending against Zenith and its subsidiary Rauland following prior action by Zenith challenging validity of RCA patents.

Zenith-Rauland having won legal skirmish in U. S. Supreme Court, which refused this week to block trial of their patent suit against RCA in Chicago court pending outcome of similar litigation in Delaware court (Vol. 11:11-12), Federal Judge Michael Igoe in Chicago district court this week cleared way for trial. Zenith & Rauland seek \$16,000,000 triple damages in counterclaim suit against RCA, GE & Western Electric (Vol. 10:47-51), whom they charge with setting up patent pool in violation of anti-trust laws. Original litigation started in 1945 when RCA sued Zenith for patent infringements, in long-delayed suit which was expected to come to trial in Wilmington this spring. Zenith is only major TV-radio manufacturer (save Philco, which did not renew license at end of 1954) which has not signed RCA royalty agreement.

N. J., at special meeting May 16, on basis of one share of Daystrom stock for each share of Weston. Daystrom already has voting control of 49½% of Weston stock. Largely as result of recent expansion, Daystrom now reports 55% of sales in electronic and allied equipment. Its operations cover electronics, printing equipment and furniture industries. Electronic products include hi-fi equipment (Crestwood), Heathkit do-it-yourself electronic kits (Vol. 11:7), electronic gunfire control equipment and other military & commercial items. Daystrom sales for fiscal 1954 were \$62,473,000; Weston's 1954 sales were \$28,672,800.

Collins Radio Co. is called "one of electronics industry's fastest growing firms" in March 15 *Forbes Magazine*, which states it claims to supply about 75% of all communications & navigation equipment used by U. S. airlines. At 45, Arthur Collins, ex-"ham" who with his family owns about 50% of firm, has built firm up from red only 4 years ago to \$90,300,000 gross, \$6.83 per share net earnings in fiscal year ending last July 31 and \$3.01 in first 6 months of its current year (Vol. 11:13). Govt. accounts for about 80% of Collins' business.



**Financial & Trade Notes:** ABC div. of American Broadcasting-Paramount Theatres increased gross operating income to \$70,424,000 in 1954 from \$54,758,000 in 1953, but it showed "slightly larger" loss than in 1953, year of merger with UPT. Increased loss was due to higher TV operating and programming costs in last half of year, principally the NCAA telecasts.

Annual AB-PT report released this week does not break down ABC profit-&-loss, but it reveals increasing importance of telecasting-broadcasting operations in the big theatre-owning organization. Total AB-PT income was \$188,796,000 last year (\$115,916,000 from theatres) vs. \$172,196,000 in 1953 (\$114,926,000 from theatres). Consolidated net profit in 1954 was \$4,932,000, including \$4,722,000 (\$1.06) from operations, \$210,000 (5¢) from capital gains. This compares with profit of \$8,996,000 in 1953, including \$4,480,000 (\$1) from operations, \$4,516,000 (\$1.14) from capital gains—latter principally from \$6,000,000 sale to CBS of WBKB, Chicago.

Pres. Leonard Goldenson said ABC div. made "substantial progress in 1954, gaining greater recognition as a major network by audience and sponsors." He said radio operations and network's 5 TV-radio stations showed a profit, which was more than offset by higher network TV costs. Earnings for first quarter 1955 are estimated to be "substantially higher" than earnings for first 1954 quarter.

"The slightly increased loss in 1954 over 1953 is not itself representative of a trend in the ABC division," said Goldenson. "Rather, it is a reflection of the expenditures which must be made during the period of development of the TV network from a secondary to a competitive place. Substantial progress has been made toward forming a strong foundation for a successful operation. The improved position of the division is evident in increased viewing, better programs and greater revenue. From this point on, each sponsored program should have a beneficial effect upon the earnings of the division." He added that with new shows being readied for coming year, including Disney's *Mickey Mouse Club* (Mon.-thru-Fri. 5-6 p.m.), "we feel that ABC is on its way toward realizing its true potential as a profitable division of the company."

AB-PT had whole or partial interest in 639 theatres at year's end, down 30 from end of 1953. It's required to divest itself of net of 42 theatres by Sept. 3, 1955. Goldenson noted greater stability in theatre business in 1954, though TV had adversely affected business earlier in the year in new TV markets.

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**Hoffman Electronics Corp.**, which on Jan. 10 was listed on the N. Y. & Los Angeles stock exchanges, reports consolidated 1954 sales were \$42,647,008 compared with \$50,415,146 in 1953. But net profit after provision of \$1,717,000 for Federal income taxes was \$1,485,513 or \$2.08 per share on 713,192 shares outstanding, an increase of 24% over 1953 net profit of \$1,199,655 after taxes of \$1,869,000, or \$1.68 a share on 578,394 shares. At midyear company increased capital by about \$4,250,000 by 15-year loan from Metropolitan Life and through sale of 130,000 shares of common stock, and with fortified resources entered new areas of electronics. It developed radiometric devices, acquired exclusive rights to Nordsieck integrator, is currently producing Geiger counter-scaler with field assay attachments. TV-radio distribution has expanded nationally, and complete manufacturing operations in Kansas City will be ready within a few months to handle volume expected from new distributors east of Mississippi. Pres. H. Leslie Hoffman predicts in annual report that volume should be considerably larger in 1955, most of increase in second half. By fall of 1956, he states, color "should be an important phase of our business."

Distributors Group Inc., 63 Wall St., N. Y., sponsor of the 21 mutual funds of Group Securities Inc., notes "outstanding growth" in earnings and dividends in the post-war era shown by group of leading electronics & electrical equipment shares—and forecasts "new peaks" in the production of electronic equipment. Its own group of electronic and electrical equipment shares, it estimates, will show 1955 earnings average of \$5 per share, compared with estimated \$4.50 for 1954 and \$1.10 for 1946; their average dividends are estimated at \$2 for 1955, \$1.97 for 1954, 85¢ for 1946. The electronics & electrical equipment shares in its "family" of mutual funds were listed in these proportions as of Jan. 1, 1955: Admiral, 3.72%; Allis-Chalmers, 6.05%; Bendix Aviation, 6.14%; CBS "A", 7.14%; Cornell-Dubilier, 5.62%; Cutler-Hammer Inc., 3%; DuMont, 1.78%; Elliott Co., 3.24%; GE, 3.42%; IT&T, 4.67%; McGraw Electric Co., 2.15%; Motorola, 3.65%; Philco, 6.49%; RCA, 5.66%; Raytheon, 4.88%; Sperry, 6.52%; Square D, 5.55%; Sylvania, 6.18%; Westinghouse, 3.93%; Zenith, 6.55%; net current balance, 3.66%.

Radio Condenser Co., Camden, N. J., which claims it supplies more than 50% of the tuners used in auto radios and 70% of the condensers in home radios, will show lower sales and net income in 1955 report due shortly, according to pres. Russell E. Cramer. Last year, it enjoyed record \$21,465,247 gross, \$384,002 net. Decline is attributed to delay in construction for \$1,000,000 expansion program and failure of expected big market for uhf tuners for which it had geared heavily.

Standard Coil Products Inc. had consolidated net income of \$2,871,290 (\$1.95 a share) on sales of \$72,862,113 in 1954, compared to \$2,972,481 (\$2.02) on record \$89,270,964 in 1953. Pres. Glen E. Swanson attributed declines to TV industry's concentration on lower-priced models, requiring development of more economical series of tuners. He stated growth of uhf, strong replacement market for TV receivers, eventual mass production of color and development of foreign TV create favorable outlook.

Wells-Gardner & Co. sales fell to \$21,200,318 in 1954 from \$22,572,069 in 1953 but net income in 1954 was \$911,340, up 18% from \$772,939 in 1953. Annual report states that civilian sales, mainly private-label TVs, were off last year but that defense sales were higher and that 1955 business should approximate that of preceding 2 years. Consolidated earned surplus at beginning of year was \$3,997,572.

IT&T reports consolidated net income of \$20,068,525 (\$2.80 per share) on record sales of \$372,638,805 in 1954, compared to \$22,377,611 (\$3.12) on \$362,199,214 in 1953. Profit decline was attributed to net loss of \$2,400,000 from sale of Coolerator div. assets last year to McGraw Electric.

RCA's music synthesizer (Vol. 11:6) will have its major use "in the production of music for sale in the form of phonograph records," according to developers Harry F. Olson & Herbert Belar. In paper prepared for IRE convention, they said that listeners were asked to distinguish between renditions of piano selections performed by the synthesizer and by famous pianists — and they concluded that "it can be said with 70% certainty that only 1 of 4 persons can tell which is which." Most recent production with synthesizer was creation of a few spoken sentences that no voice had ever uttered—"to show the versatility of the synthesizer."

New guided missile for air defense, hinted as possible replacement for Nike, reportedly will be developed by RCA and American Machine & Foundry, with RCA the prime contractor. The initial contract amount is said to be about \$20,000,000.



**S**TORER BROADCASTING Co.'s huge upsurge in revenues and profits since its advent into TV (via WSPD-TV, Toledo, which it founded in July 1948) is detailed in March 29 prospectus covering public offering of 262,750 shares of common stock to be registered April 4 with certain priorities to present stockholders. Proceeds of approximately \$4,590,000 will be applied to debt reduction and redemption of company's 15,000 shares of 7% cumulative preferred stock (at \$107 per share).

Over period of 10 years to end of 1954, Storer company's operating revenues rose from \$3,093,255 (all from radio) to \$17,736,531 (preponderantly from TV); profits rose from \$306,930 in 1945 to \$3,680,779 in 1954. Company owns 7 TV stations, 2 of them uhf, and 7 radio stations, 6 with FM adjuncts.

Last year, TV revenue came 43.2% from national spot, 28.4% network, 28.4% local. In same period, radio revenue came 50.1% from local, 38.1% national spot, 11.8% network.

Total assets of company, which also publishes *Miami Beach Sun* and owns approximately 46.5% of voting stock of Standard Tube Co., as well as Empire Coil Co. plant recently acquired along with Herbert Mayer TV stations in \$10,000,000 deal (Vol. 10:2, 44) were \$27,872,629 as of Dec. 31, 1954. Consolidated earned surplus was \$8,123,978, long-term debt \$10,446,960.

Jefferson Standard Life Insurance Co., Greensboro, N. C., is shown as owner of 14,500 shares of the preferred stock (96.67%). Of 525,500 shares of common stock outstanding, Mr. Storer owns 14,160 (2.69%). Of 1,686,500 shares of Class B common, he owns 1,280,250 (75.91%) while Detroit Trust Co. as trustee holds 206,250 (12.23%). Remunerations paid in 1954 to officers-directors included: Mr. Storer, \$75,175; J. Harold Ryan, senior v.p., \$33,750; Lee B. Wailes, exec. v.p., \$60,164; Stanton P. Kettler, v.p. for southern district, \$51,292; William E. Rine, v.p. for northern district, \$42,020.

Directors and officers as a group own 105,516 shares of the common (20.1%) and 1,380,250 of Class B (81.84%). Among these, secy. John E. McCoy, who is house counsel, is shown as beneficial owner of 5400 shares of common.

Year Ended Dec. 31	Total Operating Revenues	Gross TV Revenues	Gross Radio Revenues	Net Profit
1945	\$ 3,093,255	-----	\$3,093,255	\$ 306,930
1946	3,351,805	-----	3,351,805	740,581
1947	3,748,337	-----	3,748,337	514,721
1948	3,904,034	\$ 31,539	3,872,495	478,808
1949	4,749,049	577,011	4,172,038	539,620
1950	6,657,114	2,024,153	4,632,963	926,475
1951	9,560,086	4,816,490	4,743,596	1,464,776
1952	11,475,618	6,865,194	4,610,424	1,594,956
1953	14,901,079	10,214,813	4,686,266	2,186,415
1954	17,736,531	13,391,027	4,345,504	3,680,779

Both FM listening and set sales are up, according to Elliott M. Sanger, exec. v.p. of *New York Times'* pioneer WQXR-FM, New York. Citing Pulse survey, he said FM homes in New York have risen from 130,000 in 1948 to more than 2,000,000 today. Though WQXR is "primarily an AM station," and is increasing power from 10-kw to 50-kw, Sanger said, "we recognize that FM supplies something which AM cannot. That is why more than 400,000 families listen to WQXR on FM in addition to the large AM audience."

A. C. Nielsen & Co., 2101 Howard St., Chicago, is making available without charge 144-p. book titled *Television Audience Research for Great Britain*, which exec. v.p. C. G. Shaw states is "packed with facts, figures, charts and photographs of real interest and educational value to anyone concerned with broadcasting or broadcast advertising—in any country."

Urging industry self-policing in speech before Tennessee Assn. of Broadcasters in Nashville March 28, FCC Comr. Robert E. Lee stressed 3 points: (1) Better programming, rather than more commercials, is answer to greater income. "You have no solution," he said, "when you cram more and more commercials down the throats of fewer and fewer listeners." (2) Bait and switch commercials are "primarily the jurisdiction of the FTC, and they are doing yeoman work in this regard. The FCC, however, cannot ignore this type of advertising, and, as one member of the Commission, I must condemn it." (3) In trying to discourage bad-taste programming, he said, "I do not know where public interest leaves off and censorship begins, but if I ever have to make the decision I would probably take a calculated risk and refuse to censor, since I am well aware of the dangers to the American way of life that such a step could lead. It is for this reason that I devoutly hope and pray that this industry will police itself and thus not encourage those who would take the power of self-policing away from you."

FCC invited comments on AT&T's proposal to provide "utility-grade" off-the-air networking service at rates sometimes running as low as or lower than half the price of its current "gold-plated" interconnection service. FCC's notice (55-389) is one result of earlier proposal to ease restrictions on station-owned microwave links (Vol. 10:51). It was in response to the earlier proposal that AT&T filed its plan for the new off-the-air service. In AT&T memo attached to FCC notice, it is stressed that proposed new service would not be "intended to provide channels of the quality or reliability of directly connected facilities." They could be used for receiving only, would not be monitored or supervised, would be available for both color and monochrome. As to rates, AT&T says interconnection of 2 TV stations 100-125 mi. apart would probably average about 50% as much as the charges for current AT&T service. "In individual cases the differences may vary substantially from this average—in general they tend to be larger for shorter distances." Comments on proposal are due April 29.

NCAA's national football package has been awarded to NBC-TV, which reportedly will pay minimum of \$1,500,000 for 7 Saturday games and one on Thanksgiving Day. Only CBS & NBC submitted bids, ABC having been singled on the NCAA package last year, with loss reputedly approaching \$2,000,000. At week's end, NBC hadn't reached terms with a sponsor, though 3 advertisers were said to be interested. Network hopes to sell whole series to single sponsor. NBC's TV rights apply only to the 8-game national package. Colleges will negotiate on their own with networks, stations and/or sponsors for rights to the 5-game regional schedule permitted this year by NCAA (Vol. 11:12-13).

Defense Dept. petitioned to intervene in April 11 hearings on applications of KSWO-TV, Roswell, N. M. and KGEO-TV, Enid, Okla. for towers over 1000-ft. Both applications were opposed by military representatives on Washington Airspace Subcommittee, favored by civilian representatives (Vol. 11:11-12). Pentagon said it wants to call witnesses to show the towers are aviation menace and can't be adequately marked and lighted. Also opposing Enid application is uhf KTVQ, Oklahoma City.

Sale of WTAP, Parkersburg, W. Va. (Ch. 15) to *Zanesville Times-Recorder* and *Signal* for \$124,609 (Vol. 11:10) by Frank Baer-Howard Chernoff group was approved this week by FCC. Zanesville Publishing Co. owns 63% of WHIZ-TV, Zanesville, O. (Ch. 18) & WHIZ.

NARTB lists 1916 members as of March 31—comprising 265 TV stations, 4 TV networks, 1201 AM stations, 326 FM, 3 radio networks, 117 associate members.



Full Text of Brief

**RCA Reply to Dept. of Justice Civil Action on Patent Pool**

Filed in United States Court for Southern District of New York, March 29, 1955

(Full Text of Complaint, Dated Nov. 19, 1954, Published as Special Report with *Television Digest*, Vol. 10:47)

**United States District Court**

SOUTHERN DISTRICT OF NEW YORK.

UNITED STATES OF AMERICA, <i>Plaintiff,</i> <i>against</i> RADIO CORPORATION OF AMERICA, <i>Defendant.</i>	}	Civil No. 97-38
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**ANSWER OF RADIO CORPORATION OF AMERICA**

Radio Corporation of America, hereinafter referred to as RCA, answers the complaint herein as follows. Numbered paragraphs of this answer refer to correspondingly numbered paragraphs of the complaint and all allegations not hereinafter admitted are denied.

**I**

**Jurisdiction and Venue**

1. RCA admits the complaint is filed and these proceedings instituted under Section 4 of the Sherman Act.

RCA denies it has violated Sections 1 or 2 or any other section of the Sherman Act, and further denies any allegation contained in any paragraph of the complaint which charges RCA with violation of the Sherman Act.

RCA was formed in 1919 at the urgent request of the United States Government in order to free American communications from foreign domination and to create a new American radio company. In order that this might be accomplished, various patent cross-licenses were necessary. Because of intolerable patent deadlocks, no one could legally manufacture or use the necessary electronic equipment without the patents of Marconi Wireless Telegraph Company of America, General Electric Company, the American Telephone and Telegraph Company, and later Westinghouse Electric & Manufacturing Company.

The purpose and effect of these cross-licenses were to free the industry. Without them the industry would have been paralyzed by conflicting patent holdings and endless patent litigation. With these cross-licenses the industry was freed and enabled to develop rapidly.

The situation created by these cross-licenses was the subject of a proceeding instituted by the Federal Trade Commission in 1924. This proceeding was thoroughly tried, briefed and argued, and was dismissed by the Commission in 1928.

The situation was also the subject of a Government proceeding in 1930 which resulted in the consent decree of November 21, 1932, and the industry has continued to develop with intense and active competition between an ever-increasing number of manufacturers and research organizations.

In 1942 this consent decree and the agreements it approved were brought before the courts and were reaffirmed. As recently as 1954, on a motion to construe the decree, the court reasserted the fact that the cross-license agreements were approved by the consent decree.

That the cross-license agreements approved by the consent decree have had the effect intended and expected by the Government is fully borne out by the dynamic growth of the industry.

These agreements expired by their terms on December 31, 1954 so far as new inventions are concerned. Yet the complaint, filed only six weeks before this expiration, is an attack on these very agreements which were recommended and stated to be in the public interest by the Government in 1932.

RCA rests on the record that these agreements and RCA's conduct have resulted in the most intensely competitive industry in the United States today.

RCA asserts and is proud of the fact that it has been in the forefront of all major industry advances, from the beginning of sound radio and broadcasting, through black and white television, and now color television.

RCA's leadership, the leadership of a ten percent factor in the industry, has been leadership by example, not by control in any way, shape or form.

If RCA's leadership has been followed, it is because RCA's courage, vision and foresight have been right and RCA has acted in the best interests of the industry and the public, and not through any dominance, restraint or control.

Allegations that RCA has in any way restrained the electronics industry, including the radio-television industry, ignore the facts. On the contrary, RCA has pioneered and been responsible for the creation and expansion of much of this industry.

RCA points to the fact that this industry is the fastest-



growing and most dynamic industry in the world, and asserts that its policies have been one of the most substantial factors in the growth and active competition which exists in this industry today.

Sales in the electronics industry, including the radio-television industry, following the termination of wartime restrictions demonstrate its vitality, rapid growth and freedom from the monopoly and restraint alleged.

Year	Total Electronics Industry Sales	RCA	RCA Percent
1946	\$1,653,000,000	\$221,097,000	13.4
1947	2,486,900,000	300,156,000	12.1
1948	2,761,500,000	343,454,000	12.4
1949	2,903,000,000	383,103,000	13.2
1950	4,445,000,000	570,554,000	12.8
1951	5,128,000,000	580,700,000	11.3
1952	6,567,000,000	675,696,000	10.3
1953	7,940,000,000	834,155,000	10.5
1954	9,230,000,000	921,463,000	10.0

Sales of radio and television receivers during the period from 1932 to 1953 show the signal growth of the radio-television industry. Sales of radio and television receivers increased from \$54,400,000 in 1932 to \$1,470,000,000 in 1953, a percentage increase of over two and one half thousand percent.\*

Year	Radio Receiver Sales	Television Receiver Sales	Total Sales	RCA Percent of Sales
1932	\$ 54,400,000		\$ 54,400,000	15.8
1933	70,300,000		70,300,000	13.7
1934	94,900,000		94,900,000	15.6
1935	128,400,000		128,400,000	12.2
1936	169,400,000		169,400,000	12.3
1937	165,400,000		165,400,000	13.7
1938	112,300,000		112,300,000	16.3
1939	153,400,000		153,400,000	15.2
1940	177,100,000		177,100,000	15.6
1941	233,600,000		233,600,000	11.7
1942	102,700,000		102,700,000	6.7
1946	410,900,000	\$ 1,300,000	412,200,000(a)	6.5
1947	703,600,000	51,400,000	755,000,000	9.7
1948	531,400,000	226,000,000	757,400,000	12.9
1949	292,800,000	574,200,000	867,000,000	14.5
1950	359,700,000	1,397,500,000	1,757,200,000	13.2
1951	311,700,000	944,000,000	1,255,700,000	13.1
1952	249,800,000	1,063,600,000	1,313,400,000	11.6
1953	299,800,000	1,170,200,000	1,470,000,000	12.6

(a) Civilian production terminated on April 22, 1942 by order of WPB (7 F. R. 1794), which order was revoked on August 20, 1945 (10 F. R. 10180).

\* Official 1954 industry figures are not yet available.

From the mere handful of companies and the relatively small amount of capital which made up the electronics industry in the early days, the industry has continuously expanded. Today there are literally thousands of companies in which billions of dollars have been invested engaged in this industry.

No industry in which there existed the restraints alleged in the Government complaint could have advanced at such a dynamic pace. On the contrary, the rapid growth of the electronics industry, including the radio-television industry, and the continual emergence of new and improved electronic products, affirmatively demonstrate that there have been no restraints as alleged.

2. 3. RCA admits that it transacts business and that

its principal offices are within the Southern District of New York.

## II

### Description of RCA

4. RCA admits that it is the defendant herein, that it is a corporation organized and existing under the laws of the State of Delaware and that it maintains its principal offices at 30 Rockefeller Plaza, New York, New York.

5. RCA admits that it is an operating, holding and service corporation composed of a number of corporate subsidiaries and divisions which serve the public in many branches of electronics, including research and development, manufacturing, broadcasting, international message communication, service and sales.

6. RCA admits that its business includes granting patent licenses to competitors and others on reasonable and non-discriminatory terms and without restriction. RCA also admits that it is engaged in the manufacture and sale of equipment for the transmission and reception of radio and television signals through its manufacturing and service divisions, and the broadcasting of radio and television signals and network broadcasting through its subsidiary, National Broadcasting Company, Inc., hereinafter referred to as NBC.

7. RCA admits that the RCA Laboratories conducts research and development in many phases of commercial and military electronics, that the RCA Laboratories and Commercial Department discharge various patent functions as alleged, and that the RCA Laboratories maintains facilities at Princeton, New Jersey; New York, New York; Newark, New Jersey; Camden, New Jersey; Chicago, Illinois; Hollywood, California; and Washington, D. C.

8. RCA admits that it grants patent licenses to competitors and others on reasonable and non-discriminatory terms and without restriction, to the extent that it has the right to grant such licenses, under any one or more of approximately 10,000 United States patents. These licenses contain no restrictions as to price, quantity, territory, or anything else, require no minimum royalty, and are offered under any one or more patents and for any apparatus as may be desired by any prospective licensee.

RCA denies any allegation contained in any paragraph of the complaint which charges RCA with "package licensing", or compelling any prospective licensee to accept a license under more patents than he wants.

RCA admits that during the year 1951 RCA's royalty income from patent licenses was as alleged, but avers that during 1951 RCA spent on research and development a sum in excess of the amount received by it in royalty payments and that under its patent licenses it made the fruits of such research and development available to the electronics industry. In addition, RCA makes substantial payments to others for the right to use patents developed through their research and development in competition with RCA.

Many substantial competitors with large resources for research and development exist in the radio and television



industry. These include the Admiral Corporation, Columbia Broadcasting System, Inc., Allen B. Du Mont Laboratories, Inc., Emerson Radio & Phonograph Corporation, General Electric Company, International Telephone and Telegraph Corporation, Motorola, Inc., Philco Corporation, Raytheon Manufacturing Company, Sylvania Electric Products, Inc., Westinghouse Electric Corporation, Zenith Radio Corporation, and others. The published sales figures of the companies named alone, for the most recent annual period, amount to many billions of dollars. Each of these companies maintains extensive facilities for its own research and development. Each of these companies has every incentive to follow and has followed a program of intense and active research and development to produce better products in this highly competitive market, as well as to license others.

9. RCA admits that it manufactures many types of radio-television products, parts and accessories, but not all types. RCA avers that it purchases many types of products, parts and accessories each year from thousands of independent suppliers.

10. RCA admits that more people buy RCA television receivers than any other make of television receiver and that more station owners buy RCA television transmission equipment than any other make. RCA further avers that in all of the categories of radio and television equipment referred to there is intense and effective competition.

11. RCA admits that its wholly-owned subsidiary NBC broadcasts radio and television programs and furnishes other service to the public as alleged. RCA avers that NBC was formed in 1926 as America's first national broadcasting network and that other organizations since have followed RCA's example in forming national broadcasting networks with the result that a new field of commerce was created and a new business came into existence. RCA further avers that there is intense and effective competition in radio and television broadcasting and networking.

### III

#### Description of Others

12. RCA admits the allegations as to the organization, existence and principal offices of General Electric Company, hereinafter referred to as GE, but denies knowledge or information sufficient to form a belief as to the truth of the allegation that GE is the largest manufacturer of electrical equipment in the United States.

13. RCA admits the allegations as to the organization, existence, and principal and executive offices of Westinghouse Electric Corporation, hereinafter referred to as Westinghouse, but denies knowledge or information sufficient to form a belief as to the truth of the allegation that Westinghouse is the second largest manufacturer of electrical equipment in the United States.

14. RCA admits the allegations as to the organization, existence and principal offices of the American Telephone and Telegraph Company, hereinafter referred to as AT&T, and of its business and of the business of the Bell System.

15. RCA admits the allegations as to the organization, existence and principal offices of Western Electric Company, Incorporated, hereinafter referred to as Western Electric, but denies knowledge or information sufficient to form a belief as to the truth of the allegations with respect to the percent of Western Electric stock owned by AT&T and the allegation that Western Electric is the largest manufacturer of telephone apparatus in the United States.

16. RCA admits the allegations as to the organization, existence, principal offices and research of the Bell Telephone Laboratories, Inc., hereinafter referred to as Bell Labs, but denies knowledge or information sufficient to form a belief as to the truth of the allegations with respect to the ownership of Bell Labs.

### IV

#### Nature of Trade and Commerce

17. RCA admits the allegations as to the nature of the trade and commerce involved herein, and avers that it is engaged in research relating to the invention, development and improvement of radio and television products and devices, but not in the acquisition of patents. RCA also avers that licenses under such patents as issue to it on inventions resulting from RCA's research and development are offered by it to its competitors and others on reasonable and non-discriminatory terms and without restriction, and that RCA's licensing policy has been a major factor in the spectacular growth of the electronics industry, including the radio-television industry, and the pre-eminence of the United States in that industry.

18. RCA admits the allegations and avers that research activities play an important part in the development of radio and television products as alleged.

RCA has been a pioneer in the research and development incident to radio receivers, black and white television receivers, color television receivers and various other radio and television products and devices, including products which have vital significance for the national defense. No organization has contributed as much to the research and development of these products and devices as RCA, and RCA's patent licensing policies have enabled its competitors and others to enjoy the fruits of RCA's research and development on reasonable and non-discriminatory terms and without restriction.

19. RCA admits that it expends millions of dollars annually on research and development which it conducts in its laboratories in Princeton, Newark and Camden, New Jersey; New York, New York; Chicago, Illinois; Hollywood, California; and other places, and that such research and development employs materials, parts and other supplies purchased by RCA from thousands of sources located throughout the United States and abroad.

According to a report of the Bureau of Labor Statistics of the United States Department of Labor in January 1952, 639 companies were qualified to do work in electronics research, 277 of such companies gave electronics research as their major research specialty, and these 277 companies reported that their cost of research and development in



1951 was \$531,600,000. In 1951 RCA expended about \$39,000,000 for research and development in electronics.

The tremendous expansion of research and development in all phases of the electronics industry is forcefully demonstrated by the fact that many companies, not formerly in electronics, with large and powerful research and development facilities are now devoting their efforts to intensive research in electronics. These companies include aircraft manufacturers, such as the Boeing Airplane Company, Douglas Aircraft Company, Inc., Hughes Aircraft and United Aircraft Corporation; automobile manufacturers, such as the General Motors Corporation and Willys Motors, Inc.; business machine manufacturers, such as the Burroughs Corporation, International Business Machines Corporation, The National Cash Register Company and Remington Rand, Inc.; manufacturers of industrial control equipment, such as the Maxson Corporation, Minneapolis-Honeywell Regulator Company and the Otis Elevator Company; manufacturers of automation equipment, such as General Mills Inc. and the United Shoe Machinery Corporation; companies engaged in the development of atomic energy applications, such as General Dynamics Corporation; and companies engaged in the motion picture industry, such as the Bell & Howell Co. and Paramount Pictures Corporation. The assets of these companies alone total many billions of dollars and their research facilities far exceed those of RCA. A substantial part of the electronics research and development work of these companies has direct application to the radio-television industry.

20. RCA admits that substantially all radio-television manufacturers located in many of the states and territories of the United States and the District of Columbia are licensed by RCA.

RCA's policy of licensing patents to its competitors and others on reasonable and non-discriminatory terms and without restriction has contributed substantially to the ever increasing number of radio and television receivers in the hands of the American public, and to a continual lowering of the price of such receivers. The freedom to manufacture and sell and the absence of restraint in the radio-television industry is illustrated by the following figures of radio and television set ownership in America:

Year (as of January 1)	Radio Receivers	TV Receivers
1932 .....	20,450,000	
1933 .....	21,950,000	
1934 .....	23,950,000	
1935 .....	26,006,000	
1936 .....	30,519,000	
1937 .....	33,800,000	
1938 .....	37,617,000	
1939 .....	40,800,000	
1940 .....	45,000,000	
1941 .....	50,600,000	
1942 .....	57,800,000	
1943 .....	59,850,000	
1944 .....	60,000,000	
1945 .....	59,000,000	
1946 .....	57,750,000	10,000
1947 .....	66,000,000	16,500
1948 .....	75,000,000	189,900

1949 .....	80,000,000	1,000,000
1950 .....	85,200,000	3,950,000
1951 .....	96,000,000	10,550,000
1952 .....	105,300,000	15,777,000
1953 .....	110,000,000	21,234,000
1954 .....	125,500,000	27,812,000
1955 .....	128,900,000	33,816,000

21. RCA admits that it has various forms of patent license agreements, including those referred to in the complaint, under which it makes patents available to its competitors and others on reasonable and non-discriminatory terms and without restriction. In addition to its various standard forms of license agreements, it is RCA's policy to license and RCA does license anyone under any patent or group of patents for any apparatus to the extent to which RCA has the right to grant such licenses and under such patent or patents and for such apparatus as the prospective licensee may desire.

22. RCA admits that it grants licenses under as many or as few of the United States patents alleged as the prospective licensee may desire, and avers that although RCA has obtained its important patents principally through its own research, in some instances RCA has obtained rights to patents of others to avoid patent deadlock for itself or for its licensees, all of which said patents it licenses to its competitors and others on reasonable and non-discriminatory terms and without restriction, to the extent to which it has such rights, and without additional charge. RCA admits that its royalty income is as alleged, but avers that it has spent on research and development in the years alleged a sum in excess of the amounts received by it as royalty income and that the results of such research and development are made available to its competitors and others on reasonable and non-discriminatory terms and without restriction or additional charge.

23. RCA admits that its patent licensing is nation-wide and international in character due to RCA's policy to license anyone under any patent or patents for any apparatus, and admits the other allegations.

24. RCA admits that its licensees vary in size and in the products they manufacture, and avers that it does not discriminate against any licensee because of its size or the product it manufactures. RCA also admits that it is a licensed manufacturer which manufactures many types of electronic products, including radio-television products, in all of which types intense and effective competition exists.

25. RCA admits that the largest number of its licensees are engaged in the manufacture of radio and television receivers and that the public has invested over \$10,000,000,000 for more than 33,000,000 black and white and color television receivers.

Each of these receivers utilizes one or more inventions developed by RCA, which inventions were made available by RCA to the manufacturers of these receivers on reasonable and non-discriminatory terms and without restriction.

26. RCA admits that in 1953 there had been such dynamic growth in the highly competitive radio and tele-



vision industry that the output for all products of all manufacturers at factory values substantially exceeded the figure alleged. This dynamic growth of an industry which did not exist when RCA was formed illustrates the absence of the alleged restraints in such industry.

27. RCA admits that radio and television products, including its own, are manufactured throughout the United States and sold and shipped in interstate and foreign commerce as alleged.

28. RCA admits the importance of research and development in radio and television and the other allegations.

## V

### Background

#### A. The Industry from 1919 to 1930.

29. RCA admits it was incorporated by GE in Delaware on October 17, 1919, that GE then held a majority of RCA's common stock, that RCA then acquired the assets of Marconi Wireless Telegraph Company of America (American Marconi), including valuable patents and patent rights, and admits that thereafter it received licenses from GE, to which it begs leave to refer for a full and accurate statement of their terms.

The creation of RCA by GE and the acquisition by it of the assets of American Marconi resulted from appeals to do so made to GE by responsible officials of the Federal Government in Washington.

Prior to World War I reliable apparatus for radio communications did not exist. International communications were dependent on mail and on cables controlled by British interests. The development of the American radio industry was blocked by patent deadlocks and paralyzed by patent conflicts and litigation.

During World War I the United States Government commandeered all radio communications facilities and radio patents. To stimulate manufacture of radio equipment, the Government temporarily guaranteed to hold manufacturers harmless against patent infringement suits on Government apparatus. As a result new apparatus, vastly superior to that previously available, was developed.

During World War I the Government became keenly aware of the great importance of radio communications. At the conclusion of the war it was realized by Government officials that this was a critical time in the development of radio communications and our Government was determined that the United States should have its own system of world-wide radio communications.

GE had developed the Alexanderson alternator, then the best transoceanic radio transmitter in the world. GE was about to enter into contracts to supply the British-owned Marconi companies throughout the world with this equipment when the Navy Department, acting through Franklin D. Roosevelt, Assistant Secretary of the Navy, and others intervened.

The Navy Department asked GE not to sell the alternators to foreign interests but to set up a new American company strong enough to develop radio and to conduct a

world-wide system of radio communications. As a result of this appeal, RCA was formed by GE and acquired the assets of American Marconi, including its patent rights.

30. RCA admits that during the years 1920 and 1921 GE entered into certain patent cross-licensing agreements with AT&T, Western Electric and Westinghouse, to which it begs leave to refer for a full and accurate statement of their terms.

*The AT&T Cross-License Agreements.* In 1920 RCA, with only its licenses from GE, was unable to manufacture or use the improved equipment used by the Government during the war. Some of the patents which blocked RCA were owned or controlled by AT&T. Almost immediately after the organization of RCA, the Navy Department wrote to GE and AT&T bringing this patent situation to the attention of the two companies and appealing to them as "a public necessity" to make arrangements without further delay between the patent holders so that improved radio apparatus could be manufactured without being blocked by patent conflict.

As a result of this appeal negotiations were entered into and cross-licenses between GE, AT&T and RCA were prepared. Before these cross-licenses were executed they were submitted to the Attorney General by representatives of the three companies. The Attorney General indicated no disapproval and thereafter the cross-licenses were signed as of July 1, 1920.

*The Westinghouse Cross-License Agreements.* The cross-licenses between GE, AT&T and RCA did not end the patent deadlock because there were certain other patents owned by Westinghouse which were vital to any effective system of radio communications. The Westinghouse patents were of such importance that GE and RCA could not go forward with their development of the new and more efficient apparatus until the patent conflicts were resolved. Similarly, Westinghouse was unable to manufacture efficient radio apparatus under its patents without licenses under the patents of GE, RCA and AT&T. As a result, negotiations were commenced for cross-licenses between GE, RCA, AT&T and Westinghouse to end this patent deadlock. License agreements were drafted and were submitted to the Attorney General by representatives of the companies. The Attorney General indicated no disapproval and thereafter the cross-licenses were signed as of July 30, 1921.

On January 12, 1920 the Navy Department sent a letter to President Woodrow Wilson recommending that Admiral Bullard, Director of Naval Communications, be appointed to sit with the Board of Directors of RCA and to present to and discuss with them the Government's views and interests concerning matters pertaining to radio and communications coming before RCA directors and stockholders.

On January 14, 1920 President Wilson approved the Navy Department recommendation and thereafter Admiral Bullard attended meetings of the RCA Board of Directors, and participated in the discussions which led to the Board approval and execution of the cross-licenses entered into with AT&T and Westinghouse.

31. RCA admits that for a number of years after the



above-mentioned cross-licenses were entered into RCA did not manufacture radio apparatus but sold such apparatus manufactured for it by GE and Westinghouse, and operated a marine and transoceanic radio communications system. RCA also admits that in 1926 it organized the National Broadcasting Company, Inc., America's first broadcasting network.

32. RCA admits that during the year 1927 it began licensing others to manufacture and sell radio apparatus, and avers that in 1929 RCA itself began such manufacture.

33. RCA admits that during the period from 1919 to 1930 it entered into the aforesaid and certain other supplementary agreements with GE, Westinghouse, AT&T and Western Electric, and begs leave to refer to said agreements for a full and accurate statement of their terms.

34. RCA admits that during the period from 1919 to 1930 it entered into agreements to use United States patents of various foreign manufacturers of radio equipment. These agreements were made in furtherance of the program originally urged on RCA by the Government for establishing an American world-wide radio communications system. RCA begs leave to refer to said agreements for a full and accurate statement of their terms.

#### B. Antitrust Proceedings of 1930.

35. RCA admits that on May 13, 1930 the United States instituted a civil action against it, GE, Westinghouse, AT&T, Western Electric and others in the District Court of Delaware, which action was terminated by the entry of consent decrees, and RCA begs leave to refer to the proceedings and to the decrees in that action for a full and accurate statement of their terms and provisions.

As a result of discussions with representatives of the Attorney General, new cross-licenses were negotiated and entered into between AT&T, Western Electric, GE, Westinghouse and RCA. It was stipulated by representatives of the Attorney General that the arrangements so entered into would "provide suitable relief concerning all matters charged in the Petition and not reserved for later determination, \* \* \* The petitioner, by its Department of Justice, has examined all of the Agreements attached hereto, and also the above-mentioned Substitute License Agreement (B2) and agreements Relating Thereto, and finds no objection to them."

This stipulation was submitted to the District Court in Delaware, together with the modified cross-license agreements between AT&T, Western Electric, GE, Westinghouse and RCA, and a consent decree was entered thereon on November 21, 1932.

In the course of the proceedings in which the decree was entered, Judge Warren J. Olney, appearing for the Government at the request of John Lord O'Brian, stated with respect to Substitute License Agreement (B2), which reflects the same principles involved in the other agreements approved by the decree, that:

"Under the new contract between these parties only nonexclusive licenses are exchanged so that with one very minor exception, which the Government deems of no substantial importance, so that

there is no restraint imposed upon any party to the contract. Each is free to use its own patents as it wishes and to grant licenses thereunder and the only effect of the contract is that each side extends to the other the right to use its patents and to that extent breaks down the monopoly which the law attaches to the ownership of a patent. The new contract, in other words, is one that is manifestly in the public interest and not opposed to it."

These are the very agreements attacked in the present suit by representatives of the Attorney General.

This decree was intended to, and did, put at rest all issues in that litigation, and by such decree those issues became *res judicata*.

The stipulation and decree reserved issues relating to license and traffic agreements between RCA and foreign companies. The reserved issue as to foreign licenses was disposed of by a supplemental decree dated May 25, 1934. Prior to this supplemental decree the licenses from foreign companies were modified by RCA, the supplemental decree held that this modification met the objections of the Government, and the case was dismissed with respect to such licenses, leaving the licenses as modified in effect. The reserved issue as to foreign traffic agreements was settled by a second supplemental amendment to the consent decree dated July 2, 1935, which modified such agreements but left the agreements as modified in effect.

At the entry of the second supplemental decree counsel for the Government represented to the court that "This manner of disposing of the final issues in the case, is satisfactory to the Government, \* \* \* this Decree then finally consummates the case, as between the Government and the Radio Corporation of America and R. C. A. Communications, Inc."

36. RCA admits that Substitute License Agreement (B2) between GE and AT&T, to which RCA was made a party by an extension agreement, was entered into as of July 1, 1932, and begs leave to refer to such agreement for a full and accurate statement of its terms and provisions. This agreement was drawn and entered into as part of the negotiations with the Government prior to the consent decree in such manner as to meet the requirements laid down by the Government, as averred in paragraph 35 of this answer. Agreement B2 granted RCA certain non-exclusive licenses and non-exclusive rights to license others under patents of AT&T and Western Electric.

37. RCA admits that Agreement A-1 was entered into November 21, 1932, the date of the entry of the first consent decree, and begs leave to refer to such agreement for a full and accurate statement of its terms and conditions. Agreement A-1 was drawn, for the purpose of modifying the provisions in the license agreements between GE, Westinghouse and RCA as part of the negotiations with the Government prior to the consent decree, in such manner as to meet the requirements laid down by the Government, as averred in paragraph 35 of this answer. Agreement A-1 gave RCA certain non-exclusive licenses and non-exclusive rights to license others under patents of GE and Westinghouse. Agreement A-1 was attached to



the stipulation filed with the court on which the consent decree was based, and counsel for the Government stated to the court that this cross-license agreement was in full conformity with the law.

38. RCA admits that Agreements A-1 and B2, as modified and supplemented, are presently in effect in respect of inventions prior to December 31, 1954, and begs leave to refer to the agreements and supplements themselves for a full and complete statement of their terms and provisions.

39. RCA admits that on July 31, 1942 an Assistant Attorney General moved in the District Court of Delaware to vacate the aforesaid consent decrees, and begs leave to refer to the Government's motion for a complete and accurate statement of its grounds. The Government's motion was denied by Circuit Judge Maris, sitting as a Judge in the District Court. Judge Maris stated: "Since these consent decrees are based upon an agreement made by the Attorney General which is binding upon the Government the defendants are entitled to set them up as a bar to any attempt by the Government to relitigate the issues raised in the suit \* \* \*." (46 F. Supp. 654, 656) Judge Maris thus held that the consent decree of 1932 is a three-party contract between the Government, the court, and the defendants.

The Government appealed to the Supreme Court from this decision of Judge Maris, but before the case was heard the appeal was dismissed upon motion of the Solicitor General, now Circuit Judge Charles Fahey, and the decision of Judge Maris stands *res judicata*.

On January 11, 1954 in his decision, reported at 117 F. Supp. 449, on a motion to construe the consent decree of 1932, Judge Maris again referred to Agreement A-1 as having been "approved" by the consent decree of 1932.

## V I

### Charges

40. RCA denies each and every allegation that it has attempted to monopolize or has monopolized or unreasonably restrained the interstate trade referred to, and denies each and every other allegation in paragraph 40 of the complaint.

RCA avers that the Government cannot attack a consent decree to which it is a party by charging RCA with violating the law—beginning the very day after the decree was entered—because it has conformed to the provisions of the decree. The consent decree of 1932, and the cross-license agreements approved thereby, represent the considered and correct judgment of the Government and the court, as well of the defendants, that this was the best way to achieve the objectives of the Government's petition, namely, the continued growth of a competitive radio-television industry free from restraint. The correctness of this judgment and the intensely competitive industry which has resulted from the policies and practices of RCA under and pursuant to this decree is shown by the soaring sales of radio and television receivers since 1932, as set forth in paragraph 1 of this answer.

RCA's policy of licensing its competitors and others on reasonable and non-discriminatory terms and without restriction has been a major factor in the rapid growth of the electronics industry, including the radio-television industry.

41. RCA denies each and every allegation contained in paragraph 41 of the complaint.

42. RCA admits that, in accordance with Paragraph V of the consent decree of November 21, 1932, it acquired non-exclusive rights under various patents pursuant to the seventeen specified agreements, and avers that in each instance the licensor reserved and retained complete freedom to compete with RCA in the granting of licenses under such patents. RCA further avers that in respect of nine of the seventeen non-exclusive licenses obtained, RCA did not acquire any rights to grant licenses to others. RCA denies that the effectiveness of the right of any of these companies to license others has ever in any way been destroyed by RCA during the period from November 21, 1932 to the present, or that RCA during that period had a monopoly either of patents or of patent licensing. RCA denies each and every other allegation in paragraph 42 of the complaint.

43. RCA admits that, during the period alleged, in accordance with Paragraph V of the consent decree of November 21, 1932, it acquired the right to use and to grant licenses to others under the United States patents and patent applications of nineteen of the twenty-nine companies named, and avers that in each such instance such licenses were made non-exclusive and the company concerned reserved the right to grant licenses to others in competition with RCA. RCA further avers that of the nineteen companies named as having granted RCA non-exclusive licenses under United States patents with the right to license others, four of these companies are small RCA foreign subsidiaries, seven of these companies no longer grant RCA such rights to license others, and one of these companies is an optical company granting RCA the right to license others under a single patent and a single application relating to an optical device. RCA further avers that of the seven companies remaining, two are, in fact, subsidiaries of a single company, and two are, respectively, a company and a subsidiary. The companies granting such non-exclusive licenses to RCA are, therefore, more properly considered as five companies rather than twenty-nine as alleged, and these five companies do not include, as alleged, "most of the principal manufacturers of radio and television industry equipment located throughout the world". RCA denies each and every other allegation in paragraph 43 of the complaint.

44. RCA admits that, in accordance with the consent decree of November 21, 1932, it has entered into various non-exclusive agreements with domestic and foreign patent holders to receive rights, including the right to grant licenses to others, and avers that it has made these rights available to its competitors and others on reasonable and non-discriminatory terms and without restriction. The effect of these agreements has been to resolve patent blocks and to increase competition in, and to increase the



manufacture and sale of, electronic apparatus, including radio and television apparatus. RCA begs leave to refer to the agreements themselves for a full and accurate statement of their terms.

45. RCA admits that it acquired certain United States patent rights relative to black and white television from Henroteau, Loewe and Farnsworth, and begs leave to refer to the agreements under which such rights were granted for a full and accurate statement of their terms. RCA denies each and every other allegation in paragraph 45 of the complaint, and avers that it made such rights available to its competitors and others on reasonable and non-discriminatory terms and without restriction. RCA also avers that its own research was the most substantial factor in bringing black and white television to a stage of development at which it was ready to become a service to the American public. RCA spent more than 50 million dollars on the development, research and promotion of black and white television before it realized any profit from such expenditures. RCA pioneered the introduction of black and white television to the American public and furnished its competitors with complete information regarding the manufacture and servicing of black and white television receivers in order to encourage its competitors to enter the television market.

46. RCA admits that it acquired non-exclusive licenses, including a non-exclusive right to license others, under one patent of Lorenzen, one patent of Toulon and five claims of one patent of Geer, and begs leave to refer to the terms of the agreements under which such rights were granted for a full and accurate statement of their terms. RCA avers that it made such rights available to its competitors and others on reasonable and non-discriminatory terms and without restriction.

RCA also avers that it publicly opposed adoption by the Federal Communications Commission of standards for an incompatible and inferior system of color television which would have rendered "blind" millions of receivers in the hands of the American public.

RCA has spent more than 50 million dollars on the development, research and promotion of a compatible system of color television which operates on standards since approved by the Federal Communications Commission and which preserves the value of millions of black and white sets in American homes. Color television activities are still being pioneered by RCA at a substantial loss.

RCA did not manufacture color television receivers using the incompatible standards adopted by the Federal Communications Commission in 1950 because it believed such receivers worthless and that it would be unfair to offer and sell such receivers to the American public. A number of other manufacturers made and tried to sell incompatible color television receivers, all of which receivers are now worthless.

On December 17, 1953 the Federal Communications Commission, on the recommendation of RCA and scientists and engineers representing virtually the entire radio-television industry, adopted compatible color television standards used by the RCA color television system.

RCA has and is continuing to pioneer the introduction of color television to the American public and has furnished its competitors and others with complete information regarding the manufacture and servicing of compatible color television receivers in order to encourage its competitors to enter the color television market.

RCA denies each and every other allegation in paragraph 46 of the complaint.

47. RCA denies each and every allegation in paragraph 47 of the complaint.

48. RCA denies each and every allegation in paragraph 48 of the complaint.

49. RCA admits that, during the period from November 21, 1932 to the present, it has offered to its competitors and others patent licenses under RCA's patent rights on reasonable and non-discriminatory terms and without restriction, to the extent to which it has the right to grant such licenses. RCA avers that many of its competitors and others have desired licenses under various RCA patent rights to manufacture, use and sell various types of electronic apparatus, including radio-television apparatus, and have obtained licenses from RCA under such rights and for such apparatus as they desired. RCA denies each and every other allegation in paragraph 49 of the complaint.

50. RCA admits that it has granted many licenses on standard forms, including the forms alleged, and avers that all such licenses have been granted on reasonable and non-discriminatory terms and without restriction. RCA further avers that, to the extent to which it has such right, it has granted licenses under any patent or group of patents its prospective licensees have desired, and for any apparatus or types of apparatus for which its prospective licensees have desired a license. RCA begs leave to refer to such license agreements for a full and accurate statement of their terms, and denies each and every other allegation in paragraph 50 of the complaint.

51. RCA admits that it grants licenses to its competitors and others and avers that it is RCA's policy to license and that RCA will license anyone under any patent or group of patents for any apparatus the prospective licensee may desire, and RCA will specify for the prospective licensee the patents which may be used in any apparatus.

RCA denies that it compels any prospective licensee to accept a license under more patents than he wants, and denies any allegation contained in any paragraph of the complaint which charges RCA with "package licensing". RCA's licenses contain no restrictions as to price, quantity, territory, or anything else, and are offered under any one or more patents and for any apparatus as may be desired by any prospective licensee.

RCA denies each and every other allegation contained in paragraph 51 of the complaint.

52. RCA admits that it has granted licenses to its competitors and others for such apparatus and for such purposes as its prospective licensees have desired, and begs leave to refer to the license agreements themselves for a full and accurate statement of their terms. The effect of RCA's license agreements has been to increase competition



in and to increase the manufacture and sale of electronic apparatus, including radio and television apparatus, and RCA's license agreements are granted to its competitors and others on reasonable and non-discriminatory terms and without restriction, to the extent to which RCA has the right to grant such licenses. There is active and intense competition between RCA and its licensees in the electronics industry, including the radio-television industry. RCA's licensing policies encourage and assist small manufacturers to enter and compete in the electronics industry, including the radio-television industry. A very large number of independent companies are now manufacturing and selling television receivers and all of these companies are in open and active competition with RCA and with one another. RCA denies each and every other allegation in paragraph 52 of the complaint.

53. RCA admits that in 1940 it changed its method of computing royalties on licensed receiving sets to provide that the base for computation of royalties henceforth would be the licensee's genuine selling price at which its customers are billed in the usual course of business as packed for shipment to customers. This revised royalty base was adopted at the request of RCA's licensees because previous RCA license agreements, which included higher royalty rates and diminution of the royalty base through allowance of various deductions for cabinets and other items, resulted in accounting and other difficulties and expenses to licensees. It was, among other reasons, for the purpose of simplification and the avoidance of complex accounting problems and expense to licensees that the royalty base presently provided in RCA receiver license agreements was adopted. RCA lowered its royalty rates at that time to make allowance for inclusion in the receiver royalty base of various items as alleged. RCA's present royalty rates are further reduced, now being only  $\frac{1}{2}$  of 1 percent for radio broadcast receivers using tubes,  $\frac{1}{8}$  percent for radio broadcast receivers using transistors,  $\frac{1}{4}$  percent for black and white television receivers,  $\frac{1}{4}$  percent for color television receivers,  $\frac{1}{4}$  percent for electron tubes other than color tubes,  $\frac{1}{4}$  percent for color tubes, 2 percent for color television commercial apparatus except government apparatus,  $\frac{1}{2}$  percent for other commercial apparatus except government apparatus, and 1 percent for all commercial apparatus manufactured for government use.

All RCA license agreements provide for various deductions which make the actual rates even lower. Moreover, RCA royalty rates are based on the manufacturer's selling price. Applied to retail selling prices to the public, these royalty rates are substantially cut in half.

The fact that RCA's royalty rates compare most favorably with those of other licensors in this or any other industry is beyond dispute.

In return for these reasonable royalty rates, licensees have the privilege of obtaining a license under, or using, any one or more patents under which RCA has the right to grant licenses. This licensing policy has resulted in licensees of RCA having complete freedom to manufacture apparatus in competition with RCA under any and all patents available to RCA, to the extent to which RCA has

the right to grant such licenses. No royalties are payable on any apparatus under any license agreement granted by RCA unless the apparatus uses patents licensed by RCA. RCA begs leave to refer to its license agreements for a full and accurate statement of their terms, and denies each and every other allegation contained in paragraph 53 of the complaint.

54. RCA admits that it offers licenses to its competitors and others on reasonable and non-discriminatory terms and without restriction for any patent or patents under which its prospective licensees may desire freedom to manufacture, use, sell or lease any apparatus. RCA's policy of making any or all of its rights available upon request has been a substantial factor in maintaining and increasing intense and effective competition in the electronics industry, including the radio-television industry, and has been a substantial factor in enabling small companies to compete with RCA and others. RCA denies each and every other allegation in paragraph 54 of the complaint.

55. RCA denies each and every allegation in paragraph 55 of the complaint.

56. RCA denies each and every allegation in paragraph 56 of the complaint.

57. RCA admits that years ago its license agreements contained a provision under which RCA had the right to require its licensees to grant RCA non-exclusive licenses on reasonable terms under any new inventions made by them within the scope of the RCA license. This right was never exercised by RCA and in 1949 RCA formally waived such right and removed this provision from its license agreements. RCA begs leave to refer to its license agreements for a full and accurate statement of their terms, and denies each and every other allegation in paragraph 57 of the complaint.

58. RCA denies each and every allegation in paragraph 58 of the complaint.

(a) RCA avers that among its competitors and others who have granted licenses to others are Major Edwin H. Armstrong, Columbia Broadcasting System, Inc., Allen B. Du Mont Laboratories, Inc., Eitel-McCullough, Inc., General Electric Company, Hazeltine Research Inc., International Telephone and Telegraph Corporation, Philco Corporation, The Sperry Corporation, Sylvania Electric Products, Inc., Western Electric Company, Incorporated, Westinghouse Electric Corporation, Zenith Radio Corporation, and others.

(b) RCA avers that in 1951 it expended about \$39,000,000 for research and development in electronics and that, according to a report of the Bureau of Labor Statistics of the United States Department of Labor covering the same period, \$531,600,000 was spent by 277 companies which gave electronics research as their major research specialty. During the period covered by the complaint, there has been active and increasing competition in research and development in the electronics industry, including the radio-television industry. In addition to the amounts which RCA spends on its own research and development activities, RCA



also pays substantial amounts to its competitors in the radio-television industry, and to others in the electronics industry, for licenses under the inventions resulting from their research and development activities.

(c) RCA avers that, to protect its patent rights and avoid discrimination in its dealings with its competitors and others in the electronics industry, including the radio-television industry, it has brought suits for infringement to enjoin others from using without payment patent rights licensed by RCA to others and paid for by them. With but two exceptions hereinafter referred to, all patent infringement actions commenced by RCA were commenced prior to 1940 and were commenced at a time when one or more patents licensed by RCA had been adjudicated as valid by final judgments of United States courts. Since 1940 RCA has brought only two patent infringement actions, one of these a suit which was settled before trial, and the other a pending suit against Zenith Radio Corporation and its subsidiary, The Rauland Corporation, following commencement of a prior action by Zenith Radio Corporation against RCA for a declaratory judgment challenging the validity of RCA patents.

59. RCA avers that (a) inventions of GE, Westinghouse, AT&T, Western Electric and Bell Labs have been licensed by GE, Westinghouse, AT&T and Western Electric in active competition with licenses granted by RCA under patents of such companies; (b) GE, Westinghouse, AT&T, Western Electric and Bell Labs have engaged and are engaging in substantial radio-television research, development and patent licensing in active competition with RCA, and (c) RCA has been and is in active competition in patent licensing, research and development in the electronics industry, including the radio-television industry, with such companies. RCA further avers that its licensing activities under patents of GE, Westinghouse, AT&T, Western Electric and Bell Labs have been and are in conformity with the terms of the consent decrees hereinabove referred to and that the legality of such activities are *res judicata*. RCA denies each and every other allegation in paragraph 59 of the complaint.

60. RCA avers that GE, Westinghouse and AT&T are licensed by RCA under various agreements, and RCA begs leave to refer to said agreements for a full and accurate statement of their terms. RCA further avers that the terms and provisions of the license agreements under which RCA has the right to grant licenses under the patents of GE, Westinghouse and AT&T were approved by the afore-said consent decrees and have been characterized by the Department of Justice as being in the public interest. RCA denies each and every other allegation in paragraph 60 of the complaint.

61. RCA avers that in April 1953 it entered into an agreement relative to certain sublicensing rights under patents of AT&T and Western Electric granted to RCA by Agreement B2, and avers that said agreement of April 1953 reduced certain rights to grant sublicenses granted to RCA by Agreement B2 and did not, as alleged, extend

the life of such sublicensing rights. RCA begs leave to refer to Agreement B2 and the agreement of April 1953 for a full and accurate statement of their terms, and denies each and every other allegation in paragraph 61 of the complaint.

62. RCA admits that the effect of Agreements A-1 and B2 is, in part, as alleged, and begs leave to refer to the agreements for a full and accurate statement of their terms. RCA further admits that on January 11, 1954 Circuit Judge Albert B. Maris, sitting as Judge in the District Court for the District of Delaware, upheld the construction of Agreement A-1 advanced by RCA, and avers that in the same proceeding the court rejected the contention of the Antitrust Division of the Department of Justice that RCA's construction of the A-1 Agreement was not in the public interest. In his opinion upholding RCA's construction of this agreement, Judge Maris stated in part "It is clearly in the public interest for this court to settle this question with respect to the operation and effect of the agreement [A-1] approved by its [consent] decree [of 1932]." RCA further admits that on March 5, 1954 it entered into an agreement with GE, the effect of which is to reduce the term of RCA's right to grant licenses to others under patents of GE on inventions made prior to December 31, 1954. RCA begs leave to refer to the agreement for a full and accurate statement of its terms, and denies each and every other allegation in paragraph 62 of the complaint.

## VII

### Effects

63. RCA denies each and every allegation as to the effects of the acts referred to in the complaint.

RCA avers that its policy of licensing its competitors and others on reasonable and non-discriminatory terms and its policy of granting licenses to prospective licensees under any patent or patents and for any apparatus for which such prospective licensees desire a license, has contributed substantially to the dynamic growth and development of the electronics industry, including the radio-television industry. These policies have encouraged and increased competition in radio-television research and development, patents, patent licensing, patent rights, manufacturing, sale, distribution, and the introduction of new developments in the public interest.

RCA's policies have encouraged the development and expansion of the electronic art in innumerable directions and with tremendous vitality and dynamic energy. No industry in this country has progressed so far in so short a time.

The rapid and continuous emergence of new and improved electronic products for industry, for the home, and for national defense, rendering obsolete existing products, which is characteristic of this industry, completely refutes the existence of any monopolistic control, domination or restraint as alleged in the complaint.

When RCA was formed at the request of the Government in 1919, only the most courageous and far-sighted could have foreseen the tremendous vistas which would be



opened to American industry and the American public through the encouragement and development of the electronic art. The research and development activities which at one time were engaged in by only a very few have for many years been pursued by substantially all members of the electronics industry, including the radio-television industry.

Today aircraft manufacturers, automobile manufacturers, business machine manufacturers and many other areas of American industry, and universities as well, are actively conducting research and development in electronics and are producing electronic equipment.

This chain reaction of research and development in the electronics industry was initiated with the formation of RCA, and is attributable in large part to RCA's policy of making inventions available to others.

The relief prayed for in the complaint is unreasonable, unnecessary, contrary to the public interest, and barred by the doctrine of *res judicata*.

#### First Defense

The complaint fails to state a claim against RCA upon which relief can be granted.

#### Affirmative Defense

Each and every claim for relief purported to be set forth in the complaint is barred by the doctrine of *res judicata* as hereinabove alleged.

WHEREFORE, RCA prays that the complaint herein be dismissed with costs.

CAHILL, GORDON, REINDEL & OHL

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Dated: March 29, 1955.

(4673)







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FOR MANAGEMENT  
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# Television Digest

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## SUMMARY-INDEX OF THE WEEK'S NEWS—April 9, 1955

**HYPOS FOR SAGGING NETWORK RADIO** sought; NBC "Monitor" plan offers 40 hours around-clock weekends with partic. spots as in "Today" (pp. 1 & 6).

**FCC's FILES ON PAY TV** show vox populi equally divided; Zenith gains spotlight when CBS rejects proposed pro-subscription commercial for Omnibus (pp. 1 & 7).

**ADVERTISING EXPENDITURES ON TV** ran 9.9% of national ad budget last year, totaling \$809,100,000, should go to \$1 billion or more this year (p. 3).

**SMALL-MARKET STATIONS**, vhf & uhf, getting benefits of new NBC & CBS programming plans; NBC to add more programs, more outlets to Program Service Plan (p. 3).

**INITIAL DECISIONS** favor KIRO, Seattle; WPDQ, Jacksonville; Omaha World-Herald; deintermixture proposals stir requests for more of some (p. 5).

**JUVENILE DELINQUENCY AND TV** probed again by Senators in public hearing—experts disagreeing as usual on whether there is relationship (p. 8).

**RADIO TRADE IN COMEBACK**, output and retail sales each up 50% over first quarter of 1954, inventories of all levels down by 200,000 sets (p. 10).

**REPEAL OF FAIR TRADE LAWS** backed by big stores and discount houses; Sparkman committee to hold hearings on anti-trust report (p. 10).

**1954 COMPENSATIONS TO OFFICERS** as reported by Admiral, Emerson, DuMont, Hazeltine, Philco, RCA, Zenith and other companies (p. 11).

**TIME-SHARING WTCN-TV & WMIN-TV**, Minneapolis-St. Paul, merger approved; 2 more uhf may quit; reports on equipment and new stations (p. 9).

**DuMONT'S "ELECTRONICAM"**—combined TV & film camera which may provide clue to DuMont network's future—to be demonstrated next week for first time (p. 16).

**NETWORK TV BILLINGS HOLD UP** in Feb., running well ahead of last year; PIB figures show network radio down, running about one-third TV (p. 16).

**NETWORK RADIO PATTERNS FOR SURVIVAL:** Beset by dwindling billings and the loss of listeners as fast as TV can claim them for viewers, network radio is fighting back with new program formats, rate slashes, special discount deals, heavy promotions -- all designed to pull it out of the economic quicksand into which it has been sinking during the last few years.

Most exciting of the new program formats designed to hypo network billings was unveiled this week by NBC. It's called "Monitor" and is projected to start in June as an around-the-clock weekend service providing continuous flow of entertainment and information from 8 a.m. Sat. to midnight Sun., including pickups of audio excerpts from favorite TV shows. (For details of plan, see p. 6.)

Other networks have also taken steps to improve their lot, principally via drastic rate cuts and bigger discounts. CBS, for example, offers frequency discounts ranging from 15% to 26%, depending on number of stations used, and has reoriented evening program schedule heavily to music. MBS has included in its rate card a \$1600 charge for one-min., which NBC now proposes to beat in its new segmentation plan. ABC was always so low, compared to CBS and NBC, that it has not had as far to fall -- but its radio revenues have been consistently declining, nevertheless, and it has had to make cuts in rates apace with the others.

Note: Evidencing network radio decline are monthly PIB figures (see p. 16); also the fact that, whereas nearly all the other media showed gains in advertising last year, the preliminary 1954 Printers' Ink index showed radio down 3.3% from 1953, its first downward year -- network slipping 13.2% & spot 5%, local up 2%.

**PAY-AS-YOU-LOOK TV AROUSES VOX POPULI:** Fascinating documents at FCC are the comments received so far on subscription TV. Though Commission set May 9 as date for filing formal comments on the rule-making proceeding which started Feb. 10 -- and the big guns won't be fired until then -- 360 letters & postcards have been received since Feb. 10. Few FCC matters have brought so much mail in so short a time.

Correspondence is wonderful grist for publicity mills of both pro and con elements of the pay-TV picture. Right after FCC's announcement Feb. 10, most comments



were obviously from the man-in-the-street, inspired by news stories which said that FCC's rule-making was for purpose of getting public opinion. During last month, there has been a heavy interlarding of distributor-dealer and theatre reaction.

In first month after Feb. 10, 107 letters denounced fee-TV idea, 60 favored it. In second month, 69 were against, 125 for -- a clear reversal of trend, whatever that may betoken -- and reaction is now almost exactly even-Stephen.

Most of the distributor-dealer response comes from those handling Zenith line -- and they're decidedly pro. Theatres are just as definitely con -- many of them using a mimeographed form letter.

There are some VIPs in the fast-growing Docket 11279. Someone has obviously done a good lobbying job on the Nevada solons. Gov. Charles H. Russell and Sen. George W. Malone (R) of Reno are vigorous proponents. Dozen or so other Senators and Congressmen, without expressing any opinion, forwarded letters from constituents.

Medical groups have also been sold -- American Medical Assn., Assn. of American Medical Colleges and American Academy of General Practice taking a favorable stand. Also among those urging pay-TV approval is Arthur J. Rooney, pres. of the Pittsburgh Steelers football team, and representatives of several legitimate theatre groups.

Few station operators have commented as yet. KSAN-TV, San Francisco (Ch. 32) urged that toll TV be authorized for uhf only. KCEB, Tulsa (Ch. 23), now off air, recommended it be limited to uhf and non-network stations. KONA, Honolulu, said stations should be permitted to air it part time. Radio WBBB, Burlington, N.C. is for it, but KGFF, Shawnee, Okla. is against it.

Feelings of public can be summed up about like this: For -- "We're tired or disgusted with present TV fare and want better programs." Against -- "We've paid for our sets and don't intend to pay for the programs, too."

Those favoring subscription TV frequently write on good paper with letter-heads, employ good English. Those opposing, more often than not, use cheaper paper, ungrammatical sentences, poorer handwriting. There are many exceptions, however.

To give you more of the flavor and arguments in the comments, we've quoted from some of the letters on p. 7.

Major opponents and proponents are gearing for May 9, meanwhile. No one has asked for delays -- and FCC isn't likely to grant them if requested. It feels that the 90 days it gave is ample time for preparation.

\* \* \* \*

Zenith's shrewd pres. Eugene F. McDonald again showed his mastery of public relations this week -- accomplishing the remarkable feat of getting more impact by cancelling commercials than others achieve by buying them. With only a week left in current Omnibus series, sponsored by Zenith and 3 others, Zenith v.p.-counsel Joseph S. Wright abruptly wrote CBS pres. Frank Stanton, saying Zenith was cancelling its sponsorship because of CBS's "arbitrary and unwarranted censorship" in rejecting proposed Zenith commercial extolling subscription TV. Wright also said that the Omnibus program on subscription TV March 27 (Vol. 11:14) had been unfairly slanted against pay-as-you-look TV.

CBS v.p. Richard S. Salant shot back a biting reply stating that Zenith knew full well that its contract provided for commercials on "goods and services," not on "controversial issues" such as fee TV. Furthermore, he reminded, both he and Stanton had previously advised Wright about CBS policy on commercials -- to which Wright had not objected. As for the Omnibus program being "slanted," Salant told Wright: "You are outrageously and knowingly wrong" and that "if the program was unfair at all it was unfair to opponents" of fee TV because audio portion of George Storer's statements -- against subscription TV -- was technically inferior.

Though Zenith placed no commercials on either April 3 or 10 Omnibus telecasts, Salant told Wright CBS expects payment for them.

Attesting to success of Zenith maneuver is fact that newspapers and trade press are making big to-do about it -- N.Y. Times even carrying full text of the commercial that CBS rejected. It was an all-out pitch for subscription TV, stating that it could bring first-run movies, heavyweight championship bouts, etc. to the home and urging people to write to FCC.



**TV ADVERTISING COSTS NEAR \$1 BILLION:** TV didn't quite hit 10% of last year's total national advertising budget -- the preliminary estimate is 9.9% -- nor did it climb as high as the \$930,000,000 which NBC Research predicted (Vol. 10:34) or \$900,000,000 we guesstimated (Vol. 10:48). But it should easily rise to \$1 billion this year.

The actual 1954 figure won't be known until FCC's annual audit of station and network revenues, due in June or July, to which industry statisticians can add fairly realistic estimates of other costs such as talent, programs, production, commissions, etc. to arrive at a grand total.

McCann-Erickson research dept., whose annual figures on advertising investment released through Printers' Ink are generally recognized as authoritative, has made a preliminary estimate of \$809,100,000 as TV's 1954 take out of total advertising expenditures of \$8,145,100,000. That's 9.9%, and it places TV in third place after newspapers' \$2,670,900,000 (32.8%) and direct mail's \$1,165,000,000 (14.3%).

Radio's \$608,100,000 (7.4%) puts it behind magazines' \$674,100,000 (8.3%), and for the first time TV jumps ahead of its parent radio broadcasting industry.

These figures are subject to revision later in the year. But it's reasonable to assume that TV, having ended 1954 with 426 stations on the air as against 356 at the end of 1953, and likely to have 450-to-475 stations on the air by end of this year -- and with rates and costs up generally -- will go beyond \$1 billion in 1955.

Quite a fabulous record for an industry that had only 10 stations and less than 10,000 sets in 1946! It means that in 10 years, telecasting has leaped from nothing to 9-figure status -- and not to serious detriment of most other media, for the advance figures show all of them save radio are on the upgrade. Radio slipped 3.3% in 1954 below 1953, and apparently is still slipping somewhat.

According to Standard & Poor's, the advertising industry as a whole should go up a minimum of 5% this year over last. Certainly TV, which jumped 33.5% from \$606,200,000 in 1953 to \$809,100,000 in 1954, can be expected to do much better than 5%. It's the advertising industry's lustiest and fastest-growing infant.

It's noteworthy that the preliminary figures published by Printers' Ink break down 1954 TV ad expenditures as \$444,200,000 network, \$189,000,000 spot, \$341,000,000 local -- with network running 38.8% ahead of 1953, spot 30% ahead, local 25% ahead. Network is still going up, as evident in PIB figures for Jan. & Feb. (see p. 16) -- and it's common knowledge that spot and local are well on the upgrade, too.

Note: Over the longer term, there's still the prediction of CBS's Frank Stanton that TV expenditures of U.S. advertisers will run "in the order of \$1.25 billion in 1957 or 1958"; there are the further projections of NBC Research, which it is likely to prune down now: \$1.3 billion in 1955; \$1.9 billion in 1956; and there's the figure of \$1.9 billion in 1959 guesstimated by DuMont's Ted Bergmann. Several weeks ago, speaking to security analysts on 10-year potential of the electronics industry as a whole, Sylvania finance v.p. W. Benton Harrison said combined TV-radio broadcasting revenues, i.e., exclusive of talent, production, etc., added up to about \$1,140,000,000 last year, should show a slight increase this year; by 1958-60, he stated, figure should be \$3 billion and by 1964 should top \$5 billion (Vol. 11:11).

**NETWORK AID TO SMALL-MARKET STATIONS:** Top network programs for small-market stations -- that's key to current network effort to break the vicious circle of "no programs, no viewers; no viewers, no sponsors; no sponsors, no programs." Aiming to build up a stronger nationwide TV service, NBC-TV and CBS-TV -- each in a different way -- have undertaken to fill the programming void on less-demanded TV stations.

This week, NBC let it be known that it is so encouraged by results of its so-called Program Service Plan, now bolstering program schedules of 74 stations, that it's working out ways to extend it to include more programs on more stations. NBC's thesis is: "Give them the programs first, if necessary -- then sell the advertiser."

CBS-TV's Extended Market Plan, more widely publicized (Vol. 10:49-51), is based on conviction pump can best be primed by selling advertisers first, via substantial price inducements. Under EMP, it sells selected group of small stations (now numbering 21) to network advertisers at extremely attractive rates. It already has 30 sponsors offering EMP affiliates 40 hours of choice programming weekly.

The NBC plan makes network programs available to affiliates which the sponsor



does not order, permits stations to delete network commercials and sell commercials on their own on a local or a spot basis. NBC revealed this week that these unorderd stations are already picking up total of more than \$8000 monthly in local revenue this way. But even more significant is fact that increasing number of network advertisers have been adding the small-market "optional" stations which began by carrying the network programs minus the commercials.

Program Service Plan gives NBC-TV's optional affiliates 3 opportunities to gain: (1) Added programming. (2) Sale of local sponsorships and participations in network-originated programs. (3) Foot-in-door with possible network sponsors.

\* \* \* \*

Plan had its experimental beginnings in Jan. 1954, when early-morning Today show was offered without network commercials. In October of last year, Howdy Doody, Home & Imogene Coca Show were added. Last month, NBC threw in its high-rated George Gobel and Sid Caesar shows. Adding more shows is a real problem, because NBC owns complete rights to only a minority of programs, most being tied up in one way or another by agencies, sponsors, packagers, talent, etc.

To accomplish the mechanics of commercial-deletion, NBC "had to invent a machine." It's a cueing device which places a rectangular spot in upper right corner of picture, signaling imminence of a network commercial. This cues local station's technician to make breakaway for local commercial or announcement.

Total of 74 stations not ordered by network sponsors -- 26 of them uhf -- are now participating in Program Service Plan by carrying some or all of the 19½ hours being offered weekly. While these unorderd stations are carrying the de-commercialized shows, a special NBC sales unit under Richard Soule is concentrating on selling sponsors the idea of adding these optional stations to their lineups of required basic outlets -- at the stations' regular network rates.

These figures show how regular network sponsors have been persuaded to put their commercials on optional stations since plan began: On Home show, 5939 orders for participations on individual stations have been taken; on Today, 1215 orders; Howdy Doody, 127 fifteen-min. segments; Imogene Coca, 48 orders.

NBC's "optional" plan so far has been limited largely to interconnected outlets "on the line," which can pick up live programs at little or no added cost. Non-interconnected stations and outlets off the main line can get kine versions by paying regular kine charges. Fact that many can't afford this service is one dilemma which NBC topkicks are trying to solve.

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**Personal Notes:** Edward T. Ingle, ex-NBC, who for 7 years was TV-radio director of Republican National Committee, named chief of radio-TV branch, Office of Public Information, Dept. of Defense, reporting to Herschel Schooley, director of information . . . Charles Oppenheim, CBS-TV director of press information, gets new title of director of information services; Michael J. Foster, publicity mgr., becomes mgr. of press relations, Hank Warner continues as operations mgr. . . . Robert Elliott, ex-CBS-TV and Ruthrauff & Ryan, named adv. director of both General Teleradio film div. & MBS, replacing late James S. Tyler and reporting to Robert A. Schmid, General Teleradio adv. & promotion v.p. . . . Andrew G. Haley, Washington counsel for TV-radio stations, last year's pres. of American Rocket Society and past v.p. of International Astronautical Federation, and Mrs. Haley were hosts to Rev. Walter J. Miller, Papal astronomer here on visit from Vatican, at reception April 9 in Washington's Mayflower Hotel . . . Michael A. Renault promoted to gen. mgr. of ABC's WABC, N. Y. . . . George Townsend, chief engineer of WWLP, Springfield, Mass., elected a v.p.; Howard S. Keefe promoted to asst. mgr.; Wallace I. Green named program director . . . Frank B. Willis resigns as sales mgr. of WJTV, Jackson, Miss. to join midwestern sales force of MCA-TV . . . Lee Curran, ex-KDKA, Pittsburgh, named promotion mgr. of KTRK-TV, Houston . . . Frank Beazley, ex-sales mgr., KBAK-TV, Bakersfield, Cal., joins KNXT,

Los Angeles . . . Wm. G. Grainger, ex-NBC film div., resigns to become pres. of National TV Distributors Inc. . . . James C. Douglass, TV-radio director, elected a v.p. of Ted Bates & Co. . . . Donald E. Tomkins, ex-TV-radio director of Grant Adv., named gen. sales mgr. of Owen Murphy Productions Inc., N. Y. . . . James C. Zeder Jr., ex-McCann-Erickson & Grant Adv., named TV-radio adv. mgr., Chrysler Corp. . . . Marcell Smith, ex-WCBS, named asst. TV-radio production supervisor, Weiss & Geller, N. Y. . . . James Morgan, v.p. of Raymond R. Morgan Co., Los Angeles, joining Don Fedderson Productions, now producing *The Millionaire* and *Liberace* and planning new series *Do You Trust Your Wife?* . . . Paul Mowrey, first ABC mgr. of TV, recently in consulting practice, has been retained by Zenith Radio in connection with its promotion of Phonevision . . . Gordon Hellman has resigned as CBS-TV director of sales presentations, to become sales promotion director, TV Bureau of Advertising . . . Bernie Harrison, TV-radio editor of *Washington News*, shifts to *Washington Star* May 1 in same capacity.

Robert R. Sloane, 42, TV-radio producer-director-actor, died of heart attack April 3 at his Los Angeles home. He was producer of filmed *Treasury Men in Action*.

Joseph M. Creamer, 42, former TV-radio promotion & research director of WOR, N. Y., recently with Kudner Agency, died April 5 after brief illness.



**T**HREE INITIAL DECISIONS of major importance and one CP were focus of FCC activity this week. CP was for Ch. 3, Florence, S. D., granted to Hills Bestg. Co. (KELO-TV, Sioux Falls) after KWAT, Watertown, had dismissed. New station is to be satellite of KELO-TV. In the initial decisions, examiners recommended grants to KIRO, Seattle (Ch. 7); WPDQ, Jacksonville (Ch. 12); *Omaha World-Herald*, Omaha (Ch. 7).

Examiner Thomas H. Donahue's selection of KIRO, Seattle, over KXA and KVI, was made, he said, because "its vast superiority of past operation over both applicants is far and away its most telling point." In Donahue's opinion, this outweighed the "one stain" on pres. Saul Haas' record. He said testimony showed Haas guilty of "peddling influence" when he was U. S. Collector of Customs in 1933-45, by telling owner of KIRO (then KPCB) he'd help him with Federal tax problem in return for stock in station at nominal price. He obtained 500 of station's 2500 shares for \$500. "Man is not perfect," Donahue said, excusing "this single instance of wrong-doing."

Interesting angle of Seattle case is that Sen. Magnuson (D-Wash.), chairman of Senate Interstate & Foreign Commerce Committee, is 3.24% stockholder in KIRO.

Sole reason for examiner Chas. J. Frederick's choice of WPDQ, Jacksonville, over city-owned WJAX and Florida-Georgia TV Co. was ownership-management integration. He held that applicants were about equal in all respects except that WPDQ's pres. James R. Stockton (60%) and exec. v.p. Robert R. Feagin (20%) would be active in day-to-day operations, giving "greater assurance of the station's operation in the interest of the public." Ownership of Florida-Georgia includes George H. Hodges, contractor (26%); Harold S. Cohn (19%), owner of WRHC; Mitchell Wolfson (voting 20%), owner of WTVJ, Miami and pres. of Wolfson-Meyer Theatres (31 theatres).

Criteria used by examiner Isadore A. Honig in selecting *Omaha World-Herald* over KFAB were: greater local ownership, superior civic participation, more varied business interests of principals, better program planning, business practices of KFAB's newspaper affiliates (*Lincoln Journal-Star*)—and diversification. Honig said "great weight" was given to last factor because *World-Herald* has no other media interests, whereas KFAB is related, through complicated stockholdings, to some dozen newspapers, 3 AM-FM stations and "at least 2 TV stations."

FCC refused Edward Lamb's request to drop one issue in the Lamb communist-charge hearings. The issue concerns charge made by Lamb in court suit against FCC last summer, that FCC investigators tried to induce people to testify falsely against him; that they said publicly that they were "going to get Lamb and take WICU away from him," and that they offered at least one bribe for false testimony. In refusing to drop issue, FCC in April 7 decision said inquiry into the basis for them is "relevant to a determination" of whether Lamb's license for WICU, Erie, should be renewed. In 2 days on stand last week, Lamb denied all charges (Vol. 11:14), insisting he was "victim of a horrible frame-up." Hearings were recessed until April 18, when Lamb returns for more questioning.

Sale of KJAY, Topeka, Kan. (5-kw, 1440 kc) for \$105,000 by S. H. Patterson, owner of KSAN-TV, San Francisco (Ch. 32) and KSAN (Vol. 11:12) was approved by FCC last week. New owner, KOA salesman Robert Rohrs, moves from Denver to Topeka to take over as gen. mgr. Also approved was 90% sale of WETZ, New Martinsville, W. Va. (1-kw, 1330 kc) to Sesac representative Harry B. Bright for \$20,400 (Vol. 11:12). J. Patrick Beacom retains 10% of WETZ, also owns 25% of WJPB-TV, Fairmont, W. Va. (Ch. 35), now off air (Vol. 11:9).

FCC's deintermixture proposals of last week (Vol. 11:14) encouraged more uhf stations to petition for more of the same. WNAO-TV, Raleigh (Ch. 28) renewed request that Raleigh's Ch. 5 and Durham's Ch. 11 be given to educators. KVDO-TV, Corpus Christi (Ch. 22) again urged that Ch. 6 & 10 be moved elsewhere. KJEO, Fresno (Ch. 47) asked that city's Ch. 12 be designated educational. On other hand, off-air WJPB-TV, Fairmont, W. Va. (Ch. 35) petitioned to get Weston's Ch. 5 transferred from educational to commercial.

In final actions, FCC: (1) Granted WMGU, Adams, Mass., CP for change from Ch. 74 to Ch. 19. (2) Opened way for WKNY-TV, Kingston, N. Y. to shift to Poughkeepsie and use Ch. 21, by substituting Ch. 75 for Ch. 27 in Concord, N. H., Ch. 27 for Ch. 21 in Hanover, N. H.

FCC turned down 2 attempts by uhf operations to get lower channels. WHUM-TV, Reading, Pa., seeking to shift from Ch. 61 to Ch. 15 while off-air WLBR-TV, Lebanon, would be moved to Ch. 61, was denied because WLBR-TV was said to be making effort to get back on air. Grantee KCOR-TV, San Antonio (Ch. 41), asking for shift of Ch. 14 from Seguin, Tex., was turned down because Seguin groups have shown interest in channel, though no one has applied, and because FCC believes Ch. 41 is a pretty good channel from standpoint of transmitter-receiver development—being in "relatively lower part of the uhf band."

\* \* \* \*

Three more comments were filed on FCC's proposed "5-mile" rule, designed to keep transmitters within 5 mi. of principal city. American Farm Bureau registered disapproval, saying rule would reduce rural coverage. WSJS-TV, Winston-Salem (Ch. 12) asked that rule, if adopted, not be made retroactive. Sarkes Tarzian, owner of WTTV, Bloomington, Ind. (Ch. 4) said cities would get better service if all powerful stations were 15-20 mi. from town—to avoid blanketing and ghosting.

CBS filed a statement on proposed low-power satellite rules, called them "promising" but warned that networks have rebroadcast rights which would not necessarily be granted to satellites automatically—because of overlap, etc.

Cease-&desist hearings on illegal boosters in 3 Washington towns May 9 & 12 (Vol. 11:14) have been shifted from Seattle to Wenatchee.

**Approval of \$50,000 sale of WEW, St. Louis (1-kw, 770-kc)** was asked in application filed this week by St. Louis U, seeking to dispose of outlet—which began in 1921—because of competition from 10 fulltime AMs and desire to participate in local educational KETC (Ch. 9). University also holds 60% of application for commercial Ch. 11 in St. Louis. Buying WEW is Aubrey D. Reid (performer Bruce Barrington), who has resigned as mgr. of St. Louis' KXOK.

KVOR, Colorado Springs, Colo. (1-kw, 1300 kc, CBS) has been sold by James D. Russell for \$120,000, subject to FCC approval. Russell retains 50% interest in Colorado Springs' KKTU (Ch. 11) and holds 20% of radio WHIR, Danville, Ky. KVOR purchases are John S. Riggs, pres. & 27% owner of WELM, Elmira, N. Y. & pres. & 50% owner of WAIR, Winston-Salem, in partnership with Robert Greene, Lakeview, N. Y. Allen Kander negotiated sale.

Application to transfer 50% of WKAI, Macomb, Ill. (250-watts, 1510 kc) & KLIL, Estherville, Ia. (100-watts, 1340 kc, ABC) to A. G. Bush, Minnesota Mining & Mfg. Co. executive and board member of St. Paul's KSTP-TV, was filed with FCC this week. Deal involves cancellation of \$40,000 loan by Bush, with Wm. Schons dropping out and Edward Schons retaining 50% interest in both stations.



**Station Accounts:** New and unusual local features: *FurnituRama* on WSBT-TV, South Bend, Ind., with 6 home furnishing dealers sponsoring 10-11 p.m. furniture displays, etc.; *Do It Yourself* on WGLV, Easton, Pa., with local supply company using station's scene shop as originating point; *How Food Becomes You*, course in foods & nutrition on WOI-TV, Ames, Ia., thrice weekly at 1 p.m., with Iowa State College prof conducting; prospecting for uranium, on WOAI-TV, San Antonio, collaborating with St. Mary's U, Sun. course by mining experts, started because of interest in nearby uranium finds; *A Man's World*, new for-men-only show on WOR-TV, N. Y., Fri. 7-7:30 p.m., featuring men's fashions, activities, etc., sponsored by Gallo Wine & Skycoach Airlines . . . Darling Stores, big chain of juvenile retailers, buys demonstrations on *Merry Mailman* on WOR-TV, Mon.-thru-Fri. 6-6:45 p.m., thru Getschal Co., N. Y., with partic. by Sealy for its Posture-Pedic mattress for children and 13 manufacturers of toys & novelties sold thru the stores . . . Tafon (reducing aid) to sponsor CBS-TV's pre-game *Baseball Preview* on KNXT, Los Angeles, immediately preceding *Game of the Week*, which Tafon co-sponsors (with Harbor Lincoln Mercury), starting April 2, thru Frank Miller Adv., Los Angeles . . . Florists Telegraph Delivery Assn., having used spot TV-radio for Easter, plans campaign also for Mother's Day, May 8, thru Grant Adv., N. Y. . . . Among other advertisers currently reported using or preparing to use TV: Bonne Bell Inc., Cleveland (cosmetics), thru Wyse Adv., Cleveland; Blue Jay Products, Chicago (foot medications), thru Leo Burnett Co., Chicago; Standard Brands Inc., N. Y. (Fleischmann's dry yeast), thru J. Walter Thompson, N. Y.; Cities Service Co., N. Y., thru Ellington & Co., N. Y.; Frederick E. Lowenfels & Son, N. Y. (Hotel Bar butter), thru Co-Ordinated Adv. Co., N. Y.; Krylon Inc., Philadelphia (Krylon acrylic & windshield Sealzit compounds), thru J. Robert Mendte, Philadelphia.

**Network Accounts:** ABC-TV got first sponsors this week for its *Warner Brothers Presents* starting in fall, tentatively Tue. 8-9 p.m. (Vol. 11:12). Liggett & Myers bought 30 min. each week, thru Cunningham & Walsh, and GE bought 30 min. alt. weeks, thru BBDO . . . Procter & Gamble to sponsor 36 MCA-TV films starring Jane Wyman next fall as replacement for *Fireside Theatre* on NBC-TV, Tue. 9-9:30 p.m., thru Compton Adv. . . . GE to be alt. sponsor (with Campbell Soup) of *Dear Phoebe* on NBC-TV starting April 8, Fri. 9:30-10 p.m., thru BBDO . . . Hazel Bishop to sponsor *Place the Face* on NBC-TV during summer, Tue. 8-8:30 p.m., thru Raymond Spector Co. . . . General Foods and Procter & Gamble to sponsor *Those Whiting Girls* as summer replacement for *I Love Lucy* on CBS-TV starting July 4, Mon. 9-9:30 p.m., thru Foote, Cone & Belding and Biow-Beirn-Toigo . . . Summer re-runs of *I Love Lucy* on CBS-TV starting April 17 Sun. 6-6:30 p.m., sponsored by Dorothy Gray Cosmetics thru McCann-Erickson, will be under title of *The Sunday Lucy Show* . . . Lettuce Inc., group of growers & shippers in Salinas-Watsonville, Cal. area, buys 10 partic. on *Today*, *Home & Tonight*, thru John Cohan Adv., Salinas; Helene Curtis (shampoo) buys 52 partic. on *Tonight*, thru Earle Ludgin Co.; E. L. Bruce Co. (wax) buys 14 partic. on *Today*, thru Christiansen Adv., Chicago.

CBS-TV increases network rates of 3 o-&o and 6 affiliated stations May 1. WCBS-TV highest hour goes from \$5500 to \$6250; WBBM-TV, Chicago, \$3000 to \$3300; KNXT, Los Angeles, \$2700 to \$3200. Affiliates: WCAU-TV, Philadelphia, from \$2700 to \$3100; WSPD-TV, Toledo, \$800 to \$875; WMBR-TV, Jacksonville, \$600 to \$700; WSBT-TV, South Bend, \$300 to \$350; WRDW-TV, Augusta, \$200 to \$250; KIMA-TV, Yakima, \$150 to \$200.

NBC's NEW CONCEPT of network radio programming, called *Monitor* and planned as a round-the-clock weekend service from 8 a.m. Sat. to midnight Sun., amounts to this—as described by pres. Pat Weaver. exec. v.p. Robert Sarnoff and producer James Fleming at April 7 press conference in N. Y.:

To be launched with one-hour simulcast June 12, it envisions—stripped of press agency and Weaver's fanciful verbiage (“kaleidoscopic phantasmagoria”)—a continuous flow of entertainment and information, with sponsors buying 1-min., 30-sec. or 6-sec. announcements, in what is basically a large-scale application to radio of NBC-TV's “magazine concept.”

Masters of ceremonies, called “communicators,” working in 4-hour shifts, will tie the show together—as Dave Garroway does in *Today*. The various “hunks” of programming—as Weaver described them—won't be hampered by time restrictions, will vary in length from less than a minute to 20 min. or even an hour or more for a special presentation.

*Monitor* will feature every conceivable kind of fare, and “will promote every other medium—TV, movies, magazines, newspapers, theatre, books.” It will present news & sports, capsule entertainment, live pickups, even excerpts from the audio of popular TV shows. As on *Today*, there will be 5-min. break-ins at half-hour for local news, weather, etc. Show will originate “all over the world,” controlled in N. Y. from “NBC Radio Central” now being constructed at cost of \$150,000 on 5th floor of RCA Bldg.

Press heard impressive tape-recorded sample of *Monitor* (Dave Garroway acting as communicator) at press conference, with features coming in this order: time signal, news summary, pickup from Paris with Art Buchwald reporting on tourist trade, pickup from BBC broadcast of cricket match (which, incidentally, was hilarious), recorded quip by Groucho Marx, music played by orchestra in Munich, taped pickup of part of floor show of Paris' Club Lido, portion of soundtrack from film *Blackboard Jungle*, Ogden Nash reciting one of his poems, historic description of winning of Santa Anita by Seabiscuit as recorded on-the-spot by Clem McCarthy, broadcast from a jet plane, “live” pickup of warm-up session for George Gobel's TV show.

Aim is to “bring back the excitement of the radio era,” with its sense of immediacy, mobility and vitality of material. Weaver is shooting for 60-70 rating on a “cumulative basis”—that is, 60-70% of radio audience tuning in on program sometime during week-end. A sponsor buying enough participations, it was said, thus could get his message across to majority of American homes—“something no sponsor could afford to do on TV.”

Gross prices for commercials, subject to frequency discounts, are: 1-min., \$1000; 30 sec., to be sold in minimum package of 4 announcements per weekend, \$3000 for the 4; 6 sec. “billboards,” to be sold in minimum group of 10 per weekend, \$3000 for the 10. Weekly discounts are provided up to 10% for at least 10 min. of announcements per weekend, annual discounts up to 20% for 250 or more announcements per year. In addition, advertiser ordering at least 20 min. of announcements before Oct. 1 will receive one announcement free for every 2 ordered.

Compensation rate to stations was not officially disclosed, but network spokesman said they will be paid at usual rate for the amount of time they take, based on current clock-hour system.

Serving under Fleming will be project officer Everard Meade, ex-TV-radio v.p. of Young & Rubicam & onetime asst. to pres. of American Tobacco Co.

Humble Oil has signed as first regional sponsor of NCAA football next fall (on NBC-TV nationally), buying Southwest Conference games, thru Kenyon & Eckhardt.



**S**UBSCRIPTION TV mail received at FCC (see p. 1) covers just about every shade of opinion on the subject. Volume is equal between pro and con—but major pay-as-you-look proponents and opponents are sure to tell FCC that the letters are not at all indicative of “real” public opinion.

It's evident that many letters are “inspired” by Zenith and theatre interests. It's apparent, too, that newspaper TV columnists are talking it up, urging readers to write to FCC and Congress. Mail comes from whole U. S., but there's heavy concentration from Chicago, Zenith's headquarters. This week, Zenith sent letter to all stockholders, urging them to write to FCC before May 9 in support of subscription TV and suggesting they also contact Senators and Congressmen. Here are excerpts from some of the comments:

Gov. Charles H. Russell, Nevada—“It is my sincere hope that your Commission will act favorably upon this proposal which will mean much to the State of Nevada. . . . It would make available to persons who might otherwise never have the opportunity of this splendid means of information, education and entertainment.”

Mt. Vernon, N. Y. housewife—“This criminal scheme must have come from Moscow.”

J. Edwin Foster, director of Medical Audio-Visual Institute, Assn. of American Medical Colleges—“The potential value of subscription TV for communicating professional knowledge and techniques to practicing physicians is tremendous indeed.”

Quincy, Ill. physician—“While I can afford this, there are many who cannot. It is all they can do to afford a small family set. Let's keep it on an advertising basis.”

Stuart Louchheim, Zenith distributor, Philadelphia—“At present, thousands of TV set owners in many key cities have expressed their desire for this new public TV service and I urge you and your fellow members . . . to render the public an early favorable decision.”

Sen. George W. Malone (R-Nev.)—“As this will benefit greatly my state of Nevada, I am writing to urge you to consider this favorably.”

Portland, Ore. businessman—“Low income groups may just as well relegate their TV sets to the trash cans, for the big-moneyed, subscription groups could monopolize all the best talent and the ‘free’ shows wouldn't be worth viewing.” (Accompanied by 52 signatures on petition).

Gilbert Miller, veteran theatrical producer—“If subscription TV can provide the boxoffice support necessary to

go beyond the limited adaptations now sponsored by advertisers, I believe we could then have a great revival of the theatre, not alone on the Broadways of our larger cities, but in millions of living-room TV theatres throughout the land. Moreover, I believe the practical application of this electronic-age home boxoffice would be equally effective in releasing some of the theatre's sister arts—the opera, symphonies and other cultural presentations—from the financial bonds which now constrict their artistic and esthetic contributions to our culture.”

From Elmwood Park, Ill.—“Let the people decide. I'm sure it will go over a 100%.”

Fred E. O'Brien, city engineer, Watertown, N. Y.—“It would be exceedingly expensive for the ordinary citizen.”

Arthur J. Rooney, pres., Pittsburgh Steelers—“We know that the receipts from TV gradually have become the life-blood of professional football and almost every other sport. It is an open secret that without TV receipts, most of the clubs in the National Football League would have operated in the deficit column during the past 3 or 4 seasons. TV and sports should have a long marriage, providing production costs can be kept in line or some method, such as subscription TV, can be put into operation. We find that with increasing costs, it becomes exceedingly difficult to interest prospective sponsors . . . We feel the only answer eventually will be some form of subscription TV.”

Mimeographed form letter, sent by several theatre owners in New England, mostly Maine—“It is the writer's considered opinion that such special interest shows and sporting events, as would normally be presented over this type of service, would find their best outlet in theatres and public places. Such enterprise can best afford, through admission charges, equipment capable of presenting such events in a manner worthy of paid viewing. It further seems that home presentation of such programs would tend to syphon off the best of available material from free broadcasts, leaving only such material as to make these broadcasts hardly worth watching. It also seems that ‘pay-as-you-view’ TV would tend to encourage monopolistic practices by the organizations owning the coaxial cable network.”

New Orleans attorney—“Strong approval . . . I own no stock in Zenith.”

An irate citizen—“What's the matter with you birds? Where do you think the average guy is going to get the dough?”

Trend to TV programs as theatrical fare is subject of survey by *Billboard's* Jack Singer, who concludes “TV film producers, in their own way, are quietly but firmly invading the theatrical film field [and] much talked about marriage between the feature film and TV industries, it seems, is in reality a 2-way street.” Citing example of *Dragnet*, *Gangbusters & Marty*, he sees accelerating use of TV properties by the movies. Among TV film series listed as “being groomed” for conversion into theatrical features: *Treasury Men in Action*, *I Led Three Lives*, *Racket Squad*, *Big Story*, *Secret File U.S.A.*, *Private Secretary*, *Ozzie & Harriet*, *Lone Ranger*, *Sherlock Holmes*, *Waterfront*, *Ramar of the Jungle*, *Dangerous Assignment*, *Margie*. Single TV shows, both live and film, being tapped for the movies: Kraft's *Patterns*, Elgin's *Crime in the Street*, U. S. Steel's *Fearful Decision* and *The Last Notch*, Philco's *Middle of the Night*, Westinghouse Studio One's *Twelve Angry Men*, and 4 TV *Reader's Digest* episodes: *Mrs. Robert Louis Stevenson*, *I Picked More Daisies*, *Honeymoon in Mexico*, *France's Greatest Detective*. Several patterns are being followed in transforming TV films into theatrical features: (1) Tying together TV episodes into feature length, a la *Davy Crockett*, *Secret File U.S.A.*,

*Sherlock Holmes*. (2) Using TV property and TV buildup as basis for brand new film script, as in case of *Big Story*, *Treasury Men*, *Foreign Intrigue*. (3) Producing both feature film and TV series at same time but from different scripts, as was done by Thetis Films with *Three Musketeers*, syndicated by Official Films, by Joseph Kaufman with *Long John Silver*, which he made in Australia. Desilu Productions plans feature films entirely apart from TV (Vol. 11:14), as does Sheldon Reynolds of *Foreign Intrigue* fame—both capitalizing on their TV shooting experience and their knowledge of what public wants.

Rate increases: WBRC-TV, Birmingham, April 15 adds new Class AA hour (7-9:30 p.m. daily), at \$750, min. at \$185, Class A hour remaining \$650. WHP-TV, Harrisburg, Pa. has raised base hour from \$250 to \$325, min. \$50 to \$65; CHSJ-TV, St. John, N.B. from \$200 to \$250 & \$45 to \$55; XETV, Tijuana-San Diego from 400 to \$500 & \$80 to \$100.

Times are good for both TV and radio, reports NBC v.p. Carleton D. Smith, gen. mgr. of network's WRC-TV & WRC, Washington. Net TV time sales for first quarter were 32.3% higher than same period last year, for radio 6% ahead.



**Telecasting Notes:** Republic Pictures, which for last few years has made more money from TV than from movies, may discontinue production for theatres and concentrate on TV film. This announcement by pres. Herbert J. Yates at annual stockholders meeting this week touched off battle which was won, at least temporarily, by stockholders favoring his administration. Yates said he personally favored abandoning the movies, and had notified theatre operators that final decision would be made in 60-90 days. The only thing that could prevent it, he added, would be "higher rentals and longer play periods for the company's films" . . . Considered a "major" in the Hollywood film producing hierarchy, Republic in last 2 years has sold about \$7,000,000 worth of old product to TV (Vol. 10:50 & 11:13), has received \$1,000,000 advance from MCA on old Gene Autry & Roy Rogers films; got \$700,000 last year from leasing space for TV filming; has one of largest film processing labs, serving many other TV film producers . . . Republic's own TV films include successful *Stories of the Century*, Yates reported, and it's now preparing 3 new series: *Fu Manchu*, *Village Doctor*, *Behind the Scenes* . . . Jack Warner Jr., 39, heads Sunset Productions, new TV film subsidiary set up by Warner Bros.; first project will be aviation series *Men of the Sky*, written by Vincent B. Evans . . . Warner Bros. announces TV's *Our Miss Brooks* will be made into feature-length movie starring Eve Arden . . . MGM's E. J. Mannix, in Hollywood, confirmed that it's surveying telefilm field; TV-radio chief Les Peterson has conferred with MCA, Jack Chertok Productions, Desilu Productions, ABC v.p. Earl Hudson—and it's now confirmed that Pontiac Motors & Armstrong Cork will alternate new NBC-TV show by MGM, Tue. 9:30-10:30 p.m. . . . Accent on films at networks, too, indicated in NBC film div. national sales meeting at Hotel Warwick, N. Y., April 13-15, to be attended by pres. Pat Weaver and his top executives, along with entire film sales force; newest offering will be *Steve Donovan*, *Western Marshal* . . . CBS plans permanent telefilm production base costing \$1,000,000 in Honolulu, reports *Hollywood Daily Variety*, but it's unconfirmed; CBS-TV film shows now in various stages of production in Hollywood, according to v.p. Harry S. Ackerman, who recently returned from Hawaii, include *Hart of Honolulu*, *Aldrich Family*, *Townspeople*, *Gunsmoke*, *Cupid*, *No Way Out*, *Miss Pepperdine*—and of course Bing Crosby series, on which shooting starts in June . . . Either because they haven't clicked or sponsors have dropped them, mortality rate of TV films is very high, observes *Hollywood Daily Variety*, pointing to these that folded in last year: *Duffy's Tavern* and the Joan Davis, Paul Hartman, Hank McCune & Dennis Day shows; also no longer in production: *Ellery Queen*, *Mr. & Mrs. North*, *Cowboy G-Men*, *Donald O'Connor Show*.

Nine sponsors have signed so far for "14-50" discount plan of WRCA-TV, N. Y., whereby an advertiser who buys fourteen 10 or 20-sec. station breaks in a Sun.-thru-Sat. week receives a 50% discount on those breaks in D or C time (Vol. 11:7). The sponsors: Keebler Weil Baking Co., thru McKee & Albright, Philadelphia; Chadbourn Sales Corp. (hosiery), thru Harold M. Mitchell Inc., N. Y.; R. B. Davis Co., div. of Penick & Ford (molasses), thru BBDO; Church & Dwight Inc. (Arm & Hammer baking soda), thru J. Walter Thompson; Nedick's Inc., thru Weiss & Geller; Buitoni Food Corp., thru Albert Frank-Guenther Law; Ringling Bros.; Gimbel's; Swanee Paper Co.

A. J. Armstrong Co. Inc., 60 E. 42nd St., N. Y., commercial financing firm, planning further expansion of its TV film financing activities, engages Melvin L. Hirsch as mgr. of motion picture & TV financing dept.

JUVENILE DELINQUENCY hearings of Senate Judiciary subcommittee headed by Sen. Kefauver (D-Tenn.) were devoted to TV this week in windup of TV study started last year when Sen. Hendrickson (R-N. J.) headed subcommittee (Vol. 10:40-43, 49). Witnesses came up with the same sort of "yes-&-no" answers that have characterized all such investigations. Some psychologists and sociologists were certain TV had very harmful effects; other felt it had minor effects, if any. Telecasters said there was little evidence to convict TV, while citing efforts to exercise closer supervision of programs.

NARTB pres. Harold Fellows told of various surveys by psychiatrists, majority of whom felt that TV is not responsible for juvenile delinquency. Only a few, he said, had "suspicions." NARTB code director Edward Bronson testified that NARTB monitors some 280 hours of programs a month, reporting results to stations involved. A special monitoring program is now in progress, covering 22 stations in 9 cities.

NBC v.p. Joseph Heffernan noted that there is no scientific data linking TV and juvenile delinquency; that programs including crime and violence "are a proper and legitimate part of the broadcast schedule"; that Govt. should stay out of program censorship; that NBC has formed a Children's Program Review Committee comprising Dr. Frances Horwich (*Ding Dong School*), Mrs. Douglas Horton (RCA director and former WAVES commander) and Dr. Robert F. Goldenson, psychologist.

Dr. Ralph S. Banay, Columbia U psychiatrist and consultant to Federal Bureau of Prisons, stated emphatically that TV is harmful. "If a prison is called a 'College for Crime,'" he said, "then viewing of violent TV programs by young, emotionally disturbed children is perhaps a 'School for Delinquency.'"

Dr. Eleanor E. Maccoby, Harvard U child psychologist, tended to disagree. She felt that TV violence was frequently a good emotional outlet. "It's not a basic cause of delinquency," she said, "but it sometimes provides ammunition for some children."

Wm. A. Wood, mgr. of educational WQED, Pittsburgh, reported that station's non-violent programs frequently attract extremely large audiences. Dr. Paul F. Lazarsfeld, Columbia U sociologist noted for many media studies, said that there's much more to be learned about TV's impact; that any problems raised by TV should be handled individually with child involved; that more good programs should be offered as alternatives to bad.

FCC Comr. Frieda Henneck said Commission should start immediate investigation and refuse license renewals to stations which carry an "unbalanced fare of violence, brutality, crime and horror from which there is little escape under present programming."

United Press decided to canvass rest of FCC commissioners for their views on TV-radio programs, said this is their composite verdict: "Pretty good but plenty of room for improvement—especially in commercials." Chairman McConnaughey said that crime shows "give me concern" but doubted that anyone can show how much juvenile delinquency may be attributed to them. Comrs. Lee and Doerfer stated they've seen no conclusive showing on juvenile delinquency aspects, with latter commenting that *Macbeth* was most "blood-curdling" show he's seen so far.

Television System of Mexico is name of now-merged Emilio Azcarraga-Romulo O'Farrill Sr. TV interests (Vol. 11:9), operating all Mexico City stations and virtually all in Mexico. Azcarraga is pres., O'Farrill v.p., with sons Emilio Azcarraga Jr. as sales v.p. and Romulo O'Farrill Jr. as administrative v.p. For list of their stations and CPs, see *TV Factbook No. 20*, p. 237.



**FCC APPROVED** sale of Ch. 11 time-sharing WTCN-TV, Minneapolis & WMIN-TV, St. Paul for \$3,135,000 this week to Bitner's Consolidated TV & Radio Broadcasters Inc. (Vol. 11:5)—and combined operation will henceforth be called WTCN-TV. That means one less station on roster of those operating, bringing total down to 430 since there were no new starters this week. Only time-sharers left on air, each counted as a separate entity, are Ch. 10, WHEC-TV & WVET-TV, Rochester, N. Y.

Expected to begin operation April 11 is KMAU, Maui, Hawaii (Ch. 3), second satellite of KGMB-TV, Honolulu (Ch. 9); on March 25, KHBC-TV, Hilo (Ch. 9) started as first satellite. Expected to suspend shortly is WFMZ-TV, Allentown, Pa. (Ch. 67), which began last Dec. 4; it hopes to return to air in Sept. Also contemplating cessation—unless FCC acts favorably on petition for interim use of now-unapplied-for educational Ch. 11—is KGTU, Des Moines (Ch. 17) in view of upcoming KRNT-TV (Ch. 8), expected to start by next Aug. 1 (Vol. 11:14).

Bitners paid \$1,900,000 for WTCN-TV with WTCN, controlled by Robert Butler, ex-diplomat; \$1,235,000 for WMIN-TV, owned by N. L. Bentson group which previously had sold radio WMIN for \$75,000 to Wm. F. Johns family. Bitner firm, also operating WFBM-TV, Indianapolis (Ch. 6) and WOOD-TV, Grand Rapids (Ch. 8), will retain ABC affiliation, using WTCN-TV studios, Foshay Tower transmitter. Miller Robertson, WTCN-TV asst. gen. mgr., ex-KSTP, moves up to gen. mgr.; Joseph Kahnke becomes chief engineer; Wm. E. Daley remains as radio mgr. Sales staffs of all stations are retained, and Katz is slated to become rep in lieu of Blair-TV whose contract runs until next Sept.

\* \* \* \*

GE reports order for 5-kw transmitter, 3-bay antenna & film chain for shipment in 90 days to upcoming KLEW-TV, Lewiston, Ida. (Ch. 3), which hasn't reported target yet; GE this week shipped 12-kw amplifier to KQTV, Fort Dodge, Ia. (Ch. 21). RCA shipped 25-kw amplifier April 4 to KFSD-TV, San Diego (Ch. 10), and 12½-kw amplifier to WITV, Ft. Lauderdale, Fla. (Ch. 17). Canadian GE this week reported order for 35-kw amplifier to be delivered early next summer to CHSJ-TV, St. John, N.B. (Ch. 4).

Third Canadian TV application added to agenda of April 15 CBC board meeting is that of radio CKNX, Wingham, Ont., for Ch. 8 with 20-kw visual; earlier applicants were CFCY, Charlottetown, P.E.I. for Ch. 13 and Lethbridge (Alta.) TV Ltd. for Ch. 9. Wingham is some 65 mi. due north of London, Ont., near eastern shore of Lake Huron.

\* \* \* \*

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

WCBI-TV, Columbus, Miss. (Ch. 4), plans to ask for modification of CP in order to locate TV station at site of new plant of radio WCBI, soon to start operation with 1-kw on 550 kc. Gen. mgr. Bob McRaney hopes for "late summer or early fall" test patterns. RCA 5-kw transmitter and 5-bay antenna are stored in Columbus, with studio equipment due for delivery as soon as TV addition to radio building is ready. It will use 500-ft. Andrews tower. Owner Birney Imes Jr. also operates Mississippi AMS WELO, Tupelo; WNAG, Grenada; WMOX, Meridian. TV station mgr. will be Joe Carson, ex-mgr. of WMOX. CBS & NBC affiliations have been signed, but rates not yet established. Rep will be McGillvra.

KNOX-TV, Grand Forks, N. D. (Ch. 10), granted in March 1954, "will be built this year," writes office mgr. Don DeKrey. It plans to ask for modification of CP to 316-kw with 1100-ft. tower. Make of equipment not reported. Rep not chosen.

WBIQ, Birmingham (Ch. 10, educational), call letters changed from WEDB, now plans May 1 start, reports Raymond D. Hurlbert, pres. of Alabama Educational TV Commission. Work has begun on conversion of WBRC-TV's 5-kw RCA transmitter, and new station will rent old WBRC-TV facilities from Storer for \$1 a year, including use of transmitter house, loan of 5-kw transmitter and 150-ft. tower with 6-bay antenna. Alabama Commission, whose consultant is ex-broadcaster-telecaster Thad Holt, already has WTIQ, Munford (Ch. 7)—call changed from WEDM—in operation with 10 hours of programming weekly. Both outlets will share Birmingham studios with WBIQ, duplicating "about 50% or more" of Munford programs. Commission also holds CP for WAIQ, Andalusia (Ch. 2).

WDBJ-TV, Roanoke, Va. (Ch. 7), granted last week, hasn't ordered equipment or begun construction, but hopes to start "sometime this fall," according to mgr. Roy P. Jordan. Grantee Times-World Corp., publisher of *Roanoke Times* and *World-News*, is owned by estate of Junius B. Fishburn, who died April 1 (Vol. 11:14). Rep not chosen.

KSTF, Scottsbluff, Neb. (Ch. 10), has set June 1 programming target, reports Wm. C. Grove, gen. mgr. of parent KFBC-TV, Cheyenne, Wyo. (Ch. 5), 79 mi. northwest of Scottsbluff. It plans to rebroadcast KFBC-TV programs, also will have some film originations. It has RCA transmitter and 6-bay superturnstile antenna on order. KFBC-TV chief engineer, R. C. Pfannenschmidt will be in charge of 4-man Scottsbluff operation. Time will be sold only in combination with KFBC-TV. Rep for both is Hollingbery.

WFLB-TV, Fayetteville, N. C. (Ch. 18), construction now under way, has GPL transmitter ordered for delivery in 30 days. July is target for test patterns, Aug. 1 for CBS & NBC programming, writes exec. v.p.-gen. mgr. L. W. Allen. Nearest station is WNAO-TV, Raleigh (Ch. 28), 53 mi. away, other TV cities less than 100 mi. distant being Wilmington, 78 mi., Greensboro & Greenville, both 87 mi. Wm. B. Belche is being promoted from radio to commercial mgr., with Richard Madson adding TV to duties as chief radio engineer. Rates and rep not set yet.

WNLC-TV, New London, Conn. (Ch. 26), is now "planning to start telecasting late in 1955, pending the outcome of the current Congressional investigation of the uhf and TV monopoly problems," reports mgr. Gerald J. Morey. It has order with RCA for equipment, but delivery date hasn't been set. Rep will be Headley-Reed.

WNDU-TV, Notre Dame-South Bend, Ind. (Ch. 46), now under construction, plans July 1 test patterns, July 15 start as primary NBC, reports v.p.-gen. mgr. Bernard C. Barth. CP is held by University of Notre Dame, which last year acquired radio WHOT, South Bend, from owners of WISH-TV, Indianapolis (Vol. 10:36). TV studios will be on campus, and 12½-kw RCA transmitter with 500-ft. Ideco tower & RCA antenna will be 5 mi. due south of South Bend. It will be area's third station—WSBT-TV (Ch. 34), having begun in Dec. 1952; WSJV, Elkhart (Ch. 52) in March 1954. Base rate will be \$500. Rep will be Meeker.

KTVI, St. Louis (Ch. 36), notified FCC April 6 that it was on the air with test patterns, preparatory to programming start over Easter weekend. Until ready to switch, it continues programming on Ch. 54 from nearby Belleville, Ill., turning in that CP after change is made. Station began as WTVI, last month got permission to shift to channel and facilities of KSTM-TV (Vol. 11:11) which left air last Aug. (Vol. 10:32). It has unique deal with GE whereby Belleville transmitter is to be reconverted so that use in combination with former KSTM equipment will give station 25-kw unit, KTVI having filed for 416-kw.



**RADIO OUTPUT & SALES IN SPIRITED COMEBACK:** The radio trade story for first quarter of 1955 makes good reading on all counts: Production and retail sales each up by about 50% over first 3 months of 1954, inventories at all levels reduced by about 200,000 receivers since the beginning of 1955.

It's evidence once again that radio can flourish side-by-side with TV, whose estimated first-quarter production of 2,100,000 and retail sales of 1,800,000 were a little higher than first 1954 quarter -- despite normal tail-off in March. TV output for week ended April 1, last week of quarter, was 163,746.

Radio production totaled 3,700,000 (1,950,000 auto), compared to 2,500,000 (1,095,000 auto) in first 3 months year ago. For week ended April 1, production was 287,740 (144,597 auto). Retail sales were about 3,250,000 vs. 2,100,000 in first quarter of 1954. Perhaps the most heartening feature of the entire radio picture, however, is the decline in inventories from 3,000,000 to 2,800,000 for 3 months.

Spurt in auto & clock set sales, low prices, strong promotions, increase in consumer purchasing power -- all are reasons cited by trade experts for radio's good start, which has some predicting that full 1955 sales may approach 1953's 13,000,000. At any rate, they confidently forecast year's sales well in excess of the 10,300,000 of 1954, which was still considered a good year. (For preceding years' totals of radio production & sales, plus factory values, see TV Factbook No. 20, p. 388.)

**DEALERS DIVIDED ON FAIR TRADE LAW REPEAL:** First intra-trade reactions to proposed repeal of fair trade laws, as recommended last week by top-flight 60-man National Committee to Study the Anti-Trust Laws (Vol. 11:14), indicate that dept. stores, large independent dealers & discount houses generally are ranged on side of repeal, while the small retailer generally wants to keep some form of fair trade.

The committee's 392-p. report will be submitted April 14 to the Senate Small Business Committee, headed by Sen. Sparkman (D-Ala.), which will hold hearings on fair trade and discount house operations shortly thereafter. The committee, in its annual report, warned that small, independent appliance stores will have hard time surviving competition of discount houses.

Those favoring repeal contend the laws, which are on books in 45 states, have proven ineffective because of lax enforcement. Those opposing repeal argue that they need some protection against price-cutting, and that some law is better than none.

NARDA takes no stand as an organization, but managing director A.W. Bernsohn said majority of its members, if a canvass were made, would probably favor keeping some form of fair trade, though not necessarily by legislation.

NARDA chairman Mort Farr, speaking only for himself as an Upper Darby, Pa. retailer, said repeal of fair trade laws "is in our best interests." He added that laws which haven't been enforced are worse than no laws at all. "I think it is high time we either repeal them and allow things to find their own economic level, or else set about making fair trade laws work," he said. "In going about the country, I have noticed in many cases that business is less chaotic in non-fair trade communities."

Stephen Masters, pres. of Masters Inc., N.Y., one of biggest discount houses in country, claiming \$20,000,000 annual volume, said he also welcomed repeal of fair trade laws. Speaking to Harvard Business School Club in N.Y., he said price fixing is a "crutch for the high-cost merchant," giving no incentive for improving service.

Masters vigorously defended "legitimate" discount houses against criticism, saying "the public sees little justification for paying full list on a growing number of overpriced, overmargined, underserviced lines." He said his firm's operating cost is \$11.20 for every \$100 of sales, compared with average of \$32.90 for member stores of National Retail Dry Goods Assn., which assailed discounters last week (Vol. 11:14).

"Perhaps the reason for this," he said, "is that we do not have fancy serv-



ices, charge accounts, high-priced legal staffs, non-productive departments or non-productive store executives." He asserted that no manufacturer suffers any impairment of his brand when it's sold in original factory carton, but noted that 98% of his merchandise comes from distributors, not manufacturers. He estimated 10,000 discount houses now in nation, 1000 of them in New York.

**Trade Personals:** Walter A. Weiss named gen. mgr. of Sylvania radio tube div., Emporium, Pa., succeeding Matthew D. Burns, now operations v.p.; Weiss is succeeded by Herbert A. Ehlers as gen. manufacturing mgr. of radio tube div. . . . H. S. Gwynne, mgr. of RCA tube market plans & analysis, appointed mgr. of tube industry sales section, heading sales of tubes, tube parts & manufacturing machinery to industry . . . F. E. Howell, ex-Nash-Kelvinator, named v.p. & gen. mgr. of Crosley-Bendix appliances, succeeding Parker H. Ericksen, now exec. v.p. . . . Roy H. Olson, from Phoenix research lab, named engineering director of Motorola communications & electronics div.; Robert L. Borchardt promoted to asst. mgr. of communications div. technical information center . . . Frank H. Uriell, on leave of absence from Chicago law firm of Pope & Ballard for last 4 years to set up and head Admiral's legal dept., has returned to the law firm but continues as Admiral v.p., gen. counsel & director; house counsel are William S. Baltz & Norman E. Johnson . . . Mannie Sacks, RCA v.p. & gen. mgr. of its record div., guest of honor April 5 at testimonial dinner by B'nai B'rith in home town of Philadelphia, attended by RCA chairman David Sarnoff, pres. Frank Folsom and other top executives . . . Pat Kennedy, RCA Victor mgr. of copyright contracts, promoted to mgr. of record merchandise development, RCA International; Warren C. Ling is successor . . . Lee H. D. Baker, Admiral appliances v.p., has retired on reaching statutory retirement age, continues as special consultant on product design . . . Leo J. Jacobson named chief engineer of International Resistance Co.'s Philadelphia plant; George Williams named group leader, product engineering; Benjamin F. Gerding mgr. of manufacturing engineering; Carl Smith, mgr. quality control . . . R. F. Willett, ex-GE and F. W. Sickles Co., recently plant mgr. of Essex Electronics, named gen. mgr. of Empire Coil Co., New Rochelle, N. Y., recently acquired from Herbert Mayer by Storer Bestg. Co. . . . Oakley Cohan, ex-Stewart-Warner Chicago factory branch, named asst. sales mgr., Radio Craftsmen Inc., Chicago, replacing Larry Herman, resigned . . . Roy O'Sullivan, ex-Philco, named Magnavox Philadelphia area sales mgr.; Eugene P. Feeney named sales mgr. of Syracuse-Buffalo area . . . Stanley Graham, Stromberg-Carlson southeastern district mgr., transferred to Chicago as midwest mgr. . . . Edmond Sherman, ex-Tele King & Hazeltine, named chief engineer of Transiron Inc., 154 Spring St., N. Y. (govt. electronics equipment).

Rear Adm. Stanford C. Hooper, 70, USN Ret., who in 1912 was Navy's first fleet wireless officer and rose to director of naval communications, 1928-34, died April 6 at his home in Miami Beach. One of Navy's radio pioneers, he was associated with the late Adm. W. H. G. Bullard, later first chairman of Federal Radio Commission, in setting up an American company to take over British Marconi operations here in 1919—company which became RCA. He was "borrowed" from Navy in 1927-28 to act as first chief engineer of old Radio Commission. He held Marconi Medal of Merit and many other honors. He was a 1905 graduate of Annapolis. Surviving are his widow and a daughter, Elizabeth.

Homer Oxley Sams, 61, elder brother of Howard W. Sams and sales research director of Howard W. Sams & Co., Indianapolis, died April 6 after a short illness. Surviving are his wife, 2 daughters, a son, 4 grandchildren.

**COMPENSATIONS** paid in 1954 to officers-directors of TV-radio-electronics companies whose financial reports have been summarized in this column during recent weeks; these are as reported in proxy statements (figures in parentheses indicating number of shares of common stock held):

RCA—David Sarnoff, chairman, \$200,000 (30,000); Frank M. Folsom, pres., \$186,434 (13,000); Elmer W. Engstrom, exec. v.p., research & engineering, \$87,250 (500); Charles B. Jolliffe, v.p. & technical director, \$79,718 (600); Lindsey W. Teegarden, distribution v.p., \$135,000 (none); Walter A. Buck, v.p., operating services, corporate staff, \$61,492 (none); John T. Cahill, gen. counsel, \$3700 (500), out of \$425,000 legal fees paid to firm of Cahill, Gordon, Reindel & Ohl, of which Cahill is senior partner. In addition, directors receiving compensation and holding stock were Harry C. Hagerty, \$9200 (100); John Hays Hammond Jr., \$900 (100), out of \$48,000 paid for research laboratory services to Hammond Research Corp., Gloucester, Mass. and Radio Engineering Co., N. Y., of which Hammond is pres.; George L. Harrison, \$5850 (1000); Mrs. Douglas Horton, \$3950 (200); Harry C. Ingles, \$14,910 (100); Edward F. McGrady, \$19,630 (200); Wm. E. Robinson, \$15,000 (100), out of \$19,055 paid for public relations services to firm of Robinson-Hannagan Assoc. Inc., of which Robinson was chairman until Feb. 7, 1955, when he was elected pres. of Coca-Cola Co.; Walter Bedell Smith, \$100 (100).

Philco—Wm. Balderston, chairman, \$118,250 (5353); James H. Carmine, pres., \$106,250 (31,719); James T. Buckley, retired chairman, \$41,667 (15,752); John M. Otter, exec. v.p., \$73,167 (5577); Harold W. Butler, v.p., \$51,000 (7353); Wm. H. Chaffee, v.p., \$43,000 (946); Raymond B. George, v.p., \$45,100 (257); Joseph H. Gillies, v.p., \$75,750 (6827); Larry F. Hardy, v.p., \$72,500 (7474); Robert F. Herr, v.p., \$64,300 (24,707); Frederick D. Ogilby, v.p., \$70,000 (149); Courtney Pitt, v.p., \$52,000 (1100); Samuel N. Regenstrief, v.p., \$50,000 (22,122); Raymond A. Rich, v.p., \$59,000 (525); David B. Smith, v.p., \$53,200 (2817); Leslie J. Woods, v.p., \$68,750 (7893). In addition, Larry E. Gubb, director, received \$30,000 and held 29,843 shares.

Admiral—Ross D. Siragusa, chairman-pres., \$125,250 (249,156); John B. Huarisa, exec. v.p. & treas., \$125,200 (101,731); Wallace C. Johnson, v.p., \$57,600 (2200); Frank H. Uriell, v.p. & gen. counsel, \$52,750 (1500); Lynn C. Park, retired treas., \$33,500 (none). In addition, Siragusa's wife, Irene O. Siragusa, owns 432,920 personally and together they own 240,480 as trustees for their 4 children (totaling about 40% of stock outstanding). Huarisa's wife, Wanda Huarisa, owns 13,294 personally, and 7200 together as trust for their daughter; Johnson's wife, Iona V. Johnson, owns 120; Uriell's wife, Georgia Uriell, owns 210.

Emerson—Benjamin Abrams, pres., \$60,008 (219,800); Dorman D. Israel, exec. v.p., \$43,980 (1364); Max Abrams, secy.-treas., \$39,936 (80,400). In addition, Benjamin Abrams holds 26,469 shares as trustee under various trusts for members of his family, his wife owns 6470 shares, and aggregate of 63,170 shares are owned by 3 charitable membership corporations of which Mr. & Mrs. Benjamin Abrams and Mr. & Mrs. Max Abrams are members. Max Abrams also holds 6530 shares as trustee for members of his family, his wife holds 1804 shares, his son 25,814.

Olympic Radio—Morris Sobin, pres. (2520 shares owned by Mrs. Ruth Sobin), \$38,999. Note: On Jan. 26, 1955, Mr. Sobin was granted option to buy 8000 shares at \$5, in effect until Jan. 31, 1958, which by virtue of recent stock dividend was increased to 8400 shares at \$4.76; other officers were given options on 7350 shares. On March 31, chairman Adolphe A. Juviler (salary: \$12,000), already owner of 7828 shares, was given option to purchase 15,000 shares at \$6.42 until March 31, 1958.

Indiana Steel Products Co.—Robert F. Smith, pres., \$45,333 (1500); John H. Bouwmeester, manufacturing v.p., \$34,666 (200); Charles A. Maynard, v.p., \$32,666. In addition, wife of Mr. Smith owns 150 shares. Paul R. Doelz, director (pres. of Kalman & Co., Minneapolis, investment bankers), owns 10,760 shares plus 4600 as trustee while his daughter Nancy D. Curtin owns 6160 shares.

DuMont—Allen B. DuMont, pres., \$68,339 (39,800 common, 200 preferred); Wm. H. Kelley, v.p. marketing, \$48,555 (none); Irving G. Rosenberg, v.p. tubes, govt. & communications products, \$40,000 (none). Dr. DuMont also holds 8000 shares of Class A common and 2000 shares of preferred in irrevocable trust for benefit of son Allen B. DuMont Jr.

International Resistance Co.—Charles Weyl, pres., \$51,671 (94,300); Jesse Marsten, v.p., \$35,837 (8500); Harry A. Ehle, v.p., \$35,837 (17,000); Oliver J. Greenway, v.p., \$32,337 (7850); Edward A. Stevens, v.p., \$30,237 (7040).

Sylvania—Max F. Balcom, ex-chairman, now consultant, \$36,000 (3900); Don G. Mitchell, chairman (now also pres.), \$130,242 (2450); H. Ward Zimmer, pres. (deceased), \$130,242 (stockholdings not listed); Arthur L. Chapman, v.p., \$48,623 (none).

Hazeltine—Jack Binns, chairman, \$60,984 (4000); W. A. MacDonald, pres., \$60,859 (2000); J. B. Dow, exec. v.p., \$36,935 (600); L. B. Dodds, v.p., \$49,860 (100); F. Robinson, pres. of subsidiary Hazeltine Electronics, \$43,138 (none).

Zenith—E. F. McDonald Jr., pres., \$183,296 (41,893); Hugh Robertson, exec. v.p., \$173,296 (1388); H. C. Bonfig, v.p. & director of sales, \$96,763 (none); Joseph S. Wright, gen. counsel, \$43,125 (10).

CBS Inc.—(See Special Section, Vol. 11:13.)

Brig. Gen. W. Preston Corderman, chief of research & development div., Office of Chief Signal Officer, becomes Deputy Chief Signal Officer May 1 when Maj. Gen. James D. O'Connell advances from Deputy to Chief Signal Officer, succeeding Maj. Gen. George I. Back.



**Topics & Trends of TV Trade:** Four-vhf Washington, one of best markets for receivers since TV's earliest days, now more than four-fifths saturated, is subject of TV consumer survey as part of 1955 *Consumer Analysis* just released by *Washington Star*. With 322,611 family units (81.6%) owning a TV set in metropolitan area as of last Dec., up from 290,163 (76%) at end of 1953 and 260,571 (72.5%) at end of 1952, survey finds that RCA brand is owned by 21.7% of TV families; Admiral, 14%; Philco, 10.7%; Motorola, 9.9%; Emerson, 9.7%; Muntz, 5.3%; GE, 4.3%; Zenith, 3%; Westinghouse, 2.4%; Silvertone, 2.2%; DuMont, 2.1%; Magnavox, 2.1%; Capehart-Farnsworth, 1.8%; Hallicrafters, 1.5%; Crosley, 1.3%; miscellaneous, 8.5%.

Of the set owners, 14.3% bought set new in 1954, 20.1% in 1953, 31.3% in 1952. Among those planning to buy TVs in 1955, these are brand preferences given: RCA, 26.8%; Philco, 11.6%; Admiral, 10.9%; Emerson, 5.7%; Motorola, 4.8%; Zenith, 4.6%; GE, 3%; Magnavox, 2.4%; Muntz, 1.5%; DuMont, 1.1%; Westinghouse, 1.1%; miscellaneous, 3.3%. Some 24.8% indicated they didn't know which brand they would buy.

The *Star* is one of group of 20 newspapers which conducted similar surveys in their markets. Others: *Milwaukee Journal*, *Portland (Me.) Press Herald and Evening Express*, *Columbus Dispatch* and *Ohio State Journal*, *Cincinnati Times-Star*, *Indianapolis Star and News*, *Duluth Herald and News-Tribune*, *St. Paul Dispatch* and *Pioneer Press*, *Omaha World-Herald*, *Salt Lake Tribune & Deseret News*, *Seattle Times*, *San Jose Mercury and News*, *Sacramento Bee*, *Fresno Bee*, *Modesto Bee*, *Long Beach Press-Telegram*, *Honolulu Star-Bulletin*, *Phoenix Republic and Gazette*, *Oregon Journal*, *Newark News*. Copies are available free on request to any of those papers.

\* \* \* \*

Chicago tube & set manufacturer Ulysses A. Sanabria (American Television Inc.) this week disclosed a 17-in. plywood table model, containing 9 tubes and operating without a transformer, which retails for \$77. Called "Ohm," the set also comes in "de luxe" version with aluminum tube for \$88, costs the dealer about \$67. Sanabria gave us this explanation for this lowest-cost-yet set, at a time when TV industry is complaining about high costs and low profits on TVs:

"First of all, we've cut our production expenses to the bone. We produce in our own plant virtually everything that goes into the set—tubes, cabinet, and so forth. Then we have no distributor cost because we sell direct to dealers, and to exclusive dealers at that." He said he expects to make \$10 profit on each set.

The lightweight set (under 50 lbs.) will be sold to dealers on consignment, with factory and dealer sharing advertising cost. Currently, Sanabria is looking for exclusive dealerships in key cities to handle not only his "Ohm," but also his "Universal" series, which starts with a 21-in. table model at \$99, and his DeForest line, ranging from \$170 to \$800. Current TV production is about 1000 a week, though plant has capacity for 1000 a day, he said. Company has own retail outlets in Chicago, Detroit, Los Angeles, St. Louis & Oklahoma City.

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Picture tube sales in first 2 months of 1955 totaled 1,726,485, valued at \$34,780,586, compared to 1,203,396 worth \$26,090,478 in first 2 months of 1954, reports RETMA. Feb. sales were 859,529 at \$17,119,568 vs. 866,956 at \$17,661,018 in Jan. and 645,715 at \$13,916,478 in Feb. 1954. Receiving tube sales in first 2 months totaled 76,476,558 valued at \$54,984,643, compared to 47,322,147 worth \$34,731,819 in first 2 months of 1954. Feb. sales were 38,526,796 at \$28,107,186 vs. 37,949,762 at \$26,877,457 in Jan. and 25,189,147 at \$18,319,819 in Feb. 1954.

**DISTRIBUTOR NOTES:** Raytheon discloses appointment of 21 new TV distributors during last few months: Mid-Atlantic Appliances Inc., Washington; L&P Electric Co., Brooklyn; Phillips Distributing Co., Baltimore; Universal Distributors, Kansas City, Kan.; Dunn & Menely Co., Oklahoma City; McCutcheon Distributing Co., Pittsburgh; Wholesale Appliance Co., Little Rock; Major Appliance Co., Dallas; Joyce Appliances Inc., Indianapolis; S.&E. Distributing Corp., St. Paul; H. W. Sinclair Distributing Corp., Houston; Lentz Enterprises, Phoenix; Reliable Brands Inc., Dayton; Cameron Co., Rock Island; Charles Ifeld Co. Inc., Albuquerque; Health Wholesale Co., Lubbock, Tex.; Radio Distributing Co., South Bend; Max Supply Co., LaCrosse, Wis.; Harris Radio Inc., Fond du Lac, Wis.; Superior Distributing Co., Sault Ste. Marie, Mich.; Oakman Electronic Supply Co. Inc., Rutland, Vt. . . . CBS-Columbia establishes 6th factory branch, CBS-Columbia of Western New York, 165 Georgia St., Buffalo (Richard J. Levi, gen. mgr.); other branches are in N. Y., Boston, Detroit, Philadelphia & Dallas . . . CBS-Columbia appoints Midland Electric Co., 2125 Superior Ave., Cleveland; Electric Sales & Appliances Inc., 340 NE 75th St., Miami; Sacks Electrical Supply Co., 605 S. Main St., Akron; Long's Distributors Inc., 70 State St., Binghamton, N. Y.; Hills Gas & Appliance Co., 7th & Philadelphia St., Rapid City, S. D.; Grossman Distributors Inc., 185 Joseph Ave., Rochester, N. Y. . . . Standard Electric Supply Co., Milwaukee (CBS-Columbia) promotes Erwin J. Merar to v.p. of major appliance div.; A. K. Sutton Inc., Charlotte (CBS-Columbia) appoints David F. Sigmon as operations mgr. . . . Philco appoints J. H. Burke Co., Boston, replacing J. F. Leahy Co. . . . DuMont appoints Harold N. Lieberman Co., 257 Plymouth Ave., N. Minneapolis (Harold Lieberman, pres.), which names B. F. Mondale as sales mgr. . . . Admiral transfers Stuart P. LaBonde from Los Angeles div. to Anchorage as gen. mgr. of Alaska div. . . . DuMont-Florida names Samuel Wagman sales mgr.

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What makes people buy TV sets? Question may be answered by Advertising Research Foundation, 11 W. 42nd St., N. Y., which is considering a survey to determine the motivations for purchase of a long list of consumer goods, including TV. ARF managing director Alcuin Lehman emphasized it's only an idea right now, being explored by an ARF motivation research committee headed by Dr. W. H. Wulfeck, Wm. Esty Co. Dr. Wulfeck told a meeting of the N. Y. chapter of American Marketing Assn. recently that his committee inherited the project from a group of men's magazines, which started and then dropped the plan. He stated: "The study will attempt to find out how consumers actually make purchasing decisions, who makes them, and how quickly. This is not a measure of advertising effectiveness, although advertising, of course, is one of the elements which goes into the making of buying decisions." He said he was encouraged by results of pilot studies in 6 or 7 markets designed to set up framework for questionnaire to be used in survey. ARF is a top-flight research organization with representatives of all media.

Raytheon TV-radio div. has started construction on new 203,874-ft. plant at North & First Ave., Melrose Park, Chicago, due for Sept. completion, which at outset will house all metalworking, painting & cabinet facilities, employing about 200. Plant doubles production capacity, will include automation techniques, will be operated in addition to offices and main TV-radio production facilities at 5921 W. Dickens Ave., about 3½ mi. distant.

With move of Emerson headquarters & plant to Jersey City (Vol. 11:14), subsidiary Emerson Radio Export Corp. (Max Abrams, pres.) and public relations dept. (Michael Ames, director) are now located at Plaza Hotel, 5th Ave. & 59th St., N. Y. (phone Plaza 9-3456).



**Electronics Reports:** "Golden Jubilee of Electronics" in 1956, industry-sponsored, to mark 50th anniversary of Dr. Lee DeForest's invention of the audion, will be considered by RETMA board at spring meetings April 12-14 at New York's Roosevelt Hotel. Proposed by Rear Adm. Ellery W. Stone, USN (Ret.), pres. of American Cable & Radio Co. (IT&T) and of "DeForest Pioneers," idea has backing of Gen. David Sarnoff, RCA chairman, as well as other key RETMA members.

Details haven't been worked out yet, but celebration basically would be similar to electrical industry's "Diamond Jubilee of Light" last year, which marked 75th anniversary of Edison's invention of incandescent lamp. It's also expected it would involve at least one big industry-sponsored show on TV and radio.

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Continuing trend toward diversification into electronics by non-electronic companies is exemplified by recent purchases by Textron American Inc. (formed by merger of Textron, American Woolen & Robbins Mills). The textile company's first expansion into electronics was purchase of Dalmo Victor Co., San Francisco manufacturers of radar and other military electronic gear. This week, Textron American purchased Ryan Industries Inc., Detroit manufacturer of airborne electronic equipment, whose 1954 sales totaled more than \$6,000,000.

United Shoe Machinery Corp., Boston, reports that TV-radio manufacturers have used its components inserting machines with more than 400,000 printed wiring boards in commercial receivers. It's now developing units capable of inserting 1-watt & 2-watt resistors; mica, tubular & disc capacitors; jumper wires; tube sockets; IF transformers. It claims equipment is highly flexible and reliability is better than 99.5%.

Freed Electronics & Control Corp., offshoot of old Freed Radio Corp., has been acquired by Fairchild Camera & Instrument Corp., which will operate it as subsidiary. Fairchild pres. John H. Clough said acquisition would give his firm "background position in ultrasonic display and storage and recording techniques as applied to radar photography and mapping."

Electronically controlled milling machine is being developed by Convair div., General Dynamics Corp. on \$1,128,000 Air Force contract. When completed in about 18 months, magnetic tape-directed mill is expected to save as much as 85% of the time now spent on some aircraft parts. It will be capable of producing aircraft dies or parts from engineering data fed into its computer "brain" on tape.

New long-range aircraft navigation aid, called "Navarho," revealed by Air Force this week, will be accurate within 10 mi. over vast area covering Azores to U. S. west coast and Arctic Ocean to Gulf of Mexico. It was developed at Rome, N. Y. Air Development Center, will be built at Camden, N. Y., near Lake Oneida.

American Bosch Arma Corp. personnel changes: Clifton T. Foss named v.p.-gen. mgr., Edmund D. Gittens v.p.-chief engineer, Clarence H. Hopper v.p.-manufacturing, all of Arma div., Garden City, N. Y.; Kenneth F. Leaman appointed v.p.-manufacturing, American Bosch div., Springfield, Mass.

Handbook on Defense Materials System (DMS), *The Defense Materials System in Our American Industry*, has just been published by Commerce Dept.'s Business & Defense Services Administration. It's on sale at Govt. Printing Office and Commerce Dept. field offices, 25¢.

Closed-circuit industrial and commercial TV installations now total 1200-1500, GPL district mgr. Robert H. Johnston told American Power Conference in Chicago this week.

General Precision Equipment Corp., reporting sales of movie equipment and supplies last year were highest in history and announcing quantity production of "most advanced system of automatic airborne navigation known to exist," reports 1954 net sales of \$123,332,634 compared to \$87,763,000 in 1953. Net profit last year was \$5,488,090, or \$6.49 a share on 934,174 shares of common outstanding, as against \$3,436,349 (\$5.09 on av. of 797,121 shares) in 1953. General Precision subsidiaries are: Ampro Corp., Chicago; Askania Regulator Co., Chicago; Bizelle Cinema Supply Corp., N. Y.; General Precision Laboratory Inc., Pleasantville, N. Y. (with Pleasantville Instrument Co.); Gricom-Russell Co., Massillon, O.; Hertner Electric Co., Cleveland; International Projector Corp., Bloomfield, N. J. (with Seco-matic Corp.); Kearfott Co., Little Falls, N. J. (with Kearfott Mfg. Co., Newark); Librascope Inc., Glendale, Cal. (with Minnesota Electronics Corp., St. Paul, Minn.); Link Aviation Inc., Binghamton, N. Y.; J. E. McAuley Mfg. Co., Chicago; National-Simplex-Bludworth Inc., N. Y.; Precision Technology Inc., Livermore, Cal.; Society for Visual Education Inc., Chicago; Strong Electric Corp., Toledo; Theatre Equipment Contracts Corp., N. Y.

Reeves Soundcraft Corp. and wholly-owned subsidiary, Bergen Wire Rope Co., had record consolidated net sales of \$3,747,810 in 1954 and net income after taxes of \$89,385. This compares with \$3,566,054 & \$284,301 in 1953. Licensees of its Magna-Stripe process for making Cinema-Scope release prints, pres. Hazard E. Reeves reported, now number 7—Columbia Pictures, Universal Pictures and Pathe Laboratories having been added last year. Fire at Bergen Wire Rope Co. in early 1954 hit sales. Year ended with earned surplus of \$470,258 as against \$380,737 at end of 1953. Bergen has constructed several radio towers, plans to make parts for TV, radio and microwave towers. Company retains 431,849 shares of common stock of Cinema Inc., which operates 18 theatres now, plans 8 more this year. It also is reported to be small stockholder in Saft Corp. of America, manufacturer of new type of sealed sintered nickel cadmium battery.

William B. Still, who in 1945 held experimental TV license for W2ZJT on Ch. 13 (then 230-236 mc) in Jamaica, L. I., where he made custom-built TVs, is now operating as Still Electronics Co., 4367 Papineau, Montreal (picture tubes); he claims to have developed TV set for autos that automatically won't operate unless vehicle is standing still with brakes applied.

New data processing center will be established by Sylvania on 30-acre site in Camillus, N. Y., near Syracuse. The center will gather, record, compute & classify variety of company-wide information on volume, sales, billings and other business data. Univac electronic computing system, leased from Remington Rand, will be used.

Latest TV gadget: Match-sized switch which turns TV or radio volume down 50% when telephone is in use, reported by an unnamed "Sunday inventor" to Minneapolis Honeywell's Micro Switch div., which annually conducts "idea exchange," seeking new uses for tiny switches.

L. W. Klein, exec. v.p. of Gabriel Co., named sales & adv. v.p. in coordination of all divisions, including antenna makers Ward Products & Gabriel Electronics, under 3-man exec. staff headed by Gabriel pres. John H. Briggs; Pat Leone named operations v.p., A. P. McDiarmid finance v.p.

Rear Adm. Malcolm F. Schoeffel, USN Ret., ex-chief of Navy's Bureau of Ordnance, joins General Precision Equipment Corp. as director of weapons planning, headquartered in Washington.

Robert Pappas, ex-Schaible Co., joins Ampex Corp., Redwood City, Cal., as quality control mgr.; John V. Zuckerman named mgr. of personnel & plant services.



**Financial & Trade Notes:** Among officers' and directors' stock transactions reported by SEC for Feb.: John B. Huarisa sold 3600 Admiral (Dec.), holds 101,731; Wallace C. Johnson bought 100 Admiral (Jan.), holds 2200; Irving B. Babcock sold 1500 Avco, holds 6397; Percy M. Stewart bought 1000 DuMont Labs, holds 2000; Wm. H. Miller sold 1510 Gabriel Co., holds 10,000; Howard C. Briggs bought 668 Hoffman Electronics (Jan.), holds 2000; Joseph S. McGee bought 250 Hoffman Electronics, holds 250; Charles M. Hofman sold 1600 Raytheon, holds 2969; Harold C. Mattes sold 5300 Raytheon, holds 10,234; Irving I. Schachtel bought 25,000 Sonotone, holds 27,500; Don G. Mitchell bought 111 Sylvania, holds 2561; R. E. Carlson bought 500 Tung-Sol, holds 1272; Mark W. Cresap Jr. bought 402 Westinghouse, sold 239, hold 1627; A. M. Robertson sold 300 Westinghouse, holds 200; C. S. Weber bought 211 Westinghouse, holds 793.

Collins Radio has filed SEC registration covering proposed offering of 122,500 new shares of \$50 par convertible preferred to stockholders through subscription warrants. Purpose of issue, says statement, is to finance redemption of preferred stock and to raise working capital. Prior to offering, company proposes to reclassify each share of outstanding common stock into 1½ shares of Class A and 1½ shares of Class B. New preferred is to be convertible into Class B shares thru May 1, 1956 and will be entitled to an annual sinking fund thereafter. Managing underwriters of new issue are Kidder, Peabody & Co. and White, Weld & Co. Collins recently reported earnings of \$1,495,572 (\$3.01 on 490,370 common shares outstanding) on sales of \$48,214,224 in 6 months ended Jan. 31, compared to \$1,476,406 (\$3.41 on 426,409 shares) on \$37,925,586 same period of preceding fiscal year (Vol. 11:13).

Olympic Radio earnings in 1954 more than quadrupled over 1953, while sales showed 3.8% gain. Profit was \$256,836 (59¢ per share) after taxes of \$204,295 on sales of \$18,350,453, compared to \$62,157 (14¢) after taxes of \$53,600 on \$17,667,485. Pres. Morris Sobin said Olympic had concentrated on sets "unique" to TV industry, had achieved a "dominant" position in 3-way combinations, and had given added impetus to second-set market with its 14-in. \$99.95 table model. At annual meeting in company's Long Island City offices April 25, stockholders will vote on resolution to increase authorized shares of \$1 par common from 500,000 to 1,000,000. It said it had no plans for added shares, merely wanted authorization.

Muter Co. and subsidiaries had 1954 consolidated net income after taxes of \$280,436 (39¢ a share on 721,450 outstanding) on sales of \$12,175,971, compared with \$447,463 (66¢ on 681,680 shares) on sales of \$15,190,004 in 1953. In notice of annual meeting April 19, it's disclosed that pres. Leslie F. Muter owns 115,566 or 16% of the 721,450 shares outstanding; Thomas White, pres. of subsidiary Jensen Mfg. Co., 13,457 shares. Only salary listed was that of Mr. White, who drew \$37,190 in 1954.

Erie Resistor Co. and subsidiaries, including Erie Resistor Ltd. (England) and Erie Resistor of Canada Ltd., in 1954 earned \$317,767 (88¢ a share) on sales of \$14,866,836. Domestic operations alone were \$9,101,544 sales, \$17,503 profit including \$149,852 dividends from foreign subsidiaries. In 1953 domestic sales were \$12,845,735, profit \$595,511. Earned surplus as of Dec. 26, 1954 was \$3,569,074.

National Union Electric Corp., whose CR tube div. was sold in Dec. to Sylvania for \$1,314,019, reports 1954 net loss of \$1,289,264 (74¢ a share) on sales of \$6,758,799 vs. 1953 net profit of \$166,458 (10¢) on sales of \$12,158,045. According to pres. & chairman C. Russell Feldman, Dec. 31, 1954 company had \$2,766,157 in cash or assets readily convertible to cash.

Atomic Development Mutual Fund Inc., Washington, D. C., open-end diversified management investment company specializing in securities relating to atomic science, headed by Newton I. Steers Jr., ex-AEC aide and ex-member of Electronics Production Board, offers 1,250,000 common shares at \$15.04 per share in recent prospectus. Listed in Jan. 31 portfolio stockholdings are these concerns closely identified with electronics: 2100 shares Sylvania, market value as of that date \$95,287; 3500 GE, \$174,125; 1700 N. V. Philips Gloeilampenfabrieken, \$72,675; 3800 Westinghouse, \$305,425. Among companies which process radioactive materials and manufacture radiation instruments or equipment, it lists: 1700 Abbott Laboratories, \$75,862; 1200 ACF Industries Inc., \$57,900; 15,000 Atomic Instrument Co., \$136,875; 13,100 Beckman Instruments, \$316,037; 3600 Blaw-Knox, \$101,700; 10,400 Consolidated Engineering, \$296,400; 98 General Precision Equipment (\$1 common), \$5831; 3200 High Voltage Engineering, \$56,400; 3800 Ketay Instrument, \$64,125; 21,000 Nuclear Instrument & Chemical, \$144,375; 1000 Panellit Inc., \$16,500; 4400 Tracerlab Inc., \$97,900; 9000 Victoreen Instrument, \$64,125. Fund's assets are largely invested in atomic minerals, principally uranium; it has Auchincloss, Parker & Redpath as investment adviser, lists total net assets of \$19,854,643 as of March 1; 1,429,420 shares were outstanding (\$13.91 per share) as of that date.

Teleprompter Corp. chairman Irving B. Kahn, reporting volume of business rose from \$308,361 in 1953 to \$533,661 in 1954 with net profit after taxes up from \$8129 to \$38,582, states in annual report to stockholders that volume for first 8 weeks of this year was almost double and net profit before taxes treble that of same 1954 period. Firm has renewed long-term contract with CBS, and last year signed similar one with NBC; its cueing machines are used in stations all over U. S. & Canada. Expansion includes new portable stage and "automation control" for stage effects. April 12 stockholders meeting will be asked to increase capital stock from 100,000 to 250,000 shares.

Guild Films calls special meeting of stockholders April 11 at Denver's Brown Palace Hotel to vote on proposal to increase authorized shares of 10¢ par value common stock from 1,000,000 to 2,000,000 "to place the company in position to take full advantage of business opportunities that may quickly arise in our rapidly developing industry." It's also proposed to increase directors from 5 to 7; new directors would be Aaron Katz, Guild v.p.-treas., and Julian E. Keilus, v.p. of Jacques Kreisler Mfg. Corp., N. Bergen, N. J. (jewelry). First annual report, for year to Nov. 30, 1954, showed net income of \$34,250 on sales of \$2,003,543; earned surplus was \$59,505.

Avco Mfg. Corp. earnings, including Canadian subsidiaries, dropped to \$579,445 (6¢ per share) on sales of \$70,266,747 in first 1955 quarter from \$1,695,699 (18¢) on sales of \$99,136,339 in same 1954 quarter, due to highly competitive consumer markets and reduced defense contracts. However, chairman Victor Emanuel reported, backlog of defense orders is about \$185,000,000.

Webster-Chicago Corp., despite record sales of \$31,746,046 in 1954, reports decline in earnings to \$564,198 (\$1.09 on 519,750 shares) from the \$927,162 (\$1.87 on 495,000 shares) earned on sales of \$27,757,899 in 1953. Pres. Norman C. Owen told stockholders that profits were retarded by heavy investment in developing and tooling for new tape recorders and phonographs.

Dividends: Webster-Chicago, 15¢ payable April 18 to stockholders of record April 8; Emerson Radio, 10¢ regular & 5¢ extra April 15 to holders April 4; General Instrument, 12½¢ April 16 to holders April 8.

Canadian Admiral Corp. in 1954 earned \$1,671,037 on sales of \$29,977,272; comparisons unavailable.



**Color Trends & Briefs:** Another effort to get back into the color picture is being made by Paramount Pictures' Chromatic TV Labs. Late next month, it plans to demonstrate receivers, using the 1-gun Lawrence tube, which it says can be produced for "under \$500"—compared with \$895 and up for other color sets.

No manufacturer has committed himself to make the tube or set, Chromatic pres. Richard Hodgson stated, but he believes demonstrations will evoke strong interest. He doesn't believe tube can be produced initially for less than the \$100 RCA charges for its tube, but he says the simple circuitry required is what makes lower cost of receiver possible.

Receiver will have 24 tubes vs. the 28 RCA will have in new series of sets due soon—but Hodgson says that the major savings are in fewer components, simple assembly and lineup. Sizes will be 21 or 22-in. rectangular, depending on availability of bulbs. He reports that quality is "darn good" and that "definition is higher than before."

The "under \$500," Hodgson stated, "doesn't mean \$495. We believe it will be substantially under that."

\* \* \* \*

TV sessions of SMPTE convention in Chicago's Drake Hotel April 18-22 will be held April 20, will include: color-monochrome integration, by Philip B. Laeser, WTMJ-TV, Milwaukee; Chromacoder, by Pierre H. Boucheron, GE; 3-V 35mm color camera, by W. F. Fisher & W. R. Isom, RCA; color images on black-&-white film, by Wm. L. Hughes, Iowa State College; comparison of color TV and color photography, by Donald G. Fink, Philco; characteristics of "perfect" TV lens and system, by Otto Schade, RCA; control of light intensity in TV projectors, by B. F. Melchionni & K. Sadashige, RCA; report of SMPTE TV lighting committee, by H. M. Gurin, NBC; film problems in TV news, by Spencer M. Allen, WGN-TV, Chicago; armed forces stations, by Lt. Col. Mel Williamson & Maj. Stanley E. Rodby.

"Y" channel is what GE has dubbed new system of sharpening monochrome reception of color transmissions (Vol. 11:4). New "Y" equipment was demonstrated to industry for first time during April 4-7 TV lighting symposium at GE's Nela Park, Cleveland.

Ampli-Vision community antenna equipment has been sold to 34 new systems, in addition to those listed in *TV Factbook No. 20*, according to systems engineer V. G. Rumbellow. A division of Paramount's International Telemeter Corp., Ampli-Vision reports new systems in these towns: Mena, Ark.; Burbank & Sacramento, Cal.; Sarasota, Fla.; Avery, Burke, Grangeville, Orofino & Pinehurst, Ida.; Havre, Helena & Whitefish, Mont.; Binghamton, N. Y.; Baker, Banana Valley, Coos Bay, Coquille, Cutler City, DeLake, Fossil, Hood River, Ione, Kinzua, La Grande, Nelscott-Oceanlake, Taft, The Dalles, Wecoma & Yachets, Ore.; Gatesville, Tex.; Pullman & Wishrem, Wash.; Rice Lake, Wis.; Thermopolis, Wyo.

Regional community TV antenna association formed last week, under aegis of National Community TV Assn., is Pacific Northwest Community TV Assn., organized in The Dalles, Ore. Pres. is Harley F. Steiner, v.p.-mgr. of Pacific Northwest TV, Lewiston, Ida. Prime problem of operators in area is illegal boosters (Vol. 10:47). One method of counteracting them is to extend community systems to marginal areas by getting potential customers to share costs of extensions. NCTA exec. secy. E. Stratford Smith discussed FCC's move against illegal booster operators through the issuance of cease-and-desist orders, violations of which are punishable by fines up to \$10,000 and imprisonment up to 2 years.

Impact of color TV on movies will be felt but will be of short duration, film pioneer Louis B. Mayer told dinner meeting of American Cinema Editors in Hollywood recently. Ex-MGM chief stated: "When Technicolor first became available to us, it was a great novelty, and people bought tickets just to see almost anything that was offered in color. . . . But the novelty soon wore off, and always it was learned that nothing ever takes the place of top entertainment values no matter how you dress it up." As for impact of TV generally, he said: "Aside from big sporting events, national or international spot news, I do not regard TV as offering any greater competition to the screen than radio did."

**Upcoming network color schedules:** NBC-TV—April 15, *Home segment*, 11-11:15 a.m.; May 2, *Producers' Showcase*, "Darkness at Noon," with Claude Rains, 8-9:30 p.m.; May 7, *Max Liebman Presents*, "Chocolate Soldier," with Eddie Albert, 9-10:30 p.m.; May 30, *Producers' Showcase*, "The Petrified Forest," with Humphrey Bogart, Lauren Bacal & Henry Fonda, 8-9:30 p.m. CBS-TV—April 14, *Showers of Stars*, "Ethel Merman's Show Stoppers," with Ethel Merman, Red Skelton, Peter Lind Hayes, Mary Healy & Harold Lang, 8:30-9:30 p.m.; April 17, *Sunday News Special*, one time, 11-11:15 p.m.

Field-sequential color system employed in Moscow is described in March issue of *British Wireless World*. Using call letters MOSTsT (meaning, in Russian, Moscow experimental color TV station), station uses 8.4-mc video bandwidth, 150 frames, 25 fields, 525 lines on 76-88-mc channel. It has 3 cameras and a field-slide scanner. Typical receivers have picture about 5½x4-in., 23 tubes.

Article on color and TV generally, is featured in March *New Englander*, published by New England Council for Economic Development, Statler Bldg., Boston. It cites progress of area's stations and manufacturers toward increasing colorcasts and making color sets & components.

April *American Artist Magazine* carries 7-p. feature on Maurice Evans' 2-hour color production of *Macbeth* last Nov. 28. It's titled "The Art and Artists Behind the NBC-TV Production, *Macbeth*."

RCA shipped 2 live color cameras April 4 to WOAI-TV, San Antonio.

Donald W. Reynolds' purchase of KOLO, Reno & KORK, Las Vegas, as companions for his KZTV, Reno (Ch. 8) and KLRJ-TV, Henderson-Las Vegas (Ch. 2) was approved by FCC this week. He paid \$150,000 for KOLO, \$50,000 for KORK, and agreed to reimburse sellers \$40,000 for not re-entering Reno market, \$10,000 for Las Vegas (Vol. 11:11). Other AM transfers approved were: Sale of 50% of WLOW, Portsmouth, Va. to Boston adman Emyl J. Arnold and Harold Kaye (50% of WORC, Worcester, Mass.); sale of KJAY, Topeka, Kan. for \$105,000 to ex-KOA, Denver salesman Robert Rohrs (Vol. 11:12) by S. H. Patterson, owner of KSAN-TV, San Francisco (Ch. 32) & KSAN.

John T. Cahill, senior partner of Cahill, Gordon, Reindel & Ohl, counsel for RCA-NBC, was host April 1 to anti-trust law section, American Bar Assn., at party in Washington's Sheraton-Carlton Hotel attended by top govt. & private lawyers, judges, RCA-NBC executives and their wives. Entertainment included rehearsal of next night's *Hit Parade*, piped via closed-circuit in color; Jimmy Durante in takeoff on anti-trust laws; filmed satire on TV; demonstration of RCA's new music synthesizer (Vol. 11:6)—with David Garroway as m.c.

Kit for converting film chain from iconoscope to vidicon is offered by GE at \$5250, plus \$1200 for optical multiplexer.



**Network TV-Radio Billings**

February 1955 and January-February 1955

(For January report see *Television Digest*, Vol. 11:11)

**F**EBRUARY network TV billings slipped somewhat from January records (Vol. 11:11) due to shorter month—but it was still one of the best months since the season began last fall and far ahead of same 1954 month. Publishers Information Bureau report shows CBS-TV billings were \$14,694,726, NBC-TV \$12,275,843, ABC-TV \$3,567,696, DuMont \$597,275, for total of \$31,135,540, which compares with \$33,462,855 in Jan. and \$22,944,158 in Feb. 1954. Jan.-Feb. combined billings of \$64,598,395 compare with \$48,000,606 in same 1954 months, auguring another record year.

Network radio, now running about one-third TV, was \$10,162,739 in Feb., down from \$10,785,181 in Jan. and from \$12,204,550 in Feb. 1954. All networks were down, and for first 2 months of this year they were more than \$4,500,000 behind same 1954 period. The Feb. PIB tables:

NETWORK TELEVISION				
	February 1955	February 1954	Jan.-Feb. 1955	Jan.-Feb. 1954
CBS	\$14,694,726	\$ 9,965,481	\$30,525,867	\$20,678,810
NBC	12,275,843	9,368,148	25,465,402	19,485,085
ABC	3,567,696	2,502,372	7,285,891	5,282,946
DuMont	597,275	1,108,157	1,321,235	2,553,765
<b>Total</b>	<b>\$31,135,540</b>	<b>\$22,944,158</b>	<b>\$64,598,395</b>	<b>\$48,000,606</b>

NETWORK RADIO				
	February 1955	February 1954	Jan.-Feb. 1955	Jan.-Feb. 1954
CBS	\$ 3,950,767	\$ 4,749,512	\$ 8,132,072	\$ 9,915,686
NBC	2,584,620	3,176,849	5,328,824	6,568,722
ABC *	2,335,414	2,494,737	4,822,554	5,325,391
MBS	1,291,938	1,783,452	2,664,470	3,680,377
<b>Total</b>	<b>\$10,162,739</b>	<b>\$12,204,550</b>	<b>\$20,947,920</b>	<b>\$25,490,176</b>

NETWORK TELEVISION—January-February 1955					
	ABC	CBS	DuMont	NBC	Total
Jan.	\$3,718,195	\$15,831,141†	\$ 723,960	\$13,189,559†	\$33,462,855†
Feb.	3,567,696	14,694,726	597,275	12,275,843	31,135,540
<b>Tot.</b>	<b>\$7,285,891</b>	<b>\$30,525,867</b>	<b>\$1,321,235</b>	<b>\$25,465,402</b>	<b>\$64,598,395</b>

NETWORK RADIO—January-February 1955					
	ABC	CBS	MBS	NBC	Total
Jan.	\$2,487,140	\$ 4,181,305	\$1,372,532	\$ 2,744,204	\$10,785,181
Feb.	2,335,414	3,950,767	1,291,938	2,584,620	10,162,739
<b>Tot.</b>	<b>\$4,822,554</b>	<b>\$ 8,132,072</b>	<b>\$2,664,470</b>	<b>\$ 5,328,824</b>	<b>\$20,947,920</b>

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

† Revised as of April 4, 1955.

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

FCC was accused of encouraging TV monopoly by Rep. Reuss (D-Wis.), in vigorous attack on Attorney General Brownell's 60-member committee which recommended anti-trust law amendments (Vol. 11:14). He accused committee of overlooking monopoly aspects of many industries, including TV, "where the Govt. itself is creating the cartels and the monopolies that the anti-trust laws are designed to prevent." He added: "In no field is monopoly more threatening today than in that of TV, where increasingly a few large networks and newspaper organizations are acquiring a stranglehold on the industry. The FCC, far from doing anything about this development, is every day doing its best to accelerate it. In TV, as elsewhere, the big get bigger and the independents go broke."

President Eisenhower has accepted invitation to address NARTB convention in Washington week of May 22. He'll greet broadcasters at 11:30 a.m. Tue. May 24, speaking informally for several minutes just after Keynote Award to *Louisville Courier-Journal* publisher Mark Etheridge, v.p. of WHAS-TV & WHAS, Louisville and onetime interim pres. of old NAB.

DuMont's "Electronicam," an electronic camera that simultaneously transmits a live TV show and records it on film (Vol. 11:6, 8, 13), will be demonstrated to newsmen for first time on Thu. April 14 at 2 p.m. in DuMont Telecentre, N. Y. With the camera, which can shoot high quality film versions of live TV shows in lieu of kinescopes, it's claimed movie scenes can be monitored immediately without waiting for rushes and TV prints can be delivered to other stations in a matter of hours. There's possibility that DuMont Network, now operating with considerably curtailed coaxial-microwave interconnections (Vol. 11:13), may evolve into a film network—although plans also include leasing the device to other networks, stations and film producers. Pending demonstration, DuMont executives will say nothing about their plans, but it's known they have been interviewing top industry figures with a view presumably to engaging one as gen. mgr. of new syndication setup. Among those interviewed was Ted Cott, recently resigned NBC v.p.

George Foster Peabody Awards for 1954, to be presented April 20 at luncheon meeting of Radio & TV Executives Society of N. Y. at Roosevelt Hotel: TV-radio news, John Daly (ABC); entertainment, George Gobel (NBC-TV); education, *Adventure* (CBS-TV); special awards, *Omnibus* (CBS-TV) & *The Search* (CBS-TV); youth, *Disneyland* (ABC-TV); national public service, NAM's *Industry on Parade*; regional public service, WJAR-TV, Providence, for coverage of "Hurricane Carol." Radio awards: entertainment, *Conversation* (NBC); education, *Man's Right to Knowledge* (CBS); contribution to international understanding, *Pauline Frederick at the U.N.* (NBC); local public service, KGAK, Gallup, N.M., for *The Navajo Hour*; music, Boris Goldovsky of Metropolitan Opera (ABC).

Nine New England TV stations—vhf & uhf—have banded together into regional "network," using off-air and microwave relays to carry 41 live telecasts of April 19-June 4 racing from Suffolk Downs. Televised weekdays will be first 2 races each day, with special stakes and handicaps on Saturdays. *Racing from Suffolk Downs* is produced by Universal Television Productions div. of Universal Research & Development Co., Boston, and directed by gen. mgr. Ted Pitman of WTAO-TV, Cambridge-Boston. Though every race won't be televised to home audience, TV monitors at the track will give spectators close-ups of all races, including those not carried by the stations.

Buffalo's WBUF-TV (Ch. 17), purchased by NBC last month in move to acquire second uhf outlet of own (Vol. 11:11), lost net of \$236,324 from its debut in Aug. 1953 to Dec. 3, 1954 and dropped \$12,196 more in Jan. 1955, according to statement filed with transfer application at FCC. NBC proposes to pay \$312,000 cash. Current assets were \$470,083 as of Dec. 31, including property & equipment worth \$40,000. Total liabilities & deferred income were \$627,354, including debts of about \$405,000. NBC states in application that it "will devote its full effort to establishing that a uhf station can survive in a market with 2 vhf."

WJIM-TV, Lansing, Mich. (Ch. 6) & WJIM now have FCC approval for change of name to Gross Telecasting Inc., permitting Harold F. Gross to proceed with plan for public stock offer (Vol. 11:13). It's first single TV station to do so, following pattern set by multiple owners Storer (Vol. 9:45) and Bitner (Vol. 10:48).

Gilmore N. Nunn, pres. of WLAP, Lexington, Ky. and head of group of radio stations and TV grantees, is representing North American broadcasters at 4th general assembly of Inter-American Assn. of Broadcasters which opened April 9 in Lima, Peru, bringing together broadcasters from 21 Latin American countries.



MARTIN CODEL'S

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

APR 18 1955

# Television Digest

with **ELECTRONICS** REPORTS

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## SUMMARY - INDEX OF THE WEEK'S NEWS—April 16, 1955

**SUBSCRIPTION TV** becoming cause celebre—Paramount seeking month's delay at FCC, NARTB taking stand against it, Zenith accusing networks (pp. 1 & 9).

**COLOR SET PRICE CUT** expected from RCA with introduction of new 28-tube set; newsmen shown RCA tube plant poised for 21-in. production upon demand (p. 3).

**DuMONT PLANS FILM NETWORK** geared to new Electroni-cam, combination TV & film camera system demonstrated for first time this week (pp. 4 & 7).

**ARMED FORCES TV NETWORK** from Iceland to Africa now serving 60,000 viewers with U. S. program fare, plans to expand from 4 to 10 outlets this year (p. 5).

**DEINTERMIXTURE PROPOSALS** deluge FCC, include request of WITV and Storer's WGBS-TV to make Miami all-uhf; Sacramento's KCRA gets Ch. 3 decision (p. 7).

**ON SHOW BUSINESS FRONT:** John Crosby's cracks at CBS provoke puzzlement; Republic's Mr. Yates arouses ire of theatremen for statements about TV (p. 8).

**BIG SECOND-SET MARKET POTENTIAL** pointed up in American Research Bureau survey showing mere 3.7% multiple-set ownership; low TV profits bemoaned (p. 12).

**SPURIOUS RADIATION PLAN** approved by RETMA board; use of seal on set to certify compliance with engineering standards may start in summer (p. 13).

**ADMIRAL SALES DECLINE** in first quarter, but full year is expected to show improvement over 1954; stockholders vote increase in authorized stock (p. 15).

**SECOND HAWAIIAN SATELLITE** under way, relaying signals 90 & 123 mi.; 2 more uhf quit in Des Moines & Allentown; notes on upcoming stations (p. 11).

**ANOTHER TV INVESTIGATION** proposed by FCC as comprehensive long-term study into all aspects of broadcasting, but lawmakers appear cool to idea (p. 10).

**COLOR PROGRAMMING** to be stepped up by NBC-TV with 4 major series plus daily daytime strip, new filmed color show and "exciting new uses" in sports (p. 15).

**CRESCENDO IN THE SUBSCRIPTION-TV DEBATE:** Maneuvering in subscription TV fracas is rapidly making subject a cause celebre -- to delight of its proponents and to consternation of its opponents who have long felt that best policy was to ignore it.

Month's delay in FCC's May 9 filing deadline will be requested, meanwhile, by Paramount Pictures' International Telemeter. Next week, counsel Arnold, Fortas & Porter will request postponement because Harry Plotkin, who has been handling case, will be out some 2 months for eye operation. Skiatron has agreed to delay, while Zenith has rejected it. It's likely networks will also reject it -- to avoid accusations that they're trying to block subscription TV. Meanwhile, the pay-as-you-look subject was a major topic on many fronts:

(1) NARTB 15-man board took firm stand against pay-as-you-look -- with only Paul Raibourn, of Paramount Pictures' KTLA, Los Angeles, dissenting, and John Esau, of uhf KTVQ, Oklahoma City, abstaining. (For board membership, see Vol. 11:13.)

(2) NBC-TV offered Zenith 15-min. free time on its 5 owned-&-operated TV stations to plug pay TV -- after Zenith sought to buy 1-min. spots on them.

(3) CBS-TV planned full-blown program on subject May 1, as promised, inviting Zenith pres. E.F. McDonald to speak for fee TV, and Victor Sholis, mgr. of CBS affiliate WHAS-TV, Louisville, to oppose it.

(4) Mutual set April 17 for radio debate, with Zenith counsel Joseph Wright on pro side, theatre exhibitor Trueman Rembusch con, plus Chicago Tribune TV-radio editor Larry Wolters -- with James W. McBurney, dean of Northwestern U school of speech, acting as moderator.

(5) Congressmen revealed pressures they're feeling, during conference with FCC this week, conducted to explore Commission's current activities (see p. 10).

(6) Washington's National Press Club debate between Zenith spokesman Millard Faught and theatres' Alfred Starr brought into focus some of major arguments, got heavy news coverage. (For details of debate, see p. 9.)

Pertinent portion of NARTB's statement reads as follows: "Allocations by



the Federal Govt. have been established during the last decade of free TV's growth in the U.S. The board does not believe that the public interest is served, if the promise of free TV now should be curtailed to provide a system of 'pay-as-you-see' TV. Over 34,000,000 families have bought sets on the assumption that service would be free and full. The premise of free entertainment over broadcast facilities has been established for more than 3 decades, through the unique development of radio broadcasting in this nation. That basic pattern should not be altered at the expense of the public." Board noted that "subscription TV could be provided by other means without detriment to unlimited public reception of the present system."

Reaction of Skiatron's Arthur Levey to NARTB resolution: "Once again we hear the voice of the entrenched interests crying out for the status quo while refusing to consider the public interest."

In offering Zenith 15-min. of free time, NBC said issues are so complex that it didn't believe 1-min. spots could deal with subject adequately. NBC added that if Zenith accepts, it will offer equal time to fee-TV opponents. In view of Zenith battle with CBS over toll-TV commercial, betting is Zenith will reject offer.

CBS-TV's program May 1 will run 5:15-6 p.m. EDT. In addition to the 2 main spokesmen, CBS has invited 2 panels to question speakers. Those invited to date are James Landis, Skiatron gen. counsel (pro) and exhibitors' Starr (con) -- with others to be announced shortly. Moderator will be Dwight Cook, who handles CBS Radio's "The Leading Question." Audience will comprise members of press. CBS's announcement of the program stated:

"In the light of recent interest in the question of pay-as-you-see TV and its importance to the more than 33,000,000 TV set owners who have a \$13.5 billion investment in TV sets, the CBS public affairs dept. will present industry leaders who have views for or against subscription television in a program designed to place those views clearly before the public."

\* \* \* \*

During the FCC's session with House Commerce Committee members, Rep. Moulder (D-Mo.) showed himself clearly in favor of pay TV, stating: "Many stations won't be able to survive without subscription TV. Without subscription TV, there will be only a few, large, powerful stations left in the country." Rep. Priest (D-Tenn.) said: "I'm being asked questions about it daily, not only by constituents but by other Congressmen. While I was home on vacation last week, I received 3 telephone calls on the subject." FCC Chairman McConaughy explained the procedural factors involved, indicating that decision can't come in mere few months.

There were other skirmishes going on at same time. Zenith's McDonald, fresh from Florida vacation, demanded investigation of CBS and NBC by Congress, FCC and Justice Dept., saying they're trying to block pay-as-you-look for fear of losing their "dominance and control" of TV. He said that it was "utter nonsense" to say toll TV would hurt free TV; that it would merely replace 3-4 old movies weekly.

Opponent Leon Gorman, mgr. of WABI-TV, Bangor, Me. implemented his views (Vol. 11:11) by sparking a New England Broadcasters for Free-TV. And there were more comments filed with FCC, including one from Gene O'Fallon, operator of KFEL-TV, Denver, who said: "The American people will buy toll-TV if it's right -- if it's wrong, it will fall by the wayside." He favors opening it to all stations.

Zenith ad agency MacFarland, Aveyard & Co., through chairman Hays MacFarland, told Commission pay-TV is "inevitable," will be a "boon to TV advertising." Dean of Illinois U undergraduate school, C.C. Caveny, wrote FCC that fee system would be a great instrument for spreading education. New book, written by Ira Kamen and published by Howard W. Sams Co., is a fervent plea for subscription TV.

\* \* \* \*

Only thing everyone was agreed on: Tremendous publicity barrage unleashed by Zenith, which sparked FCC inquiry and prompted current discussion, is worth millions in free advertising to Zenith, never a major TV and/or radio sponsor by comparison with set makers that lead it. Zenith reputedly ranks 6th in share of national TV market -- after RCA, Philco, Admiral, Motorola, GE.



**NO LETUP IN COLOR DRIVE, PRICE CUT SOON:** Despite public apathy, despite apparent industry indifference, RCA's prodigious effort to prime the color TV pump hasn't abated one whit -- and next move, implied but not stated, will be cut in price of set from \$895 possibly to \$695 or \$750. Reduction is expected to be announced at stockholders meeting May 3, about time of emergence of first new 28-tube receivers off production lines at Bloomington, Ind. plant.

RCA's faith and investment in color is so great that it will continue probing -- with prices, production and programs -- until it finds the point at which public and industry indifference can be breached.

Never was its determination more evident than at press briefing at Lancaster, Pa. picture tube plant this week. Big plant itself is visible evidence of the millions RCA has committed to color -- and the factory represents only a fraction of the color expenditure. Portion devoted to color is now being expanded from 50,000 to 132,000 sq. ft., and plan is to discontinue making black-&-white there entirely.

That RCA will be biggest beneficiary if color clicks, not only patent-wise but in sale of tubes and receivers, to say nothing of NBC network time, goes without saying -- for fact is that most of industry is leaving to it the job of proving that color can be sold now, if not to average consumer then at least to what pres. Frank Folsom calls the "Cadillac trade." Though RCA has called upon its licensees to join its effort to promote color, only a handful have heeded; everyone agrees color must come eventually, but not as to when, and there are as many opinions about "reasons why" as there are entities in the field.

Spokesman for one of RCA's toughest competitors put it this way: "RCA won't play a team game; it hogged the ball in the all-industry NTSC work on standards, it calls color an RCA invention, and it wants to carry the ball now. Let it -- and more power to it if it can hasten the day."

\* \* \* \*

Newsmen were invited to Lancaster for same purpose that tube customers were earlier (Vol. 11:10) -- to convince them that 21-in. round metal-cone tube is "it" for the visible future. RCA's point is that other types of tubes may eventually prove to be practical but that its tube is only one ready for 1-2 years or more.

Progress to date and prospects for future were outlined by W. Walter Watts, electronic products exec. v.p. Some 10-12,000 of the 21-in. tubes have been built. Present rate is 2500 monthly, to be stepped up to 25-30,000 monthly this year through installation of automatic machinery. Though 7-8 out of 10 tubes were rejected as imperfect 6 months ago, rate of rejects is now only 2-3 out of 10 -- and during best day in Feb., 6 out of 7 were good. Standards are constantly being raised; otherwise, rejection rate would be much lower now. RCA's confidence in tube's stability is so great, Watts said, that full one-year warranty is in effect.

All Watts would say about new 28-tube set, superseding 38-tube unit, is that "an announcement...will be made in the near future. The production of this new color receiver will be geared to public demand."

Referring to set & tube makers' visits to plant, Watts said: "Because reactions of those who have heard and seen our story confirm the soundness of our program, we felt that we could now invite you with sincerity and assurance to see for yourself that the key element in color TV -- the picture tube -- is 'off the ground.' Our plans are keyed to the tube program."

As for color programming plans for stimulating public demand, Watts described NBC-TV's prospective fall schedule (see p. 15).

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Continued savings in production costs of tube are in prospect. Color tube engineering mgr. C. Price Smith pointed out, for example, that metal cone is now made of chrome iron costing 47¢ a lb., but there's possibility of using mild steel costing 6¢ a lb. -- saving of \$6 in raw material for each bulb. Bulb is being supplied by I-T-E Circuit Breaker and RCA's own engineering products dept.

Improved performance is also in the works -- though tubes demonstrated showed exceptionally good color and black-&-white. Color operations mgr. Harry Seelen



noted possibility of improving brightness up to twice present 25-30 ft. lamberts through enlarging holes of mask which now blocks 85% of electrons.

Seelen went into great detail to emphasize why RCA feels present tube is the answer to color, as far into future as engineers can see. Choice of tube "was not an eenie-meenie proposition," he said. "We tried them all." Round shape was selected, he said, because it's least expensive to make -- "tools and everything else" are more economical -- as well as strongest and most stable. Metal is used because it's airtight, contains no vapors and can be processed faster than thick glass envelopes. Aim is to get bulb cost down to the \$8-\$8.50 of black-&-white.

Emphasizing RCA's belief that no other tube is ready or will be able to catch the RCA tube, Seelen analyzed 3 other types: (1) Projections. "These never overcame their limitations in black-&-white, aren't likely to do so in color." (2) Focus-mask types, like Chromatic's Lawrence tube. "The basic problems have never been solved -- in contrast, vibration, voltage breakdown, loss of screen area, stresses in the grid, etc. We tried it, abandoned it." (3) Sensing types, like Philco's so-called "Apple". "The concept is very nice, but it's too complex. It requires photoelectric devices, servomechanisms, etc."

"The industry has reached the stage," Seelen concluded, "where volume is the answer. Industry must get together and create the demand."

Five receivers were demonstrated, showing slides in color and black-&-white. Three used 21-in. round tubes, 2 had 22-in. glass rectangulars. Images on all were excellent. Particularly noteworthy was quality of black-&-white, and it's apparent that much effort has gone into improving black-&-white -- since it's now recognized that customers insist on using color set for both color and monochrome reception, won't stand for 2 sets in the room.

Receivers were rotated to show how earth's magnetic field impairs color purity of glass rectangular tubes much more than it does that of round tubes, which are shielded by metal cone.

RCA executives conceded that price of sets must drop before color can invade the mass market. But despite persistent questioning by reporters, they would not conjecture what the price should be. Asked to look into the future and predict when a \$300 color set might be marketed, v.p.-technical director Dr. C.B. Jolliffe said, "When the industry is making 5,000,000 a year."

**DuMONT'S 'ELECTRONICAM' FILM NETWORK:** Geared to new low-cost film production system, DuMont Network this week insisted the American TV economy can support a strong "4th network" right now -- provided it's a film network.

Some -- but not all -- of DuMont's near-future network plans were revealed at elaborate and impressive demonstration of long-heralded "Electronicam" combination TV & film camera (Vol. 11:6,8,13), shown for first time April 14 at N.Y. Tele-Centre to sponsors, agencies and the press. Using single lens and focusing system for both cameras, Electronicam produces theatre quality film, either black-&-white or color, at same time it shoots live TV show. (For description of system, see story on p. 7).

While Electronicam has many potential uses in making possible low-cost film production for theatres, industry, education, etc. -- as DuMont spokesmen are quick to point out -- the principal reason it was developed (by programming & production mgr. James L. Caddigan and DuMont engineering staff) is to serve DuMont Network with substitute for the kinescope, with quality equal to that of the best TV films.

"An entirely new concept of networking" will be based on Electronicam, DuMont Network managing director Ted Bergmann told the press -- and he outlined why this "new concept" is needed. Of nation's top 100 markets, he said, only 14 have 4 or more TV stations, 33 have 3, another 36 have 2, and 17 have only one each.

DuMont spent nearly \$3,000,000 last year for rental of coaxial and microwave connections, he said, but because of shortage of stations in many markets, it was able to get back only \$150,000 of this investment -- or 5%. In 1954, DuMont paid for interconnection facilities totaling 2800 station-hours of live time per week, but was able to use only 125 because of clearance difficulties. On the other hand, about 250 station-hours of DuMont programming were carried on kine each week.



"Thus the DuMont Network was two-thirds kinescope and one-third live," said Bergmann, "and any advertiser approaching it knew that his ratings and audience would in large part depend upon the quality of our teletranscriptions."

DuMont has already cut down its regular live network to New York-Washington only (Vol. 11:13), and Bergmann said there will be further curtailments until cable-microwave is used only for sports, news & special events. He invited the network's current advertisers to be first to use new system, beginning in about 2 weeks. The ones we talked to were enthusiastic, wanted to change over in a hurry.

What it will mean to them is this: Their programs will go on air live in New York, and onto high-quality film for use on other stations, at very little more than kinescope cost. Important angle of DuMont's new pitch is value of residual rights -- for re-runs -- enhanced by fact that shows can be filmed in color as easily as in black-&-white, at same time as they're being televised locally in monochrome.

Beyond this, DuMont Network didn't reveal plans. But presumably it intends concentrated campaign for more advertisers to use its live-film plan, and possibly to go into TV film production-syndication on its own. Of latter possibility, DuMont executives say only that they "don't know yet."

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One intriguing possibility of Electronicam is its potential use for re-runs of color telecasts. There's no reason why system couldn't be adapted to color TV camera, Dr. DuMont told us -- making possible delayed repeats and re-runs of color shows, heretofore restricted by color kine problems.

Another suggestion is production of color shows without color TV camera, by use of Electronicam's quick and efficient method of turning out filmed shows. Using TV techniques, filmed color show can be produced with black-&-white TV cameras and color film -- with processed color film ready for telecasting the following day.

While DuMont will be making a pitch to lease, license or possibly sell its system to other networks and stations and to film producers, Electronicam's future is not completely unclouded. Similar system was demonstrated several weeks ago in Hollywood by Al Simon, production supervisor for McCadden Productions (Vol. 11:13). And RCA has promised that its color & monochrome video tape recorder -- now said to be perfected -- will be put into practical use this year. It's expected that the announcement of its first commercial use by NBC will be made shortly.

**ARMED FORCES' TV 'WHISTLING POSTS':** American TV's least-known network is a film "chain" that spans oceans and continents from Africa to Iceland, carries nearly all the top-rated programs and has about 200 sponsors. Moreover, it unquestionably has the world's most loyal viewers, not to mention the "lowest cost-per-thousand."

It's the new Armed Forces Television Service -- in operation just a year, but already a seasoned and proven service. Today, it has but 4 outlets. By year's end, it expects to have 10 or more. Patterned after Armed Forces Radio Service, its purpose is morale and information for U.S. troops at isolated bases.

Its morale effects have become obvious almost instantly. At bases with TV outlets, cases of AWOL and "serious incident" (accidents, fights, etc.) have decreased markedly since TV came, and cooperation with the chaplain has increased.

For programming, AFTS depends principally on U.S. networks, TV film producers-distributors, sponsors and agencies -- for kines and films of stateside shows. The guiding spirit behind AFTS is Lt. Col. M.E. (Mel) Williamson, chief of TV branch, Office of Armed Forces Information & Education, onetime top TV-radio producer and account executive (ex-radio director Russel M. Seeds Co., Chicago, ex-west coast mgr. of old Lennen & Mitchell and old Geyer, Newell & Ganger agencies) who was called back into Air Force after wartime service in order to set up the network.

The military stations are low-powered installations, radiating 10-50 watts, thus serving only the bases and immediate surrounding area. Transmitters and other equipment have been supplied by RCA, Dage (with Gates) and Electronics Research Lab, Hollywood (Joseph Leaming). Technicians to operate and service the stations are selected from qualified personnel on each post. Programs are mostly on film, though stations also have live news, chaplains' talks, information features, local shows.



Receivers are purchased from the PX for dayrooms, barracks, officers' quarters and the homes of servicemen's families.

Obtaining and distributing stateside programs has been AFTS's biggest problem. Many sponsors and agencies were reluctant at first to give permission to use their shows -- though commercials are not deleted. While resistance of most has melted, a few are still holding out -- despite fact that it costs them nothing and gives them a big "plus" viewership, virtually a captive audience, which has access to most sponsors' products at the PX, others when tour of duty is completed.

AFTS already has some 60,000 viewers -- for whom TV is the main form of recreation and entertainment -- with only 4 stations in operation. These viewers see about 160 different shows -- ranging from Howdy Doody to Omnibus, and including Lucy, Milton Berle, Dragnet and Toast of the Town.

Last week, 72 hours of film & kine programming went out from New York to the network. Nearly every week sees an increase over the preceding one.

Cooperation of networks and most film distributors has been good. AFTS borrows prints, bicycles them from one station to another, returning them to the source when they've played the entire circuit. As the network increases in size, biggest headache will be distribution. AFTS's shoestring budget won't permit it to foot the bill for additional prints -- yet it's going to be nearly impossible to make-do with one print of each program for Uncle Sam's world-wide network.

Only AFTS installation in continental U.S. is pilot station AFL-TV at Loring Air Force Base, Limestone, Me., which began operation on Xmas Eve 1953, was formally dedicated the following July 4 (Vol. 9:52 & 10:27). The base is completely isolated, far from any other TV service.

Overseas operations are now on air at Keflavik Airport, Iceland; Lajes Field, Azores; Wheelus Field, Tripoli. Next is due at Thule, Greenland, May 1. Outlet at Dharam, Saudi Arabia, will follow. In planning stage are stations at Sonderstrom Fjord & Narsassuak, Greenland, and at Okinawa, Bermuda and Puerto Rico. All AFTS stations so far have been on Ch. 8, but Puerto Rico outlet may be first uhf -- in order to avoid any possible interference problems.

Details of planning and operation of Armed Forces' low-powered TV stations will be discussed by Col. Williamson and Maj. Stanley E. Rodby April 20 at SMPTE's semi-annual convention in Chicago's Drake Hotel.

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**Personal Notes:** Don McGannon named operations v.p. of Westinghouse Broadcasting Co., in charge of new N. Y. offices to be opened in May in Chanin Bldg., 122 E. 42nd St., to which pres. Chris J. Witting and staff will move from 40 Wall St., along with engineering director Ralph Harmon and his staff from Washington and accounting & payroll staff from Philadelphia; Joe Baudino, exec. v.p., remains in charge of Washington office, with counsel John Steen's location not yet decided . . . Gerald C. Gross, asst. secy.-gen. of International Telecommunication Union, Geneva, onetime FCC executive, returned to his post in Switzerland this week after month in U. S., during which he underwent an operation . . . Louis Hausman, CBS v.p., re-elected treas. of Brand Names Foundation Inc.; Thomas F. O'Neil, pres. of General Teleradio & MBS, elected chairman of exec. committee . . . Patrick J. Goode, pres. of WNHC-TV & WNHC, awarded 1955 Gold Medal of New Haven chapter of Advertising Federation of America for distinguished service to city . . . Stanley B. Cohen, ex-FCC attorney, recently associated with Leo Resnick, joins Washington firm of Cohn & Marks . . . Sam Sharkey, ex-*New York Times*, named NBC news editor, reporting to news director Wm. R. McAndrew; John H. Thompson, from radio KNBC, promoted to mgr. of news & special events, NBC Pacific div., Hollywood . . . Ben Lochridge named CBS Radio eastern sales mgr., replacing Jack Overall, resigned; Robert Reitzel shifts from west coast to succeed Lochridge as Detroit mgr. . . . Harold G. Ross, ex-Wage Stabilization Board labor economist, joins NARTB May 1 as asst. to

Charles H. Tower, mgr. of employer-employee relations dept. . . . F. A. Wurster, ex-WABD & BBDO, named media director, Kiesewetter, Baker, Hagedorn & Smith, N. Y. . . . Edward J. Young, ex-WDTV, Pittsburgh (now KDKA-TV), named v.p. of TV packager Advertising Syndicate of America, Keenan Bldg., Pittsburgh . . . Bruce Eells promoted to western div. v.p., Television Programs of America . . . Chester MacCracken resigns as TV-radio production v.p., Doherty, Clifford, Steers & Shenfield; he plans to teach at U of Vermont . . . Ray J. Mauer, ex-Cunningham & Walsh, named TV-radio director, Geyer Adv. . . . Lewis Wechsler, ex-Emil Mogul and Young & Rubicam, joins TV-radio dept., Benton & Bowles . . . John Henry Faulk, N. Y. TV-radio performer, named v.p. of Texas Bestg. Corp., owned by Claudia T. Johnson, wife of U. S. Sen. Lyndon Johnson; he will have charge of public affairs for its KTBC-TV & KTBC, Austin, and KANG-TV, Waco . . . Don Becker, veteran radio writer-producer & onetime asst. gen. mgr. of WLW, Cincinnati, named NBC-TV gen. programming exec. in charge of coordinating daytime programs, reporting to George F. McGarrett, mgr. of daytime operations.

Robert E. Button, serving in office of Secy. of Defense on leave from NBC, joins U. S. Information Agency as deputy asst. director for broadcasting, replacing Edward F. Lethen, who has returned to CBS.

In format of legal summons, *Broadcasting-Telecasting Magazine* has issued invitations to reception it's tendering to FCC commissioners May 22, eve of NARTB convention.



**D**EINTERMIXTURE PROPOSALS continued to pour in on FCC in wake of its move to reconsider deintermixture in Peoria, Madison, Evansville & Hartford (Vol. 11:14), while one CP was issued in form of final decision to KCRA, Sacramento (Ch. 3) and an initial decision was rendered favoring Columbia Amusement Co. (theatres) for Ch. 6 in Paducah, Ky.

In awarding Sacramento decision to KCRA (Ewing C. Kelly, pres., 50%) over KXOA (Lincoln Dellar, pres. 100%), Commission had novel comment: "In this case, the evaluation is a clear-cut one, oddly enough, because of the remarkable evenness of the applications. The sole significant difference between the applicants is seen to lie in their past broadcast records. . . . Ordinarily we should expect to find such a slight preference outweighed by preferences on other factors in the final evaluation. This case is unusual in that there are no other such preferences."

Examiner Wm. Butts' choice of the theatre group in Paducah was predicated on his belief that grant to opponent WKYB-Sun-Democrat would "aggravate" concentration of mass media control in area. In addition, he liked theatre group's educational plans.

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Deintermixture proposals filed with Commission included a joint petition of Geo. Storer's WGBS-TV, Miami (Ch. 23) and Mortimer Loewi's WITV, Ft. Lauderdale (Ch. 17) to make entire area uhf by deleting channels 4, 7 & 10 from Miami and moving pre-freeze WTVJ to Ch. 39. Sweeping proposal includes statement by both stations that they "will be forced to discontinue operations immediately upon termination of their NBC and ABC network affiliations, which will occur shortly after the grant of either of the new vhf stations in the area."

Other deintermixture proposals: (1) KCCC-TV, Sacramento (Ch. 40) asked that area be made all-uhf or all-vhf by either giving it educational Ch. 6 or moving KBET-TV & KTRB-TV to uhf. (2) WJHP-TV, Jacksonville, (Ch. 36) sought educational Ch. 7. (3) WAIM-TV, Anderson, S. C. (Ch. 40) had unusual parlay to keep area all-uhf by shifting WSPA-TV, Spartanburg from Ch. 7 to Ch. 17, moving Knoxville's WTSK-TV (Ch. 26) to Ch. 7

and letting Columbia's WCOS-TV (Ch. 25) and WNOK-TV (Ch. 67) share Ch. 7.

Other allocations petitions: (1) By Star Bestg. Co., Alamosa, Colo., to shift Ch. 3 from Pueblo, Colo. (2) By radio WICH, Norwich, Conn., to move Hartford's Ch. 3 to Norwich. (3) By WANE-TV, Ft. Wayne (Ch. 69) to shift it to Ch. 21, moving channel from Huntington, Ind.

Commission initiated rule-making on proposals to permit KBID-TV, Fresno to shift from Ch. 53 to Ch. 18 or 30 and on conflicting proposals to add Ch. 10 to either Bunnell or New Port Richey, Fla. It turned down second effort of off-air WTOV-TV, Norfolk (Ch. 27) to get Ch. 13 assigned to nearby Princess Anne, Va.

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More time to build was granted WJRT, Flint, (Ch. 12) over objections of WFDF, Flint, and Butterfield Theatres; grantee was also authorized to move to site 20½-mi. northwest of Flint. It's expected latter will be protested.

WHUM-TV, Reading, Pa. (Ch. 61), was given authority to move main studio to transmitter site after station said it could save \$5000 monthly by doing so.

About 50 comments were filed at April 15 deadline on FCC proposal to limit stations to sites within 5-mi. of cities—with those in favor and those opposing running about half and half. All 4 networks opposed.



Deintermixture would be accomplished in Jackson, Miss. by merger of one of town's 2 vhf stations with its only uhf if FCC approves application by WSLI-TV (Ch. 12) for permission to sell 40% interest to WJTV (Ch. 25), owned by same interests as *Jackson Clarion Ledger* and *Daily News*. Plan is to increase WSLI-TV capital stock from 250 to 1000 shares, sell 400 to WJTV for \$176,000, remainder to be held by present WSLI-TV owners. Latter are Standard Life Insurance Co., which would hold 324 shares; T. B. Lanford & L. H. Sepaugh, who would hold 138 shares each. WSLI-TV in turn would pay \$175,000 for physical assets of WJTV, change its call to WJTV, while uhf channel would be dropped. Both stations, states application, have been operating at loss.

**E**LECTRONICAM, DuMont's combination TV & film camera system demonstrated for first time this week (see p. 4), has aroused the interest of at least one major Hollywood movie producer as well as TV film producers, advertisers & stations. As explained at demonstration, there are already 2 versions of the system—one for use in producing films through TV techniques, other for simultaneous telecasting and filming. Except for optical system, the units are identical.

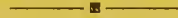
Demonstration began with a showing of black-&-white and color film, of theatre quality, made by Electronicam—shot without retakes in the same time it took to view it. Then audience saw a scene being televised and filmed simultaneously, using the system. Though 16mm film was used, it was explained that 35mm can be used equally well.

As demonstrated, system used 3 camera chains, each with image orthicon TV camera head and film camera mounted side-by-side on same base and operating with common lens system. Light passing through lens is split into 2 parts, one to film and other to TV pickup tube. Single control focuses both TV and film camera. All 3 film cameras operate continually during the program, as do the TV cameras, and the director monitors and edits the show as it is performed, as in any live TV show.

In addition to the 3 films being exposed by the 3 cameras in system, an "editing master" is produced—merely a kinescope of the TV picture selected by the director during the shooting. This master shows which camera's

footages were chosen by director during the shooting, and it records wipes, fades, dissolves, scene shifts, etc. which appeared on the monitor. After film is processed, special editing device locks the 3 negatives from Electronicam system in synchronization with the "editing master" so that all can be run off slowly and inspected together at same time. The high-quality film then can be edited, using "master" kinescope as a guide.

System permits half-hour film to be shot in half-hour in contrast to Hollywood methods by which film may take days or even weeks to shoot. When used for film repeats of live TV shows, one advantage of system is the possibility of re-editing, using different shots from those which actually went over the air, if desired.



Amendment to "protest" section of Communications Act designed to obviate use of section merely to delay grants, while continuing to permit interested parties to "bring to Commission's attention bona fide questions concerning grants made without hearing," was introduced by Sen. Magnuson (D-Wash.) as S-1648, at request of FCC (Vol. 11:13).

Commercial Telecast Network is new closed-circuit TV packager with headquarters in N. Y., specializing in business meetings. President is Lloyd Durant, ex-Compton and Biow agencies; v.p. is Wm. F. Hogan, head of Wm. F. Hogan Assoc., communications engineering; H. Don Reynolds is secy-treas.



**Telecasting Notes:** The "new criticism," wherein columnists treat TV shows like the theatre, despite their evanescent and usually non-recurring nature, took an unusual turn this week when Herald Tribune Syndicate's widely published John Crosby column lashed out at CBS's program department for allegedly losing its old imagination and daring. Excepting only the CBS public affairs dept., which he called "superb" and which turns out its news and documentaries, the acidulous Mr. Crosby made some invidious comparisons with NBC—designed to make CBS executives squirm and NBC's chortle. He accused the CBS program dept. of being "sound asleep," took it to task for "doing radio shows poorly fashioned in the image of TV" and for mediocre TV shows . . . Such an indictment of a whole structure, rather than an individual show, had the industry buzzing this week, with lineup of sentiment about what you would expect—according to affiliations and personal loyalties. CBS executives were frankly puzzled by the curious takeoff against them, naturally wouldn't dignify it with formal rebuttal, though we're sure Crosby and his readers haven't heard the end of the argument yet . . . Friends of CBS were inclined to point to its consistent leadership in both TV & radio billings, its high program ratings and the continued demand for its time (especially TV) as a substantial if not altogether complete answer to Crosby. There's also the simple fact of the parent company's fantastic sales and earnings record (Vol. 11:13), to say nothing of fact that it achieved new high on N. Y. Stock Exchange this week . . . Theatre Owners of America pres. E. D. Martin, who happens to have some TV station interests, too (*TV Factbook No. 20*, p. 58) was quick to lash back at Republic Pictures pres. Herbert Yates this week for threatening to quit theatrical film-making in favor of more profitable TV (Vol. 11:15). Martin released sharply worded letter to Yates suggesting he make "more and better films" suitable to the trade rather than "heaping abuse" upon his customers; reminding him movies built his business and movie industry is still biggest customer for Republic's very considerable film processing business; and observing that "almost all other producers and distributors of motion pictures show a tremendous improvement and very profitable operations" based on theatrical movie and not TV business . . . Mr. Yates now says "Republic's production policy has been grossly misstated and was not authorized"—but newsmen covering stockholders meeting are in agreement that he told stockholders meeting Republic may decide within 60 days whether to quit theatrical filming entirely in favor of TV and film processing business (Vol. 11:15); now he states production policy remains unchanged, with 14 features and 6 special pictures scheduled for 1955. But his management is being challenged by dissatisfied shareholders group headed by Bernard E. Smith and represented by Leon, Weill & Ma-

honey law firm . . . Ever-astute Abel Green, editor of *Variety*, editorially comments that Yates' threat may be "one of those showmanship sharp barbs to jolt exhibitors and reawaken their economic support of Rep production. Certainly the present state of the picture business is too good for any such walkout" . . . The "flirting or mating" of pictures and TV, says Green, follows pattern of show business in the past: "New values are grafted onto old traditions. And in many ways for the better" . . . It's official at Warner Bros. now: Tieup with ABC-TV is along lines of Disney's (Vol. 11:12-14), and the GE-Liggett & Myers sponsorship of *Warner Brothers Presents* next season will embrace 39 pictures, each costing around \$75,000, and each keyed to theme of old film successes *Casablanca*, *King's Row* or *Cheyenne*. There will be new treatments and casts, with some 15 min. of each hour devoted to behind-the-scenes shots and movie plugs a la *Disneyland* . . . Warner's TV subsidiary, Sunset Production, headed by Jack M. Warner, son of studio's head, will have Gary Stevens in charge of production; first syndicate series will be half hour *Men of the Sky* . . . Despite exhibitors' lingering antagonisms, the film folk are cottoning up to TV openly now—a far cry from the belittlement, sometimes invective, of not so long ago. 20th Century-Fox's Darryl F. Zanuck tells N. Y. news conference, referring to his company's upcoming show on CBS-TV (Vol. 11:14): "The important thing is that we can reach 50,000,000 who now have TV sets in their homes, and through institutional advertising sell them on the idea of movie-going" . . . Warners' distribution v.p. Ben Kalmenson said its new TV program "makes available to the motion picture theatre the benefits of the greatest advance merchandising program ever conceived by this industry" . . . What the movie producers seem to relish especially is that TV may turn out to be prime outlet for unproduced or unsuccessful story properties, aside from adaptations of old film successes and quite apart from the probable value of the long-written-off oldies still residing in their vaults . . . CBS-TV film div. buys 20th Century-Fox's projected *My Friend Flicka* series . . . One more TV show going into motion picture production: Rod Serling's *The Rack*, played April 12 on *U. S. Steel Hour*, purchased by MGM which will star Glenn Ford and retitle it *Court Martial*; it's Serling's second to be purchased for the movies, other being *Patterns*, and it's MGM's second purchase from *U. S. Steel Hour*, other being last week's *Fearful Decision*. This week, CBS-TV, which shortly takes over *U. S. Steel Hour*, signed up for first purchase rights to all of Serling's new TV plays.

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Foreign-language programming on WATV, Newark, now runs 25½ hours weekly. Latest is *German-American Hour*. Third Spanish-language show, *La Revista Hispana*, brings total in that language to 3½ hours weekly.

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TV's coverage of Salk polio vaccine report April 12 was highlighted by 2100-mi. live remote by Los Angeles' independent KTTV (Richard Moore, mgr.), winner of several recent awards for outstanding programming, including *Variety's* "showmanagement" plaque this week (see p. 16). KTTV exercised its option for microwave lines—including only outgoing line from Ann Arbor to Toledo, which it made available to networks and other stations on pool basis—but picked up report with own equipment flown in advance to Ann Arbor. Richfield Oil of California sponsored 4-hour program, which was also fed by KTTV to San Francisco's KGO-TV, San Diego's KFMB-TV & Sacramento's KCCC-TV. Another feature of coverage was live closed-circuit telecast from Ann Arbor same evening in 58 cities via DuMont facilities under sponsorship of Eli Lilly & Co. Some 56,000 physicians and guests watched Dr. Thomas Francis Jr., director of National Foundation for

Infantile Paralysis' evaluation unit, detail clinical tests and answer questions. Within the industry, NBC stirred tempest by breaking release time on polio report, drawing criticism from Radio-TV News Directors Assn. Official release had been scheduled for 10:20 a.m. EST, but NBC flashed it on Dave Garroway's *Today* at 9:22 (8:22 in mid-west), stating it had notified affiliates to cut in after first being informed release would be before 9 a.m. EST. Network said it had tried unsuccessfully to get earlier release time restored, then decided to break story because newspapers had been carrying accurate stories of report's results for last 3 weeks.

New \$27,000,000 Bell System construction program, proposed in applications filed with FCC this week, includes addition of 2 TV channels & 1200 phone circuits to Dallas-Los Angeles route through conversion to "L3 Carrier" system.



**SUBSCRIPTION-TV DEBATE** at Washington's National Press Club April 14 between Zenith's Millard Faught and Tennessee chain exhibitor Alfred Starr, past pres. of Theatre Owners of America and co-chairman of Committee Against Pay-as-You-See TV, exposed what seems destined to become the major question:

Faught argued that pay system will add great new programs to the TV schedules without disturbing present free fare. Starr foresaw toll TV producing net result of forcing public to pay for what it now gets free.

Faught reiterated fee-TV proponents' basic premises—that new system will bring to the home first-run movies, Broadway hits, opera, championship bouts; that these won't hurt exhibitors or free TV because it will stimulate them to produce better products for larger and larger audiences; that more income to TV stations will mean great expansion in number of stations; that educational stations will move into break-even column because of payments from home students.

Zenith just wants a chance to try the system, Faught said, and is willing to risk own capital—renting rather than selling necessary equipment to public. "If the bold experiment fails," he stated, "it's our shirts. If it succeeds, fine. But in either case the public will have had a no-risk opportunity for the first time in broadcasting history to decide in advance where the public interest lies with respect to a new gadget."

Starr's thesis: "Subscription TV is absolutely pre-emptive," i.e., will replace free TV rather than supplement it. It would be pre-emptive in multiple-station cities as well as one-station towns, he said, because FCC couldn't refuse to give all stations equal competitive crack at the pay-TV audience. As for fee TV merely supplementing free TV, Starr asked: "Would anything the public really wanted to see remain free if it could be sold for a higher price?" He insisted all desirable programs would end up on pay basis.

Neither speaker had much to say about first-run movies—though it's obvious that success of pay-as-you-look system would depend very largely on their availability unless existing TV programs are converted to pay basis. Broadway plays, opera, sports, education, etc. would hardly seem capable of supporting a pay system. Faught apparently isn't sure pay-TV would get the movies, and Starr is afraid it might. Up to now, no major producer has indicated he would release his first-runs—or even his oldies—to subscription TV.

In question period following debate, Faught vowed that Zenith wanted no monopoly; that it would license others to make equipment; that "Zenith has no desire to go into the entertainment business." He said he didn't know what system of pay-as-you-look is best, but contended actual operations are required to learn answers—and "Zenith is willing to pay to find out. There's plenty of risk capital available. It would come in over the transom."

Starr stated that regardless of Faught's disclaimer, "I believe that the public is going to have to pay for the gadgets." He added, parenthetically, that the coin-operated system is the only practical method, technically.

When asked why theatres are so anxious to preserve free TV, on one hand, while capturing major fights, etc. for theatre TV, Starr said: "Theatre TV is limited—there are only 5,000,000 theatre seats in the U. S. Theatre TV doesn't pre-empt anything. It's private. The same system is available to subscription-TV proponents. Our objection is to the use of public facilities."

Grasping the political possibilities, Starr declaimed: "God help the Administration—any Administration—that sanctions this thing. The American people will rise up in revolution and take an axe to their sets."

**Network Accounts:** What should an advertiser do when his star performer's rating begins to slip? Leadership Panel of *Tide Magazine* (April 9) suggests: (1) Reduce frequency of his appearance. (2) Give him a better supporting cast. Majority (59%) of panelists believe popularity decline of TV performer is likely to affect sales of sponsor's products; 60% believe that if star delivers the commercial, his popularity decline is likely to have even worse effect on sales . . . NBC-TV reports gross billings of \$4,300,000 already on books for April-June quarter of *Today, Home & Tonight*; goal is \$4,900,000. Among advertisers signed for all 3 programs this quarter: International Shoes, Murine (eyedrops), Black & Decker (portable electric drills), Sawyer's Inc. (slide viewers), G. M. Scott Lawn Seed, Nesco Co. (frying pans) . . . Schick Inc. replaces Lucky Strikes as alt. sponsor (with Johnson's Wax) of *Robert Montgomery Presents* on NBC-TV starting in July, Mon. 9:30-10:30 p.m., thru Kenyon & Eckhardt . . . Mennen Co. to be alt. sponsor with Pabst of Wed. night fights on ABC-TV starting June 1, 10 p.m. to conclusion, thru McCann-Erickson and Kenyon & Eckhardt . . . State Farm Insurance Co. switches *Red Barber's Corner* from CBS-TV to NBC-TV starting May 13, Fri. 10:45-11 p.m., thru Needham, Louis & Brorby . . . Viceroy Cigarettes to sponsor Fri. 2-2:15 p.m. portion of *Robert Q. Lewis Show* on CBS-TV starting April 15, Mon.-thru-Fri. 2-2:30 p.m., thru Ted Bates & Co. . . . Bauer & Black (surgical supplies) buys Mon. 10:45-11 a.m. portion of *Arthur Godfrey Time* on CBS-TV starting June 6, thru Leo Burnett Co., Chicago . . . CBS signs 5-year contract for TV-radio rights to annual Gator Bowl football games in Jacksonville, New Year's Day.

Station Film Library Inc., 579 Fifth Ave., N. Y., new package firm headed by Harry Trenner, ex-Wm. Weintraub Co. TV-radio v.p., April 12 disclosed unique economy plan designed to reduce high cost of daytime film programming. It would give stations ownership and all residual rights to 2 complete 15-min. 5-days-a-week soap operas in return for donating air time for first runs. Trenner would then sell both time & program to advertiser as a single package, at a lower cost than paid for time-&-program separately. Stations would receive perpetual resale rights to film packages in exchange for carrying them on adjacent time segments for one year. Since shows are succession of one-week serials, each complete in 5 episodes with no continuity from one week to next, stations can sell them as re-runs shortly after they're shown for first time for Trenner's sponsor. Trenner says further that each 5-part story can be edited into one 30-min. drama, thus providing still another source of re-run revenue. Production of shows will begin shortly, he said, adding that a number of stations had already signed up. With him in new project is Richard Hubbell, ex-DuMont.

Station Films Inc. formed 2 years ago by Katz Agency, major rep firm, as buying and advisory service for member stations, will close down July 31—and reasons stated by director Robert H. Salk significantly point up changes that have taken place in film syndication in the last few years: "The film field is becoming generally stabilized. Syndicate film distributors are now well established. Their sales coverage is extensive, providing more stations direct access to their product. Feature film distributors have likewise become better organized. They are paying more for their films and investing more in distributing them. The quick-money chaps are now the exception rather than the rule. Stations can now expect to get the film they want by normal direct business negotiations with vendors."

N. Y. Herald Tribune plans Sunday TV magazine section starting May 15, edited by Al Davies.



**A**NOTHER TV PROBE was proposed to Congress this week—this one by the FCC, which wants to get into the act by conducting its own "comprehensive study of the economics and operations of the broadcasting industry as a whole," directed by non-governmental experts and probably lasting several years. Initial Congressional reaction was unenthusiastic.

Appearing before orientation session of House Commerce Committee, Chairman McConnaughey termed the \$80,000 approved by House for FCC's network inquiry (Vol. 11:14) "adequate as a starting point," but said FCC investigation shouldn't be confined to networks. "In the course of such a study," he added, "the role of the networks would, of course, be of great importance, but the role of the advertising and talent agencies, the sponsors, the film producers and distributors and other non-network organizations in the TV industry would necessarily play an equally significant role."

He said investigation "may have to continue over a number of years," would make use of outside experts. Joint Congressional resolution would be required to get it started. Comr. Hennock appeared before Committee at own request, calling FCC "the wrong agency to make the study" and urging an investigation "by this Committee, the Senate and by every other Committee."

Asked at week's end if he favored the FCC's proposed study, House Committee Chairman Priest (D-Tenn.) told us: "I'm not prepared to present such a resolution; first I would want to look over the possibility that there will be duplication [with the current Senate Commerce Committee investigation]." As to Comr. Hennock's suggestion, he said: "She has some ideas worth considering. It may be a job for a Congressional committee rather than the FCC. I haven't decided yet."

Chairman Magnuson (D-Wash.) of the TV-investigating Senate Commerce Committee was out of town and not available for comment, but a staff member said he is wary of any FCC investigation which would conflict with his Committee's current inquiry. Sen. Kilgore (D-W. Va.), who heads Judiciary Committee's monopoly subcommittee, still plans to look into anti-trust aspects of

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Increase in allowable campaign expenditures to account for higher cost of TV was urged this week by chairmen of Democratic & Republican National Committees. Both testified before Senate Rules subcommittee on privileges & elections in support of bill (S-636) by Sen. Hennings (D-Mo.) to raise limit on expenditures by national political committee to \$12,300,000. Democratic Chairman Butler said present \$3,000,000 limitation was "unrealistic in view of the cost of TV," also suggested committee consider requirement "that reasonable and equal amounts of TV & radio time be provided free to each party in presidential election as a public service." He said Republican National Committee spent \$3,447,000 for TV-radio in 1952 campaign, Democrats \$2,573,000. Republican Chairman Hall said Hennings' proposal was enough to get along with. NARTB chairman Harold Fellows is scheduled to testify April 20; FCC Comr. Hennock, NBC v.p. Joseph Heffernan & CBS v.p. Earl Gammons, April 26. At April 13 meeting of FCC with House Commerce Committee, Reps. Dies (D-Tex.) and Moulder (D-Mo.) opined that political candidates should be charged less than other time buyers. Comr. Hennock, on stand at time, blurted: "You're entitled to free time, Mr. Congressman." Replied Dies: "I wouldn't go that far." Sen. Magnuson (D-Wash.), chairman of Senate Commerce Committee, has also come out for special rates or free time for political candidates.

Lima, Peru, opened first TV station April 10, eve of meeting of 4th Inter-American Radio Congress there.

communications, takes dim view of the FCC proposal. He's said to fear Commission might be trying to stall off any full-scale Congressional probe. Kilgore has named Joseph W. Burns, onetime govt. anti-trust lawyer, now member of N. Y. & Washington firm of Fulton, Walter & Halley, as general counsel and staff director of subcommittee which will look into all monopoly problems.

Group of strong NBC & CBS affiliates headed by P. A. Sugg, WKY-TV, Oklahoma City, and Walter J. Damm, WTMJ-TV, Milwaukee, meanwhile were planning to invade Washington next week to "talk over the whole situation" with Congressional leaders and FCC. They'll start off with visit to Senate majority leader Lyndon Johnson (D-Tex.), at 10:30 a.m. April 19, then see other Senators including minority leader Wm. Knowland (R-Cal.), winding up with dinner for FCC at Mayflower Hotel.

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Other developments at House Committee session:

Comrs. McConnaughey and Webster strongly opposed Harris and Hinshaw bills to limit height of TV towers. Comr. Webster accused military members of Airspace Subcommittee of taking "arbitrary" position in opposing all towers over 1000 ft. (Vol. 11:11).

Chairman McConnaughey asked for change in "protest" section of Communications Act, modification of section which "isolates" some staff members from commissioners, and right to levy small fines against non-broadcast users of radio spectrum who violate regulations. Chairman Priest said he would introduce required legislation on all 3 requests.

All commissioners were present except Lee. Comr. Hennock, in her separate statement, called TV "the worst monopoly in the history of this country," and claimed she was "behind an electronic curtain" which kept her views from Congress and the public. At outset of her testimony she aroused speculation when she said: "I almost feel as if I'm in a courtroom. I may soon be there—my term is about to expire June 30." She didn't elaborate, but it's generally expected she won't be reappointed when her term as a Democratic member terminates in about 10 weeks.

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Dropping radio after leaving TV, owners of WROV, Roanoke (250-watts, 1240 kc, ABC) are selling AM & FM for \$45,000, subject to FCC approval. Moving to Roanoke are Burt Levine, ex-WCAN-TV, Milwaukee, holding 40%, and Joseph Goodman, 30%. Other new owners are Cy Blumenthal, 10%—Goodman's brother-in-law and operator of WCMS, Norfolk, also 39% of WARL, Arlington, Va.; Leon & Nidra Levin, 20% jointly. WROV-TV quit air July 18, 1953 after operating 5 months on Ch. 27 (Vol. 9:29), then applied for Ch. 7, but dropped out when Ch. 7 grantee *Roanoke Times & World News* (WDBJ) agreed to pay \$245,012 for assets of defunct WROV-TV (Vol. 11:6).

Transfers of KORK, Las Vegas & KOLO, Reno to Arkansas publisher Donald Reynolds, though approved by FCC last week (Vol. 11:15), were held up by Commission this week while it studied petition filed by KLAS-TV & KLAS, Las Vegas. Petition claims that Reynolds, who owns KLRJ-TV, Henderson-Las Vegas & KZTV, Reno and *Las Vegas Review Journal* along with other Nevada newspapers, has offered advertisers joint rates, rebates, free newspaper space, etc.

FCC approved \$162,000 sale of WMAK, Nashville (5-kw, 1330 kc, MBS) recently, from Frank W. Mayborn & Frank M. Farris Jr. (owning 75% & 25%, respectively) to Howard D. Steere group, operators of WKMI, Kalamazoo, Mich. Mayborn owns KCEN-TV, Temple, Tex. (Ch. 6) and radio KTEM there, publishes *Temple Daily Telegram* and owns 50% of *Sherman* (Tex.) *Democrat*.



SECOND SATELLITE of KGMB-TV, Honolulu (Ch. 9) got going this week—and inter-island setup is expected to be on program schedule week of April 17. KMAU, Wailuku, Maui (Ch. 3) is 90 mi. from Honolulu, while KHBC-TV, Hilo (Ch. 9) is 123 mi. from Maui; latter has been testing since late in March (Vol. 11:13). Hilo outlet's commercial debut depends on KMAU since it picks up KMAU signal with relay on NW side of Mauna Kea crater, then microwaves it to Hilo on other side of crater. KMAU has 2-kw RCA transmitter, 100-ft. guyed steel mast on Haleakala Crater, is manned by 3 engineers. Both satellites are under same ownership as Honolulu station, headed by C. Richard Evans; neither will publish rate card nor will KGMB-TV rates be increased, until "proved circulation" is determined. Rep is Free & Peters.

With 2 more uhf outlets quitting air, count of TV stations now is 429, of which 108 are uhf. Dropping out this week, as predicted, were outlets in Des Moines & Allentown.

"Hopelessness" of fighting vhf was cited by KGTU, Des Moines (Ch. 17) as it left air April 15 after 17 months of operation and loss of \$283,051. In letter to FCC, attorney Arthur W. Scharfeld, for Morgan Murphy-W. C. Bridges interests which also own WEAU-TV, Eau Claire, Wis. (Ch. 13), told how station gradually reduced losses during first few months, when its only competition was WOI-TV, Ames (Ch. 5), but stated advent of WHO-TV, Des Moines (Ch. 13) reversed trend. Prospect of Cowles' KRNT-TV (Ch. 8) in next 6 months or so worsens situation, he said. Letter assailed WOI-TV for failing to convert to educational operation though its representatives had said it would. In addition, it said, "KGTU has lost such commercial programs as may have kept it alive through the selling approach of other TV stations in the Des Moines area, which includes derogatory statements of uhf sponsorship and reception from KGTU." Station's decision to quit was also attributed to FCC's failure to grant request that it be permitted to shift temporarily to educational Ch. 11, for which educators haven't yet applied. Station will retain CP "in the event that there should be developments, now unforeseen but certainly hoped for, which would make it possible for the station to resume operations either on a vhf or uhf channel."

Stressing "temporary" nature of suspension, WFMZ-TV, Allentown, Pa. (Ch. 67) left air April 15, pres. Raymond F. Kohn attributing halt to failure of stockholders to fulfill pledges completely. Some \$75,000 out of \$300,000 in pledges is still due, \$47,500 of it from Allentown hotelman Samuel W. Traylor Jr., against whom station has filed suit. "We are by no means writing 'finish' to WFMZ-TV's telecasting," Kohn said. "Our experiences to date have proved conclusively that there is not only great need for local TV but also a tremendous interest in the type of programs we have presented." Station hopes to be back on air "during the more profitable fall and winter season."

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DuMont shipped 5-kw transmitter with camera and studio equipment this week to upcoming KLFY-TV, Lafayette, La. (Ch. 10), due about June 1; it also reports order for 25-kw transmitter, with tentative May 23 shipping date, to upcoming KTBS-TV, Shreveport, La. (Ch. 3).

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

KTBS-TV, Shreveport, La. (Ch. 3), now plans to be ready for start next Sept. 1, according to pres.-gen. mgr. E. Newton Wray, who says orders have been placed for DuMont transmitter & studio equipment, RCA antenna and 1051-ft. Truscon tower. Work on tower foundation at site of radio KTBS begins in 2 weeks, with tower due to arrive by July 4. It will be second local outlet, KSLA (Ch. 12) having begun in Dec. 1953. Rep not chosen.

KDLO, Florence, S. D. (Ch. 3, allocated to Watertown), granted April 6, hasn't ordered equipment or begun construction, but hopes to be on air by next Oct., according to 33 $\frac{1}{3}$ % owner N. L. Bentson. CP for KDLO is owned by KELO-TV, Sioux Falls (Ch. 11), which plans to have new outlet pick network schedules off air from KELO-TV. KELO-TV rep is Raymer.

WHIS-TV, Bluefield, W. Va. (Ch. 6), previously reporting May target (Vol. 11:9), now hasn't target date, but is installing 10-kw RCA transmitter, according to mgr. P. T. Flanagan, reporting for grantee *Bluefield Daily Telegraph*. Ideco 100-ft. tower is due to arrive in 2 weeks and RCA 6-bay antenna is scheduled for installation in 40 days. Base rate not set. Rep not chosen.

KFJZ-TV, Fort Worth (Ch. 11), has Aug. 1 test pattern target, Aug. 28 programming, reports v.p. Charles B. Jordan of Texas State Network, which also operates KFDA-TV, Amarillo and 4 Texas AMs. Construction of 1000-ft. Parkersburg tower is under way and 12-bay GE antenna is to be installed May 15. GE 20-kw transmitter, due June 1, is scheduled to be wired and ready by mid-July. Base hour will be \$600. Rep will be H-R Television.

KCOR-TV, San Antonio (Ch. 41), which had May target, now aims for June start as a Spanish-language outlet primarily. Last week FCC turned down its request to shift to Ch. 14 allocated to Seguin, Tex. (Vol. 11:15). RCA 1-kw transmitter is due shortly and installation of RCA pylon antenna on 558-ft. Truscon tower is scheduled in about 5 weeks, reports chief engineer Marvin L. Fiedler. Programming will be 90% Spanish, with Latin-American films and kines. Base hour will be \$180. Rep will be Richard O'Connell.

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CJON-TV, St. John's, Nfld. (Ch. 6), has 2-kw transmitter and rest of RCA "package" due to arrive in 4-5 weeks, plans July 15 test patterns, Aug. 15 programming, reports v.p. Don Jamieson. Dominion Bridge Ltd. is scheduled to start work early next June on 12-slot wave-stack tower-antenna at Kenmount Rd. site, 4 mi. from city. Dominion Office of Transport recently assigned Ch. 6 to CJON-TV, which originally had Ch. 2.

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KTVI, St. Louis (Ch. 36) began programming April 9 using channel and facilities of old KSTM-TV, in shift from Ch. 54 in nearby Belleville, Ill., where it had WTVI call (Vol. 11:15). Fifteen new programs were premiered this week, including first Cardinal baseball games and 3 hour-long bowling shows. KTVI gen. mgr. John D. Scheuer has launched \$60,000 promotion drive, tied in with opening of Anheuser-Busch & Krey Packing Co. sponsorship of baseball, and states he expects to increase circulation of 317,000 uhf homes claimed for Ch. 36 to well over 450,000 by end of baseball season.

John E. Fetzer, who bought KOLN-TV & KOLN, Lincoln, Neb. in 1953 (Vol. 9:30, 34), has agreed to sell the AM (250-watts, 1400 kc, MBS) for \$60,000 plus an additional \$60,000 if it grosses more than \$200,000 first year and \$300,000 second year. Purchaser is Robert W. Frudeger, v.p.-gen. mgr. of WGIL, Galesburg, Ill., who is also adv. mgr. of *Galesburg Register-Mail*. Operator of WKZO-TV & WKZO, Kalamazoo, and of radio WJEF, Grand Rapids, Fetzer has A. James Abel managing his Ch. 10 TV outlet in Lincoln.

Application for satellite in Ephrata, Wash., was filed this week by owners of KIMA-TV, Yakima (Ch. 29) and satellite KEPR-TV, Pasco (Ch. 19). To operate on Ch. 43 with 13.3-kw ERP, it would rebroadcast KIMA-TV programs. FCC now has 163 applications on file (18 uhf). [For details, see *TV Addenda 20-N* herewith; for complete listings of all grants, new stations, applications, etc., see *TV Factbook No. 20* with Addenda to date.]



**SECOND-SET POTENTIAL & LOW-PROFIT BLUES:** Tremendous market potential for second TV sets, increasingly important to trade as receiver saturation mounts (now estimated at 75% of U.S. families), is pointed up in new nationwide survey. It's by American Research Bureau Inc., and it shows that only 3.7% of all TV homes had 2 or more sets as of Jan. That means about 1,300,000 multiple-set homes at start of year.

Survey by ARB (National Press Bldg., Washington, James Seiler, director) is one of a continuing series, based on data secured in course of audience studies in all TV areas, and is sold to set manufacturers. In addition to national figures, it gives data for 29 selected markets, and rates the set manufacturers according to their share of those 29 markets and of U.S. market as a whole.

Some 10% of all TV families are expected to have second set by end of year. So heavily is industry training its guns on this market that trade research experts think they can sell some 2,200,000 second sets by end of year. Commenting on ARB's 3.7% figure, one marketing man said he'd hazard guess that that total was built up almost entirely during last year, as sets-in-use rose 6,000,000 to national total of about 35,000,000 as of March 1.

Survey shows set owners aren't waiting for receivers to become obsolete before turning them in. It reveals that the average age of all sets replaced in last 15 months was only 2½ years, though it's generally believed the average set has a life expectancy of up to 8 years. Survey also shows that 39.9% of all sets-in-use are 21-in., 39.1% are 16 or 17-in. and only 1.9% are over 21-in.

We were permitted by ARB to use only selected excerpts from the survey, which is replete with valuable data for the trade. For example, multi-set homes are most common in Washington, D.C., where 7.3 families in every 100 have 2 or more of them. But in Houston, less than 1% of TV families have them.

Cleveland led all cities in replacements -- 86.5% of sets they bought in last 15 months going to homes which already had a set. Chicago is next, with 82.2%, then Philadelphia 80.2%, Cincinnati, 79.4%.

Dayton is the city with greatest percentage of homes with second-hand sets. There, 11.3% -- or more than one in every 10 homes -- have a set which was obtained used. Nashville had lowest percentage of second-hand sets in use -- 2.4%.

These markets are covered in survey: Albany-Schenectady-Troy, Atlanta, Baltimore, Birmingham, Boston, Chicago, Cincinnati, Cleveland, Columbus, Dallas-Ft. Worth, Dayton, Detroit, Houston, Johnstown, Los Angeles, Memphis, Milwaukee, Minneapolis-St. Paul, Nashville, New Orleans, New York, Norfolk, Philadelphia, Pittsburgh, Dayton-Rock Island-Moline, Salt Lake City, San Francisco, Seattle-Tacoma, Washington, D.C. Different markets are covered in other periodic ARB surveys.

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Trade's anxiety about low TV profits was clearly manifested in corridor conversations at RETMA's quarterly meetings this week in N.Y. (for story on actions of its board, see p. 13). Nearly all set makers expressed satisfaction, even surprise, at high level of retail sales in first quarter (estimated at 1,800,000) but there was considerable anguish about continuingly declining profits.

"We seem to be on a toboggan in this industry when it comes to profit," said one. "There just doesn't seem to be any end to the skid. Everybody just wants low prices. I think the business of selling up into higher-priced sets has been a bust."

Another set maker said he was envious of auto industry. "Look at how they keep up unit sales and profits at the same time," he remarked. "They add another accessory, another gimmick, another new feature each year and kick up the prices. We seem to go the other way in TV. We strip down the sets and lower the prices."

Manufacturers generally expected another good retail sales year, however, low profits notwithstanding. Many thought retail sales would exceed 6,500,000, some



felt they would go above 7,000,000. One who went on record this week with an over-7,000,000 prediction was Philco financial v.p. Courtney Pitt, in panel talk at Drexel Institute, Philadelphia. He admitted that his prediction might be regarded by some as too high but remarked that "all of my predictions about annual volume in previous years turned out to be conservative." Retail TV sales last year were at an all-time high of 7,300,000.

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TV production started normal second-quarter downturn week ended April 8, totaling 150,453, compared to 163,746 preceding week and 163,042 week ended March 25. It was year's 14th week and brought output for year to date to 2,250,000, compared to about 1,625,000 in corresponding period of 1954.

Radio production totaled 275,849 (139,736 auto), compared to 287,740 in week ended April 1 and 300,568 in week before. For 14 weeks, output was 3,975,000, compared to approximately 2,700,000 in corresponding period year ago.

**Topics & Trends of TV Trade:** RETMA's plan to reduce spurious radiation (Vol. 10:14, 34) got final approval this week at quarterly meeting in N. Y. April 12-14—and prospect is plan will get under way this summer. Radio-TV Industry Committee headed by H. L. Hoffman approved pres. Glen McDaniel's proposal whereby set manufacturers, whether or not RETMA members, will affix seal to their receivers attesting that they conform to RETMA engineering standards.

RETMA will set up special committee shortly to administer program, which was recommended by GE's Dr. W. R. G. Baker, director of RETMA engineering dept. & chairman of special committee on spurious radiation. Under plan, a manufacturer merely certifies in writing that his set conforms to standards. Original proposal to set up industry-wide certification lab has been sidetracked, principally on objection of larger manufacturers who have own labs and contend it would prove costly duplication.

Committee admittedly would have no power to inspect or police sets to enforce compliance. It would, however, investigate any complaints that a manufacturer who uses seal is not complying with regulations.

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RETMA board took these actions this week, subject to approval of full membership at June 14-16 convention in Chicago: (1) Approved realignment of administrative structure to separate further its TV-radio and electronics activities, including establishment of new military products div. (2) Created new "special member" classification for companies with minor interest in electronics. (3) Approved participation, along with NARDA and National Assn. of Electrical Distributors, in National Radio & TV Week beginning Sept. 18. (4) Authorized chairman Max Balcom to establish special committee to consider sponsorship of "Golden Jubilee of Electronics" in 1956 in observance of 50th anniversary of invention of grid audion by Dr. Lee DeForest (Vol. 11:15).

Magnavox will continue price maintenance policy with its exclusive dealers regardless of whether fair trade laws are repealed, says pres. Frank Freimann, whose products are fair-traded direct to dealers. In a formal statement, he said he supported fair trade in principle but observed that laws alone won't prevent "jungle warfare selling," especially if they're not enforced. Meanwhile, the Senate Small Business Committee this week postponed for 10 days its consideration of report of top-flight 60-man National Committee to Study the Anti-Trust Laws, which recommended repeal of all fair trade laws (Vol. 11:14-15).

New Sears, Roebuck spring catalog reduces 21-in. vertical chassis table model from \$138 to \$130, retains 17-in. vertical chassis table model price leader at last year's \$118 list.

**Trade Personals:** Edward R. Taylor, marketing v.p. & asst. to pres. Paul V. Galvin, and Walter B. Scott, v.p. for manufacturing, consumer & military products, this week nominated to Motorola board of directors for election at annual stockholders meeting May 2; Taylor this week also elected chairman of Brand Names Foundation Inc. . . . Robert C. Sprague, chairman, Sprague Electric Co., and Mrs. Sprague sailed last week for 6-week vacation in Europe . . . Alfred E. Bourassa named CBS-Hytron merchandising coordinator . . . Carl J. Harshbarger, ex-Westinghouse Atlanta district mgr. for TV-radio, joins Kay-Townes Antenna Co., Rome, Ga. as gen. sales mgr. . . . Edward F. Miller appointed mgr. of Stromberg-Carlson's new value analysis dept., to investigate materials & products used by all divs. . . . John W. Wenrich, ex-Philco Distributors, Philadelphia, named accessory div. mgr., Washington office . . . Seymour Lipper, ex-Emerson, named Olympic Radio sales administration mgr. . . . Brig. Gen. David Sarnoff receives 1955 gold medal of Williamsburg settlement, which aids N. Y. underprivileged, at dinner at Waldorf-Astoria, May 15 . . . Wm. J. Barkley, Collins Radio senior v.p., retires April 30 after 48 years in the industry.

**DISTRIBUTOR NOTES:** Admiral appoints Electric Appliance Distributors Inc., 908 Green Ave., Altoona, Pa. (H. Paul Good, pres.) . . . Capehart-Farnsworth appoints Roger & Wood Co., 2500 W. 6th St., Los Angeles (Kenneth Rogers, pres.), replacing Graybar . . . DuMont appoints O'Day Equipment Co., Fargo, N. D., replacing Cook Appliances Inc. . . . Crosley-Bendix names Grabell-Lyons, Middletown, N. Y. . . . Sentinel Radio appoints Main-Line Distributors Inc., Chicago (A. S. Gourfain, pres.) . . . Griffith Distributing Co., Peoria (Admiral) appoints Richard J. Van Osdol sales mgr. . . . Emerson Radio of Virginia Inc., Richmond, appoints Barry Goodman gen. mgr. . . . Graybar names J. T. Kinney operating mgr. of Houston branch, succeeding L. A. Peterson, now Jackson, Miss. branch mgr.; A. N. Swanson named mgr. of Corpus Christi branch . . . Hoffman Sales of Los Angeles appoints Frank Fern sales mgr.

Admiral dealers offered one share of Admiral stock (which closed April 15 at 26¾ on N. Y. Stock Exchange) for each group of 5 TV receivers, including at least one new 24-in. model, they sell between April 15 and May 12. Shares will come from personal holdings of pres. Ross Shiragusa (249,156 shares) in novel plan to hypo spring sales while inducing franchised dealers to own part of the company.

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Frank A. Hiter, 63, senior v.p. of Stewart-Warner Corp. and onetime director of old RMA, died April 9 in Chicago's Wesley Memorial Hospital.



**Electronics Reports:** Up to half the cost of a modern military aircraft is represented by electronics, and diagram prepared by Sprague Electric Co. helps to explain why. Included in Sprague's annual report (Vol. 11:13), diagram shows heavy bomber uses about 5000 tubes, 115,000 capacitors & resistors; radar observation plane 3000 tubes, 60,000 capacitors & resistors; patrol bomber, 1200 & 20,000; fighter, 600 & 9000.

Breaking down uses of electronics in hypothetical "large military plane," chart shows 200 tubes and 1500 capacitors & resistors used in communication equipment. Other electronics equipment in "typical" aircraft, and their complements of tubes and resistors & capacitors: Navigation system, 500 & 8000; flight planning (automatic flight plan computer and electronic fuel gauges), 1000 & 20,000; gun fire control, 500 & 20,000; observation (identification radar, sonar gear, etc.), 1500 & 30,000; plane power & control (motors for compressors, dynamotors, jet ignition systems, etc.), 100 & 1500; photography (uniform camera control), 200 & 4000; missile direction, 1000 & 30,000.

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"Tacan" is latest aircraft navigation aid unveiled, IT&T stating that compact radio device (occupying space 7x10x15-in.) has azimuth accuracy of 1 degree, distance accuracy of .2 mi. IT&T reports that device, under development for Navy since 1948, is now in large scale production by subsidiary Federal Telephone & Radio Corp. Stromberg-Carlson and Hoffman Radio are also producing it, and IT&T plans to license others. "Tacan differs from other aids," IT&T says, "in that it is an integrated navigation system rather than a conglomeration of separate, unrelated navigational aids, such as has been available to the aviation industry in the past." Air navigation systems have been subject of 2-month congressional study. At issue is military's insistence that Tacan be made the standard military & civil air navigation system, as opposed to civil aviation industry's insistence on retaining current systems.

Purchase of electronics business of Brown-Allen Chemicals Inc. by Hupp Corp., Cleveland (Vol. 11:10), is virtually assured, Hupp annual report revealed this week. Negotiations with Brown-Allen "currently contemplate" initial payment of \$250,000 cash, or by assumption of liabilities, plus 125,000 shares of Hupp common stock and contingent additional payment during next 5 years through issuance of not more than 120,000 common shares based on, and payable from, net earnings of electronics div. Brown-Allen's electronics properties include Standard Piezo Corp. (crystals) and Standard Transistor Corp., Carlisle, Pa., and Allied Mfg. Corp., West New York, N. J. (TV components).

Hugh Pruss appointed chief engineer, Audio Products Co., Los Angeles.

New study course for amateur radio enthusiasts—including code records, theory, license manual and all information needed for amateur license exams—is available from RETMA for \$10. It contains illustrated study sections on theory lessons, plus questions & answers, rules & regulations, equipment operation, actual on-the-air techniques. RETMA brochure *Gateway to a Career*, which further describes course, is available free on request.

Transistorized auto radio, in experimental stages, was described at AIEE meeting in St. Petersburg, Fla. by RCA research labs' Larry A. Freedman, Thomas O. Stanley & David D. Holmes. Radio has 9 transistors, uses 1/10th the power needed by conventional auto radios. Performance was said to be equal that of regular car radio—operating directly from 6-volt battery without vibrator, power transformer or rectifier.

A nationwide private electronic communication system, covering 12,000 mi. and linking 51 cities, will be set up by Western Union to link Sylvania's plants, labs, sales offices, warehouses, executive offices and divisional headquarters with new data processing center to be constructed at Camillus, N. Y., near Syracuse. Heart of center will be Univac machine, leased from Remington Rand, which will be used for company-wide data processing—gathering, recording, computing and classifying of wide variety of information concerning production volume, sales, billing, etc.

Tiny semiconductor battery activated by either light or radioactive source was described by RCA research labs scientists during this week's AIEE meeting in St. Petersburg, Fla. Silicon device has been used to operate low-power AM radio in average room light. A major use visualized was as power source for transistorized devices which require little power.

Wm. Dubilier, who started inventing at age of 12 and now has 500 patents to his credit, will be honored by Cooper Union Alumni Assn. with the first Gano Dunn Medal for "outstanding professional achievement." He's v.p.-technical director of Cornell-Dubilier, whose business is founded on one of his inventions—the mica capacitor.

Electronics industry's sales volume in 1955 will be "appreciably higher than the record of \$9.25 billion established in 1954, RCA home appliance div. v.p.-gen. mgr. John W. Craig told Michigan State College symposium April 12.

Specifications control system for manufacture of electron tubes is described in report by Wright Air Development Center, *Military Control Specifications for Electron Tubes* (Report PB 111561), available for \$1 from Office of Technical Services, Commerce Dept., Washington.

Maj. Gen. Francis H. Lanahan, USA Ret., elected v.p. & gen. mgr. of Federal Electric Corp., Clifton, N. J. (IT&T). He was wartime Chief Signal Officer of SHAEF, commanding general of Signal Corps Center at Ft. Monmouth, in 1951 was first Chief Signal Officer of SHAPE.

Western Union has acquired one-third interest in Microwave Associates Inc., Boston, which has been part-owned by American Broadcasting-Paramount Theatres Inc. since 1952. Latter now has one-third interest. Electronics firm is headed by Dana W. Atchley Jr.

Datamatic Corp. is new firm being set up jointly at Waltham, Mass. by Minneapolis-Honeywell (60%) and Raytheon (40%) to engineer and market high-speed data processing systems for business and Govt.

Manual of practical transistor applications, *28 Uses for Junction Transistors*, has been published by Sylvania, available for 25¢ at 1100 Main St., Buffalo.

General Transistor Corp., Jamaica, N. Y., sets up international div. at 15 Moore St., N. Y.

RETMA's 1955 Medal of Honor for outstanding contribution to industry goes to Leslie F. Muter, pres. of Muter Co., Chicago, treas. & past pres. of RETMA, which he helped organize in 1924. Award will be presented at RETMA's annual convention June 14-17 at Chicago's Palmer House.

Bendix Radio adds 3 low-priced 21-in. table models in what gen. sales mgr. Hodge C. Morgan calls "an open bid for the growing replacement and second-set market in the vast metropolitan areas, where we have been weakest." New models are in ebony metal at \$140, mahogany grain-finish metal \$150 & \$170.

Trav-Ler Radio adds 21-in. open-face mahogany console at \$180, blonde \$190. Pres. Joe Friedman said company's current TV production is about evenly divided between table models and consoles.



**Financial & Trade Notes:** Admiral Corp. sales were approximately 12% lower in first 1955 quarter than in same 1954 period and earnings are expected to be similarly lower. For full year, however, pres. Ross Siragusa told stockholders meeting April 14, a 5% to 10% increase in sales can be expected and earnings should be somewhat higher. In first 1954 quarter, Admiral's sales were \$55,977,562, down from \$69,191,849 in 1953 quarter; earnings were \$1,504,044 (64¢ per share), down from \$3,056,878 (\$1.30) in 1953 period (Vol. 10:20).

TV-radio shipments were higher last quarter, Siragusa said, but military production was down 65%. New TV line will be introduced in latter June, will contain automatically-assembled printed circuit panels equivalent to more than 75% of all wiring in chassis. Pioneer in automation, Siragusa said some of nation's largest manufacturers are interested in using Admiral-developed equipment which may be built and leased to industry. "This field," he said, "could provide the company with additional income."

Stockholders approved increase in authorized \$1 par stock from 2,400,000 to 3,000,000. Some of the 600,000 additional shares may be used as a stock dividend, and some exchanged for assets or stock of other companies.

\* \* \* \*

Add 1954 officer-director compensation listings as published in Vol. 11:15: Motorola—Paul V. Galvin, pres., \$82,500 (owned 103,303 shares beneficially as of Feb. 2, 1955, plus 186,696 held in trust, plus 13,117 held by wife, totaling 15.66% of outstanding shares); Robert W. Galvin, exec. v.p., \$55,000 (156,557, plus contingent interests in trust, plus wife's holdings, constituting 18.53% of outstanding shares); Daniel E. Noble, v.p.—communications & electronics div., \$55,000 (5866); Frank J. O'Brien, v.p.—purchases, \$55,000 (5814); Elmer H. Wavering, v.p.—engineering, \$55,000 (20,900); Edwin P. Vanderwicken, v.p.—finance & treas., \$55,000 (300); Edward R. Taylor, v.p. & asst. to pres., \$65,000 (1860). Stromberg-Carlson—Robert S. Tait, pres., \$58,150 (4455 shares); Gordon G. Hoit, exec. v.p., \$42,497 (1080); William Fay, v.p. in charge of broadcasting div. (WHAM-TV & WHAM), \$34,868 (511).

Trav-Ler Radio Corp. sales in first quarter of 1955 were about equal to the \$4,780,000 volume in first 3 months of 1954, pres. Joe Friedman told newsmen after company's annual meeting this week. He said company had no military business in first quarter, compared to 25% year ago. Trav-Ler recently reported full 1954 earnings of \$241,000 (32¢ per share) on sales of \$16,347,000, compared to \$412,257 (54¢) on \$14,669,624 in 1953 (Vol. 11:13).

Famous Players Canadian Corp., which is Canada's biggest operator of movie theatres and owns 50% of CKCO-TV, Kitchener (Ch. 13) and 25% of CFCM-TV, Quebec City (Ch. 4), last year had net income of \$3,384,825 (\$1.95 a share) compared with \$3,611,005 (\$2.08) in 1953.

Aircraft Radio Corp. earned \$576,127 (\$2.05 a share) on sales of \$8,460,347 in 1954, compared to \$390,611 (\$1.40) on \$9,424,869 in 1953.

American Phenolic Corp. had net profit of \$679,491 (\$1.70 a share) in 1954 vs. \$801,223 (\$2) in 1953.

Dividends: Magnavox, 37½¢ payable June 15 to stockholders of record May 25; Indiana Steel Products Co., 22½¢ June 10 to holders May 25; Avco, 10¢ May 20 to holders April 29; Weston Electrical Instrument Corp., 25¢ May 16 to holders May 2. Note: Daystrom-Weston merger (Vol. 11:14), signed this week, calls for issuance of one share of Daystrom stock for one Weston, new wholly-owned Daystrom subsidiary to be known as Weston Electrical Instrument Corp. and retaining present Weston organization and personnel.

**Color Trends & Briefs:** "Spectaculars" will continue as lion's share of NBC-TV's color schedule next fall, according to summary given by RCA electronics products exec. v.p. W. Walter Watts during press conference this week at Lancaster, Pa. color tube plant (see story, p. 3).

To be continued are Sat. *Max Liebman Presents*, Sun. evening variety show, and Mon. *Producers' Showcase*, to which will be added 4-5:30 p.m. Sun. Maurice Evans dramatic series.

Besides these so-called "blockbusters," there will be color segments in *Today, Home & Tonight*. In addition, said Watts, "We believe that many of the half-hour film shows will be the first to make the transition. Worthington Miner has, in experimental stages, a new color series to be called *Frontier*." Also in the works is a daytime strip.

In sports, Watts said there will be "some exciting new uses of color." It's assumed he was referring to NCAA football. And, following up mock Army battle presented in color at Ft. Meade last year (Vol. 10:33), NBC-TV aims to present program in cooperation with "another of the armed services." This is rumored to be a colorcast from an aircraft carrier at sea.

Watts added that fall schedule isn't complete; that "other color programming opportunities will occur" and that "there are good indications that CBS will follow NBC's lead in programming spectacular-type color shows next season."

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"First real movement" of color TV receivers will begin in 1956, but color won't be factor this year, in opinion of Admiral pres. Ross Siragusa, expressed at stockholders meeting April 14. "When continuity of color programs becomes a reality," he said, "and mass production of color receivers begins, this new development will serve as a tremendous stimulus to sales and profits. It might be possible for the company to double its volume, just as it did in 1950 with peak black-&-white TV sales. Admiral's experience with printed circuits and automation should be of great assistance in reducing production costs when color TV goes into mass production."

Color goal of KRON-TV, San Francisco, according to mgr. Harold P. See, is to "offer color on all local live shows as a matter of routine practice by the end of this year." Station has been carrying live color commercials 5 days a week on 2 programs—*Golden Gate Playhouse* and *Exclusively Yours*. First local color show was presented Nov. 15, 1954. Installation of color film chain was completed this week. Number of color sets in area is estimated at less than 500.

Upcoming network color schedules: NBC-TV—April 24, *Max Liebman Presents*, "Kaleidoscope" with Judy Holliday, Dick Shawn, Frank Sinatra, Bambi Linn & Rod Alexander, 7:30-9 p.m.; May 2, *Producers' Showcase*, "Darkness at Noon," with Lee J. Cobb, David Wayne, Ruth Roman, Oscar Homolka & Joseph Wiseman, 8-9:30 p.m. CBS-TV—May 12, *Shower of Stars*, "High Pitch," with Marguerite Piazza & Tony Martin, 8:30-9:30 p.m.

Telechrome Inc. will demonstrate color equipment, including 3-V film chain, at International Trade Fair in Hannover, Germany, April 24-May 3—under sponsorship of U. S. Commerce Dept. Some 6 tons of equipment is being moved by air freight.

Recording of color on black-&-white film, said to offer economies in speed and cost, is described technically by Lawrence F. Brunswick, of Colorvision Inc., 109 N. Larchmont Blvd., Los Angeles, in March *Journal of the SMPTE*.

Fill-in on color plans for fall season, by NBC pres. Pat Weaver, as well as review of program & sales schedules, will occupy main interest of NBC affiliates at annual convention in New York's Waldorf-Astoria, April 21-22.



## NARTB LIBRARY

Dependence of stations on film is sharply highlighted in second annual *TV Station Film Manual* released by NARTB this week to TV members. Divided into 3 parts—programming hours & costs, case histories, description of film operations at an unidentified large-market station—manual discloses that of 110 stations responding to questionnaire last summer, all reported that hours of local film programming exceeded local live shows. In Group 1 (stations with up to 50,000 TV families) average was 26.23 hours of film programs a week vs. 16.17 live, while in Group 5 (stations with more than 1,000,000 TV families) ratio was 36.57 film vs. 23.15 live. Survey reveals, however, that slightly more hours of live programs are sponsored than are film hours, whereas year ago they were about equal. Sat. is heaviest day for films, with Sun. a close second. Detailed case histories of film programming were reported for KDUB-TV, Lubbock, Tex.; WATV, Newark; WMVT, Montpelier, Vt.; WSBT-TV, South Bend; WSJS-TV, Winston-Salem, N. C. Each station reported on film purchasing, personnel, equipment, facilities, operational procedures & programming, announcement procedures & engineering. The description of a film operation in a metropolitan market was prepared at NARTB's request by Louis J. Climent, representing SMPTE.

Educational TV channels aren't in danger of being taken away, as far as FCC Chairman McConaughy is concerned. Speaking at Ohio State Institute for Education by Radio-TV April 14, he said: "At the present time the activities of educational broadcasting are not straining my patience." He also noted that President Eisenhower is "vitaly interested" in educational TV-radio and that Sen. Bricker (R-O.) is "one of your staunchest friends." Again presenting his views on role of Govt., he said TV-radio industry will have a maximum opportunity to develop only if it subject to minimum amount of Federal supervision. Davidson Taylor, NBC public affairs v.p., praised "great strides" made by educational TV, stressed that educational and commercial broadcaster, "while not yet in embrace," have compatible interests in raising standards of broadcasting, a task shared by advertiser. Dr. David Henry, chairman of Joint Committee on Educational TV and president of U of Illinois, urged educational broadcasters not to imitate commercial colleagues with programming that appeals to mass audiences, but rather to develop programs essentially educational.

New home of Charlotte's WBTV & WBT, built at cost of \$1,250,000 and designed around "operational block" of controls custom-built by Adler Communications Lab, was dedicated this week with elaborate ceremonies. It's one of largest (51,000 sq. ft.) and most elaborately equipped TV plants outside the Hollywood TV centers of the networks, contains 3 radio and 2 TV studios, latter 40x60-ft. & 40x40-ft. Design, already being sought by other TV operators, was master-minded by v.p. & chief engineer Thomas E. Howard, onetime chief engineer of WPIX, N. Y.

First long-term closed-circuit contract has been signed by Smith, Kline & French Laboratories (pharmaceuticals) with Theatre Network TV Inc., its Tele-Sessions div. gen. sales mgr. Fanshawe Lindsley announced this week. One-year pact calls for use of TNT's closed-circuit network facilities on all SKF multi-city big-screen programs. Next such show will be May 9, going to 36 cities.

Peck Adv. Agency, with billings of about \$10,000,000, and Hirshon-Garfield Inc., about \$7,000,000, will be consolidated under former's name as of May 1, with Peck Adv. offices in N. Y. & Los Angeles to be expanded. Latter's Boston & Miami offices are not included in deal, will operate separately.

Sets-in-use totaled 35,028,000 as of March 1, up 664,000 from Feb. and an increase of nearly 6,000,000 in year, reports NBC research director Hugh M. Beville Jr.

Ohio State U's Institute for Education by Radio-TV this week presented these TV awards: special award, RCA & NBC-TV for "Operation Threshold," colorcast of combat use of TV from Ft. Meade, Md. last Aug. (Vol. 10:33); special interest, *Frontiers of Faith* (NBC-TV) & *Your Health* (WOI-TV, Ames, Ia.); cultural, *Adventure* (CBS-TV) & *Princeton '54* (WRCA-TV, N. Y.); public affairs, *The Search* (CBS-TV) & *Soap Box* (KETC, St. Louis); basic freedoms, WKAR-TV, E. Lansing, for coverage of hearings of House Un-American Activities Subcommittee; systematic instruction, *Psychology on TV* (KNXT, Los Angeles) & *Prescription for Living*, produced by Standard Oil for Ohio regional network; children's, *Watch Mr. Wizard* (NBC-TV) & *The Friendly Giant* (WHA-TV, Madison); classroom, *Let's Take a Look* (CBC-TV) & *Iowa TV Schooltime—Landmarks in Iowa History* (WOI-TV, Ames).

Variety's annual plaque awards for 1954-55—honoring outstanding "showmanagement" contributions to TV-radio: education with showmanship, WCBS-TV, N. Y.; outstanding news station, WJAR-TV & WJAR, Providence; public interest, WLWT, Cincinnati; outstanding TV programming, KTTV, Los Angeles; small TV station operation, KRGV-TV, Weslaco, Tex.; radio station showmanship, WBZ, Boston; showmanship in promotion, radio KTFI, Twin Falls, Ida.; imagination in programming, radio KIST, Santa Barbara, Cal.; outstanding music station, WCRB, Waltham, Mass. "Showmanager Award" goes to NBC pres. Sylvester L. (Pat) Weaver Jr. "for bringing imaginative qualities and a new kind of excitement to TV during the past year," as reflected principally in development of color spectaculars and expansion of partie. programs *Today, Home & Tonight*.

National Headliners' Club awards for 1955: outstanding TV network coverage of news event, ABC-TV & DuMont, for Army-McCarthy hearings; local news coverage, WPIX, N. Y. (John Tillman, news editor); dramatic presentation of spot news event, WBZ-TV, Boston, for "Hurricanes Carol and Edna"; public service by TV station, KLZ-TV, Denver; radio network news coverage, NBC (W. R. McAndrew, news director); local news coverage, WLS, Chicago (Wm. Small, news director). Special award was presented to KARK-TV, Little Rock, for courageous coverage by cameramen Chris Button & Lou Obereste of slaying of murderer who escaped from insane asylum.

ABC-Paramount may enter record field soon, its appetite whetted no doubt by fact that network TV is building up some of biggest song hits as well as by success of RCA & CBS record businesses. AB-PT v.p. Robert O'Brien has been assigned to study whole record field and expects to have recommendations in about month. Trade reports that Dot Records was being purchased for \$1,000,000 were denied, and there's usual crop of rumors about negotiations with other independents. Example of how TV can put over a song hit is currently popular "Ballad of Davy Crockett" heard on *Disneyland*; also, "Play Me Hearts & Flowers" which got first plug on *Phileo Playhouse* and "Let Me Go, Lover," heard first on *Studio One*.

Richard P. (Dick) Doherty, ex-NARTB v.p. for employer-employee relations, who now has his own consulting service in Washington, Television-Radio Management Corp., has been named director of management services of new GE-sponsored National Affiliated Television Stations (Vol. 11:12, 14). He will retain his private business. First members of new NATS, which now stresses that it will embrace vhf as well as the uhf stations to which GE is expected to provide financial assistance, are scheduled to be announced in about week. To date, 61 stations have requested membership applications, NATS states. President of new California corporation and 2 board members from GE have not yet been designated.



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

# Television Digest

with **ELECTRONICS REPORTS**

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## SUMMARY-INDEX OF THE WEEK'S NEWS—April 23, 1955

**CONSPICUOUS WASTE** of prime program material inherent in TV's refusal to repeat good live dramatic shows, though movies & stage snap up TV's hits (p. 1).

**UHF TAX EXEMPTION** urged by TV tuner makers, meeting with Sen. Magnuson in prelude to set makers' conclave; "all-channel pledge" abandoned (p. 2).

**TV NOW BIGGEST ENTITY** in entertainment world, CBS & NBC each outstripping movie companies in business volume; only newspapers lead TV in advertising (p. 3).

**SUBSCRIPTION TV COMMENTS** delayed to June 9 by FCC; debate mounts as principals line up for CBS-TV May 1 program and Zenith accepts NBC-TV free time (p. 6).

**ELECTRONICAM'S FIRST USER** to be Admiral, which will record Bishop Sheen show commercials next week; third TV-film camera system shown on coast (p. 7).

**NEW STATIONS AUTHORIZED** in Tucson, Reno, Ft. Pierce, Fla.; Ch. 6 grant due in Milwaukee with dropout of WMIL; WRAL favored for Raleigh's Ch. 5 (p. 9).

**TRENDS IN NEW TV MODELS** due at midyear emphasize greater use of vertical chassis, more printed circuits, little or no change in prices (p. 11).

**ADMIRAL DENIES MISREPRESENTATION** in its advertising claims on 21-in. tubes, in answer to Federal Trade Commission complaint (p. 12).

**COLOR SET PLANS** indicate no solid front, but some manufacturers now agree with RCA that deadlock can be broken only by starting production (p. 13).

**SPONSORS OF SPECTACULARS** divided about 50-50 on value of the big color shows and whether they'll continue to use the extravaganzas next season (p. 10).

**PUBLIC STOCK OFFERING** of Lansing stations WJIM-TV & WJIM on market day after FCC approves transfer of control; Hennock-Bartley dissent (p. 14).

**SMALL-MARKET STATIONS** to get more top network shows from CBS & NBC with expansion of plans to offer more programs to outlets unordered by sponsors (p. 16).

**NO LIVE REPEATS—TV's EGREGIOUS WASTE:** Why not repeat more of TV's live dramatic hits while they're still hot, as was done recently with "Patterns"? After the published reviews and word-of-mouth publicity, there would seem to be no question but that many such shows -- whether repeated on same or another hour -- could command just as good an audience as the initial performance, possibly even better.

Why the apparent aversion of sponsors, agencies and producers to repeat live performances, in face of evidence that the movies and even TV films seem to do very well with repeats? Are there economic or legal deterrents, or what?

We've addressed these queries to some of the top people in the business, will give you their answers later. Meanwhile, doesn't it seem ironic that TV, which knows the value of repetition as well as any medium does, should simply discard some of its finest programs after a single showing?

It's a fixation with some, apparently, no more valid than the one that kept transcriptions off the radio networks for so many years, despite their obvious quality and convenience and economy, simply because of an inexplicable phobia that decreed that nothing "canned" must go on the network save sound effects.

Movie industry and legitimate theatre, which live by repeat performances, have lately been snapping up TV's hits and can be expected to exploit them until their appeal is exhausted. No artistic medium could ever be so profligate of creative talent as to use it but once -- yet that's exactly what TV is doing. Surely, the mechanics of network operation can be adjusted to make the most of a property of proven popular appeal.

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Re-running of live shows has problems, of course -- time & talent availabilities, rehearsals, unions, etc. -- but the success of film re-runs of the very few live re-runs to date certainly indicate the problems should be solved.

Re-runs we have in mind are not those resurrected from the files after cooling off for year or more. Our idea is to re-run while show is still a conversation piece, while folks are still asking one another, "Did you see that show last night?"



Precisely in point is recent repeat of Kraft's "Patterns" on NBC-TV. On Jan. 12 it attained 31.6 Nielsen. Feb. 9 repeat, same hour, reached 30.4 -- result of word-of-mouth, critics' praise, reminders through promotion. It was case of immediate exploitation of a hit while it was hot. Quicker the re-run the better.

Repeats must be chosen carefully, for most shows aren't worth repeating. But if further proof of the basic idea is needed, there's this week's ABC-TV report on how the repeats of five "Disneyland" shows this season paid off in ratings -- while the kids are still singing "Davy Crockett". Nine-city Trendex showed that ratings of all 5 averaged about same for originals and repeats, while share of audience was higher for all repeats save first one. National Nielsen has reported on only first 2 so far, but both were substantially higher on repeats.

Disney's "Operation Underseas" first time (Dec. 8) had 43.4 rating, 52.6 share of audience, 12,048,000 homes; second time (March 16) figures were 47.4, 56.8 & 14,817,000. "Seal Island" first time (Nov. 10) had 40.2 rating, 47.2 share of audience, 10,721,000 homes; repeat (March 23) produced 51.9, 64.3 & 16,244,000. Now they're planning third showings of hit Disney shows to fill the summer hour.

Thus the genius of Walt Disney and movie-savvy of ABC-TV management not only are showing the movie industry how to exploit their product via TV but should be teaching TV some of the exploitation techniques of the movie makers.

Why shouldn't a first-rate click like "No Time for Sergeants" be repeated -- now? Consider the experience of Washington News TV-radio editor Bernie Harrison a few weeks ago. He had missed "No Time for Sergeants," had heard so much about it that he asked U.S. Steel if he might see the kine. Then he got idea some of his readers might like to join him, offered 50 first-come couples seats at unreeling in WMAL-TV studios. He was deluged with requests, had to turn down most.

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TV drama seems to be entering its "Golden Age," having built up new writers, and brought forth new production people and actors of great talent. But while the TV entrepreneurs apparently don't know how to make the most of them, the movies and stage aren't passing them up. Here are a few examples:

Movies have just brought out Philco-Goodyear Playhouse's "Marty" and same hour was source of Bing Crosby's "Little Boy Lost" and "Anything Can Happen" and "The Rainmaker" as well as a Broadway play, "A Trip to Bountiful." It will be surprising if they overlook last Sunday's gem, "The Brave and the Bold." Kraft's "Patterns" was snapped up, as were U.S. Steel Hour's "The Rack" and "Fateful Decision". U.S. Steel's "No Time for Sergeants" and Goodyear's "The Rabbit Trap" are going to stage.

There are many more instances, as we've reported in these columns from time to time (see also Telecasting Notes, p. 7). TV is now mature. There are few one-station markets any more. The viewer can no longer tune in every dramatic show to make sure he doesn't miss something good. The process of selection has set in -- and TV ought to make the most of its best.

**TV TUNER MAKERS BACK UHF TAX RELIEF:** Sen. Magnuson's TV "study" entered its first active phase this week -- a determined effort to break the uhf logjam by inducing TV receiver manufacturers to include a uhf tuner in every set.

The Senator and his investigating staff currently are concentrating their fire on the only non-controversial scheme advanced thus far to help uhf -- tax inducement at the receiving end. After next week's meeting with TV set manufacturers, probers will turn their attention to the telecasting end of the business -- but no schedule has yet been decided upon. Chief counsel Sidney Davis is still working out plans for the inquiry -- and he was joined this week by minority counsel Robert L'Heureux, committee staff member who in the past has served as its chief counsel as well as chief counsel of Senate Banking Committee and Joint Committee on Defense Production. His appointment, long expected, was announced this week by Sen. Bricker (Vol. 11:14).

Six leading TV tuner manufacturers met this week with Sen. Magnuson and members of his investigation staff, as warm-up for April 25 session with some 25 TV set makers. Tuner manufacturers endorsed proposal to exempt from 10% Federal excise tax all receivers capable of all-channel reception, but they couldn't see any possibility



of "voluntary agreement" among set makers to discontinue production of vhf-only sets without tax incentive (Vol. 11:12). Even Magnuson conceded it would be impossible -- and perhaps illegal -- to draw any such pledge from the set makers.

Tuner makers said they can supply entire industry with all the uhf tuners needed for 100% changeover to all-channel sets. But they foresaw no possibility of building all-channel tuners as cheaply as vhf-only. Asked to estimate current price differential, they submitted figures which ran from \$8 to \$12, at set manufacturers' level, for cheapest models. Since average receiver sells for about \$145 at factory, tuner makers made it clear they felt price differential could be eliminated if 10% excise tax were lifted from all-channel sets but retained on vhf-only sets.

Present at meeting were General Instrument pres. Monte Cohen, P.R. Mallory uhf div. representative Ed Nung, Oak Mfg. Co. sales engineer Charles Rowe, Radio Condenser engineering director Joseph S. Robb, Standard Coil secy. Arthur Richenthal, Sarkes Tarzian Inc. pres. Sarkes Tarzian.

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Heavy endorsement of excise tax exemption is expected at Mon. April 25 meeting of set manufacturers with the full Senate Commerce Committee to "discuss the feasibility and advisability of manufacturing all-channel sets" (Vol. 11:12). But manufacturers will explain that highly competitive nature of TV industry will bar them from entering into any agreement to discontinue vhf-only sets without the tax inducements. Magnuson's staff is hoping the manufacturers will bring with them plenty of ammunition showing why tax relief is needed -- to combat the inevitable objections of economy-minded lawmakers when the measure comes up for action.

Treasury Dept. is dragging its feet on the one help-uhf excise tax bill introduced to date -- HR-4070 by Rep. Ikard (D-Tex.). It has not yet answered his long-standing request to state its position, tell how much revenue it would cost the Govt., etc. Based on last year's \$1.1 billion factory value of TV sets produced, loss to Treasury would amount to maximum of \$110,000,000 a year -- assuming that all sets produced would have uhf tuners and therefore be exempted from tax.

**NETWORKS NOW LEAD FILMS--AND MAGAZINES:** Despite increase in movie boxoffice last year to about \$1.2 billion, there isn't a single motion picture production company or theatre exhibitor firm that now has as great a volume of business as either the CBS or NBC network organizations. In fact, gross volume of TV as a whole, derived mainly from sale of advertising time, is nearing point where it will surpass movie boxoffice; this year, it should go to \$1 billion or more (Vol. 11:15) and by end of next year it may very well forge ahead of the 18,000-theatre movie business.

Most annual reports for 1954 are now at hand -- and they bear witness to fact that TV, even without radio, is by way of becoming the biggest single entity in the entertainment world, dollar-wise; in the advertising field, it's second only to the newspaper classification and wellahead of magazines.

The fantastic upsurge of the major networks and their dollar dominance is borne out by the statistics. Even the trailing third network, ABC, whose parent company is the biggest of all chain movie theatre operators, has a combined TV-radio volume that compares well with the grosses of most of the film majors.

NBC networks and owned stations accounted for \$200,423,000 of \$940,950,000 gross of parent RCA in 1954 (Vol. 11:9). While RCA annual report gives no breakdown as between TV & radio, nor as to station revenues, it's good guess on basis of PIB network time-billing ratios (Vol. 11:7) that the NBC-TV network and stations represented fully two-thirds of 1954 aggregate, about \$135,000,000 -- probably more.

CBS-TV & CBS Radio are divisions of CBS Inc., also in the recording business and in set & tube manufacturing. Parent company's 1954 report (Vol. 11:13) shows gross volume of \$373,380,000 from all sources. Report also does not break down TV vs. radio revenues, but since CBS has been leading NBC in both TV and radio billings it's fair to assume combined TV-radio volume ran considerably better than \$200,000,000 last year. Good guess is that close to \$150,000,000 of CBS Inc.'s gross revenues last year was attributable to its TV network & TV station operations.

ABC division of American Broadcasting-Paramount Theatres, according to 1954



report (Vol. 11:14), represented \$70,424,000 of parent company's total \$188,796,000 income -- nearly all the rest coming from the 600-odd theatres AB-PT operates. It can be assumed that ABC-TV represented at least \$40,000,000.

\* \* \* \*

Now look at the latest fiscal reports of the major film producers and larger group theatre operators. Among film producers, Loew's (MGM) shows far and away the largest dollar volume; with divestment of many of its theatres still not completed as required under anti-trust decree, its figure necessarily embraces theatre revenues, too. Its latest annual report shows gross of \$183,100,000, well below either NBC or CBS -- and its MGM alone was probably way under either NBC-TV or CBS-TV.

Next biggest producer seems to be 20th Century-Fox, \$115,715,000 for 1954; then Paramount, \$115,000,000 (estimated); Columbia Pictures, \$86,200,000; Universal, \$77,900,000; Warner Brothers, \$70,120,000.

Among the major theatre owners, AB-PT is by far the biggest, as aforesaid -- with \$115,916,000 of its 1954 revenues attributable to theatre income. Then come Stanley-Warner, \$66,200,000; National Theatres, \$61,920,000; RKO, \$32,611,000.

Note: Figures are from Standard & Poor's and/or latest annual reports.

\* \* \* \*

There you have the TV-radio networks' status vis-a-vis the major entities in the entertainment industry. Just as competitive are other advertising media -- and in that respect it's interesting to note that Life Magazine is no longer advertising itself as the No. 1 individual medium. That ranking doubtless belongs to CBS-TV, with NBC-TV a close second -- how close, only their own carefully guarded treasury reports would show.

According to PIB, whose statistics are generally used as index rather than actual because they're based on one-time rates and do not take into account commissions, discounts, rebates, etc., Life is first among magazines with \$114,035,747; then come Saturday Evening Post, \$77,940,710; Time, \$35,143,779; Look, \$26,675,479; Better Homes & Gardens, \$23,741,055; Ladies Home Journal, \$20,524,396; Colliers, \$16,480,775; Newsweek, \$15,639,273; Good Housekeeping, \$14,689,435; Business Week, \$14,559,481; McCalls, \$13,512,799.

And as if to point up the fantastic encroachments of TV, March 18 Printers' Ink compilation of PIB reports on nation's top 100 advertisers in 1954 indicates, on analysis, that TV accounted for 42% (\$267,000,000) of all their payments for magazines, newspaper sections, network TV, network radio (total \$638,000,000). Top 10 devoted even greater proportion, 47%, to network TV; top 25 spent 45%. For leading 10 advertisers and their 1954 network TV expenditures, see p. 8.

Opposition to free air time for political candidates was expressed this week by NARTB pres. Harold Fellows in testimony before Senate Rules subcommittee on privileges & elections, considering bill (S-636) by Sen. Hennings (D-Mo.) to raise limit on expenditures by a national political committee to \$12,300,000, partly to account for higher cost of TV (Vol. 11:16). Said Fellows: "Any suggestion that the broadcasting industry should underwrite certain political campaign costs is not only discriminatory, but unrealistic and unworkable." He endorsed basic principles of Hennings bill, as applied to TV-radio. Another witness, Prof. Alexander Heard of U of North Carolina, said Govt. should use "authority over the air waves to guarantee that responsible political competitors have balanced and limited access to radio and TV time, either at reduced cost or at no cost to themselves." FCC Comr. Henneck (favoring free time) and NBC v.p. Joseph Heffernan & CBS v.p. Earl Gammons (opposing) are scheduled to testify April 26.

Two bills requested by FCC last week (Vol. 11:16) were introduced by Chairman Priest (D-Tenn.) of House Commerce Committee: HR-5614, to modify "protest" procedure; HR-5613, to let Commission levy small fines on non-broadcast stations.

NARTB convention week of May 22 in Washington has added Dr. Norman Vincent Peale, noted clergyman who conducts *Art of Living* program on NBC Radio, as luncheon speaker May 26, which has been designated as "TV Day." Sessions that morning will mark 10th anniversary of first TV allocation by FCC. Under TV chairman Clair McCollough, industry notables will discuss TV's origins, its achievements and its future in next 10 years.

Assailing "idiotic repetition in advertising," Rep. Heselton (R-Mass.), member of House Commerce Committee, this week introduced HR-5741 ordering FCC to prescribe what proportion of TV-radio programming should be devoted to advertising. In separate statement, he attacked "repetitious, monotonous, excessively long advertising," and expressed hope that his bill might prod stations to exercise "some intelligent care."

Power increases: KHJ-TV, Los Angeles (Ch. 9) to 162-kw ERP; WRBL-TV, Columbus, Ga. (Ch. 4) to 100-kw; WMBV-TV, Marinette-Green Bay, Wis. (Ch. 11) to 234-kw; WXYZ-TV, Detroit (Ch. 7) to 316-kw.

Next network interconnections planned by AT&T: KFDM-TV, Beaumont, Tex., April 24; WFRV-TV, Green Bay, Wis., May 2.



**Personal Notes:** Adrian Murphy, who spearheaded CBS color campaign before FCC and in 1952 was named pres. of CBS Radio, has resigned, effective immediately, "to retire from active business," CBS Inc. pres. Frank Stanton announced April 21; he also resigns as a director of CBS Inc. Arthur Hull Hayes, v.p. in charge of CBS San Francisco office, has been appointed successor . . . Harry Plotkin, partner of Arnold, Fortas & Porter, entered Georgetown Hospital April 20 for operation on detached retina, will be hospitalized for at least 3 weeks . . . H. Gifford Irion, FCC examiner who has been hearing Buffalo Ch. 7 case, fell and broke shoulder this week, expects to be back at work next week . . . Robert W. Sarnoff, NBC exec. v.p., chosen as "Young Man of the Year in Marketing" by Assn. of Advertising Men & Women . . . Wm. Kaland, ex-WNEW & CBS Radio, named asst. national program mgr. of all Westinghouse TV-radio stations at N. Y. headquarters under program mgr. Richard M. Pack . . . J. English Smith, ABC-TV program service mgr., named coordinator of *Warner Brothers Presents*, weekly Warner-produced film starting on ABC-TV Sept. 13, Tue. 7:30-8:30 p.m.; he'll headquarter at Warner studio in Burbank, Cal. . . Frederick Menzies promoted to commercial mgr., WHEN-TV, Syracuse, succeeding Wm. H. Bell, now asst. gen. mgr. of radio WHEN . . . Robert Monroe, TV-radio program packager, appointed programming v.p. of Mutual & WOR, succeeding B. J. Hauser, now supervising MBS development div. . . Hal Cranton and Ira Wolff promoted to supervisors in expansion of NBC-TV sales presentations dept., former for network sales dept., latter for partic. programs; both report to David Hedley, dept. mgr. . . Clem Stigdon, ex-RKO-Pathe & Eastman Kodak, named production mgr. of CBS-TV film services dept. . . George Bristol, ex-director of CBS Radio adv. & sales promotion, named TV director of sales presentations . . . Ray J. Williams elected pres. gen. mgr. of KCSJ-TV, Pueblo, Colo., succeeding Douglas D. Kahle, resigned to give full time to private business interests, including Muzak franchises . . . Bob Booker pro-

motored to production mgr. of WMBR-TV, Jacksonville, succeeding Windsor Bissel . . . Harry E. Cummings will head Atlanta office being opened July 1 by John Blair & Co.; Arthur H. McCoy, ex-Avery-Knodel sales mgr., joins Blair's N. Y. staff on May 9 and Al Long, ex-McCann-Erickson & Dancer-Fitzgerald-Sample, joins staff May 16 . . . Charles R. Christianson, ex-West coast rep for Elroy McCaw's WINS, N. Y. and KTVW, Tacoma, now heads new San Francisco office of Adam Young in Fairmont Hotel (Yukon 6-5790) . . . Martin Katz, special projects director of Blair-TV, appointed director of sales development, replacing Victor E. Forker, resigned . . . Carroll Layman, mgr. of Chicago office of reps Harrington, Righter & Parsons, appointed a v.p. . . Robert F. Blake resigns as publicity director of WRCA-TV & WRCA to join CBS-TV press information dept. as mgr. of special projects . . . Jack Gould, TV-radio editor, *New York Times*, back on job this week after ulcer operation . . . Wm. H. Thomas, ex-J. Walter Thompson TV-radio dept., named TV-radio director of Fitzgerald Adv., New Orleans, replacing Aubrey Williams, resigned . . . James S. Pollak, ex-ABC, joins Compton Adv. as producer on Procter & Gamble's *Fireside Theatre* . . . James E. Robertson promoted to TV-radio production mgr., N. W. Ayer, Chicago. . . Roy George, ex-KRLD-TV, Dallas, named program director of KWFT-TV & KWFT, Wichita Falls . . . Robert R. Nelson, ex-gen. mgr. of WARD-TV & WARD, Johnstown, Pa., on May 1 becomes gen. mgr. of WDEL-TV, Wilmington, Del., recently acquired by Paul F. Harron from Steinman interests (Vol. 11:4).

Mrs. Joseph H. Ream, wife of the former CBS exec. v.p. who retired several years ago on account of her illness, died of cancer April 17 at her home, Rocking Chair Ranch, Route 1, Thomasville Rd., Tallahassee, Fla. Surviving besides Mr. Ream, who has engaged in cattle ranching since leaving N. Y., are 5 children—Jackson, Stephen, Davidson, Nancy, Christopher.

**EDWARD LAMB** hearings continued to drag in circles this week as FCC counsel resumed questioning of the Toledo-Erie broadcaster-publisher-industrialist about past affiliations and actions. Lamb continued to insist he was victim of a "frameup" while his attorney Russell O. Brown continued to display righteous indignation over FCC's "fishing expedition." At one juncture, Lamb charged "freedom of the air is being tampered with" and said broadcasters "would be glad for a strong trade association to defend the freedoms which I have to defend individually here." If a newspaper were involved in a similar probe, he said, every publisher in the nation would rise to defend freedom of the press.

Under questioning, Lamb testified he was a founder, officer and "very large contributor" to the National Lawyers Guild prior to 1944—and "proud of my efforts to organize workers in the legal profession"—but had resigned in dispute over foreign policy. Guild currently is fighting Attorney General's proposal to list it as subversive. Lamb conceded he may have made speech in 1936 under sponsorship of American Friends of the Soviet Union, but didn't recall it.

FCC put 2 other witnesses on stand this week. First was Mrs. Belle Sundeen, office mgr. of *Daily Worker*, subpoenaed to produce all records from its files dealing with Lamb. Ex-Communist editor Louis Budenz had testified earlier that Lamb had submitted an article in 1936 with a covering letter, but Lamb said he believed article was based on copy of a speech he made at that time. Mrs. Sundeen had nothing to offer, said paper's records date back only to 1951, brought only 4 copies of the newspaper dated before that year.

Another subpoenaed witness was Abner Green, exec. secy. of American Committee for the Foreign Born, now on the subversive list. He brought with him about 30 committee letters, folders and pamphlets which he said listed Lamb as vice chairman. He said one folder, detailing a 1944 Statue of Liberty anniversary celebration, contained messages from Gen. Eisenhower, Mrs. Roosevelt, Henry Wallace and others. Lamb had testified earlier that he knew the group was using his name but didn't recall holding office or giving permission to use his name.

In another skirmish, Broadcast Bureau attorney Joseph Kittner said Lamb's name once appeared in court case as co-counsel for the Ohio Communist Party. Lamb said he didn't recall having been associated with case, and Kittner showed Lamb briefs filed with Ohio Supreme Court. Later, FCC lawyers said they checked with Ohio Supreme Court and found Lamb's signature did not appear on any documents connected with the case and he was not listed as appearing at arguments.

Lamb presented one witness, exec. editor Kenneth D. Tooill of *Toledo Times*, former editor & co-publisher of Lamb's *Erie Dispatch*, who testified Lamb's views were "quite violently opposed" to communism. He said he never heard him express any support for Red doctrine. Lamb returns to stand April 26 when hearing resumes.

Shift of control of WARM-TV, Scranton (Ch. 16) & WARM is sought in application filed this week. Proposal is to issue 824 shares of stock, v.p. Wm. W. Scranton paying \$74,000 for 740, increasing holdings from 28.3% to 79%, and pres. Martin F. Memolo buying 84, reducing holdings from 70% to 20.7%.



**M**ONTH'S DELAY in filing formal comments on subscription TV was granted by FCC this week, acting on petition of Paramount subsidiary International Telemeter. In moving date to June 9, Commission stated that reason for Telemeter's request—hospitalization of counsel—constituted "good cause." Time for filing counter-comments was also extended, to July 11. Argument continued to build up meanwhile:

(1) Dramatis personae of CBS-TV's program 5:15-6 p.m. May 1 is now complete. Zenith counsel W. Theodore Pierson will speak for pro-pay side, backed by panel comprising Skiatron's James M. Landis, legitimate theatres' Ralph Bellamy, and Elfred Beck, owner of off-air uhf KCEB, Tulsa (Ch. 23). On anti-toll side, main speaker Victor Sholis, v.p. of WHAS-TV, Louisville, will be supported by Indiana chain exhibitor Trueman Rembusch; Sherwood Dodge, v.p. of Foote, Cone & Belding; Leon P. Gorman, mgr. of WABI-TV, Bangor, Me.

(2) Zenith has accepted NBC-TV's offer of 15-min. free time to present fee-TV pitch (Vol. 11:16), and anti-fee forces are now asking for 15-min. adjacent to Zenith's time. Skiatron has also requested free time from NBC. Date of Zenith show hasn't been fixed.

(3) Exhibitor Alfred Starr chides us for using word "consternation" last week when we said pay-TV issue is becoming a "cause celebre—to delight of its proponents and consternation of its opponents who have long felt that best policy was to ignore it." Citing Webster's definition, Starr said:

"May I respectfully deny that our group views the current controversy with anything even approaching 'amazement and dread tending to confound the faculties.' And may I point out that we did not retain public relations counsel to hide our light under a bushel, nor have we ever felt that the best policy was to 'ignore' the dangerous threat to free-TV programming contained in the high pressure tactics of those pressing the FCC for approval of living room slot-machines. Admittedly, our Committee is comparatively young and you may be right in saying that some 'opponents have long felt the best policy was to ignore it.' For myself, I would hardly call such an element 'opponents.' They seem more like innocent bystanders."

Collection of admission tax on movies which might be shown via subscription TV is a subject which has been "carefully avoided," anti-toll spokesman Alfred Starr stated in Washington debate last week (Vol. 11:16). This, he said, "is just one more headache (fortunately not mine) along with the troubles and great expense of collecting the \$1 or \$2 fees that are the freely acknowledged goal of pay-to-see TV." *Film Daily* reports, however, that query addressed to Internal Revenue brought this reply (after 6 months): "From the information made available to us, it is our conclusion that the tax on admissions imposed by section 1700(a) of the Code, as amended, does not apply to the charge paid by a person for reception in his home of a telecast regardless of whether the program is a motion picture or live entertainment."

Networks are free to film programs in own studios, as result of recent settlement with National Assn. of Broadcast Employes & Technicians (NABET). Both NBC & ABC quickly announced plans to film own programs this fall. CBS already had that right under separate contract with IBEW. Under new contract, NABET relinquished its control over film in exchange for wage concessions.

First profit to be shown by WTOK-TV, Meridian, Miss. (Ch. 11) was \$7812 in first 2 months of 1955, according to application for power increase filed with FCC this week. Starting in Sept. 1953, station lost \$5082 that year, \$11,964 in 1954.

(4) Debate on MBS April 17, between Zenith counsel Joseph S. Wright and Rembusch, became quite a slugfest. Wright argued that public wouldn't have to pay for decoders; that cost of pay system confined to wire, as recommended by Rembusch, would be "staggering"; that Zenith is willing to see toll TV limited to 10-15 hours weekly; that trial in a few selected markets should be authorized; that NARTB's stand against pay-as-you-look was a "rigged up deal" by networks and affiliates.

Rembusch claimed that it would be extremely expensive to put decoders in sets; that theatre TV doesn't "black out" free TV the way toll TV would; that subscription TV would "bid in" current popular free programs and charge for them; that language in 95% of Broadway plays wouldn't be permitted on the air; that hinterlands won't support toll TV any more than they do free TV; that "I have very serious doubts about your motives because you promised many things to different people and all things to all kinds of people."

(5) More comments arrived at FCC. John Reed Kilpatrick, pres. of Madison Square Garden, wrote: "The type of shows the public could be expected to pay for is limited to championship contests. These special events could never take the place of the present-day sponsored TV of events of local or sectional interest. Subscription TV would, however, make it possible for the telecaster and the promoter, with the support of the advertiser, to keep a full program of sports on the air free to set owners. It would expand sports TV coverage rather than restrict or limit it. The 2 systems can develop and prosper side by side. [Subscription TV] most definitely should be tested in a major market, and without delay."

H. B. McCarty, exec. director of Wisconsin's State Radio Council, which operates WHA-TV, Madison (Ch. 21), stated: "Here is a means of financing which should certainly be explored. It employs a payment-for-use principle already widely applied in education . . . I respectfully urge authorization by the Commission."

George A. Kuyper, mgr. of Chicago Symphony, wrote: "For several years I have studied the problem and the possibilities of subscription TV and I am convinced that such a means will benefit both the growing TV audience and the symphony orchestras of the country."

Let the station decide whether it wants to use common carrier or build its own microwave relay—that's gist of comments filed by WTTV, Bloomington, Ind. and WIRI, Plattsburg, N. Y. on AT&T's proposal to provide special low-cost interconnection (Vol. 11:14). Two other telecasters told FCC that even AT&T's proposed cheaper service would cost far more than privately operated relays and such costs might force them off the air. Texas Telecasting Inc., which operates KDUB-TV, Lubbock, and holds CP for KPAR-TV, Sweetwater, said regular AT&T interconnection would cost it about \$6500 a month, and proposed low-cost service would be about \$3060, compared with \$450 required to operate own intercity relay. WGLV, Easton, Pa., said even if AT&T's monthly charge of \$4000 were halved, it would still be well in excess of the \$475 it now pays to operate its own relay. Deadline for comments is April 29.

Sigma Delta Chi awards for distinguished service in journalism: ABC-TV & DuMont, for coverage of Army-McCarthy hearings; Reuven Frank, NBC-TV, for *Road to Spandau*, German prison camp documentary; Spencer Allen, WGN-TV, Chicago, for coverage of Chicago floods last Oct. Radio winners were CBS & Richard A. Chapman, WKOS, Jefferson City, Mo.

CBS commentator Eric Sevareid was presented annual \$500 TV award of Sidney Hillman Foundation April 20 for his *American Week* telecasts on Oppenheimer security controversy and Chicago race riots.



**Telecasting Notes:** "As TV came of age," states annual report of Motion Picture Assn. of America released this week, "it leaned more and more on the older and more experienced motion picture industry. Most noteworthy was the expanded use of film instead of live programs. On the average, more than 40% of station time used filmed programs, and the percentage is on the rise. The estimated budget for 1955 film production for TV is fixed at \$80,000,000 for U. S. production alone, exclusive of foreign production and the flat purchase of older film originally produced for theatrical showing" . . . Eric Johnston report, considering growing affinity of TV and film interests and remarkable upsurge of TV as entertainment medium (see p. 3), devotes surprisingly little attention to TV. It says 1954 marked end of one stage of TV development—referring to fact "number of stations slacked off" from predicted 1000 within 3 years after freeze to actual 412 at start of year [429 now]; present stage, as it discerns it, is trend toward film. As for theatre TV; it notes, activity was largely limited to 2 companies which "concentrated principally on occasional sporting events or the opera, coupled with daytime interconnections of theatres for sales meetings of large corporations" . . . Movie producers and theatres should become heavy TV advertisers, says pres. Elmer C. Rhoden of National Theatres chain in April *Screen Producers Journal*. "The soap companies, the cigarette companies and the automobile industry have chosen TV as an important selling agent," he writes. "Isn't that a tip-off to us that it gets results? And what industry can present glamor over the TV stations as effectively as ours? The time has come when we should no longer entrust scenes of our new motion pictures to be presented on a TV program sponsored by another advertiser. From now on, producers and distributors should be prepared to pick up the TV advertising tab and not expect to get a free ride! And we, as theatre owners, should rightfully carry our share of the expense." Weekly half-hour TV show, preferably 6-6:30 p.m. on mid-week evening is suggested by Rhoden for movie industry sponsorship, with each film company allotted 5 or 6 half-hour periods during the season . . . Feature films are what stations want for daytime and late-night programming, especially since they're so popular with partie sponsors—and *Billboard* this week reports that NBC-TV (to hypo its daytime program structure) is negotiating to buy several blocks of them. It's no secret that, despite all talk about hesitancy to open vaults to TV for fear of exhibitor ire, the big producers have let the networks know they're open to offers, viz., Paramount (Vol. 11:9). Price is biggest stumbling block, not reluctance to release to TV . . . Average price being asked for good features is said to be around \$100,000 per picture. Says *Billboard*: "Two of the packages NBC would undoubtedly like to acquire are owned by David Selznick and Samuel Goldwyn. Selznick is reported to want \$3,000,000 for 17 features, and Goldwyn is pricing his pictures the same way" . . . Bitten by TV bug, too, are Rita Hayworth and her husband Dick Haymes, who announced in Hollywood this week their Haymes-Hayworth Productions Inc. will produce series based on life of late Warden Lawes of Sing Sing; Miss Hayworth is currently in litigation with Columbia Pictures, so can't appear in films herself for time being . . . More purchases of TV shows by movies: Reginald Rose's *Crime in the Streets*, which played recently on ABC-TV's *Elgin Hour*, by Allied Artists; Carey Wilbur's *It Might Happen Tomorrow*, on CBS-TV's *Studio One*, by independent producers George Pal & Randy McDougall.

Transfer of WNEX-TV, Macon, Ga. (Ch. 47) for \$1 and assumption of approximately \$250,000 in liabilities (Vol. 11:14) was approved by FCC this week. Owners now are E. K. Cargill, former owner of WMAZ, who will be mgr. with 25%, and Texas oilman J. C. Barnes, 75%.

**E**LECTRONICAM, DuMont's live & film camera system (Vol. 11:16) is scheduled for its first commercial use next Tue. Apr. 26 when Admiral plans to make film records of commercials on its live *Life Is Worth Living* (Bishop Sheen). According to Mike Levin of Admiral's agency, Erwin, Wasey & Co., plan is to shoot film of commercials during live telecast, then make them available to Admiral dealers for local spot use.

DuMont executives were elated with response to last week's first demonstration, and announced that more Electronicam equipment was on order. First studios to be equipped will be 2 in the DuMont Tele-Centre and one in DuMont's Adelphi Theatre, followed by the remaining 3 Tele-Centre studios. DuMont Network managing director Ted Bergmann said at week's end that "at least a dozen agencies" have asked to use the system to film entire programs or commercials. He said the network is now working out schedule of "facilities charges" for use of Electronicam (in DuMont studios) by non-clients of DuMont, and has "opened negotiations" with program packagers and film producers.

DuMont plans pitch not only to advertisers and agencies at special showings, but to station owners—and will demonstrate Electronicam system at Washington NARTB convention next month. Equipment probably will be offered on lease basis to stations and other networks, rather than for outright sale.

Question of possible union troubles bothers some potential Electronicam users, but DuMont spokesman told us: "We have no reason to believe that we'll have any union jurisdictional problems." In case of talent unions, it's expected that where filmed program is merely a record of a live show, or footage is shot continuously, AFTRA would have jurisdiction as it does over live shows which are kinescoped. Where Electronicam is used as electronic aid in producing a film program shot over a period of time in takes or together with other footage, SAG would have jurisdiction. Technicians' unions have made no statements on the subject.

Another combination TV-film camera system—third within a month—was shown this week in Hollywood's Republic studios by Camera Vision Productions Inc., headed by Philip Rivero and Arthur S. Lyons. Under development since 1949, Camera Vision system differs from Electronicam in that it uses separate lenses for TV and film cameras, whereas DuMont system employs single lens. Lyons said DuMont had originally worked with Camera Vision on the system, and he read from a statement "prepared by our lawyers" to the effect that DuMont had agreed to finance first camera unit built by his company.

Like TV-film camera shown last month in Hollywood by Al Simon of McCadden Productions (Vol. 11:13), Camera Vision system is expected to find its principal use in simplifying and cutting costs of film production. DuMont, on other hand, is pushing Electronicam system not only as a film production tool but as a method of making a high-quality film recording of a TV program as it actually goes out on the air.

Microwaves to serve community antenna systems in 2 areas were sought in applications filed with FCC this week. Hualapai Peak Carrier Co., Kingman, Ariz., filed for 6012.5 & 6112.5 mc, proposing to serve system in Kingman initially and to add 2 channels later to serve upcoming system in Needles, Cal. It proposes to use Philco TLR-3 equipment, installed at cost of \$37,460, charging first customer \$800 monthly. For Sheridan, Wyo. system, Television Networks, 21 N. Main St., Sheridan (Charles L. Adam), proposes to put Motorola FSTM-30 equipment using 6412.5 mc on Red Clouds Lookout at cost of \$9500, relay programs of KOOK-TV, Billings, Mont., charging system operator \$650 monthly.



**Station Accounts:** Waxed Paper Mercandising Council, 38 S. Dearborn St., Chicago, comprising 14 manufacturers, is spending \$100,000 for TV-radio spots, starting with 10-week campaign in Philadelphia and extending to other markets later, thru Ruthrauff & Ryan . . . Bulova Watch Co. buys 13 *Ford Theatre* re-runs from Screen Gems to be spot-booked as co-op with local retail jewelers this fall, thru McCann-Erickson . . . CBS-Hytron to use TV, radio & newspapers to promote tube sales to women, thru Bennett & Northrop Inc., Boston . . . Maytag to use TV with other media in \$1,000,000 campaign this spring to promote its "Maytag Spring Party," thru McCann-Erickson . . . 7-Up Bottling Co. will sponsor MCA-TV film syndication div.'s *Soldiers of Fortune* in 120 cities (60 weekly, 60 alt. weeks), thru J. Walter Thompson Co. . . . Carling's Beer sponsoring 25 road games of Cleveland Indians on WXEL, thru Benton & Bowles and Lang, Fisher & Stas-hower, Cleveland (for rest of major leagues' TV lineup, see Vol. 11:13) . . . Sunkist Growers (citrus fruits) sponsors 15-min. pre-N. Y. Giants baseball program on WPIX, thru Foote, Cone & Belding, Los Angeles; Vitalis & Petry Wines buy 10-sec. adjacencies on all Yankees & Giants games on WPIX, thru Doherty, Clifford, Steers & Shenfield and Honig-Cooper, San Francisco . . . Among other advertisers currently reported using or preparing to use TV: General Petroleum Corp., Los Angeles (gasoline), thru Stormberger, LaVene, McKenzie, Los Angeles; Real Gold Co., Redlands, Cal. (frozen & concentrated fruit juices), thru Barnes Chase Co., Los Angeles; Bell Brands Food, Los Angeles (potato & corn chips), thru McCann-Erickson, Los Angeles; A-1 Mfg. Co., Los Angeles (Gold Rivet jeans), thru Lance Adv., Los Angeles; American Scientific Inc., N. Y. (Flavettes for smoking habit), thru Pringle-Gotthelf, N. Y.; Lee Ltd., Beverly Hills, Cal. (Dri-Mist deodorant), thru Erwin, Wasey & Co., Los Angeles; D-Con Co., Chicago (M-O-Lene rug-cleaner concentrate), thru Arthur Meyerhoff & Co., Chicago; Johnson Motors, div. of Outboard, Marine & Mfg. Co., Waukegan, Ill. (outboard motors), thru Lamport, Fox, Prell & Dolk, South Bend; Pomatex Co., N. Y. (hair dressing), thru R. T. O'Connell Co., N. Y.; Lano Products Co., div. of Milco Inc., San Jose, Cal. (Lano glove beauty lotion), thru Brooke, Smith, French & Dorrance of the Pacific Coast, San Francisco; Raytronics Laboratories, Cincinnati (cathode ray revitalizer), thru Kamman-Mahan, Cincinnati; West Disinfecting Co., Long Island City, N. Y. (CN disinfectant), thru Paris & Peart, N. Y.; Porter-Cable-Machine Co., Syracuse (home tools), thru Gumbinner Adv., N. Y.

Rate increases: KING-TV, Seattle, May 1 adds new Class AA hour (7-10 p.m. daily) at \$900, 20 sec. at \$180, Class A remaining \$700; also on May 1, WNEM-TV, Bay City-Saginaw, raises base hour from \$425 to \$500, min. \$85 to \$100. KDAL-TV, Duluth, has raised base hour from \$250 to \$325, min. \$50 to \$65; WKBT, La Crosse, Wis. from \$200 to \$250 & \$40 to \$50; WICS, Springfield, Ill. from \$200 to \$250 & \$40 to \$50; KMMT, Austin, Minn. from \$150 to \$200, 20 sec. remaining \$30. KOOL-TV, Phoenix, June 15 raises base hour from \$425 to \$500, min. \$80 to \$96.

College football TV schedule for 8 nationally televised games, as announced this week by NCAA and NBC-TV (sponsor not yet revealed): Sept. 17, Miami at Ga. Tech.; Oct. 1, Ohio State at Stanford; Oct. 15, Notre Dame at Mich. State; Oct. 29, Iowa at Mich.; Nov. 19, UCLA at USC; Nov. 24 (Thanksgiving), Texas at Texas A&M; Nov. 26, Army-Navy at Phila.; Dec. 3, N. C. at Duke. In addition, there will be 5 regional TV dates, to be worked out individually between schools and TV stations.

New ABC-TV affiliations: WSFA-TV, Montgomery, Ala. (also NBC); WRBL-TV, Columbus, Ga. (also CBS).

**Network Accounts:** Colgate-Palmolive, whose *Comedy Hour* on NBC-TV Sun. 8-9 p.m. has been steadily losing ratings battle with Ed Sullivan's *Toast of the Town* on CBS-TV, will sponsor new, untitled live variety show in same period next fall, to be produced by York Pictures Corp., which is owned jointly by Paramount Pictures and comedy team Martin & Lewis. Latter will star in at least 5 of the shows, to originate from Hollywood . . . Hazel Bishop to sponsor *Place the Face* on NBC-TV starting June 28, Tue. 8-8:30 p.m., but will shift to another time period in fall, thru Raymond Spector Co.; will also sponsor new 30-min. program, network undetermined, starring Dunninger, telepathist . . . Monsanto Chemical buys 20 min. of *Perry Como Show* on NBC-TV starting in fall, Sat. 8-9 p.m., thru Gardner Adv., St. Louis . . . Remington Rand replaces RCA as sponsor (with Speidel & American Chicle) of *Caesar's Hour* starting in fall; Remington will drop alt. week sponsorship of *What's My Line?* on CBS-TV . . . Sheaffer Pen & Raleigh cigarettes to co-sponsor *Penny to a Million*, new quiz show, on ABC-TV starting May 4, Wed. 9:30-10 p.m., thru Russel M. Seeds . . . Reynolds Metals to drop *Mr. Peepers* in June on NBC-TV, which is considering plan to turn show into Mon.-thru-Fri. 15-min. daytime strip with star Wally Cox . . . NBC-TV's *Tonight* (Mon.-thru-Fri. 11:30 p.m.-1 a.m.) will originate from Los Angeles for 8 weeks starting June 27 while m.c. Steve Allen portrays title role in Universal's motion picture, *Benny Goodman Story* . . . Kraft Foods drops *Tom Corbett*, *Space Cadet* on NBC-TV Sat. 11:30 a.m.-noon.

Nation's top 10 advertisers in 1954, devoting 47% of their expenditures to network TV (see p. 4), spent these aggregate amounts on network TV, network radio, magazines & newspaper sections (network TV & radio in parentheses): Procter & Gamble, \$44,151,220 (\$23,701,228 network TV, \$12,339,668 network radio); General Motors, \$36,774,882 (\$10,304,242 & \$3,780,932); Colgate-Palmolive, \$26,727,057 (\$14,089,737 & \$4,813,770); General Foods, \$25,256,953 (\$9,728,567 & \$3,300,129); Gillette, \$19,499,770 (\$11,540,452 & \$5,562,378); Chrysler, \$18,378,063 (\$8,820,955 & \$1,867,212); GE, \$17,860,888 (\$6,961,548 & \$949,500); Lever Bros., \$17,771,633 (\$7,214,427 & \$4,471,376); R. J. Reynolds, \$16,706,162 (\$11,828,928 & \$1,770,940); General Mills, \$16,120,255 (\$7,630,599 & \$3,724,388).

New officers of AAAA, elected this week at Boca Raton, Fla. convention: chairman, Henry G. Little, Campbell-Ewald, succeeding Wm. R. Baker Jr., Benton & Bowles; vice-chairman, Robert D. Holbrook, Compton Adv.; pres., Frederic R. Gamble (re-elected); secy.-treas., J. Paul Hoag, Hoag & Provandie Inc., Boston. In addition to officers, these directors will serve on operations committee: J. Davis Danforth, BBDO; George C. Reeves, J. Walter Thompson; Victor O. Schwab, Schwab & Beatty.

Alfred D. McKelvy Co. (Seaforth toiletries) is first sponsor to sign for NBC Radio's *Monitor*, new round-the-clock weekend radio service starting June 12 (Vol. 11:15), buying 10 weeks of partic. thru Morse International Adv. on the 5 NBC o-&-m stations. NBC also disclosed this week that Dave Garroway will be one of "communicators" on *Monitor*, in line with its policy of introducing top TV personalities & features on program.

Dancer-Fitzgerald-Sample has been re-awarded \$1,-200,000 annual account for Army and Army Reserve recruiting for fiscal year starting July 1. About \$300,000 will be allocated to TV spot.

Cowan & Dengler Inc. will be dissolved June 1, and Horace W. Dengler & Stuart D. Cowan Jr. become vice presidents of Donahue & Co. Inc.



**T**HREE CPs and Raleigh Ch. 5 initial decision were turned out by FCC this week, while Ch. 6 grant in Milwaukee suburb Whitefish Bay is now in prospect with dismissal of WMIL, which leaves Independent TV Inc. free for grant; latter pays WMIL \$25,000 for expenses.

This week's grants: Tucson, Ariz., Ch. 9, to Tucson TV Co., owned by D. W. & Kathleen Ingram (warehouse, building materials); Ft. Pierce, Fla., Ch. 19, to Gene Dyer, veteran Chicago broadcaster now a tomato grower; Reno, Nev., Ch. 4, to Nevada Telecasting Corp., owned by Robert C. Fish (real estate & refrigeration). One CP was dropped: KWIK-TV, Pocatello, Ida. (Ch. 6).

Examiner Millard F. French, in picking WRAL over WPTF in Raleigh, cited WRAL's superior proposed programs, including "outstanding discussion and educational programs," "greater remote programming possibilities" and "superior planning." Another area for choice was ownership-management integration. And he decided WRAL would better promote "diversification" because WPTF is 50-kw and WRAL is 250-watts.

FCC submitted its Court of Appeals brief in famous McClatchy case, in which McClatchy newspapers are appealing denial of Ch. 10, Sacramento, wherein FCC said it preferred Sacramento Telecasters because of McClatchy's substantial interests in news media.

Commission cited various court decisions to support its contention that "the policy of fostering the greatest number of separate voices for the dissemination of information and opinion to the public has a definite and direct bearing on the public interest. [FCC] has not here or in any other case imposed any presumption against applicants with mass media connections. The mass media connections of any applicant are considered in the light of the other facts in the case, including those which minimize or increase the seriousness of the concentration of control there presented."

In allocations actions, FCC: (1) Proposed shifting Ch. 8 to Moses Lake, Wash., substituting Ch. 11 for Ch. 8 in Walla Walla. (2) Denied request of off-air WKST-TV, New Castle, Pa. (Ch. 45) to let it move to Youngstown and use Ch. 45, stating that others may decide to use Ch. 45 in New Castle if WKST-TV doesn't resume and that station could apply for Ch. 73 in Youngstown if it wants to operate there.

Two more deintermixture petitions were dropped into the hopper. Woodward Bestg. Co., grantee of WTOH, Toledo (Ch. 79) and WBID, Detroit (Ch. 50) asked Commission to shift Storer's WSPD-TV, Toledo from Ch. 13 to Ch. 30 or 51, move Ch. 11 from Toledo to Detroit and give it to WBID—and award Ch. 30 or 51 to winner of 7-way fight for Ch. 11 in Toledo. Noting Storer's petition for deintermixture in Miami (Vol. 11:16), Woodward stated: "Petitioner respectfully herein alleges and adopts, by reference as hereinafter specified, the argument and supporting proof which is set forth in detail in the above-mentioned Storer petition."

WACH-TV, Newport News, Va. (Ch. 33) asked that area's Ch. 10 be given to educators, Ch. 21 to be made commercially available.

WLOK-TV, Lima, O. (Ch. 73) has notified FCC it closed down April 18 for conversion to Ch. 35. Owners George Hamilton & Robert W. Mack, who bought station from Pixley & Case families (Vol. 10:44,49), expected to get back on air April 24, using call letters WIMA-TV.

WTOV-TV, Norfolk (Ch. 27) plans to return to air during May as independent, reports new owner Hyattsville (Md.) used car dealer Temus Bright who recently acquired the property (Vol. 11:11).

WTWO, Bangor, Me. (Ch. 2) plans to open auxiliary studios in Waterville, linked to transmitter by microwave.

**N**O NEW STATIONS started this week—but one was all set to begin test pattern transmissions when FCC held it up by scheduling April 29 hearing into details of its ownership. WFRV-TV, Green Bay, Wis. (Ch. 5) had asked for STA to begin programming May 1 as ABC & DuMont outlet, but was delayed by hearing called at request of competitor WMBV-TV, Marinette, Wis. (Ch. 11) which protested merger of WFRV-TV with WNAM-TV, Neenah (Ch. 42), now off air (Vol. 11:9). Although WMBV-TV also asked hearing on WFRV-TV's change in studio location and extension of CP, FCC decided to review merger to determine if it involved "forbidden trafficking in permits" and also whether WFRV-TV had tried to "harass" Marinette outlet.

Shipments reported this week: By GE, 12-kw transmitter and components for increase to 23-kw transmitter power, 500-kw ERP, to KTVI, St. Louis (Ch. 36); by RCA, 25-kw transmitter to KFMB-TV, San Diego (Ch. 8). Standard Electronics reports order by WMAL-TV, Washington (Ch. 7) for 25-kw amplifier, along with conversion of present 5-kw transmitter from water to air-cooled, and Alford 3-bay antenna, amplifier due for June 1 delivery, antenna July 1. DuMont has order for 50-kw transmitter to be shipped about July 15 to WDBJ-TV, Roanoke, Va. (Ch. 7), planning fall start. GE reports an order by KTRE, Lufkin, Tex. (Ch. 9), due on air this summer, for 5-kw transmitter and 6-bay antenna; by KDKA-TV, Pittsburgh (Ch. 2) for 6-bay antenna to be delivered May 6; by WENS, Pittsburgh (Ch. 16) for 5-bay antenna, due next week.

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

KCRA-TV, Sacramento, Cal. (Ch. 3), which got grant April 13, has Sept. 1 target, but hasn't yet ordered equipment or begun construction, reports pres.-gen. mgr. Ewing C. Kelly. Howard J. Smiley is being promoted from KCRA sales mgr. to TV station mgr. W. Herbert Hartman, will be chief engineer for TV-radio. Rep not chosen.

KRMA-TV, Denver (Ch. 6, educational), which got grant in July, 1953, hasn't set target yet, writes supt. of schools Kenneth E. Oberholtzer. Last year it ordered 5-kw GE transmitter with antenna & studio equipment, but problem of financing station developed. Now school board has voted to go ahead with station and it's renegotiating for equipment.

WJRT, Flint (Ch. 12) will start in summer, reports pres. John F. Patt, now that FCC has approved new transmitter site near Chesaning, Mich. He also states construction will proceed despite court appeal pushed by losing applicants Butterfield Theatres and Trebit Corp. (Bitner), turned down by FCC last week in their latest effort to block grant (Vol. 11:16). RCA 50-kw transmitter & 12-bay antenna are on hand. Emsco tower is due in about 45 days. WJRT has leased former WTAC-TV equipment, will be managed by A. Donovan Faust. Base rate will be "at least \$450." Rep will be Free & Peters.

WJDW, Boston (Ch. 44), is attempting to conclude negotiations for tower site, now hopes to be on air next fall, advises owner Los Angeles oilman and film producer J. D. Wrather Jr., also owner of 39% of KFMB-TV, San Diego and holder of 25% interest in application for Corpus Christi, Tex. Equipment is on order from RCA. Rep not chosen.

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Three Canadian TV grants recommended April 15 by CBC board of governors now go to Dominion Board of Transport for final approval. They are: Lethbridge (Alta.) TV Ltd. for Ch. 7; CFCY, Charlottetown, P.E.I., Ch. 13; CKNX, Wingham, Ont., Ch. 8.



**Color Trends & Briefs:** Evaluation of season's big color shows by their 9 sponsors varies markedly, *Advertising Age* learned in survey, results of which were published in April 18 issue. Sponsor-by-sponsor, here are the reactions:

Most disappointed was Raymond Spector, owner of both Hazel Bishop lipstick and its ad agency. Main complaint: "We expected them to be the best available TV shows," but network concentrated "too much on color and not enough on the show." He said shows cost him \$45,000 more each than they would have in black-&-white. "Color is academic at the moment," he concluded.

Earl Perrin, pres. of Sunbeam agency Perrin-Paus, was delighted, on the other hand, stating that color had a large share in selling 1,000,000 electric "Frypans" since their introduction year ago. He said that he has scrapbook full of critics' praise of bacon-&-eggs commercials and that sales staff showed lift from the sponsorship. Sunbeam has signed up for next fall's Sun. series of NBC-TV spectacles.

Reynolds Metals isn't renewing next fall, but TV-radio ad director Jack Boyle says reason is "disappointment with the programs, not with color. What we'd hoped to get was something with a little more programming imagination—on the *Peter Pan* order."

RCA ad director R. H. Coffin gave favorable reaction, of course, because of company's great stake in color, though he did say: "We bought these shows primarily to benefit from the black-&-white circulation," with color impact on dealers and public a bonus. RCA is expected to remain with *Producers' Showcase*.

Ford considers money well spent, though it estimates color costs 40% more than black-&-white. With eye to future, Ford regards color as the "ultimate in advertising."

Oldsmobile spokesmen, on other hand, merely say: "We knew we were pioneering, and we still know it." It's reported that Oldsmobile will keep Sat. NBC-TV series.

Eastman Kodak had sad experience with color *Norby*, which never caught on, but it looks on color TV sponsorship as long-range investment for sale of film. Ad director W. B. Potter is convinced of color's future, saying: "Color adds immeasurably to the beauty, realism and product identification in commercials."

Practicing Law Institute, 20 Vesey St., N. Y., is currently conducting series of Thu. evening sessions on "Current Problems in Radio & Television," primarily treating with program, performer, tax & film aspects. David M. Solinger, Solinger & Gordon, is chairman & moderator; speakers include John P. Allison; Robert Anthoine, associate prof., Columbia Law School; Robert J. Burton, v.p. & resident counsel, BMI; Robert A. Dreyer, Gale & Falk, counsel for DuMont; George A. Elber, Davis & Gilbert; Michael Halperin, Wilzin & Halperin, attorneys for William Morris Agency; W. Spencer Harrison, v.p. in charge of legal & business affairs, CBS; Howard L. Hausman, William Morris Agency; Henry Jaffe, Jaffe & Jaffe, counsel for AFTRA; Jack L. Katz, counsel, General Artists Corp.; Theodore R. Kupferman, v.p. & gen. attorney, Cinerama Productions Corp.; Seymour S. Mintz, Hogan & Hartson, Washington; Benjamin D. Raub, senior attorney, NBC; James R. Schule, Tompkins, Boal & Tompkins, BBDO counsel; Charles B. Seton, Socolow, Stein & Seton; Leonard H. Steibel, Smith & Steibel; Martin Stone, merchandising consultant, ex-secy. to Judge Irving Lehman.

Facts about closed-circuit TV, as outlined by Theatre Network TV pres. Nathan L. Halpern Apr. 20 at Chicago SMPTE convention: More than 4,000,000 persons have viewed closed-circuit TV, and public has spent more than \$5,000,000 to see theatre TV. Company sponsors have spent more than \$6,000,000 on closed-circuit TV business

For Westinghouse, consumer products ad mgr. Laurence W. Scott feels that *Best of Broadway* series on CBS-TV has been effective and that color has been a bonus. He's convinced color is powerful medium where appetite, beauty and styling are concerned—but Westinghouse hasn't decided whether it will sponsor color this fall.

Chrysler will continue CBS-TV *Shower of Stars*, the ad journal reporting: "For one thing, its cars are currently 'selling like mad,' though the company doesn't pretend to know which part of its TV lineup the buying impulse is coming from. Another reason is quite special: Chrysler reportedly is not paying a premium for *Shower*, is getting it for the same price as for [black-&-white] *Climax*."

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Upcoming network color schedules: NBC-TV—April 25 & 26, *News Caravan*, films of A-bomb site and blast, 7:45-8 p.m.; May 2, *Producers' Showcase*, "Darkness at Noon," with Lee J. Cobb, David Wayne, Ruth Roman, Oscar Homolka & Joseph Wiseman, 8-9:30 p.m.; May 7, *Max Liebman Presents*, "Desert Song," with Salvatore Baccaloni, Otto Kruger, John Conte, Bambi Linn & Rod Alexander, 9-10:30 p.m. CBS-TV—May 4, *Best of Broadway*, "Broadway," with Joseph Cotten, Piper Laurie, Gene Nelson, Keenan Wynn, Martha Hyer & Akim Tamiroff, 10-11 p.m.; May 12, *Shower of Stars*, "High Pitch," with Marguerite Piazza, Tony Martin, Wm. Frawley & Vivian Vance, 8:30-9:30 p.m.

Four hours of color weekly, in addition to spectaculars, is NBC-TV's goal for this summer and fall, exec. v.p. Robert W. Sarnoff told affiliates meeting in New York this week. For this fall, he said, NBC hopes to have daily 5-6 p.m. children's show in color, along with "some key evening shows," segments of *Home* and 3-4 NCAA football games. He said NBC has more color facilities than all other networks combined and that planning is underway now for 1956-57.

First indoor color remote on West Coast—as distinguished from outdoor remotes and color studio originations—was scheduled for April 22 by KTLA, Los Angeles. Program was 1½-hour colorcast of "Las Floristas Head-dress Ball" from Coconut Grove, sponsored by Apple Valley Bldg. & Development Co. and Motorola.

TNT this month will present its 82nd large-screen closed-circuit telecast (latest use was at Apr. 19 GE stockholders' meeting). Largest theatre-TV picture is 47x65 ft., exhibited at drive-in theatres with mobile equipment "with sufficient light and clarity for audience enjoyment." Halpern said technical problems of big-screen TV differ from those of home TV, and urged SMPTE to help closed-circuit industry to "establish proper standards." He strongly backed "network concept"—one firm handling complete facilities, production and service—to provide "stabilization" of closed-circuit medium.

New rate of payment for community antenna service is offered by Walla Walla's Blue Mountains TV Cable Corp. to potential subscribers who want service on temporary basis—fearing they may have to move or desiring to give system a trial. Instead of paying conventional installation charge and monthly fee (about \$135 & \$3.75, respectively), they pay straight \$7 monthly as long as they wish—converting to permanent basis any time and paying for connection on installment plan.

National Community TV Assn. membership totals 178—an increase of 85 during last year, 35 since Jan. 1—according to exec. secy.-gen. counsel E. Stratford Smith. He estimates there are now 375 systems with 100 or more connections each, plus 200-300 serving less than 100. Currently, heaviest rate of growth is in South and Pacific Northwest.



**TRENDS IN THE NEW MODELS DUE AT MIDYEAR:** Greater use of the vertical chassis, more extensive use of printed circuits, prices at or about present levels -- these are the outstanding facts about the new TV lines to be introduced in June-July. Though manufacturers contacted this week were understandably reluctant to be specific two months in advance of marts and distributor meetings, they were, with few exceptions, generally agreed on the basic trends. There will also be usual new cabinet styling and of course various new gimmicks, including clock timers (Vol. 11:13).

New lines are being shaped with eye to second-set market, whose big potential was underscored by American Research Bureau's survey showing only 3.7% of all TV homes, or 1,300,000 out of total of 35,000,000, had 2 or more sets as of Jan. 1955 (Vol. 11:16). Set makers generally felt this would tend to keep prices at present low levels. Significant exception to this view is Motorola v.p. Ed Taylor, who said:

"A second set doesn't have to be a very cheap job, you know. A lot of folks who now have 17-in. sets could very well buy a high-end 21-in. or even a 24-in. as a second set, putting the 17 in the bedroom, children's room or den. I don't think we've had enough experience with the second set to know what size it represents."

Spokesman for color-conscious RCA, whose lines are watched closely for possible industry-wide trends, said prices of black-&-white sets can't logically be raised now by industry-at-large, considering current state of color development. He clings to view that consumers, as in the days of color's big publicity splashes last year, are once again unwilling to sink a lot of money into a monochrome set.

"Any manufacturer who can sweat out this interim period until color comes through will do all right," he said. "It will mean continuing low profits -- but if he tries to raise prices now, he'll price himself right out of the market."

RCA is going all-out for color, with its new 21-in. tube, and makes no bones about its intention to be biggest customer of its own Lancaster color tube plant's 30,000-per-month capacity if others don't buy. It's expected to announce lower price on its new 28-tube color set in week or so (Vol. 11:15). For news about other manufacturers and their plans for color, see p. 13.

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Trend to vertical chassis sets, holding out lure of more compact cabinets, has been evident for year, of course, and you can expect to see it accelerated with new lines. Such vertical chassis producers as Admiral, Crosley, Raytheon and others have been very pleased with them and can be expected to include more of them in new lines. An exception, however, is Emerson, which will continue all-horizontal line.

Status of 24-in. set in current low-end market, and where it will fit into new lines, is source of lively speculation in trade. Many manufacturers and distributors have privately expressed some unhappiness about sales of 24-in. sets, even at bargain prices. RCA has discontinued production of 24-in. sets this quarter, but spokesman emphasized it was pleased with their sales performance, and had originally planned to halt output at end of first quarter in view of seasonal trend to lower-priced merchandise. RCA will have 24s in new line. Emerson's Ben Abrams says he's pleased as punch with his 24-in. sets retailing at \$250 for table model, \$330 for console; they account for 15% of his production & sales currently, and he plans to expand 24-in. offerings in new line.

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TV trade no less than other industries is encouraged in its planning by some very bullish currents in nation's economy -- strengthening convictions that things should go very well for consumers' market rest of year. For example:

Annual gross national production rate (output of goods & services) is up from \$362 billion at end of 1954 to \$370 billion in March; personal income up from 1954's



low point of \$283.4 billion to \$292 billion rate in March, a new high; employment up 400,000 in March over year ago, unemployment down 548,000; new plant & equipment spending on increase, reversing 2-year downtrend.

Authoritative United Business Service offers these predictions for remainder of 1955: (1) Expansion in business activity will continue throughout first half of year. (2) The slowdown this summer -- stemming from auto industry, labor trouble, normal seasonal factors -- will be moderate. (3) Industrial expansion will get under way again next fall and be well maintained during the fourth quarter.

Unfavorable factors cannot be overlooked, notably demands of labor unions for guaranteed annual wage and increase in consumer indebtedness. But taken by & large, there's much support for observation of N.Y. Herald Tribune Syndicate's Washington columnist Roscoe Drummond that "a new period of growth and stability is at hand."

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TV production totaled 146,472 week ended April 15, compared to 150,453 units in preceding week and 163,746 in week ended April 1. It was year's 15th week and brought output for year to date to 2,400,000 vs. 1,750,000 same 1954 period.

Radio production totaled 273,639 (145,520 auto), compared to 275,849 in week ended April 8 and 287,740 week before. For 15 weeks output was 4,250,000, compared to approximately 2,950,000 in corresponding period year ago.

**Topics & Trends of TV Trade:** Admiral sticks by its advertising claims, insists they're perfectly legal and proper, in answer this week to Federal Trade Commission's complaint of April 1 (No. 6319) charging misrepresentation in its national ads (Vol. 11:14). Though it maintains claim is correct, Admiral said it no longer advertises that its "giant 21-in picture tubes" provide 20% more screen area than other 21-in. sets—the single specific objection cited in FTC complaint.

Edward F. Downs, attorney representing FTC in complaint, said "we feel confident we can sustain our case." Hearing has been set for May 17 in Chicago before FTC examiner James A. Purcell. Downs said he will decide next week, after studying Admiral's brief answer more fully, whether to request a postponement on the basis of its contents.

Admiral reply states its "giant 21-in. picture tube" does indeed provide 20% more screen area than many TV receivers made by its competitors and other 21-in. sets made by itself. It denies FTC's contention that as result of such ads trade has been "unfairly diverted" to Admiral from its competitors. It further declares that the complaint fails to state specifically any "unfair and deceptive acts and practices and unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act." Reply was signed by Admiral counsel Pope & Ballard, 120 S. La Salle St., Chicago.

[Note: An FTC complaint is not in itself a punitive action. It is merely a preliminary step to determine if prosecution is warranted. In the past, many such complaints have ended with filing of consent judgment in which the company, without admitting guilt, promises to halt the alleged practices in future.]

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The Nebraska Farmer, published in Lincoln, Neb., surveying 1955 buying plans, reports that 11.9% of 843 responding farm families stated they would buy TV sets this year which, projected, indicates 11,878 units. Radios will be bought by 3%, record players by 1.7%.

Canadian RTMA holds 26th annual general meeting at Sheraton Brock Hotel, Niagara Falls, Ont., June 2-3. Committees meet first day, board & special panels final day.

National Electronic Distributors Assn. moves headquarters to 4704 W. Irving Park Road, Chicago (phone Avenue 3-6445).

Crosley's offer of money-back guarantee to N. Y. area customers if its "Custom V" 21-in. receiver does not "out-perform" all other TV sets (Vol. 11:13) has proven so successful that only 2 sets have been returned to dealers since offer began March 20, said Crosley distributor Gerald O. Kaye. He declared that 70 additional dealers have taken on Crosley TV line since start of heavily-promoted offer, which he said will be extended indefinitely. No conflict with N. Y. Better Business Bureau regulations against "out-performance" ads was seen by Kaye, who is a director of the local BBB.

TV shipments to dealers totaled 1,278,250 in first 2 months of 1955, compared to 1,073,000 in corresponding period year ago, reports RETMA in state-by-state tabulation (county-by-county breakdown available from RETMA to members on request). New York led in shipments, with 113,068; California second, 86,776; Pennsylvania, 81,376. Feb. shipments were 640,771, compared to 637,479 in Jan. and 460,378 in Feb. 1954.

Stromberg-Carlson adds these new models at distributor meetings this week: Cremona, 21-in. mahogany console \$260, bleached mahogany \$270; Milano, 21-in. open-face mahogany console \$320, bleached mahogany \$330, walnut \$350; Regency, 21-in. full-door mahogany console \$460, bleached mahogany & cherry \$470. Marlite tops are \$10 extra on Cremona, \$20 on Milano.

Bill striking at "bait" ads on TV was signed this week by Gov. Harriman, making it misdemeanor in State of N. Y. for advertisers to misrepresent merchandise on TV. Violators can be fined up to \$500, jailed for year, or both, for giving false statements when arranging for TV advertising. It provides no penalties for station personnel unless they know in advance of fraud.

Canadian RTMA has been rebuffed in its fight to eliminate or reduce the 15% excise tax on TV-radio sets & parts, which finances CBC's TV operations. Finance Minister Harris, by including tax in his budget, assured its continuance for at least another year.

Another excise tax bill (HR-5694), which would reduce tax on all manufactured products to 5%, has been introduced by Rep. Mason (R-Ia.) and referred to Ways & Means Committee.

Halicrafters is now manufacturing TV receivers for Sears Roebuck's "Silvertone" line, supplemental to Sears' main supply from Warwick and Pacific Mercury.



**COLOR PRODUCTION** plans of manufacturers vary as much as ever — because of uncertain public demand — but some producers have agreed with RCA that only possibility of breaking deadlock is to take gamble of going into production (Vol. 11:16).

One major industry figure, contacted in Chicago by RCA this week in its efforts to enlist others in manufacture and promotion of color sets, told us: "Even if we have to lose money at the outset, I think the new price should be \$695 at the very top. The new 28-tube RCA chassis, which really is 26 tubes plus rectifier and picture tube, makes a good set and, whether it's temporary or the ultimate thing, the RCA 21-in. picture tube works very nicely. My own feeling is that Sylvania and CBS have got to come to it, for there must be uniformity of tubes as well as uniformity of action in the job of putting over color."

One of the lesser manufacturers is understood to have told RCA: "If you will furnish us the components so that we can assemble a set to sell for \$500, we know we can get color off the ground."

CBS pres. Frank Stanton, speaking at stockholders meeting in New York this week, said he was disappointed with color's progress, predicted it would be 5-10 years before color was as prevalent as black-&-white. He doubted industry would produce 200,000 color sets this year—as predicted by some. CBS-Hytron is holding off mass production of 22-in. rectangular all-glass tube until there's clear demand from customers, he said.

Latest to make substantial commitment to color is Hoffman Radio, which this week announced first shipments of 21-in. sets using RCA tube, with 24 receiving

tubes and 4 rectifiers, retailing for \$895. Sales mgr. Walter L. Stickel said plans call for "substantial" production—reportedly 5000 this year. Restricting shipments to those distributors with color-trained servicemen, Hoffman is delivering to Oklahoma City, Seattle, San Jose, Minneapolis, San Diego, Los Angeles, San Francisco, Davenport, Phoenix.

Stromberg-Carlson announced it would be in "full-scale" production of 21-in. sets in June or July, a spokesman stating: "We definitely will be in a competitive position" with regard other color set producers.

Among others planning to bring out color sets this summer are: Emerson, aiming at \$700-\$750 price for 21-in.; Hallicrafters, Magnavox and Sentinel, planning to show 21-in. in July. Admiral has modest 21-in. production, will keep it going, tuned to demand. CBS-Columbia and Westinghouse are planning on 22-in. rectangular tube, don't know when production will begin—though latter has said it's aiming for fall. Packard-Bell has target of \$695 set in Aug.-Sept.; Sylvania & Zenith are uncommitted.

Philco is still quiet about color plans, reports it's still working on one-gun tube. Regarding the tube, we apparently erred last week in assuming that RCA's Harry Seelen was referring to Philco development when he spoke of "sensing" tubes that required photoelectric devices and servomechanisms (Vol. 11:16). "The facts are," Philco spokesman said, "that the Philco color TV receiver, as it exists today in the laboratories, employs neither photoelectric devices nor servomechanisms. On the contrary, the chassis for the Philco color receiver is about 20% lighter than the chassis for a 3-gun tube type receiver of approximately the same picture area."

**Trade Personals:** David H. Cogan, onetime pres. of CBS-Columbia, elected chairman of Victoreen Instrument Co., Cleveland (parts), succeeding Bruce A. Coffin, who continues as director; Raymond F. Shima elected v.p.-treas., succeeded as secy. by Richard T. Brown; C. W. Haller re-elected pres. . . . Dan Packard, veteran of 30 years in major appliance industry, serving last 3 years as gen. sales mgr. of Kelvinator, joins McCann-Erickson May 10 as v.p. & senior marketing exec. . . . Paul M. Kuefler, ex-American Microphone Co., Pasadena, named gen. mgr. of Cornell-Dubilier's west coast div., headquartering at new plant-lab at 4144 Ocean Park Ave., Los Angeles, opened April 20 as part of ceremonies celebrating company's 45th anniversary . . . C. G. (Rip) Mayer, London representative of RCA, has been transferred to gen. managership of Laboratories RCA Ltd., 169 Hardturmstrasse, Zurich 5, Switzerland; his asst. Dr. H. R. L. Lamont is in charge in London . . . Grant Gardner, Wells-Gardner sales v.p., elected a director, replacing Herbert A. Johanson, resigned . . . Kenneth R. Johnson, Packard-Bell gen. sales mgr., elected a v.p. . . . Earl L. Hadley, ex-Westinghouse TV-radio div. & Bendix Radio, named adv. director of Necchi Sewing Machine Sales Corp., N. Y. . . . Albert G. Shafer promoted to v.p. in charge of western div., Radio Condenser Co.; John W. Crowfoot elevated to mgr. of special apparatus div. . . . N. L. (Nibs) Jochem appointed Gates Radio engineering director . . . E. C. Slaughenhaupt promoted to manufacturing v.p., Kenneth E. Phillips to v.p. & purchasing director of Muter subsidiary Rola Co., Cleveland . . . Paul F. Dixon promoted to national sales mgr., Peter H. Whelen to adv. & sales promotion mgr., Motorola Canada Ltd. . . . Martin Sheridan, Admiral director of public relations, speaks on "Automation in TV" to Navy Supply Officers' Club, Great Lakes, Ill., April 27 . . . Richard W. Mitchell resigns as v.p. of I.D.E.A. Inc. (Regency products), will continue as a director . . . Robert Dressler, Howard R. Patterson & A. Crawford Cooley elected v.p.'s of Chromatic TV Labs.

**DISTRIBUTOR NOTES:** Motorola appoints Arizona Distributors Co., 1891 W. Roosevelt Road, Phoenix (Wm. Sipprell, pres.), replacing Arizona Wholesale Supply Co. . . . Raytheon appoints Radio Distributing Co., 432 S. Carroll St., South Bend . . . Olympic Radio appoints Progressive Appliance Distributors Inc., 1192 E. 40th St., Cleveland, replacing Milmar Inc. . . . Bendix Radio appoints Huron Electric Supply Co., Buffalo . . . RCA Victor Distributing Corp. promotes J. P. Mallon to operating mgr. of Detroit branch, succeeding G. D. Mitchell, now asst. to secy.-treas. of Chicago branch . . . Emerson Radio of Ohio Inc., Cleveland, moves to 4300 Euclid Ave. . . . Capehart-Farnsworth appoints Buckeye Electronic Distributors Inc., 242 E. Long St., Columbus, O. (Al Siegel, pres.). . . . DuMont appoints Uptown Radio Co., Detroit (Milton Kevreson, owner).

RCA Victor reports dollar volume of its 33 $\frac{1}{3}$  & 45rpm records increased 30% in first quarter over first 3 months of 1954, chiefly as result of industry-wide price slashes of up to more than 30% at start of year (Vol. 11:1-2). Reporting on nationwide survey, Emanuel Sacks, v.p.-gen. mgr. of record div., said: "We are convinced that the simplified pricing structure which we pioneered is proving to be the salvation of dealers throughout the country." In addition to price reductions, Sacks attributed sales increase to improvement in quality of recordings and phonograph reproducing equipment, and public's "enthusiastic acceptance" of high fidelity.

Annual "guesstimates" of Canadian TV manufacturers on 1955 TV sales, in informal poll conducted by Canadian RTMA, revealed average of 613,300, estimates ranging from low of 475,000 to high of 730,000. Average estimate also was for 3000 color sets to be sold this year. Average production "guesstimate" was 892,560, compared to actual output of 593,856 in 1954.

A. Cameron Ball promoted to gen. mgr. of Western Merchandise Mart, San Francisco, succeeding Frank K. Runyan, retired.



**Financial & Trade Notes:** American Broadcasting-Paramount Theatres improved its earnings position considerably during first 1955 quarter, with theatre business continuing upward and telecasting-broadcasting operations now showing results of improved programming, according to letter to stockholders this week from pres. Leonard H. Goldenson. ABC div. operating earnings, while not stated, are said to be running well ahead of last year, though that division showed loss in 1954 due to higher TV and programming costs (Vol. 11:14).

Net profit from operations during first quarter was \$1,917,000, or 45¢ per share on 3,977,096 shares outstanding; \$33,000 additional came from net capital gains. In same 1954 period, net operating profit was \$1,039,000, or 23¢ on 3,967,511 shares; capital gains were \$77,000. Up to April 8 this year, company has purchased 7500 shares of its preferred stock at average of \$20.27 in line with policy of purchasing its preferred stock in the open market to apply against its annual sinking fund requirement of 24,322 shares of preferred. In 1953, it purchased and retired 74,422 shares of preferred.

Proxy statement for May 17 shareholders meeting discloses board has nominated v.p. Sidney M. Markley as director to fill vacancy created by death of Herbert J. Schwartz, pres. of City Stores Co. It also disclosed these officer-director compensations for 1954 (common stockholdings in parentheses): John Balaban, pres. of subsidiary Balaban & Katz Corp., \$139,400 (holds no shares); A. H. Blank, pres. of Tri-States Theatre Corp., \$58,106 (2587 shares); Leonard H. Goldenson, pres., \$181,429 (2450); Walter W. Gross, v.p. & gen. counsel, \$57,143 (100); Robert H. Hinckley, v.p., \$50,000 (none); Robert E. Kintner, v.p. & pres. of ABC div., \$77,500 (3000); Robert H. O'Brien, financial v.p. & secy., \$54,643 (100); Robert B. Wilby, pres. of subsidiary Wilby-Kincey Service Corp., \$41,058 (1018). Messrs. Balaban, Goldenson, Gross, Markley and O'Brien also hold options on 7500, 75,000, 12,500, 5000 & 12,500 shares of common stock, respectively.

Common stockholdings of other officer-directors: Earl E. Anderson, v.p. ABC div., 1974 (also trustee of Edward John Noble Foundation, owning 12,640 shares of preferred & 337,304 shares common; Charles T. Fisher Jr., pres., National Bank of Detroit, 500; Robert L. Huffines Jr., pres., Textron American Inc., 1000; Wm. T. Kilborn, pres., Flannery Mfg. Co., Pittsburgh, 200; Walter P. Marshall, pres., Western Union, 200; Edward J. Noble, owns 8949 common & 324,601 preferred (also trustee of Edward John Noble Foundation, owning 12,640 shares preferred and 337,304 common); Owen D. Young, 1500.

\* \* \* \*

Cornell-Dubilier sales in quarter ended March 31 approximated the \$9,950,000 volume of the quarter ended last Dec. 31, though earnings probably were lower because of increased competition, said pres. Octave Blake at ceremonies marking this week's opening of new plant in Los Angeles, firm's 15th. Sales for current fiscal year ending Sept. 30, he said, will probably equal the \$37,149,778 volume of preceding fiscal year, when earnings were \$1,729,640 (\$3.25 a share).

CBS Inc. 3-for-1 stock split was approved at annual stockholders meeting April 20, along with increase to 12,000,000 in total that may be issued. On basis of present shares, 4,023,669 of Class A and 3,302,340 of Class B will be outstanding after split expected to be effected April 29. Stockholders will retain old certificates, receive 2 additional shares for each held.

Muter Co. reports first quarter sales of \$3,162,693, net profit of \$101,687 (14¢ on 721,450 shares), compared with \$3,187,626 and \$111,173 (16¢ on 694,783) for same 1954 period.

**GROSS TELECASTING** Inc., licensee of WJIM-TV, Lansing, Mich. (Ch. 6) and radio WJIM (250 watts, 1240 kc, NBC & ABC), day after FCC by 5-2 vote assented to transfer of corporate control April 21, placed 193,000 shares of its \$1 par common stock on market at \$15.75. Paine, Weber, Jackson & Curtis headed underwriters group that included Hornblower & Weeks, Merrill Lynch, Pierce, Fenner & Beane and Reynolds & Co.

It's first instance of a single TV-radio property offering its stock to public along lines of Storer and Bitner groups. Chief owner Harold Gross and family will continue to hold approximately 51% interest, public to own about 48%.

In dissent, Comrs. Hennock & Bartley suggested hearing, calling it "a departure from sound broadcast licensing policy" because "the essential 'asset' here involved, the frequencies on which it operates, does not belong to the licensee (see Section 304) but is merely a permit involving a maximum 3-year term subject to renewal." Joint dissent added: "I am concerned lest the rights of unknown minority stockholders interfere with the prime responsibility of the licensee to render a public service, as contrasted with the officers' responsibility to public stockholders unfamiliar with the obligations of a broadcast licensee."

For SEC registration data, including revenue, profit & asset reports, see Vol. 11:13, p. 3.

**Electronics Investment Corp.**, Bank of America Bldg., San Diego, Cal., designed as an open-end mutual investment fund along lines of Television-Electronics Fund, has filed SEC registration statement and issued preliminary prospectus covering 2,000,000 shares of \$1 par capital stock to be offered at \$5 per share through William R. Staats & Co., Los Angeles. Stressing investment in the "electronic age," statement indicates at least 66% of portfolio will be in securities of electronics companies, but no investment shall be made for purpose of exercising control or management. Project is headed by Charles E. Salik, youthful ex-broadcaster who sold his San Diego radio station for \$250,000 last year, and obtained about \$575,000 for his option on one-third of KFSD-TV, San Diego when it was purchased with radio KFSD last year for \$3,200,000 by Fox, Wells & Co. (Vol. 10:31, 42). He's a director in his father's Texas & N. Y. textile firms, Esskay Mfg. Co. & Westway Mfg. Co. John P. Chase, head of Boston investment advisory firm bearing his name and director of various banking & industrial enterprises, has been retained as investment adviser and is a director. Washington counsel, also a director, is Bernard Koteen, of Koteen & Burt. Other officers & directors are Richard T. Silberman, v.p., who is pres.-gen. mgr. of Kay Lab, San Diego (electronics mfr.) and who formerly was in electronics dept. of Convair div., General Dynamics Corp.; William J. Ivans Jr., director, of LaMesa, Cal., now chief electronics engineer, Convair; Byron F. White, secy.-treas., San Diego attorney. Technical advisory board consists of Dr. Charles Stark Draper, director of MIT Instrumentation lab; Henry P. Kalmus, chief of electronic research & development, Diamond Ordnance Fuze Lab, Dept. of the Army, a onetime Zenith Radio physicist; Dr. Joseph M. Pettit, professor of electrical engineering, Stanford U and ex-super-vising engineer, Airborne Instruments Laboratory Inc.

P. R. Mallory & Co. earned \$606,792 (85¢ per share) on sales of \$16,264,164 in first quarter of 1955, compared to \$390,998 (50¢) on \$14,664,955 in same 1954 period.

Bitel-McCullough Inc. reports 1954 net income of \$622,761, or 83¢ per share on 748,546 shares outstanding, vs. 1953 net of 596,871, or 88¢ on 680,497 shares.

Skiatron Electronics & Television Corp. has been approved for listing on the American Stock Exchange.



**Electronics Reports:** Texas millionaire Clint Murchison's unhesitating endorsement of electronics as a career for his own youngsters, when interviewed by Ed Murrow on *Person to Person* March 25 (Vol. 11:13), took concrete form this week when it was disclosed that Murchison-backed Easy Washing Machine Corp., Syracuse, has put up \$2,000,000 capital for expansion of National Co., Malden, Mass., makers of communications receivers, electronic components, etc. Also in deal are Sid W. Richardson and Perry R. Bass, Ft. Worth financiers.

Ten-year debentures convertible to common will be issued by National in amount of \$1,100,000, addition to which it will have access to a 5-year revolving credit fund of \$900,000. Said Easy pres. W. Homer Reeve:

"Electronics continues to be an increasingly important factor in the home appliance industry in the development of new features and products as well as in the manufacturing process of these products. Therefore, we consider it advantageous for our company to be 'in on the ground floor' for potential new developments resulting from National's extensive engineering and research activities."

Reflecting industry's concern over wide-scale excursions of aircraft manufacturers into electronics business (Vol. 11:7), Hoffman Electronics pres. H. Leslie Hoffman told Los Angeles meeting of Radio Technical Commission for Aeronautics that electronics industry is not working at full capacity and can take on considerably more military work than it is now doing. "Frankly we are puzzled," he added, "as to why some of our friends in the aviation business feel it is necessary to continually expand their electronics activities when the services, facilities and personnel are available for many of these functions within the already existing industry."

Officers of Datamatic Corp., newly formed Waltham, Mass. data processing systems firm jointly owned by Raytheon and Minneapolis-Honeywell (Vol. 11:16): Minneapolis-Honeywell v.p. John J. Wilson, pres.; M-H asst. to pres. Walter W. Finke, v.p. & gen. mgr.; Raytheon asst. v.p.-equipment engineering director J. Ernest Smith, v.p.; Raytheon senior v.p.-treas. David T. Schultz, treas. Other directors are Paul B. Wishart & Charles F. Adams Jr., presidents of M-H & Raytheon, and M-H exec. v.p. Alfred M. Wilson.

To relieve serious shortage of engineers, nationwide engineers' training program is being explored by group representing universities, unions, management, TV & motion picture industries. This was disclosed by pres. John G. Frayne of SMPTE in closing convention address April 22. Expressing concern that Russia is now graduating 43,000 engineers a year vs. the U.S.'s 20,000, he said group held first meeting last week on west coast, plans to analyze findings and make recommendations soon.

Protection of radio-astronomy frequencies is envisioned by FCC in Public Notice 55-483 issued Apr. 21 seeking information to determine whether rule-making is necessary. Directed to organizations engaged in radio-astronomy, it asks locations of existing & planned observatories and laboratories, essential & desirable frequencies, schedule of observations, data on amount of interference permissible, etc.

Elgin National Watch Co. this week announced purchase of Advance Electric & Relay Co., Burbank, Cal., and said the acquisition makes Elgin one of nation's largest makers of high precision electrical relay switches.

Sperry electronic tube div. has completed new \$900,000 plant in Gainesville, Ala., is now installing equipment, according to Joseph C. Brenner, works mgr.

Electronic trouble-shooting techniques are applied to automotive ills by new "engine analyzer" developed by Socony-Vacuum Oil Co. and made available this week for general use by Allen B. DuMont Labs, which will manufacture and sell it under licensing agreement. The 60-lb. portable instrument contains oscilloscope, can be operated on 110-v. or auto battery power. It can diagnose auto ignition faults in less than one minute, will also locate pre-ignition faults and gives simultaneous pictures of behavior of each cylinder in an operating engine. Picture patterns depicting 65 engine ailments have been identified on analyzer's screen.

"Electronics for Automation and Automation for Electronics" will be subject of RETMA symposium Sept. 26-27 at U of Pennsylvania. Subjects of 5 sessions planned and their chairmen: Mechanization of high volume assembly, J. Harrington Jr., United Shoe Machinery Corp.; data sensing, processing & utilization, D. A. Griffin, automation consultant; future of automation (panel discussion), Dr. W. R. G. Baker, GE; automation for low volume production, D. Cottle, GE; redesign for automation of components & products, W. Hannahs, Automatic Production Research.

Anticipating "rapid growth of color TV," GE this week announced it will build \$6,400,000 plant at Irmo, near Columbia, S. C., to produce aluminum electrolytic capacitors. Located on 135-acre site, plant will provide 90,000 sq. ft. of production area in 2 manufacturing buildings, and an additional 15,000 sq. ft. of office space. Plant eventually will employ 700, with limited production due to start early in 1956.

Movies still lead TV in color superiority because of better control and standardized processes, according to Donald G. Fink, Philco director of research for TV-radio-appliances. Addressing SMPTE convention in Chicago this week, he said it's up to TV engineers to narrow the gap. As for TV market generally, Fink hoped that industry would emulate auto producers—upgrading performance and upgrading price, if necessary.

Indiana Steel Products Co.'s contract to purchase Ferroxcube Corp. of America (Vol. 11:13) has been "terminated," and Ferroxcube will continue to be owned and operated jointly by Sprague Electric Co. and Philips Industries Inc. (Philips of Holland).

Walsco Electronics Corp., 3602 Crenshaw Blvd., Los Angeles (TV antennas & chassis) has been purchased by TelAutograph Corp., N. Y., which produces and leases system for transmission of handwritten messages by wire. Walsco becomes a div., Walter L. Schott continuing as pres.

Multiplexing equipment, to be used under new FM functional music rules (Vol. 11:13), will be available from Gates Radio within 90 days, according to National Music-time Corp., which plans to offer stations tapes carrying 8 hours of instrumental music. Company is subsidiary of Audio-Video Products, 730 Fifth Ave., N. Y., is working with Lang-Worth which will continue to service AM stations.

Experiment in commercial TV in Morocco has failed, as French Govt. prepares to buy out privately owned station in Casablanca, which lost average of \$57,000 a month in first year. Compagnie Marocaine de Radio-Television (TELMA), partly financed by American private capital, will be sold to Radiodiffusion-Television Francaise for a reported \$2,285,000. Station will remain on air.

Technical description of large-screen projection color is presented by RCA's Louis L. Evans & R. V. Little Jr. (latter now Remington Rand) in April *Journal of the SMPTE*.



**S** MALL-MARKET STATIONS will have access to more top network programs as result of 2 developments announced April 22:

(1) CBS disclosed new "Extended Program Service plan" to make available, on sustaining basis, 20-30 CBS commercial programs to affiliates in markets where stations are unordered by sponsors. Plan begins experimentally May 23, is similar to NBC's "Program Service Plan," whereby unordered affiliates are permitted to carry certain NBC-TV shows and to substitute locally-sold commercials for deleted network commercials (Vol. 11:15).

(2) NBC exec. v.p. Robert W. Sarnoff told affiliates meeting that network is working on plans to let unordered optional affiliates use kines of network shows, after their regular run, for sale to local sponsors. Stations would pay small handling charge. This would be in addition to the live Program Service Plan shows now available to interconnected stations. This live lineup was increased this week to 22¾ hours weekly with addition of *Ding Dong School* and *News Caravan* to roster of shows offered non-commercially to unordered affiliates—which already includes *George Gobel*, *Sid Caesar*, *Today*, *Home, Tonight*, etc.

CBS-TV pres. J. L. Van Volkenburg said that, though Extended Program Service shows would be offered at first on sustaining basis only, "studies are under way in order to make some network programs available on a cooperative basis to stations not ordered by advertisers." This would permit these stations to sell time during these network programs, as is now the practice under NBC's Program Service Plan. Van Volkenburg said programs would be added to list as rights are obtained. Participation will be limited to stations in areas where there is "no significant overlapping circulation" with stations already carrying same programs on commercial basis.

By bare 4-3 vote, FCC voted license renewal of radio WOL, Washington, over dissents of Comrs. Lee, Doerfer & Hennock, who charged station with "over-commercialization" and carrying "bait-&-switch" pitches. Comr. Lee's blunt dissenting statement, in which other 2 concurred, noted: "Because some of the others are guilty of the same practice, it is urged here that we should not single out this particular station. But the short answer to that is that we should firmly exercise our jurisdiction as the cases come before us." Lee called attention to offers of \$14.95 vacuum cleaners, followed by attempts to switch customers to \$125 units. "It is claimed that there has been an improvement at WOL," he stated. "If so, the improvement has been negligible." WOL pres. Henry Rau, former pres. of Fly & Harwood Appliance, Memphis, stated that station is member of Better Business Bureau, carries no commercials unacceptable to BBB. "We do not feel we are over-commercialized," he said. "Perhaps the best answer we can give is that according to the Pulse audience measurement survey, the audience of WOL in the Washington area has increased by approximately 50% since we took over in the middle of Nov., 1953."

Two applications were filed with FCC this week—both for outlets in U. S. territories: For Ch. 12 at Mt. Haleakala, Maui, Hawaii—same location as Ch. 3 satellite which went on air last week (Vol. 11:16)—by KVMI, Maui, which plans to rebroadcast programs of KONA-TV, Honolulu; for Caguas, Puerto Rico, Ch. 11, by WKVM, San Juan. Commission now has 159 applications on file (16 uhf). [For details, see *TV Addenda 20-O* herewith; for complete listings of all grants, new stations, applications, etc., see *TV Factbook No. 20* with Addenda to date.]

Licensed TV receivers in Britain totaled 4,407,393 March 1, increase of 99,621 during Feb.

NBC-TV affiliates convention in N. Y. April 21-22, in addition to getting fill-in on color plans and extension of option affiliates' program plans (see adjoining column & p. 10), heard report from Richard A. R. Pinkham, v.p. in charge of network programs, that evening time this summer is virtually sold out, that 250 individual advertisers are expected to use network this year, and that this fall will see continuation of trend to 90-min. & hour programs. He also noted "upsurge of interest in daytime programming," as indicated by recent sales on *World of Mr. Sweeney*, *Modern Romances* & *Tennessee Ernie*. Pres. Sylvester L. Weaver Jr. said that each NBC-TV program will stress "informational content." He added: "We must aim up, not down. This means use of plot that reflects credit on the human side instead of discredit, that brings awe and wonder and excitement and exhilaration to someone because of the solution of a human problem by a human being in a predicament." At conclusion of meeting, affiliates adopted this resolution: "NBC-TV affiliates hereby express their renewed confidence in NBC's sales and program policies and unanimously feel that the accomplishments in sales and programming concepts, as expressed by the summer and fall schedules will materially increase NBC's leadership as the No. 1 advertising medium." Elected officers and members of affiliates exec. committee: chairman, Walter J. Damm, WTMJ-TV, Milwaukee, re-elected; vice-chairman, Clair McCollough, WGAL-TV, Lancaster; secy.-treas., Wm. Fay, WHAM-TV, Rochester; Jack Harris, KPRC-TV, Houston; Robert Hanna, WRGB, Schenectady; W. W. Warren, KOMO-TV, Seattle; Fred Mueller, WEEK-TV, Peoria; James Moore, WSLS-TV, Roanoke; Robert Lemon, WTTV, Bloomington, Ind.

NBC-TV severs affiliation with WTVR, Richmond (Ch. 6) as of June 1, and this week reported it has signed affiliation with upcoming WXEX, Petersburg, Va. (Ch. 8), controlled by Tom Tinsley, who operates radio WLEE in Richmond and WITH, Baltimore. Bad news for pre-freeze Wilbur Havens station, which has had all 4 networks in one-station area but became NBC exclusive in Dec. (Vol. 10:50), came on eve of April 22 celebration of its 7th anniversary as "first TV station in the South." Havens' radio WMBG, while an NBC affiliate, has not renewed affiliation contract and presumably AM will also go to Tinsley. TV station originally was assigned WVAA call letters but is changing to WXEX. Tinsley got grant in competition with Louis Peterson's WSSV, Petersburg, and station is now under construction despite Peterson's pending appeal to courts.

FCC chief examiner James Cunningham was granted important new powers this week when Commission amended Part O of rules to authorize him to: (1) Assign examiners to specific cases. (2) Set dates and places of hearings. (3) Act on petitions to intervene to dismiss applications or to dismiss cease-&-desist orders. (4) Act on requests to file additional pleadings provided in Sections 1.730 & 1.751 of rules. (5) Act on other types of pleadings in cases designated for hearing if such pleadings are filed before issuance of an initial decision.

Wiretapping should be authorized in cases involving national security, FCC Comr. Robert E. Lee, an ex-FBI man himself, told House Judiciary subcommittee this week, stating that he spoke for himself, not for whole Commission. He said Attorney General should have power to authorize wiretapping even though it's "another form of eavesdropping that is abhorrent to our system."

Accenting program and commercial side of TV, replete with articles, pictures, statistics and ads, *Radio-Annual-Television Yearbook* was released this week by *Radio Television Daily* (1360 pp., \$15). It's biggest volume of its kind ever compiled.



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## SUMMARY-INDEX OF THE WEEK'S NEWS — April 30, 1955

**BAROMETERS OF ECONOMIC UPSWING**—Review of current business appraisals and forecasts, all pointing to good business generally all this year (p. 1).

**UHF EXCISE TAX REPEAL** backed unanimously by set makers, who say it would cause vhf-only sets to disappear from market; bill faces uphill battle (p. 3).

**WHY NOT LIVE REPEATS?** Program executives admit fear of losing viewers, but continue experiments with quick repeats of hits (p. 4).

**DEINTERMIXTURE PROSPECTS** appear doubtful; Pittsburgh Ch. 11 merger in offing; ex-Camr. Janes protests Texas power boost an anti-trust grounds (p. 6).

**SUBSCRIPTION TV DEBATE** gets shriller as rival interests argue bitterly and FCC is deluged with mail, running about 5-to-1 in favor (p. 6).

**ALL-UHF ALLOCATION**, FCC pressure on set makers who own stations urged by Camr. Hennack in "separate comments" to Senate on Platkin-Janes reports (p. 7).

**STROMBERG-CARLSON MERGER** into big General Dynamics Corp. paints up trend in electronics; reasons far and fiscal background of deal (pp. 11 & 15).

**HALLICRAFTERS BREAKS COLOR PRICE** to \$695 an eve of RCA announcement; Dr. Baker dubious unless price goes below \$500; others give their views (p. 11).

**ZENITH & SYLVANIA** increase sales and earnings in first quarter, former's net climbing to \$4.21 a share from \$1.68; reports on other companies (p. 14).

**IMPROVEMENT OF PROGRAMS** getting more attention, as NBC launches "multi-million dollar talent development program," with stress on fresh material (p. 9).

**ALABAMA EDUCATIONAL** station starts this week, second of 3, bringing an-air total to 430; plans of upcoming stations (p. 10).

**FREE POLITICAL TIME** on TV-radio apposed by CBS & NBC spokesmen in testimony before Senate subcommittee; NBC offers 1-min. & 5-min. political spots (p. 16).

**SOME BAROMETERS OF THE ECONOMIC UPSWING:** Brevity is our business -- and busy business men are our readers for the most part. So we thought you might like a briefing on the mass of economic appraisals and business forecasts which have crowded the popular as well as specialized press in recent weeks. Accordingly, here are digests of some of the more significant current reports. Whether they equate with your own business, and how, you alone are in position to determine.

One that touches the TV trade closest, though it does not purport to particularize, is that of Econometric Institute, N.Y. It sees dollar volume of retail sales climbing to new highs this year -- reaching a seasonally adjusted annual rate of \$180.6 billion in fourth quarter. Broad demand for consumer goods of all kinds will continue through 1955, it shows, gaining 7% first quarter, 4% second, 5% third, 4% fourth. Forecasts of better retail business this year are based on 1.7% gain in population, high levels of employment, increase in disposable income.

For durable goods as a whole, Econometric Institute puts quarterly gains over last year at 10%, 4%, 5% & 5%, respectively. In the "appliance-radio" category (not otherwise broken down) figures are minus-2% first quarter, minus-4% second, plus 1% third, plus 8% fourth. That such dollar reductions or increases cannot be applied specifically to TV and/or radio, is evident -- but they serve as a broad gauge. Nor are they applicable apparently to some appliances, for GE's major appliance division (not including TV-radio) this week reported first quarter sales 37% ahead of year ago, noting trend upward in all lines -- led by dishwashers, up 91%; dryers, up 73%; automatic washers, up 61%.

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Dept. of Commerce's Office of Business Economics states pickup in business activity which began last fall was widespread throughout the economy, and showed no signs of abating at end of March. New orders received by manufacturers were about 25% above same 1954 quarter. Increase in orders and sales was largest in durable



goods industries like automobiles, refrigerators, washing machines, etc. Good Xmas season last winter continued into ensuing months as disposable national income went up and manufacturers' payrolls rose 9% on seasonally adjusted basis.

Twentieth Century Fund, citing Dept. of Commerce figure of \$5330 as average family income for 1954 and the Bureau of Labor Statistics' figure of 40.7 hours as average work week in manufacturing, with 63,663,000 employed or in armed forces and 3,176,000 unemployed, makes this prediction for 1960:

Average family income \$6000; 37½-hour work week; 69,000,000 employed or in armed forces; only 3,500,000 unemployed, principally shifting between jobs. Report continues: "The aggregate net income of the more than 160,000,000 Americans today probably exceeds the combined income of the 600,000,000 people living in Europe and Russia and far surpasses [that] of the more than 1 billion inhabitants of Asia."

Syndicated financial writer J.A. Livingston rounds up optimistic statements by various industrialists and observes, "Feel the glow?" The current prosperity wave, he says, is manifested in the jump in overtime work, rise in average weekly pay to \$75, and expansion in business, security & real estate loans. "We're having a boom in business and a boom in confidence," he writes.

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U.S. News & World Report (April 29) bulwarks its confidence with statistical tables, asserts prosperity will continue to rise to new highs in year ahead, incomes will soar, jobs will be plentiful, profits will increase and dividends go up. It sees uptrend in every field but farming -- and only a war or catastrophe halting upswing before mid-1956. Its charts show:

Hard goods output index is 148 now vs. 137 year ago, going up to 155 year from now (1947-49 equaling 100). Soft goods index is 122 now vs. 115 year ago, will go up to 127 year hence. Retail trade index is \$179.5 billion now vs. \$168.4 billion year ago, will be \$188 billion year from now. Retail price index is 114.2 now vs. 115 year ago, will be 114.1 year hence. Factory wages are \$1.85 per hour now vs. \$1.81 year ago, will be \$1.92 year from now.

Total income is now at annual rate of \$294.3 billion vs. \$285.2 billion year ago, will be \$305 billion year from now. Total spending by people is \$243.1 billion now vs. \$231.8 billion year ago, will be \$251 billion; by business, \$54.9 billion now vs. \$44 billion year ago, will be \$59 billion year from now; by govts., \$76.1 billion now vs. \$80.1 billion year ago, will be \$77 billion year from now.

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National Assn. of Purchasing Agents' April survey reported business outlook continuing bright, some 59% of members stating production of their companies was increasing. Asked if they thought current boom is result of consumer stockpiling, the answers varied: some thought easy credit was main influence, others said increased population, plenty of bargains, confidence in the economic situation.

McGraw-Hill economics director Dexter Keezer said U.S. business will spend record \$29.5 billion on new plants and equipment this year, up 5% from 1954. Practically every manufacturer, he stated, has raised his sights since the 1954 recession and, as a group, they planned to increase capital expenditure by 3%.

The various business services (Kiplinger, Babson, Brookmire, Prentice-Hall, Standard & Poor's, United Business Service, et al) are uniformly optimistic but with various gradations of caution -- noting particularly the possibility of strikes. The New York Times, editorializing on "The Business Recovery," observed April 28:

"What makes the current figures on the business situation particularly encouraging is not that they show things to be better than a year ago, but that (1) the American economy is now back at a level close to that of 1953, the best year in history, and that (2) the preponderance of evidence indicates that in the absence of unforeseeable developments the trend is going to continue upward for some time..."

Since it's people that count, the fact that U.S. population has gone up 8.5% and households have increased nearly 8% since the 1950 census probably bespeaks more than any of the other figures the main reason for our expanding economy.



**SET MAKERS ENDORSE UHF TAX EXEMPTION:** With a display of unanimity unusual in the highly competitive TV manufacturing industry, top officials of a score of companies which together make nearly 90% of America's TV sets gave enthusiastic backing to a proposal to exempt all-channel sets from the 10% Federal excise tax. In an informal conference with Senate Commerce Committee this week, they predicted that such a move would result in disappearance of vhf-only sets from the marketplace.

If setmakers and telecasters can keep the ball rolling, Committee Chairman Magnuson (D-Wash.) thinks tax proposal has fair-to-good chance. He referred to this plan as one phase of an effort to keep uhf from "dying on the vine." Underlining urgency of meeting is slowdown in sales of uhf sets, which constituted only 14.4% of Feb. production, as compared to 21.5% in Feb. 1954 and 35% in Nov. 1953.

The manufacturers firmly rejected 2 other help-uhf proposals: (1) Suggestion of "voluntary agreement" to produce all-channel sets only -- reason the meeting was called in the first place (Vol. 11:12) -- was immediately dismissed as a potential violation of anti-trust laws. (2) Legislation to ban interstate shipment of vhf-only sets, proposed last year by Comr. Hennock, was opposed by manufacturers as unfair to customers in vhf-only areas who would be required to pay extra for uhf tuners they couldn't use. Its constitutionality was also challenged.

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Tax exemption won't increase profits of manufacturers, they told the Senators. Average Federal excise tax collection per set amounts to some \$15, just about same as average cost of equipping a set with a uhf tuner. Each manufacturer said his piece at this week's meeting, and consensus was that competition would eventually force all manufacturers to include uhf tuner in every set, even those sets shipped to areas which have no uhf stations -- assuming tax exemption is granted.

Problem of inventories of vhf sets -- estimated at 1-2,000,000 -- troubled some manufacturers. They cautioned that tax exemption bill should have provision for an "effective date" far enough in the future to prevent necessity of "distress liquidation" of vhf-only sets, which might occur if pipelines weren't emptied by the time all-channel sets came on the market at the same price. GE's electronics v.p. Dr. W.R.G. Baker, in wire to the Committee, suggested that industry be given 4-6 mo. warning to get rid of vhf-only sets before any tax measure is effective.

Tax move wasn't viewed as panacea for uhf, but manufacturers and Senators saw it as a necessary step to help lick set circulation problem. The corollary question -- what to do at the telecasting end -- wasn't discussed in any detail. Sen. Payne (R-Me.) told group that some friends from his home state "nearly lost their shirts" in uhf ventures. And Dr. Allen B. DuMont explained that all of uhf's difficulties can't be solved at receiving end. Even high-powered uhf outlets, he said, don't cover as large an area as vhf outlets.

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Excise tax proposal faces tough journey through Congress, and Sen. Magnuson indicated that strong support by manufacturers, telecasters and public is a vital necessity to put it across. He didn't indicate what course his Committee would take to follow up this week's meeting. It cannot handle tax matters, which are under the jurisdiction of House Ways & Means Committee and Senate Finance Committee -- latter headed by economy-minded Sen. Byrd (D-Va.).

"I think we can sustain this proposal," he said after meeting, "if it's put across in the right way." He warned that it will stand no chance if approached as a "tax relief" measure -- "that would just open up a Pandora's box of special interest tax bills for every industry." The Senator stressed that the measure must be pushed from a "public interest point of view."

A uhf tax exemption bill introduced by Rep. Ikard (D-Tex.) is still awaiting action by House Ways & Means Committee. Last year, Senate Finance Committee rejected a similar measure, and substituted a \$7 tax credit for each uhf set produced, but the bill died when Congress adjourned. Set manufacturers don't feel that anything short of complete tax exemption would encourage full-scale uhf production. (For list of those attending this week's meeting, see p. 10.)



**WHY NOT LIVE REPEATS? SOME REACTIONS:** Our questions about re-runs of live programs last week (Vol. 11:17) -- probing concept of exploiting TV hits while they're hot -- brought several comments from top-level sources this week. They came from men who know their business, and it's apparent that danger of losing audience is main deterrent to more frequent repeats -- rather than economic or legal reasons.

Hubbell Robinson, CBS-TV network program v.p., replying that CBS repeats top programs on Westinghouse Summer Theatre and will undoubtedly do likewise with Climax when it accumulates sufficient backlog, stated: "The fact remains that no matter how good a show may be, a repeat of it within a reasonably short period of time after the initial broadcast categorically eliminates a substantial portion of the viewers who saw it the first time, with the dangers of resulting loss of circulation. I think that this calculated risk has played a large part in the infrequency in the repeat practice of live shows."

Richard A.R. Pinkham, NBC program v.p., evinces a decided leaning toward more repeats of outstanding shows. He says: "I think the successful repeats of 'Davy Crockett' on Disneyland, 'Patterns' on Kraft and our scheduled repeat of 'Peter Pan' next Christmas, together with classics like 'Amahl', will help to point the way to recalcitrant sponsors, agencies and producers to the validity of repeating great TV programs. I am for this as long as utmost discretion is used. The danger is that a lazy producer or an advertiser trying to save money might go overboard on repeats which would be deadly."

H. Pierson Mapes, v.p.-mgr. of Hutchins Adv. agency, citing experience of the Philco Playhouse, which he handles, also pins answer to size of audience. "Actually," he states, "there is no economic or legal reason for not repeating. The repeat would cost substantially the same as the original. [Legally], unless the story had been sold to pictures or for theatre production, it would be available for repeat."

Citing examples of results with repeats, Mr. Mapes noted that Paddy Chayefsky's "Holiday Song," which obtained tremendous critical acclaim in 1952, not only obtained a below average Nielsen when repeated year later but failed to retain as much audience through whole show as original production. Average "holding power" of Philco Playhouse, he said, is above 85%, but the repeat had only 64.9%. Similar results were experienced, he said, with the 1952 repeats of 1950 hits "The Trial of Stephen Kent" and "Brat Farrar" -- this despite fact there were many more sets-in-use in 1952 than there were in 1950.

Such reports do point up the reasons for so few long-delayed repeats, but they also emphasize need for more experimentation with quick repeats -- within a few weeks -- of the type pioneered successfully by Kraft with "Patterns". U.S. Steel is said to be considering repeats soon of powerful "The Rack" & "No Time for Sergeants."

FCC Comr. Rosel Hyde, long a protagonist of the repeat idea, which actually is standard operating practice with TV film shows (and admittedly overdone with old theatrical features) states: "It seems an economic and artistic waste to use the good programs once and then throwing them into the ashcan. I've always argued that there should be some way of cutting the high cost of TV programming by using good programs more than once -- or by stations sharing the programs they create."

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Nearly two-thirds of the post-freeze stations, vhf & uhf combined, are losing money, after depreciation charges, said management consultant Richard P. Doherty, ex-NARTB v.p., at this week's meeting of Pennsylvania Assn. of Broadcasters—a condition he called "paradoxical in such a strong growth industry." That would mean some 200 of the 322 still-on-air stations that started post-freeze. Doherty, who has been engaged as director of management services of new GE-backed National Affiliated TV Stations Inc. (Vol. 11:12,14,16), said fully 75% of the industry's total revenue comes from national & regional sponsors and that "the majority of TV stations have not cultivated fully the vast supply of local advertising dollars already being spent." Many stations are inadequately financed, he said, and some have lost so much money it will take them 3-5 years to get even.

Christian E. Rogers Jr. named engineering asst. to FCC chairman George C. McConaughy, leaving post of special asst. to ODM telecommunications chief Harold Botkin; he holds degrees in physics and law, has been mgr. of KALB, Alexandria, La., worked for AP Radio, served as asst. TV-radio director of Republican National Committee 1947-48, worked as a Washington electronics consultant, served as asst. head of Navy Bureau of Aeronautics electronics design branch 1950-52, was assoc. member of law firm Mechlin, Marshall & Smith 1952-54.

The single application filed this week was for Sacramento's educational Ch. 6, by Central California Educational TV (Kenneth R. Hammaker, pres.; John C. Crabbe, exec. secy.). [For details, see *TV Addenda* 20-P herewith; for complete listings of all grants, new stations, applications, etc., see *TV Factbook No. 20* with Addenda to date.]



**Personal Notes:** Hugh B. Terry, pres.-gen. mgr. of KLZ-TV & KLZ, Denver, wins U of Missouri's 26th annual honor award for distinguished service in journalism, to be presented May 2 during school's annual Journalism Week . . . Ted Cott, ex-NBC v.p., named gen. mgr. of DuMont's owned-&-managed WABD, N. Y. & WTTG, Washington, assuming former duties of Don McGannon, now operating v.p., Westinghouse stations. George BarenBregge and Leslie G. Arries Jr. continue as local managers of respective stations . . . David Lowe, producer-director, named program director, WABD . . . Harry D. Peck, ex-gen. mgr. of Hearst's Milwaukee radio WISN, named v.p.-gen. mgr. of upcoming WAGE-TV, Marquette, Mich. (Ch. 6), headed by pres. Jerome Sill and due in July . . . John J. McPartlin, ex-asst. mgr. of WTVW, Milwaukee & ex-sales mgr. of WNBQ, Chicago, returns to Chicago to join local sales force of WBKB . . . F. J. (Joe) Kelley, v.p. & gen. mgr. of WTSP, St. Petersburg, Fla., onetime RCA district mgr., has resigned to become partner in Adcraft Adv. Agency, Corpus Christi, Tex.; his successor at WTSP is Jack Olson, controller of *St. Petersburg Times* . . . G. Richard Shafto, pres. of WIS-TV, Columbia, S. C., sailed on *Queen Mary* April 27 for 6-week European tour . . . Wallie Dunlap, program & operations v.p., WICC-TV, Bridgeport, Conn., resigns to become gen. mgr. of WTAO-TV & WTAO, Cambridge, Mass. . . . Guy Koenigsberger named production mgr. of upcoming KRNT-TV, Des Moines (Ch. 8), due in summer, with Bill Riley as public service director . . . Jules Dundes, sales director, promoted to gen. mgr. of KCBS, San Francisco, CBS-owned, succeeding Arthur Hull Hayes, named pres. of CBS Radio, succeeding Adrian Murphy, retired . . . Georges Huard, mgr. of CBC's CBAF, Moncton, N.B., appointed supervisor of TV station CBOT, Ottawa, and of CBC's upcoming French-language CBOFT there . . . Ray Herndon resigns from KTRH, Houston, to become mgr. of KMID-TV, Midland, Tex., succeeding Sid Grayson, who recently bought 50% interest in radio KFXD, Wichita Falls (Vol. 11:9,13) . . . Raymond M. Neihengen promoted to sales mgr., Avery-Knodel, Chicago . . . Dan Bellus, ex-KFEQ-TV, St. Joseph, Mo., heads new sales development & promotion dept., KFMB-TV & KFMB, San Diego . . . Peter Thornton, from WENS, named public relations director, KDKA-TV, Pittsburgh, succeeding Dick Fortune, who joins Cabbot & Coffman agency . . . James E. Szabo, ex-Adam Young TV, Los Angeles, named national sales mgr. in Hollywood for Advertiser's Television Program Service, sales div. of John W. Loveton Productions . . . Norman W. Glenn, v.p. of Doherty, Clifford, Steers & Shenfield, named director of TV-radio programs & production; Russ Ambruster promoted to senior producer . . . George F. Foley, ex-Newell-Emmett TV-radio director, later with Cecil & Presbrey and packager of TV shows (*Tales of Tomorrow*, *Herman Hickman*), enters law practice at 666 Fifth Ave., N. Y. . . . Harry S. Hyett, ex-gen. mgr. of WEAU-TV, Eau Claire, forms regional rep firm with headquarters in Northwestern Bank Bldg., Minneapolis . . . Dave Reque, from sports dept., named TV-radio editor, *Washington News*, succeeding Bernie Harrison, named TV-radio editor of *Washington Star* as Harry MacArthur goes to drama dept. . . . Ray S. Donaldson, ex-chief counsel, Senate Committee on Banking & Currency, joins Washington law firm of Weaver & Glassie . . . Wm. Lawrence, ex-Wm. Esty, Biow and Pedlar & Ryan agencies and west coast TV-radio-movie producer, joins NBC-TV film div. in N. Y. as mgr. of programs & production . . . John Lugt, ex-production mgr., KGMB-TV, Honolulu, now asst. TV director, Brisacher, Wheeler & Co., San Francisco . . . James McMurry named production mgr., WRC-TV & WRC, Washington, as WRC-TV program mgr. George Dorsey assumes same function for WRC but continues as film buyer; Dorsey reports to James E. Kovach, director of programs.

End of 7-month Lamb hearing appeared to be in sight this week—barring unexpected developments—as Toledo & Erie broadcaster-publisher Edward Lamb stepped down from the witness stand and presented a string of witnesses who testified to his loyalty and anti-communism. Winding up cross-examination, FCC Broadcast Bureau attorney Joseph Kittner questioned Lamb about the book he wrote 22 years ago, *The Planned Economy of Soviet Russia*. Lamb insisted the book constituted exposition of the Russian economy, not advocacy, and blamed newspaper competitors in Erie and Mansfield, O. for giving wide circulation to "distortions." Appearing as witnesses for Lamb were: Sen. Estes Kefauver (D-Tenn.), who said he has known Lamb for 3 years and never heard him "say anything that would lead me in any way at all to doubt his loyalty or embrace any belief that would make him unfit to be a broadcaster"; Lowell Baldwin, who owns dry cleaning plant at Maumee, O., stated that Lamb cautioned him in 1939 to avoid any dealings with Communist-dominated labor unions; Sam Sponseller, Ohio CIO field representative, who said he helped clean Communists out of the organization, recalled that Lamb was strongly anti-Red in 1934. Hearing resumes May 3.

New chairman of NARTB's Code Review Board will be G. Richard Shafto, WIS-TV, Columbia, S. C., replacing John E. Fetzer, WKZO-TV, Kalamazoo, who will continue to serve board for one year ex-officio. New officers and members taking office following NARTB convention May 22-26: Wm. B. Quarton, WMT-TV, Cedar Rapids, replacing J. Leonard Reinsch, WSB-TV, Atlanta, as vice chairman; Mrs. Hugh McClung, KHSL-TV, Chico, Cal.; Richard A. Borel, WBNS-TV, Columbus; Roger W. Clipp, WFIL-TV, Philadelphia. Retiring members are Fetzer, Reinsch and Mrs. A. Scott Bullitt, KING-TV, Seattle. New appointees will attend May 3-4 quarterly meeting of the board in Washington, whose agenda includes: (1) Review of Senate juvenile delinquency subcommittee hearings April 6-7. (2) Study of results of recently expanded monitoring, including special survey of children's programming. (3) Further consideration of "how to stimulate code recognition in films at the production level." (4) Review of "pitchmen" and "bait" advertising practices.

Half ownership of KDRO-TV, Sedalia, Mo. (Ch. 6) and KDRO (250-watts, 1490 kc, MBC) will be obtained eventually by publisher J. Albert Dear under terms of application filed with FCC this week by owner Milton J. Hinlein (Vol. 11:12). Principal of *Sedalia Capital and Democrat*, holding interests in other newspapers and in Tufty News Bureau, Washington, Dear has agreed to buy 7500 shares at \$1 immediately, holds options to acquire 50% for \$40,000 in 20-24 months. Hinlein's Jan. 1 financial statement lists \$280,232 assets, \$176,358 liabilities. Fixed assets are \$212,345 (TV equipment \$133,669 book value); current assets are \$65,619 (\$19,873 accounts receivable). Long-term liabilities of \$169,894 include GE note for \$100,400.

To expedite vacation planning for FCC personnel and those who do business with the agency, Commission announced that it will conduct no hearings or oral arguments July 28-Aug. 30 this year and will hold no regular meetings during the period. Examiners will conduct no hearings, either, but individual commissioners will be on hand to act as Motions Commissioners — to handle emergency matters and routine business.

Libel relief for TV-radio stations was signed into law this week by New York's Gov. Harriman. Measure is designed to shield stations from libel damages as result of broadcasts by politicians. To escape liability under the law, stations must announce at beginning and end of political programs that the remarks are not subject to censorship and do not reflect opinions of station.



FCC's "SECOND LOOK" at vhf-uhf deintermixture is still in its early stages, and commissioners aren't indicating how they think—but the betting in Commission and in industry is strongly against probability of any substantial deintermixture when final votes are tallied. There are few who will predict that more than 1 or 2 cities—if that many—will be deintermixed.

Commission's decisions will be delayed somewhat because of parties' requests for more time to file comments on proposals to deintermix Peoria, Ill.; Evansville, Ind.; Madison, Wis. and Hartford, Conn. (Vol. 11:14). Deadline for comments was extended this week from May 2 to May 17—and FCC has promised oral argument later. Last week, it extended the deadline for comments on Albany, N. Y. case to May 20.

Next clues may come when Commission decides whether or not to start rule-making on the raft of additional petitions for deintermixture precipitated by the 5 foregoing cases. Stimulated by FCC action in those cities, stations have filed petitions for deintermixture affecting following principal cities: New Orleans & Baton Rouge, La.; Hutchinson & Manhattan, Kan.; Raleigh & Durham, N. C.; Fresno & Sacramento, Cal.; Miami & Jacksonville, Fla.; Spartanburg, S. C.; Norfolk, Va.; Toledo, O.; Corpus Christi, Tex.

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Commission issued no grants this week, though a Ch. 11 CP for Pittsburgh may be in the offing, since competitors WWSW & WJAS are working toward merger giving each 50%. Complication in Miami Ch. 10 case may be expected, Storer Bestg. Co. having told Court of Appeals last week it would file application for Ch. 10 pursuant to court's decision in multiple ownership case (Vol. 11:9). Ch. 10 hearing has been concluded there, but Storer feels it has right to file, nonetheless. Storer now operates uhf WGBS-TV, Miami (Ch. 23), is seeking to get area deintermixed, this week asked Commission to hold up action on Ch. 7 decision pending consideration of deintermixture.

In first major TV case since returning from work on Senate Commerce Committee's uhf-network investigation,

**S**UBSCRIPTION TV debate continued this week, a bit shriller if anything, and it becomes even clearer that when battle before FCC eventually ends the Commission won't have much more to go on in reaching a decision than it does now—that it will have to make its decisions on basis of theory, pressures and commissioners' sociological & economic leanings.

Commission doesn't necessarily have to make a flat "yes" or "no" decision, may consider authorizing "temporary commercialization" on broad enough scale to produce factual information.

Yet it may prove impossible, through such a test, to answer opponents' major objection—i.e., pay-as-you-look TV will end up simply charging viewers for what they now get free. And there's question, too, whether fee-TV operators will be able to obtain for the tests the prime program fare they seek—current feature movies.

Zenith's small-scale test with 300 Chicago families several years ago, in TV's infancy, is generally considered obsolete. At that time, Zenith managed to pry loose some Hollywood features by getting Justice Dept. to threaten anti-trust proceedings. Movie producers were terribly touchy about "monopoly" charges then; it's anyone's guess as to what would happen with "commercial" tests now.

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Issues were sharpened up a bit more this week, meanwhile, in debate before FCC Bar Assn. between Zenith counsel W. Theodore Pierson and theatres' counsel Marcus Cohn.

attorney Robert F. Jones, ex-FCC member, submitted 40-p. protest on behalf of KWTX-TV, Waco, Tex. (Ch. 10) against grant of increased power recently authorized to KTBC-TV, Austin (Ch. 7)—which is owned by wife of Senate majority leader Lyndon Johnson (D-Tex.).

Protest charges KTBC-TV is violating Sherman & Clayton anti-trust acts and will increase dominance with power increase. It states that uhf KANG-TV, Waco (Ch. 34) had been able to obtain only DuMont affiliation until bought by Mrs. Johnson last Dec., whereupon both CBS and ABC "almost immediately" indicated willingness to affiliate. Until then, KWTX-TV said, it had chance of getting CBS or ABC. Now, it went on, KTBC-TV has all 4 networks in Austin and KANG-TV has all except NBC. "The above facts," states protest, "strongly suggest that the networks' decisions to affiliate with KANG-TV were not motivated by ordinary business judgment."

Request of grantee WTHT, Wilmington, N. C. (Ch. 3) for more time to build should be denied, examiner Basil P. Cooper recommended in initial decision this week. He said CP-holder has done nothing to start construction, given no good reason why it hasn't.

Two CPs were dropped—KOPR-TV, Butte, Mont. Ch. 4) and KUSH, San Diego (Ch. 21).

Way was cleared for WWLP, Springfield, Mass. to shift from Ch. 61 to Ch. 22 when FCC finalized allocations substituting Ch. 22 for Ch. 61 there, Ch. 25 for Ch. 52 in Barnstable, Ch. 38 for Ch. 50 in Boston, moving Ch. 61 from Northampton to Easthampton, shifting educational reservation in Providence from Ch. 22 to Ch. 36. Commission also proposed to permit WHYI-TV, Springfield, to shift from Ch. 55 to Ch. 40 by starting rule-making to substitute Ch. 40 for Ch. 55 there, Ch. 57 for Ch. 40 in Montpelier, Vt.



FM functional music decision (Vol. 11:13), scheduled to go into effect May 2, has been stayed by FCC for 30 days, pending study of petition for reconsideration to be filed by WWDC-FM, Washington. Commission has adopted new application Form 318 for the service—called "Request for Subsidiary Communications Authorizations (SCA)."

Pierson pinned label "a complete red herring" on opponents' argument that pay-as-you-look TV would result in converting free programs to fee. "They said first that subscription TV would be so successful," he stated, "that it would take over all of the good programs. I submit it could only do that if the public wanted it. We have no means of making the public pay. Therefore, that argument must be based upon the success of subscription TV that is far beyond our wildest dreams.

"At the same time, [they say] that there would be not a minor, but a major revolution in the country, and that everyone would break up their TV sets. Now, I submit both things can't happen. In the final analysis the measure of its succeeding is going to be the public, and if the public gets annoyed with it we are going to get nowhere and lose substantial sums of money."

Cohn put his thesis this way: "The American people have spent approximately \$15 billion since 1948 for TV sets, installations and repairs . . . These people bought their sets on an implied representation by the FCC, by the Congress, and by the local telecaster, that they would never have to pay on their TV sets to see a program . . . All of the arguments which are directed to 'let us give this a try because it is only a new invention' ignore completely the basic problem—that in the process of putting this invention out to the public and getting the public to use it, it is going to deprive the public of something which it already has."

Pierson also analyzed attitude of networks and stations. He said that AB-PT's position is likely to be deter-



mined by its theatre holdings. CBS and NBC "are garnering huge profits out of their power and their operations [and it's easy] to understand why they would not at all like to see a change . . . But should a broadcaster not be in favor of some alternative for success and survival than an affiliation agreement with NBC and CBS? I think we have had demonstrated in the last few months the fickleness of a network's loyalty to its affiliates in terms of an affiliation arrangement." As for NARTB, he asked whether it's "dominated and controlled by the national networks and their sycophants."

Cohn charged Zenith with promising everything to everybody. "Zenith has gone to the newspapers," he declared, "and said subscription TV is a wonderful thing because we don't propose to have any advertising on subscription TV, and therefore the advertising dollar will be more easily accessible to your callers. In still other publicity, Zenith has taken the position that there will be advertising within subscription TV. I would like to know which of the 2 positions is correct."

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Zenith is reaping results, meanwhile, from its get-out-the-vote campaign, urging people to write to FCC. When we first analyzed letters and cards in FCC files 3 weeks ago (Vol. 11:15), there were 360 in the docket—half for, half against. Today, there are more than 2000—about 5-to-1 in favor of toll TV. Zenith has encouraged letters not only from its stockholders, distributors and dealers but has written to owners of Zenith hearing aids and subscribers to program log of its Chicago FM station.

Among recent supporters gained by Zenith are such diverse groups and individuals as Chicago City Council, National Small Business Men's Assn., actress Gloria Swanson, publicist S. I. Neiman, *Life Magazine* Chicago ad mgr. Wm. G. Erickson, et al.

FCC Commissioners and members of Congress are being deluged with mail, reading little of it. How much effect the sheer volume will have—even they don't know.

Zenith pres. E. F. McDonald sent commissioners photostats of card someone is distributing, opposing pay-as-you-look TV and urging people to boycott Zenith products. McDonald called this "the most vicious and unfair tactic that I have ever seen in the course of consideration of a public issue." One commissioner said, with a laugh, referring to publicity about it, "McDonald has given that card greater distribution than its originators have."

Paramount's International Telemeter is speaking up more and more lately. It sought to join CBS-TV's May 1 debate but was turned down, CBS stating that Telemeter hadn't filed petition with FCC whereas Zenith and Skiatron had. Telemeter reportedly will shortly announce names of some exhibitors who have asked for coinbox franchises in event pay system is authorized.

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Uhf Industry Committee attacked NARTB's stand against pay systems, stating: "Certainly, no artificial restriction or restraint should be imposed on subscription TV if it can augment TV service."

Broadway Assn., representing various businesses, informed FCC and N. Y. City Council of its opposition, based on fear that reduced attendance at movies might harm restaurants, hotels, etc. There are reports that City Council is about to take stand against pay-as-you-look, approving resolution introduced by pres. Abe Stark.

Article in April 30 issue of *Saturday Review* was attacked sharply by Alfred Starr, co-chairman of Organizations For Free-TV. Article includes a "ballot" with which readers can express views, and Starr said: "We are shocked and dismayed at the unwarranted and undeniable bias contained in your ballot," adding that his group should be given space to answer the article.

**I**NACTION is killing uhf, FCC Comr. Henneck charges in her "separate comments" on the Plotkin & Jones reports, submitted to Senate Commerce Committee April 29—6 weeks after FCC majority presented its views (Vol. 11:12). She termed the recommendations made by Senate TV investigation's former majority counsel Harry Plotkin and former minority counsel Robert F. Jones "pure temporizing or ineffective expedients [which] do not alleviate the plight of uhf." The Commission's majority report, she said, "completely fails to prescribe any effective remedies for the illnesses it diagnoses, and prefers to let the passage of time take care of them."

In a bristling 68-p. document, the oft-dissenting Miss Henneck, whose 7-year term as a Democratic member of the Commission expires in exactly 2 months (June 30), again poured blame on FCC for uhf's current plight and for failing to do anything about it, reiterating her advocacy of a new allocation plan which would move all stations to uhf over a given period of time.

Diagnosing uhf's troubles, she said neither Plotkin, Jones nor the Commission has "come to grips" with 3 basic issues facing Senate Committee in its uhf probe: (1) Vhf-only sets now being sold are "depriving the public of 85% of TV." (2) "The network monopoly controls every phase of TV and strangles its development." (3) "Inaction is destroying uhf."

Her principal suggested remedies: (1) Senate Committee and FCC should "immediately initiate a national campaign to inform the public that they are purchasing sets that cannot tune into 85% of TV." (2) "This Committee should take all necessary measures to make it possible for the public to buy vhf-uhf sets, including a direction to the FCC that it use its power in connection with licensees who are manufacturers." (3) Committee should direct FCC to start immediate rule-making "aimed at correcting the monopolistic scarcity of network programming and at equitable availability of such programming to uhf as well as vhf stations." (4) Congress should immediately conduct a "vigorous" network investigation, and FCC should be given statutory authority to regulate networks.



N. L. Bentson group is buying WLOL, St. Paul (5-kw, 1330 kc) from Independent Bestg. Co., headed by Ralph Atlass, pres. of Chicago's WIND, holding CP for WIND-TV (Ch. 20). Application filed this week states sale is for \$300,000 plus 95% of accounts receivable. Sale brings Bentson back to radio in area where his share-time WMIN-TV (Ch. 11) recently went to Bitner interests for \$1,235,000 and his radio WMIN to Wm. F. Johns family for \$75,000 (Vol. 11:15). Actual buyer of WLOL is new BFR Bestg. Corp., 1/3 owners being Bentson, Joseph Floyd and Mr. and Mrs. Edmond R. Ruben. Same interests also operate KELO-TV, Sioux Falls, S.D. & KELO, hold CP for satellite KDLO, Florence, S. D. (Ch. 3).

Transfer of 50% ownership in radio WKAI, Macomb, Ill. and KLIL, Estherville, Ia. to A. G. Bush, chairman of Minnesota Mining & Mfg. Co. executive committee and board member of KSTP-TV, St. Paul, was approved by FCC this week (Vol. 11:15). He assumes the share of Wm. Schons in return for cancelling \$40,000 loan to stations; Edward Schons retains 50%.

The brighter side of broadcasting business — how some radio stations are showing "hometown ad gains"—is subject of April 29 article by *Wall Street Journal's* Joseph M. Guilfoyle, supplementing his recent bearish findings.

Titled RFD, weekly 15-min. farm show produced for U of Missouri's commercial KOMU-TV, now is being carried on film by 8 stations in state.



**Station Accounts:** First quarter *Rorabaugh Report on Spot TV Advertising* (N. C. Rorabaugh Co., 347 Madison Ave., N. Y., 260 pp., \$30), covering accounts on 230 reporting stations (80% vhf, 20% uhf) which are said to share approximately 90% of the total dollars spent on national spot TV time, lists these as the top 25 spot buyers Jan.-thru-March: Procter & Gamble, Brown & Williamson, Sterling Drug, Standard Brands, Block Drug Co., Colgate-Palmolive, Ratner Promotions, Carter Products, General Foods, National Biscuit, Bulova Watch, Miles Laboratories, Carnation, Grove Laboratories, Anahist, Vick, R. J. Reynolds Tobacco, Chesebrough, Ford, P. Lorillard, General Mills, Peter Paul, Kellogg Co., Toni, General Motors . . . Many of these advertisers placed several schedules for their various products, using varying numbers of stations, so the rankings are arbitrary in that respect. Surprise 7th ranking of Ratner Promotions, for example, embraces spots bought for such varying items on different stations as My-O-Lene rug cleaner, Sona cosmetics, cake & pastry decorators, food slicers, kitchen utensils, plastic towels, etc. . . . DuPont, for Zerone & Zerex, signs Frank Leahy, ex-Notre Dame coach, to replace late Norman Sper in handling filmed *Football This Week*; Norman Sper Jr. continues as producer for Station Distributors, with BBDO as agency . . . Sinclair Refining Co., for new Power-X gas, using local TV-radio programs and spots in April 26-to-early July campaign, thru Morey, Humm & Johnstone, N. Y. . . . Oldsmobile to sponsor *Patti Page* twice-weekly next season in 15-min. film produced by Joseph Santley, thru D. P. Brother, Detroit . . . San Francisco Brewing Co. (Burgermeister Beer) buys 1955 pro grid games of 49ers and Los Angeles Rams, thru BBDO, Los Angeles . . . National Lead Co. (Dutch Boy Paints) buys 52 Norman Brokenshire *The Handy Man* how-to-do-it shows, filmed by Princeton Film Center, to be placed by McCann-Erickson . . . Buitoni Foods Corp. (Buitoni macaroni, Perugina chocolates) sponsoring Italian-language panel quiz titled *Dove-sonnato* (Where Was I Born?) on WATV, Newark, Sun. noon-12:30 p.m., thru Albert Frank-Guenther Law, N. Y. . . . Among other advertisers currently reported using or preparing to use TV: Apsco Products, Beverly Hills, Cal. (New Home waste disposal), thru J. P. Shelley & Assoc., Los Angeles; Blevins Popcorn Co., Nashville (Pops-Rite popcorn & Savorol seasoning), thru Simon & Gwynn, Memphis; Leisurehouse Inc., Wichita (Laundry Karts), thru R. J. Potts-Calkins & Holden, Kansas City; Cinch Products Inc., Los Angeles (cake, corn bread & biscuit mixes), thru Hixson & Jorgensen, Los Angeles; General Paint Corp., San Francisco (Faze quick-dry paints) thru Geo. C. McNutt Adv., Oakland; Branchell Mfg. Co., St. Louis (Royal Melmac & Color-Flyte dinnerware), thru Glee Stocker & Assoc., St. Louis; American Bird Food Mfg. Corp., Chicago (American 3 Veas bird food), thru George H. Hartman Co., Chicago; Crosse & Blackwell (frozen soups), thru J. M. Korn Adv., Philadelphia; Chatelier, St. Petersburg, Fla. (Dr. Chatelier's Plant Food), thru Zemp & Chandler Inc., St. Petersburg.

New reps: WTCN-TV, Minneapolis-St. Paul, recently acquired by Bitner interests (11:15) to Katz May 1 (from Blair); WIRL, Plattsburg, N. Y. to McGillvra (from Adam Young); WROM-TV, Rome, Ga. to McGillvra (from Weed); KTVW, Tacoma, Wash. to Adam Young; WBOC-TV, Salisbury, Md. to Burn-Smith.

Rate increases: WCAU-TV, Philadelphia, raises base hour from \$2400 to \$3000, 20 sec. \$500 to \$600; KTTV, Los Angeles, hour from \$1400 to \$1750, min. \$365 to \$460; WOC-TV, Davenport, \$700 to \$800 & \$140 to \$160. Rate decrease: WTVW, Milwaukee, cuts base hour from \$950 to \$800, min. \$190 to \$160.

**Network Accounts:** Last of DuMont's "national" network shows, Bishop Sheen's *Life Is Worth Living*, switches to ABC-TV next fall, probably Thu. 8-8:30 p.m. Programs will also be carried on ABC Radio, will consist of 26 live telecasts, 13 filmed repeats. Spokesman for Bishop Sheen said he was switching networks because of larger audience possibilities and higher financial contribution (which goes to Society for the Propagation of the Faith, of which he's national director). Financial details of long-term contract weren't disclosed. ABC is now negotiating for sponsor—with Admiral, the bishop's sole sponsor on DuMont since program began in 1952, identified as one of the negotiators . . . Full sponsorship lineup for *Warner Bros. Presents* (Vol. 11:12), starting Sept. 13, Tue. 7:30-8:30 p.m., as announced by ABC-TV: Liggett & Myers, 30 min. weekly, thru Cunningham & Walsh; GE, 30 min. alt. weeks, thru Maxon and Young & Rubicam; Monsanto Chemical (All detergent), 30 min. alt. weeks, thru Needham, Louis & Brorby . . . GE to sponsor summer series of live dramas from Hollywood, produced by Fletcher Markle, on CBS-TV, starting June 1, alt. Wed. 10-11 p.m., thru Young & Rubicam; on Sept. 21, GE debuts first of 26 one-hour 20th Century-Fox film programs in same time slot, alt. with *U. S. Steel Hour* . . . New Perry Como show, as yet untitled, due to begin in fall on NBC-TV, probably Sat. 8-9 p.m., will be divided into 20-min. segments with this sponsor lineup: Kleenex, thru Foote, Cone & Belding, Chicago, and Dormeyer (blenders), thru Shaw Adv., Chicago, sharing one segment; Noxzema, thru Sullivan, Stauffer, Colwell & Bayles sharing segment with one other advertiser; Warner-Lambert Co. (cosmetics) occupying full segment . . . American Tobacco (Lucky Strike) renews Jack Benny show on CBS-TV for next season (alt. Sun. 7:30-8 p.m.), while dropping his CBS Radio series after 11 years . . . Dodge due to sponsor Hollywood musical variety show featuring Lawrence Welk orchestra this summer on ABC-TV, Sat. 9-10 p.m., thru Grant Adv., Detroit . . . Associated Products (5-Day Deodorant Pads) to sponsor half of summer *Arthur Murray Party* on NBC-TV, starting June 28, Tue. 8:30-9 p.m., thru Grey Adv.; co-sponsor probably will be Toni . . . Reynolds Metals, which drops *Mr. Peepers* June 15, retains same NBC-TV Sun. 7:30-8 p.m. period probably for its *Frontier* film series; Wally Cox will discard "Mr. Peepers" characterization May 8, assuming various other roles in new-format experiments for balance of series . . . General Foods reported shopping for 30-min. Sat. a.m. network period for re-runs of *Roy Rogers Show*.

New campaign to lure top TV spenders away from the airwaves and onto the printed page is being opened by American Newspaper Publishers Assn.'s Bureau of Advertising, its director Harold S. Barnes told ANPA convention this week in N. Y. He said bureau had new weapon against TV—and is "convinced that the same number of dollars most advertisers are spending in TV will do a better job in newspapers." He gave no details, added: "We're showing TV advertisers what those dollars will buy in newspapers. And how much those dollars will buy in newspapers is making their eyes pop." Bureau of Advertising announced that national advertisers spent \$594,120,000 in newspapers last year, 1.2% below 1953's record of \$601,224,000 — but predicted figure for 1955 would be higher. Although much was made of TV as a competitor for advertising revenue and circulation, some publishers also discussed TV's value as an ally. In one panel discussion, several publishers agreed that both news and "preview" features on TV entertainment helped build readership. Some publishers said televised sports have led to increased demand for newspapers, with women as well as men readers following sports stories more closely as result of viewing them on TV.



**Telecasting Notes:** Paramount has sold 30 films to TV for \$1,550,000, or about \$51,700 each—first major producer to release any old features direct to TV. All releases were pre-1949, produced by Pine-Thomas. Purchaser was Elliot Hyman, head of Associated Artists Productions. The 30 oldies were formerly owned jointly by Paramount and Pine-Thomas, but reverted to 100% Paramount ownership under deal whereby Paramount and Pine-Thomas divided the films they held jointly. Representative titles: *No Hands on the Clock*, *Torpedo Boat*, *I Live in Danger*, *Submarine Alert*, *High Explosive*, *Alaska Highway*, *Timber Queen*. Hyman plans to re-issue them for theatre showing before making them available to TV . . . Top-notch British films, all recent and some still in theatrical release, have been acquired by Ely Landau's National Telefilm Associates, which spent \$1,000,000 for 7-year distribution rights to the 40 pictures, now being offered stations as "Fabulous Forty" package. From Alexander Korda-Elia Lopert, NTA has taken over distribution of *Tales of Hoffman* (Moirá Shearer, Sadler's Wells Ballet), *Captain's Paradise* (Alec Guinness, Yvonne DeCarlo), *Breaking the Sound Barrier* (Ralph Richardson), *Man Between* (James Mason, Hildegard Neff), *Cry, the Beloved Country* (Canada Lee), *Outcast of the Islands* (Ralph Richardson), *Gilbert & Sullivan* (Maurice Evans, Robert Morley). Other films in package were acquired from J. Arthur Rank and Marvin Gries, featuring such stars as Stewart Granger, James Mason, Deborah Kerr, Jean Simmons, Michael Redgrave, Audrey Hepburn, Dane Clark . . . Top-level MGM executives have been huddling with CBS on TV tieup, expected to be disclosed momentarily; Columbia Pictures, which has done well in TV with subsidiary Screen Gems, reported to be readying weekly one-hour live-&-film show for TV to be titled *Columbia Presents* . . . Gene Autry, who lost Supreme

Court fight to prevent Republic Pictures from selling his pre-war films to TV, negotiating with Columbia Pictures to buy 32 westerns he made for Columbia since the war with intention of releasing them to TV in competition with Republic oldies . . . Unusual film deal: General Teleradio's WNAC-TV, Boston, signs to carry TPA's *Ramar of the Jungle* for the next 5 years—the 52 episodes already completed as well as any produced in future. Series is 2½ years old, has already been shown in Boston, deal costing station about \$100,000 . . . Alfred Hitchcock to shoot 39 half-hour mystery shows for Revue Productions at Republic Studios in July . . . Norman Blackburn, TV veteran, buys novel *Circus Boy* for series of 26 half hours to be produced by Screen Gems . . . King Brothers, movie producers, to film half-hour adventure stories with Latin American backgrounds at Churubusco Studios in Mexico City . . . No glutted market of syndicated shows is foreseen by rep Joe Weed, despite "mass of new TV movie producers"; as he sees it, there will be more good features, greater selectivity by spot sponsors & stations, survival of fittest producers, more exclusive prime bookings, less re-run syndication of network shows . . . Ed Sullivan's *Toast of the Town*, playing one-night stands for sponsor Lincoln-Mercury, will be in Eugene, Ore., Spokane & Seattle, May 4-6, respectively, with latest weekday road shows . . . TV workshop for experimental programs has been set up by New York's WRCA-TV, with goal of presenting "at least one new program concept or idea each week." Tryout features will be incorporated into 1-2 p.m. *Norman Broken-shire Show* beginning May 12 with 30-min. mental health show . . . Bob Hope signed by Associated Broadcasting Co., one of Britain's new commercial TV program contractors, for *Sunday Night at the London Palladium*, one of shows planned for debut of ITA in Oct.

**R**IDING HIGH on crest of praise for "imaginative programming" which first began to be heard following its *Peter Pan* telecast, NBC this week announced it is undertaking a "multi-million dollar talent and show development program" aimed at uncovering new writers, performers and direction & production talent.

Announcement was made by pres. Pat Weaver in April 29 address to Chicago Executives Club. With a rather obvious glance in the direction of Washington, where one TV network investigation is under way and several others have been proposed, he stressed that such a program could be undertaken only by a network—that no "program service" could afford to take such a gamble, in which the decisions often are "in conflict with the safe, quickly profitable action."

Highlights of NBC's program: "Comedy Development Plan, an organized nationwide plan for discovery, development and maturing of comedians of the future, is now being broadened and expedited." In field of music, negotiations are under way with Rodgers & Hammerstein, as well as British composers Benjamin Britten and Sir Wm. Walton, to do original works for TV. And noted impressario Sol Hurok is now searching Europe for TV talent.

Other projects under consideration, as outlined by Weaver: Use of idle NBC interconnection facilities as "audition cable" to permit programming executives to see local acts and shows for possible network use; development of monthly program from local shows picked up from various origination points around country; assisting Broadway producers in casting their plays with hope of building fresh talent for TV; using radio programs as showcases for testing future TV players.

Drama schools of Yale, Carnegie Institute & Iowa State U will share in RCA-NBC scholarship & fellowship grants announced this week. Scholarships are \$800 a year for undergraduates. Fellowships are \$3500 a year for

graduate students, of which \$750 is grant-in-aid to the university. Selections are to be made by the university. In addition, an NBC "Presidents Award" of not less than \$4000 or more than \$6000 will be granted an individual between ages 25-35 who has shown outstanding talent and creativeness in drama, selection to be made by NBC.

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TV-radio critic Jack Gould, *New York Times*, apparently agreeing with recent column by Herald Tribune Syndicate's John Crosby (Vol. 11:16), April 24 gave accolade to NBC—more specifically to Weaver—for "virtual monopoly on TV excitement" during current season, pointing to *Peter Pan* as high point in "first real offensive in years against the pat and repetitious rescheduling of so much broadcasting."

Said Gould: "As was obvious even last summer, CBS chose this season to take a sabbatical in programming. It made lots of money but suffered a severe intangible loss: no one talked about CBS. Now Bill Paley, CBS chairman, is seeking revenge and has made it clear he is not going to let Pat Weaver have another unchallenged year. The battle of the titans has been resumed." As for ABC-TV, which pulled the sustained coup of the season with *Disneyland*, it has had trouble clearing time on enough stations but "it can be counted on to give the competitive pot a few stirs . . ."

Importance of TV-radio in press association budgets indicated in membership reports this week during ANPA convention: UP listed 144 TV & 1510 radio stations taking its wire services; AP gave total of 1364 stations; INS listed 113 TV stations.

New 15-franc stamp issued by France as tribute to TV shows antennas over Paris skyline with Eiffel Tower dominant; in right corner is screen with letters RTF — Radio-TV France.



**ALABAMA'S SECOND** educational station — WBIQ, Birmingham (Ch. 10) — went on air this week, bringing total stations on air to 430, of which 13 are non-commercial educational outlets. Station began programming April 28 with ceremonies televised on Alabama's 2 educational stations and on commercial WBRC-TV, Birmingham, George B. Storer officially presenting to station 5-kw RCA transmitter, 6-bay antenna and other station equipment formerly used by his WBRC-TV. Station is owned by Alabama Educational Television Commission, whose WTIQ, Munford (Ch. 7) went on air last Nov., and whose WAIQ, Andalusia (Ch. 2) plans to start in Sept. Many programs will be televised by all 3 stations on the educational "network," which now carries 10 hours weekly. Consultant is ex-broadcaster-telecaster Thad Holt; station's chief engineer is James Evans.

No equipment shipments were reported this week. GE reports order from Chicago educational WTTW (Ch. 11), due on air next fall, for complete station facilities including 5-kw transmitter, 12-bay antenna, 2 vidicon film chains, 2 studio camera & 2 portable camera chains, for mid-July delivery. GE also has order from KRLD-TV, Dallas (Ch. 4) for new 5-kw driver.

Standard Electronics Corp., Claude Neon subsidiary, appoints Canadian Westinghouse, Hamilton, Ont., as sales engineering rep for Canada. John H. Fletcher will manage sales of Standard broadcasting equipment.

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

WDBJ-TV, Roanoke, Va. (Ch. 7), with 50-kw DuMont transmitter & 12-bay RCA antenna on order, plans start next fall, reports mgr. Ray P. Jordan. It has 73-ft. Blaw-Knox tower on hand, but hasn't started construction except for work on interim studios. Grantee is Times-World Corp., publisher of *Roanoke Times* and *World-News*. It's signed with CBS, has set \$600 base hourly rate. Rep will be Free & Peters.

KLFY-TV, Lafayette, La. (Ch. 10), with DuMont 5-kw transmitter due for installation by May 10, has changed test pattern target to May 15, plans June 3 start as CBS affiliate, reports gen. mgr. Bill Patton. It will use 12-bay RCA antenna on 384-ft. Trilsch guyed tower. Earlier this year it got permission to buy out share-time CP-holder KVOL-TV for \$5,000 out-of-pocket expenses incurred by grantee *Lafayette Advertiser* and KVOL gen. mgr. George H. Thomas (Vol. 11:4). Base rate will be \$200. Reps will be Venard, Rintoul & McConnell and Clark Brown (south-southwest).

KSTF, Scottsbluff, Neb. (Ch. 10), which got STA last week to begin operating from interim site on Abrupt Peak, 10 mi. north of Scottsbluff, now plans June 1 test patterns, reports Wm C. Grove, gen. mgr. of parent KFBC-TV, Cheyenne (Ch. 5), 79 mi. to northwest. On June 15 it plans to begin rebroadcasts of KFBC-TV programs as well as some film originations. RCA transmitter & 6-bay antenna are due to arrive May 15, with antenna scheduled for installation on 120-ft. pole in following 5 days. KFBC-TV chief engineer, R. C. Pfannenschmidt will be in charge of 4-man Scottsbluff operation. Time will be sold only in combination with KFBC-TV. Rep for both is Hollingbery.

CKNX-TV, Wingham, Ont. (Ch. 8) hasn't ordered equipment yet, but hopes to be on air by Oct. 15, writes gen. mgr. W. T. Cruickshank. It will use 650-ft. RCA wavestack tower-antenna. Transmitter house will be built 15 mi. out of town. G. W. Cruickshank will be station mgr.; Don Hildebrand, production director; Vin Dittmer & Scott Reid, from CKNX, sales mgr. & chief engineer, respectively. Rep not chosen.

Set manufacturers attending April 25 uhf conference at invitation of Senate Commerce Committee (see p. 3): Admiral v.p. John F. Gilbarte; Capehart-Farnsworth pres. L. G. Haggerty; CBS-Columbia pres. Seymour Mintz & CBS Inc. v.p. Richard S. Salant; Avco v.p. L. I. Hartmeyer & Crosley-Bendix div. attorney F. J. Ball; Allen B. Dumont & Julian Freret; Emerson pres. Benjamin Abrams; GE attorney Gerald Toye; Hallicrafters pres. R. W. Durst; Hoffman pres. H. Leslie Hoffman; Lion Mfg. Corp. TV-radio gen. mgr. Paul H. Eckstein; Magnavox pres. Frank Freimann & v.p.-secy. Gerald M. Ungard; Motorola exec. v.p. Robert W. Galvin; Philco v.p. James M. Skinner; RCA pres. Frank Folsom, exec. v.p. Robert A. Seidel & v.p.'s Robert L. Werner & Frank Russell; Stromberg-Carlson radio-TV v.p. F. Leo Granger; Sylvania v.p. Arthur L. Chapman & attorney R. E. Anderson Jr.; Travler v.p. I. Edelstein; Wells-Gardner pres. Robert Alexander; Westinghouse Bestg. v.p. J. E. Baudino, mgr. engineering G. C. Larson, counsel John Steen & J. E. Walsh; Zenith sales v.p. H. C. Bonfig & engineering v.p. G. E. Gustafson; RETMA pres. Glen McDaniel & exec. v.p. James D. Secret. Senators attending: Chairman Magnuson (D-Wash.), Monroney (D-Okla.), Ervin (D-N.C.), Bible (D-Nev.), Schoepfel (R-Kan.), Payne (R-Me.).

New glass shadow-mask for color picture tubes is under development at Corning, whose pres. Wm. C. Decker calls it "the most marvelous article ever made of glass." Aimed as substitute for metal mask, glass unit has some 400,000 holes made by photo-etching process, has rim of photoceramic glass. RCA color tube engineering mgr. C. Price Smith says that RCA hasn't had any samples yet and it's too early to tell whether glass has advantages over metal. "There are problems with it, which Corning readily admits," he said. "For example, there's the problem of fastening and positioning glass and there's the matter of a 'charging effect' on glass, requiring a special coating." From cost standpoint, Price says there's no doubt glass could beat present cupro-nickel masks, but work on mild steel may bring cost of metal way down.

A 3-vidicon color camera chain for medical use was introduced by RCA this week at National Academy of Science exhibition in Washington. Designed for portability and compactness, chain comprises 3 suitcase-style units weighing 40-50 lbs. each plus the camera. Dr. Vladimir K. Zworykin, who headed development, stressed compatibility of chain, stating: "The compatibility of this novel system means that information may be televised in color from the operating room or the medical laboratory to doctors and research workers across the country by commercial broadcast facilities as readily as over a closed-circuit. The pictures may be seen on standard home-type color TV receivers with no alteration." Previous RCA color medical demonstrations employed regular studio-type chains (Vol. 11:14).

Upcoming network color schedules: NBC-TV—May 2, *Producers' Showcase*, "Darkness at Noon," with Lee J. Cobb, David Wayne, Ruth Roman, Oscar Homolka & Joseph Wiseman, 8-9:30 p.m.; May 7, *Max Liebman Presents*, "Desert Song," with Nelson Eddy, Gale Sherwood, Otto Kruger, John Conte, Salvatore Baccaloni, Viola Essen & Earl William, 9-10:30 p.m.; May 11, Kraft Theatre, 9-10 p.m. CBS-TV—May 4, *Best of Broadway*, "Broadway," with Joseph Cotten, Piper Laurie, Gene Nelson, Keenan Wynn, Martha Hyer & Akim Tamiroff, 10-11 p.m.; May 12, *Shower of Stars*, "High Pitch," with Marguerite Piazza, Tony Martin, Wm. Frawley & Vivian Vance, 8:30-9:30 p.m.

Experimental color rates charged networks by AT&T for coaxial-microwave facilities will be extended additional 6 months to Dec. 1, phone company notified FCC this week.



**THE MAGIC WORD IS 'ELECTRONICS':** Just about a year ago, under this same caption, we noted (Vol.10:20): "As magical as TV, which is its commercial keystone, electronics during recent years has attracted many companies which never before had anything remotely to do with it -- some in such a big way that the tail now wags the dog. Hardly a week passes nowadays without word of new ventures, expansions, acquisitions or mergers in various fields of electronics. By and large, the main factor motivating non-electronic companies into the field is the desire to diversify."

Then we pointed out how virtually all aircraft manufacturers have gone into electronics research and manufacture, competing for military orders with old-line TV-radio-electronics manufacturers. Their continuing success is only too well known to many of the old-liners, large and small. We also published, in the same issue, a roundup on unusual entries into electronics field, some of them great industrial names, as prepared for us by Edgar Greenebaum Jr., the Chicago financial consultant.

Proposed merger of Stromberg-Carlson Co., substantial TV-radio-electronics manufacturer and pioneer TV-radio broadcaster, into fabulous General Dynamics Corp., builder of the atomic submarine Nautilus and parent of huge Convair as well as of big Canadair Ltd. of Canada, points up this trend-to-electronics. It's the biggest such merger yet and, unless we miss our guess, it's forerunner of other and similar big mergers of old-line electronics companies with major and minor entities in atomic, aero or other industrial pursuits.

Not only the loss of defense business reflected in balance sheets of some TV-radio manufacturers, but the eagerness of electronics competitors as well as non-electronic enterprisers to expand and diversify, will bring about more mergers. It's in the wind, and it's a logical development of "single weapons system" of procurement whereby defense electronics contracts seem to be tending to go to builders of end items, particularly in aircraft and missile fields.

One of reasons impelling Stromberg-General Dynamics merger, which will be on share-for-share basis, subject to approval of the stockholders of both companies at meetings June 28, is understood to be former's heavy involvement in military sub-contracts with Convair. (For further details about the merger, see p. 15.)

**WHAT PRICE WILL BRING MASS COLOR MARKET?** On eve of RCA's revelation of production plans for new 28-tube color set at May 3 stockholders meeting -- at price expected to be well below the \$895 of 38-tube receiver -- Hallicrafters broke with \$695 price. Pres. Wm. J. Halligan informed distributors that set will employ RCA 21-in. tube and 25 receiving tubes, "using a combination of RCA circuitry and our own."

Set will be introduced in June, he said, and company will "go into immediate production for the fall market." He stated that Hallicrafters' entry into color now is significant because "we have been one of the few major companies in the industry who did not give way before the many hysterically premature surges on color which skyrocketed overnight -- only to burn themselves out before returning to the ground." He estimated industry will produce 100,000-150,000 color sets this year.

In contrast to Halligan's enthusiasm, GE v.p. Dr. W.R.G. Baker, in his first statement on color in many months, expressed doubt that even a \$500 set would be the key to mass market. Speaking to MIT Club in New York April 27, he said that sales of more than 500,000 annually aren't likely until 1957, that 1,000,000 rate won't come before 1958. If programming is sufficient, he said, sales of 5,000,000 annually may be expected in 1960 and thereafter.

Dr. Baker said that surveys conducted at color demonstrations indicate that 3 out of 4 people would buy color when the price is "substantially less than \$500," though how much less wasn't determined. He said that 9 out of 10 prefer color to monochrome but insist on 3-4 hours of color programs each evening before buying.



Reason for concluding that \$500 won't bring mass market, according to Dr. Baker, is that mass market has several levels. He said a "class" group may be willing to pay up to 40% more than high end of black-&-white line (an average of \$600 for color set), but he predicted that lower income groups wouldn't be willing to pay more than 25% extra for color receivers.

A major manufacturer, who asked us not to name him, confessed to us that he has done a lot of "soul searching" about color and avowed he was as anxious as anybody else to get it going. He will make "a few" of the new-chassis sets, he said, and will price them competitively -- but is dubious about their saleability. He also is skeptical about the round tube. "The tube absolutely has to be rectangular," he said. "We've tested audiences, and they don't like the round tube." Moreover, he added, glass tubes are superior.

RCA is turning out some 3000 metal-coned tubes a month at Lancaster, can push this up to 30,000 (Vol. 11:16) -- and it's an open secret that it has been stockpiling them against expected orders from other manufacturers. It's committed to 21-in. rounds as least expensive to make, strongest and most stable. Prime mover for 22-in. glass rectangular, CBS-Hytron, which has sampled its tube to the set makers, is waiting for demand before undertaking production.

On bullish side, Packard-Bell report to stockholders states that company has made "great strides in research and development," is now in "actual production planning stage," will be "among the first companies in the country to produce color TV sets that will meet the practical requirements of the public."

Right picture tube still isn't available, according to Zenith pres. E.F. McDonald (see p. 14), who told stockholders he had color set taken out of his home 3 weeks ago because he was tired of servicing needed to keep it working.

**Topics & Trends of TV Trade:** "Terrific fall season" in TV-radio trade, but only nominal profits on TV receivers due to consumer preference for low-end, seems to express consensus of leading manufacturers as they prepare new lines for summer marts and distributor convention displays. It's usual seasonal slacking-off time right now, hence talk of "lower business" and "trend downward." With some exceptions, factory output has slowed down, though it's still running well ahead of 1954 in both TV & radio. In some instances, workers have been temporarily furloughed.

TV production during week ended April 22, according to RETMA, was 151,593 units, slightly ahead of preceding 2 weeks; radio production was 275,176 units (140,098 auto), up slightly from preceding week. It was year's 16th week, and cumulative output of TVs is about 2,625,000 compared with about 1,790,000 in same 16 months last year; of radios, about 4,475,000 vs. 3,140,000. (Note: Cumulative figures are subject to revisions by RETMA when it makes monthly recapitulations.)

Here's a tabulation of the weekly output figures for TV and radio, with comparisons with comparable 1954 weeks. It points up fact that lower output rate in recent weeks is seasonal; it also shows how TV & radio production has been running ahead of some 1954 periods every week thus far:

Week Ending	TELEVISION		RADIO	
	1955	Comparable 1954	1955	Comparable 1954
Jan. 7	190,895	106,525	278,371	225,481
Jan. 14	166,522	95,915	267,544	221,372
Jan. 21	150,985	111,188	262,949	215,976
Jan. 28	154,421	110,156	226,054	202,837
Feb. 4	171,624	107,853	264,693	192,523
Feb. 11	171,434	107,702	261,827	190,207
Feb. 18	176,030	110,544	271,942	173,833
Feb. 25	176,887	105,721	275,648	192,949
Mar. 4	166,461	113,026	297,457	188,526
Mar. 11	160,995	118,484	297,595	181,710
Mar. 18	164,478	118,284	307,549	202,893
Mar. 26	163,042	124,343	300,568	191,149
Apr. 1	163,746	123,280	287,740	180,726
Apr. 8	150,453	124,771	275,849	198,461
Apr. 15	146,472	108,752	273,639	182,685
Apr. 22	151,593	109,619	275,176	178,752

**DISTRIBUTOR NOTES:** Sylvania appoints big McKesson & Robbins drug firm as distributor for radios & phonographs to be sold through drug stores; 14 M&R branches have thus far been lined up in what may develop into nation-wide arrangement over and above regular channels of distribution to appliance, furniture & dept. stores . . . Hallcrafters appoints Rogers & Baldwin Hardware Co., 315 South Ave., Springfield, Mo. . . Bendix appoints Hynes & Waller, 1015 Ninth St. NW, Washington, D. C. . . Philco Distributors, Philadelphia, reports resignation of northeast district rep Wm. Taschner, who plans to open appliance outlet in Lakewood, N. J. . . F. B. Connelly Co. (Sylvania) transfers Richard L. Connelly from Seattle to Portland, Ore., as temporary mgr., succeeding Eldon N. Dean, resigned . . . Westinghouse Electric Supply, San Francisco, promotes Edward G. Marten to TV-radio sales mgr. . . Stromberg-Carlson appoints Archie Jones, 925 E. Flagler St., Miami, and Mechanical Engineering Corp., 228 Bank St., Norfolk (G. A. Bering, pres.) . . . Admiral appoints Associated Radio Distributors, 1929 Market St., San Francisco (Cecil D. Roarke, owner) for radios only in northern Calif.; Admiral also appoints Coffin & Wimple Inc., 142 Broad St., Bangor (Milton F. Coffin) for Maine and north-east N. H.; firm has sub-distributing operation at 51 Main St., Portland (Harold I. Hamm, mgr.).

Philco's James H. Carmine is subject of *Fortune's* May "Portrait"—a splendid shot by Myron Ehrenberg, in full-page color—and writeup recounting how "he sold his way out of the troubles." Starting with Philco as a salesman in Pittsburgh 32 years ago, Jimmy Carmine became pres. last year at age 51. Article says: "Mr. Carmine exemplifies Philco's corporate personality, noted for hard-working and fast-moving management ever since the company shifted to radios from storage batteries in 1928 and in just 2 years outsold every competitor."

Mrs. Ruth S. Tay, wife of Clarence S. Tay, gen. mgr. of Admiral distributing branches, died April 23 in Evanston, Ill. Besides her husband, a daughter survives.



**Trade Personals:** Harold J. Schulman, CBS-Columbia director of product service, onetime DuMont service director, named asst. to pres. Seymour Mintz in charge of coordinating all company plans & activities; Henry Hinz, chief mechanical engineer and asst. to Mintz, has resigned to form Henry Hinz Assoc., 1888 Grant Ave., E. Meadow, L. I., design engineering consultants . . . C. W. Taylor, recently mgr. of tube parts & machinery sales, appointed to newly created position of mgr., color kinescope marketing, RCA tube div. . . Nils G. Anderson promoted to mgr. of Camden plant of RCA engineering products div., reporting to S. N. Lev, gen. plant mgr. . . Kenneth R. Johnson elected sales v.p. and Jean P. Gleis manufacturing v.p., Packard-Bell . . . Irving Sarnoff, Bruno-N. Y., due back May 5 from tour of Orient, during which he and Mrs. Sarnoff visited their son stationed in Japan . . . S. G. Patterson promoted to pres. & gen. mgr., Rogers Majestic Electronics Ltd. . . E. Arthur Hungerford Jr., mgr. of TV dept., General Precision Lab, named exec. director, Metropolitan Educational TV Assn., whose chairman is Dr. David D. Henry, vice chancellor, New York U . . . Edward F. Hamilton, ex-Admiral, named to newly created post of special representative, Hallicrafters sales dept. . . Dan Creato, v.p. & gen. counsel, RCA Service Co., picked for 1955 "Friends of Service" award by National Alliance of TV & Electronic Service Assns., according to Frank J. Moch, NATESA pres. . . Clarence C. Dixon appointed Southeast district sales mgr., Hoffman radio div., headquartering in Dunedin, Fla. . . Gene Walter, ex-Motorola & Crosley, named district mgr., Granco Products, at Richmond . . . P. T. McCauley, ex-Motorola, elected secy-treas., James Vibrapower Co. . . G. E. Lewis appointed mgr., GE radar & precipitation transformer sales, Holyoke . . . Ned Landon named mgr. of public information, GE research labs, Schenectady . . . Gordon Mead appointed Seattle district mgr., Motorola . . . Wm. T. Higgins, ex-pres., Higgins Distributing Co., Baltimore, joins Zenith Radio's marketing development dept. . . Milton Emmer named national sales mgr., Claremont Tube Corp., Long Island City . . . Dr. Harry E. Tebrock, Sylvania medical director, awarded fellowship in Industrial Medical Assn. . . Edward P. Steele promoted to Admiral mgr. of market research, succeeding Robert L. Anderson, resigned.

Muntz TV Inc., though operating under trusteeship in Chapter X proceedings, claims it earned net operating profit of \$374,246 in 5 months through March; this week, it disclosed plans to manufacture 10-tube receiver (including rectifier & picture tubes) to sell for \$99 for 21-in., \$129 for 24-in., both table models. Recently, Ulysses Sanabria's American Television Inc., Chicago, announced 17-in. plywood table model with 9 tubes and without transformer to retail for \$77 (Vol. 11:15).

Guaranteed annual wage is principal demand in negotiations with RCA, which IUE-CIO spokesman revealed were begun April 12 in behalf of 14,000 RCA employes at Camden, Cincinnati and west coast. Spokesman described the talks to date as "tough going," but expressed confidence in "amicable conclusion."

Excise tax collections from manufacturers of radios, phonographs, TVs, components, etc. totaled \$129,148,000 in calendar 1954, down from \$152,971,000 in 1953, according to Internal Revenue Service.

Dr. Vladimir K. Zworykin left by air April 29 with Mrs. Zworykin for month's visit to Japan to meet with leaders of Japanese electronics industry and deliver several lectures on color TV.

Maj. Gen. J. D. O'Connell becomes chief of Army Signal Corps May 1, succeeding Maj. Gen. George I. Back.

**Electronics Reports:** First transistorized auto radio to be announced as ready for production was demonstrated in Detroit April 27 by Philco and Chrysler Corp. The 11-transistor unit will be special equipment on Chrysler and Imperial cars this fall.

Every maker of car radios has been working on transistorized versions—and Philco-Chrysler announcement is probably first of many. Because of their low power drain, elimination of power components, long life and size-reduction potentiality, transistors are a "natural" for auto radios. Principal use of transistors in consumer products to date has been in hearing aids, although Raytheon and Regency have transistorized portable radios on market.

Auto radio uses Philco Surface-Barrier transistors in place of tubes, eliminating vibrator, power transformer & rectifier. It requires less than 1/10th the battery power used by standard auto radios. Thoroughly tested in laboratory and on road, Philco says radio will withstand severe shock and vibration. Electrical hum and mechanical noises are said to be completely eliminated, and radio starts to operate immediately without warmup. Compactness of transistorized radio makes possible receivers small enough to be installed practically anywhere in the car.

Radio will be priced about \$150, and eventually—perhaps in 1957—it will also be available for Plymouth, Dodge & DeSoto cars. Production will start as soon as tooling has been completed at Philco's Sandusky, O. plant.

\* \* \* \*

Importance of electronics in atomic energy program is pointed out in April bulletin of Television-Electronics Fund. Net assets of atomic program, article states, are now approximately \$7.5 billion, of which about 15% (or more than \$1.1 billion) has been for electronics equipment. "In the nuclear instrument field alone, the volume of business done by electronic manufacturers has reached an approximate annual rate of around \$25,000,000. Projecting the past growth over the next 5 years, it is expected that a yearly volume of about \$50,000,000 will be done at that time." In the reactor field, bulletin states that specifications for an atomic reactor suitable for driving a steam-power plant provide an allowance of about \$90,000 for electronic instrumentation—or 4% of cost of complete nuclear power package including building.

Technical details of Project Tinkertoy, now known as Modular Design of Electronics (MDE) and Mechanized Production of Electronics (MPE), have been released to industry in 5 reports published by Commerce Dept.'s Office of Technical Services. They contain summary of the system, techniques for converting from conventional to modular design, hand fabrication technique & photographic processing, mechanized production and manufacturing cost determination. The reports are numbered PB 111275-78 & 111315, priced at \$14 for all 5.

For transistorized portable radios, CBS-Hytron this week announced new matched pair of p-n-p junction transistors, known collectively as type 2N108, designed for Class B push-pull audio amplifier stage.

Gen. Walter Bedell Smith, member of RCA board, named chairman & pres. of AMF Atomics Inc., new atomic energy subsidiary of American Machine & Foundry Co.

John J. Christian, ex-chief of armament staff unit, Boeing Airplane Co., joins Avco's Crosley div. as mgr. of plans & programs for defense operations.

Wm. S. Yeager is appointed to new post of mgr., industrial defense planning, Western Electric; he was supt. of labor relations, manufacturing div.

Lawrence A. Apley, pres. of American Management Assn., elected a director of Sylvania; he's also a director of Standard Oil (Ohio), Dayton Rubber Co., Ohio Wesleyan U.



**Financial & Trade Notes:** Zenith first-quarter earnings climbed to \$2,074,960 (\$4.21 a share) from \$827,521 (\$1.68) a year ago, sales to \$40,371,812 from \$29,335,190, paced by TV sales which exceeded previous quarterly unit record (in 1953) by more than 20%. However, pres. E. F. McDonald Jr. told stockholders that dollar volume did not increase correspondingly because of competitive conditions and increased proportion of table models. He added that he expected sales momentum to "carry into the second quarter."

He reiterated Zenith's opposition to present color TV tubes, said the medium is no further advanced than it was a year ago. "When Zenith feels it has found the answer to the color tube, we will go all-out in color TV," he said, "but we have no intention to make guinea pigs out of the public or helping the RCA patent pool."

Pointing to company's use of transistors in hearing aids, he said Zenith is "the second largest user of transistors outside the telephone company." He said Zenith soon will introduce line of special gadgets for the hard-of-hearing, including headphone amplifier for use with Zenith clock radio. Directors boosted quarterly dividend from 50¢ to 75¢.

\* \* \* \*

Sylvania's net income for first quarter totaled \$3,247,655 (\$1.03 on 2,923,394 shares), best first quarter in company history, on sales of \$73,979,627. First quarter income last year was \$2,121,487 (67¢ on 2,677,726 shares) and sales were \$66,995,451. Pres. Don G. Mitchell said 1955 unit sales of TV sets were highest for any first quarter, though intense competition "prevented dollar volume from being equally strong." He warned that industry-wide TV inventories are increasing, but predicted sales and earnings for 1955 should be ahead of 1954. He added that favorable conditions in the industry and in the general economy "should prevail for the balance of the year," estimating 1955 earnings will exceed \$4 per share. [For 1954 figures, see Vol. 11:11.]

Hoffman Electronics Corp. reports consolidated sales of \$8,988,928 for first quarter, down from \$14,147,572 same 1954 period, with net profits to \$309,906 (43¢ on 719,396 common shares outstanding) from \$470,238 (65¢). Reductions, said pres. H. Leslie Hoffman, resulted entirely from unavoidable delays in production for govt. contracts due to new scheduling. Operations for second quarter are expected to be about same as last year when sales were \$8,768,925 and profits \$348,445; improvement is expected in second half of year from seasonal increase in TV sales and large-scale production of Tacan flight system and other electronic equipment. Profit ratio on govt. work remains about same as 1954, said Mr. Hoffman, while rate of profit on TV production is better than last year.

DuMont Laboratories Inc. shows \$27,000 loss after taxes on sales of \$15,989,000 in 12-weeks ended March 25, which compares with net profit of \$508,000 (20¢) on sales of \$19,770,000 in corresponding 1954 period. Broadcasting losses exceeded manufacturing profits of \$700,000, and statement also reflected elimination of income from Pittsburgh TV station (now KDKA-TV) which was sold last year to Westinghouse.

Olympic Radio & Television Inc. reports sales for first 1955 quarter were \$4,800,986 compared with \$4,860,015 for same 1954 period—higher TV, radio and high-fi sales maintaining volume despite decline in military shipments. Net profit was \$82,631 (19¢ a share) compared to \$58,072 (13¢). Stockholders this week approved increase in authorized shares from 500,000 to 1,000,000.

Standard Coil Products Co. reports sales of \$16,325,635, net profit of \$116,599 (8¢ a share) for first quarter 1955, compared to \$18,971,300 & \$406,306 (28¢) for same 1954 period.

More 1954 officer-director compensation reports to add to those published in Vol. 11:15-16: IT&T—Sosthenes Behn, chairman, \$130,825 (16,747 shares); Wm. F. Halsey, chairman, All America Cables & Radio Inc., \$33,630 (900); Wm. H. Harrison, pres., \$134,115 (43,600); Ellery W. Stone, pres., American Cable & Radio Corp., \$64,413 (14,100); Mark A. Sunstrom, exec. v.p., International Standard Electric Corp., \$53,168 (20,200). Hoffman Electronics Corp.—H. L. Hoffman, pres., \$50,000 (116,192 shares, or 16.15% of total; additional 40,313 held by family); C. E. Underwood, v.p. & treas., \$52,500 (5000); Howard C. Briggs, v.p., Hoffman Laboratories Inc., \$33,333 (2000).

Webster-Chicago sales for first quarter 1955 totaled a record \$8,321,976, with profit of \$192,255 (37¢), compared with 1954 period's sales of \$6,899,586 and profit of \$205,946 (39¢). Pres. Norman C. Owen told annual meeting company has \$14,000,000 military order backlog and prospects for rest of year appear very good. He said Webcor is first to use printed circuits in phonographs, and more than 75% of all amplifiers for company's products in 1955-6 will utilize printed circuitry.

Packard-Bell Co. net income was \$319,238 (46¢ a share) on sales of \$11,038,882 in 6 months ended March 31, compared with \$328,647 (48¢) on \$11,118,097 in same 1954 period. In addition to report on color sets (see p. 12) and military aircraft equipment, exec. v.p. Robert S. Bell stated that company is developing "an amazing transistor wrist radio, for which the company has great plans" and a "greatly improved automatic door, operated on electronic principles."

Trav-Ler Radio Corp. has filed SEC statement covering proposed \$1,250,000 debenture issue to be offered for public sale about mid-May. Funds will be used for working capital. Twelve-year 6% debentures would be issued in denominations of \$500 & \$1000, entitling holder to buy warrants for 50 & 100 shares of Trav-Ler common at unstated subscription price. Lee Higginson Corp., N. Y. and Straus, Blosser & McDowell, Chicago, are principal underwriters.

Magnavox reports sales of \$14,365,079, net profit of \$577,738 (73¢ a share) for quarter ended March 31, compared to \$15,227,147 & \$328,552 (41¢) for corresponding 1954 period. For 9 months ended March 31, net sales were \$42,383,971, profit \$2,110,147 (\$2.65 a share) vs. \$51,147,940 & \$2,030,912 (\$2.55) for same period preceding year.

Skiatron Electronics & Television Corp., promoter of Subscriber-Vision system of subscription TV, had gross income of \$223,119 in 1954, nearly all from govt. contracts, and earned net profit of \$1943—leading pres. Arthur Levey to state in annual report that firm is now paying own way. Deficit from time of organization Feb. 8, 1948 to last Dec. 31 is given as \$58,864. Matty Fox advanced \$129,999 up to Dec. 31 out of committed \$300,000 under his Skiatron TV Inc. franchise deal. Expended up to now on processing of subscription TV application before FCC was \$51,339, on engineering research and designing costs \$48,261. Dean James M. Landis, counsel, is disclosed as holding option on 30,000 shares (out of 1,337,317 outstanding) at \$1.87½, with credit of 12½¢ per share in consideration of legal services.

Dividends: Zenith Radio, 75¢ (up from usual 50¢ quarterly) payable June 30 to stockholders of record June 10; Standard Coil Products Inc., 25¢ May 18 to holders May 9; Servomechanisms, 10¢ May 16 to holders May 2; Stanley Warner, 25¢ May 24 to holders May 4; Westinghouse, 50¢ June 1 to holders May 9; Television-Electronics Fund, 8¢ May 31 to holders April 29; P. R. Mallory, 50¢ June 10 to holders May 23.



**STROMBERG-CARLSON** has no intention of forsaking either the TV-radio set manufacturing or the TV-radio broadcasting business as result of projected merger with General Dynamics Corp. (p. 11). Fact that General Dynamics proposes to utilize Stromberg's electronic know-how in big way, and probably expand facilities at Rochester, was manifest by arrival of several of its top executives in that city day after proposed merger was announced, April 26. They wanted further look-see at plant and personnel.

Stromberg-Carlson is heavily in govt. work, but a spokesman said it does not want to depend entirely on that kind of business. "We need a wider base," he said, "and in every way this seems to be the right move for us in order to add financial strength and expand our operations." Dynamics pres.-chairman John Jay Hopkins said his firm seeks to broaden its base of operations in electronics, and "Stromberg-Carlson's civilian commercial business, particularly its telephone, radio-TV and sound equipment production would consist of a sound source of diversification for Dynamics."

In TV & radio broadcasting, Stromberg's pioneer WHAM-TV has always been a substantial earner and, until the diminution of network revenues, so was its 50-kw radio WHAM. Many offers to buy the stations have been received, but always rejected. Whether General Dynamics will want to continue in TV-radio broadcasting, time alone will tell; the broadcasting operations, headed by Wm. Fay, will have to be separately incorporated and operated as a subsidiary because General Dynamics has 2 Canadians on its board and the law does not permit foreigners on the boards of U. S.-licensed stations.

In the TV-radio receiver business, Stromberg-Carlson has never been a major factor, but it enjoys a fairly good distributor setup which largely overlaps with Kelvinator distributorships.

Firm is particularly strong in the less-publicized telephone equipment business, selling phones and switchboards to some 5300 independent telephone companies. Since it was founded in Chicago in 1894 by Alfred Stromberg and Androv Carlson, young Swedish immigrants, it has

made and sold some 8,000,000 telephones. The business moved to Rochester in 1902. Its payroll is about 5200. Last year, its sales were \$63,509,429, net earnings \$1,981,754, or \$3.65 per share on 509,115 common shares outstanding as of Dec. 31 (Vol. 11:9). It paid \$1.52½ common dividend, had current assets of \$34,450,978, working capital of \$17,389,513, total net worth of \$19,411,348. [For first 1955 quarter sales & profit, see below.]

As of March 31, Stromberg-Carlson had 530,892 common shares outstanding and 58,457 preferred. The preferred are convertible into 1.4 shares of common.

General Dynamics sales zoomed from \$82,600,000 in 1951 to \$134,500,000 in 1952, \$206,600,000 in 1953, \$648,641,000 in 1954, according to Standard & Poor's. Its net income over same span was \$3,870,000 (\$2.27 per share) in 1951, \$4,920,000 (\$2.86) in 1952, \$6,220,000 (\$3.51) in 1953, \$20,800,000 (\$4.72) in 1954 (giving effect to 2-for-1 split in March 1955). It operates through 4 divisions: Convair, with plants in San Diego, Pomona, Cal., Ft. Worth & Daingerfield, Tex., which make many types of military and commercial planes and guided missiles; Canadair Ltd., Montreal, a subsidiary which makes jet planes and guided missiles for Canadian Govt.; Electric Boat, Groton, Conn., which is sole private producer of submarines for Navy and holds orders for 3 more atomic powered subs; Electro-Dynamics, Bayonne, N. J., which makes electrical motors and generators for marine & industrial uses. On April 30, 1954 it merged with Consolidated Vultee. It employs 55,000.

As of March 31, 1954 General Dynamics' stock capitalization was 4,377,991 shares. It has no preferred. It recently sold public issue of \$40,000,000 in 3½% convertible debentures due in 1975. Its current dividend rate is \$2.20. [For first quarter sales & profit, see below.]

No management changes are planned in either corporation, according to Dynamics chairman-pres. John Jay Hopkins. Robert C. Tait, Stromberg pres., will continue as div. pres. and will also become a senior v.p. and director of Dynamics. Wesley M. Angle, Stromberg chairman, and Bernard E. Finucane, pres. of Security Trust Co. of Rochester and a Stromberg director, will also go on Dynamics board.

Sperry Rand Corp. will be name of new company resulting from merger of Remington Rand Inc. and Sperry Corp., with Gen. Douglas MacArthur as chairman; James H. Rand, vice chairman; Harry F. Vickers, pres.; John Sanderson, v.p. & secy.; Bernard O. Reuther, v.p. & treas. Plan is to convert each share of Sperry common into 3¼ of Sperry Rand, each share of Remington Rand into 2 of Sperry Rand. One share of Sperry Rand preferred would replace each share of Remington Rand preferred. Assets of new company would be about \$484,000,000. Approval requires vote to two-thirds of outstanding stock of each company, will be voted on at Sperry meeting May 26, Remington Rand meeting May 27.

General Dynamics Corp. had backlog of \$1,035,000,000 in unfilled orders at end of March, chairman-pres. John Jay Hopkins reported to stockholders meeting April 28. Its net sales for first quarter increased to \$142,248,000 from \$129,353,000 last year, estimated earnings to \$3,914,000 (89¢ a share) from \$3,313,000 (74¢). Mr. Hopkins said he expected good 1955, and estimated Stromberg-Carlson's 1955 net income would be \$5.70 a share after allowing for conversion of all preferred as against 1954 earnings of \$3.65.

Stromberg-Carlson first quarter sales were \$17,009,385, net income \$604,577, or \$1.07 per share on 530,892 shares outstanding vs. \$16,285,006 & \$571,553 (\$1.13 on 504,118) in same 1954 quarter. At stockholders meeting this week, all officers and directors were re-elected.

Sales of consumer products were up, heavy apparatus & industrial products about same, defense items down during first 1955 quarter, GE pres. Ralph Cordiner reported to stockholders meeting in Schenectady April 19. Nevertheless, quarter's total volume of \$765,907,000 was up 7% over the \$715,596,000 of same 1954 quarter, and profit increased to \$50,569,000 (58¢ per common share) from \$48,029,000 (56¢). The 1954 quarter came within 2% of record high achieved in first quarter 1953.

Borg-Warner Corp. to merge with Byron Jackson Co., San Francisco, maker of electronic devices & nuclear power components as well as pumps and oil field tools, on basis of 4 shares of former for 5 of latter. Borg-Warner 1954 sales were \$380,317,000, earnings \$24,460,000 (\$3.72 per share). Byron Jackson 1954 sales were \$31,890,000, net income \$1,641,087 (\$3.10). Their total assets as of Dec. 31 would have amounted to \$292,473,000.

IT&T has bought Kuthe Laboratories Inc., Newark (vacuum tubes). Dr. Herman Kuthe, who developed the hydrogen thyratron tube at the MIT Radiation Lab, continues as pres. of new IT&T unit.

In list of 33 non-financial corporations having total assets of \$1 billion or more, compiled by UP, only ones identified with electronics industries are AT&T, \$16.51 billion; GE, \$1.69; Westinghouse, \$1.32; Western Electric, \$1.07. Leader by far is AT&T, then Standard of N. J., \$6.61; General Motors, \$5.13; U. S. Steel, \$3.34; Pennsylvania R.R., \$3.04; DuPont, \$2.74; N. Y. Central, \$2.60.



**F**REE TV-RADIO TIME for political candidates—with U. S. Treasury helping out if it's too heavy a burden on broadcasters—was advocated by Comr. Hennock this week before Senate Rules subcommittee. It was strongly opposed by spokesmen for CBS & NBC, both of which revealed some of their plans for 1956 political telecasting. At issue is S-636, introduced by Sen. Hennings (D-Mo.), to increase national political committees' expenditure ceiling to \$12,300,000, mainly on account of high cost of TV time (Vol. 11:16-17).

Comr. Hennock proposed that Hennings bill be amended to authorize creation of a "joint Congressional & Presidential committee" to develop program which could enable Congress to start free-time policy by the next Presidential election.

NBC financial v.p. Joseph V. Heffernan told Senators the network has several plans to make time more readily available to candidates and at the same time save them money. These included: (1) Cutting short regular 30-min. and hour programs to make available 5-min. segments to candidates and parties in 1956 campaign on "rotation of schedule basis." (2) Offering 1-min. political announcements in *Today, Home & Tonight* shows. (3) Withholding from sale to regular commercial sponsors "a reasonable number" of prime evening periods so that these can be purchased by political parties without necessitating pre-emption charges, which amounted to \$175,000 on NBC-TV alone during 1952 campaign. Hennings thanked Heffernan for "specific and constructive recommendations."

CBS v.p. Richard Salant said his network might be forced to provide less TV-radio coverage of 1956 campaign than it did in 1952. He said if all networks and stations gave 30-min. of free time to all Federal candidates, it would cost broadcasters \$30-50,000,000 every 4 years, and \$7.5-15,000,000 during off-year campaigns. If network donated one half-hour to one presidential candidate, it would eventually cost it and its affiliates \$7,200,000 — because of the demands for free time from all other presidential candidates, of which there were 18 in 1952.

Questioning Comr. Hennock about her free-time plan, Sen. Curtis (R-Neb.) wanted to know what would prevent any number of individuals from organizing political parties merely to take advantage of the free time. The commissioner suggested her plan be confined to "major parties," at least at the start. Sen. Hennings said he's not ready to commit himself on free-time issue, but agreed that TV's growth poses many new problems.

Anti-trust complaint being prepared by Justice Dept. against American Newspaper Publishers Assn., American Assn. of Advertising Agencies and other trade associations doesn't affect NARTB, said NARTB officials after early reports this week indicated it too might be involved. Attorney General Brownell said complaint is based on associations' adherence to flat 15% commission to ad agencies, which he called a price-fixing conspiracy. He said he hoped complaint could be dismissed upon voluntary compliance of associations in dropping the fixed percentage practice. Action was sparked, it was disclosed, by small agencies with insufficient capital to gain membership in AAAA and by big advertisers who sought to build own "house" ad agencies.

First post-freeze station KFEL-TV, Denver (Ch. 2) is revealed in April 26 press release as subject of recent trade ad offering itself for sale at \$750,000, through brokers Blackburn-Hamilton. No longer network-affiliated, KFEL-TV owner Gene O'Fallon issued release, it was indicated, to counteract alleged competitor rumors that "soon there will be only 3 channels in Denver."

Like Storer Broadcasting Co.'s huge upsurge in revenues and profits after it entered TV (Vol. 11:14), Gross Telecasting Inc. (WJIM-TV & WJIM, Lansing, Mich.), which this week marketed 193,000 shares of common stock at \$15.75 (Vol. 11:17), reveals in its prospectus how it too surged upward after it began telecasting service in 1950. Here are its gross revenue and net profit figures, after taking into account chief owner Harold F. Gross' annual salary of \$15,000 and 1950 bonus of \$31,304; 1951, \$68,312; 1952, \$132,282; 1953, \$166,753. In 1954, bonus would have amounted to \$207,070 but was restricted to maximum of \$60,000:

Year	Gross Revenues Television	Gross Revenues Radio	Income Before Taxes	Net Income
1950	\$ 194,070	\$321,247	\$ 177,391	\$107,149
1951	575,615	330,909	387,100	196,508
1952	1,114,939	337,592	749,599	357,077
1953	1,539,951	317,375	927,933	419,891
1954	1,973,031	268,558	1,320,464	639,464

Tenth anniversary of telecasting will be theme of "TV morning," May 26, at NARTB convention in Washington —featuring participation of the presidents of 4 networks in discussion of growth of TV since 1945 and looking ahead to 1965. Session will open with review of events leading up to establishment of TV, by Clair McCollough, WGAL-TV, Lancaster, chairman of Management Conference on TV Day. Other highlights: "First Years of TV," by Dr. Allen B. DuMont. "Management & Growth," tracing development of industry to the present, discussion by pres. Robert E. Kintner of ABC; Harold Hough, WBAP-TV, Fort Worth; John E. Fetzer, WKZO-TV, Kalamazoo & KOLN-TV, Lincoln, Neb. "Television 1955-1965," NBC pres. Sylvester L. Weaver Jr., discussing TV's program structure, and CBS pres. Frank Stanton, examining role of TV in society. Afternoon will be programmed by TvB, featuring talks by director of station relations Norman Cash; co-chairman Richard Moore, KTTV, Los Angeles and pres. Oliver E. Treyz.

Though deadline for comments on AT&T's off-air microwave proposal has been extended until May 20 at request of RETMA and NARTB, quite a few comments were filed this week, most of them from stations urging that they be permitted to build own private microwaves unless AT&T can provide service at same cost. Comments in that vein were submitted by ABC; KOA-TV, Denver; WCMB-TV, Harrisburg, Pa.; WNOW-TV, York, Pa.; WSIL-TV, Harrisburg, Ill.; Dage TV div.; WEAU-TV, Eau Claire; KYTV, Springfield, Mo.; KQTV, Ft. Dodge, Ia. ABC and several others questioned whether community TV systems should also be permitted to use AT&T's off-air service, stating: "In some instances the use of community antenna systems for which the public is obliged to pay is detrimental to the development of free TV service in the area." On other hand, community system operator Cable-Vision Inc., Key West, Fla., urged that they be permitted to obtain such service.

Telecasts from the moon are promised Russian viewers by Soviet scientists. Moscow Radio reports plans to explore the moon with a rocket-borne remote control caterpillar tank which will beam TV signals to the earth. Tank would be unmanned, controlled by radio. Broadcast said that the "mooncasts" would be beamed to home TVs as well as to scientific observatories. It didn't say when.

Coast-to-coast closed-circuit color transmission will be staged by NBC-TV May 5, when 8 live commercials "with full production treatment" will be beamed from N. Y. to Santa Barbara convention of Assn. of National Advertisers, with NBC pres. Sylvester L. Weaver giving commentary for 30-min. presentation.



# Television Digest

with **ELECTRONICS REPORTS**

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## SUMMARY-INDEX OF THE WEEK'S NEWS—May 7, 1955

DuMONT REORGANIZATION, with new banker-director, aims to ameliorate friction with Paramount, spin off telecasting from electronics business (p. 1).

44th UHF QUILTS in Stockton, Cal., as revivals of off-air uhfs in Mobile, Houston & Norfolk are promised; New Orleans uhf plans 1-megawatt (pp. 3 & 8).

MILLION-WATT UHF power enlarges coverage area, fills in "blind spots" in Wilkes-Barre; first-hand survey of the world's most powerful stations (p. 3).

GRANTS AUTHORIZED in Hattiesburg, Miss., Ephrata, Wash. & Milwaukee, Wis.; one vhf drop-in proposed for Massachusetts, another denied for Buffalo (p. 5).

TOLL TV BATTLE AT FCC, still hotly in publicity phase, getting down to legal specifics as counsel prepare cases and pros & antis line up (p. 6).

PROFITS FROM COLOR sales next year forecast by Sarnoff, announcing \$795 set to stockholders; sees color trade "break-through" by next Xmas (p. 10).

TV SET PRODUCTION for first 4 months of 1955 totals 2,770,000, well ahead of the 1,904,000 produced during same period of 1954; radio output up, too (p. 10).

DISTRIBUTOR SHIPMENTS of TV sets by states reported by RETMA for 9 years through 1954; total of 35,677,818 shipped compares with 37,668,819 produced (p. 11).

RCA SALES & EARNINGS at new record highs first quarter, auguring \$1 billion year; about 20% govt. contracts; Sarnoff's report to stockholders (p. 13).

MARCH NETWORK BILLINGS show CBS-TV & NBC-TV at record highs, radio up from Feb.; combined TV networks did nearly \$100,000,000 in first quarter (p. 14).

**REORGANIZATION IN THE OFFING AT DuMONT:** New banking blood is coming into Allen B. DuMont Laboratories Inc. shortly -- with these immediate purposes:

(1) To eliminate "bifurcation," as one of banking principals put it, referring to setup whereby Dr. DuMont's management group has 5 directors while biggest stockholder, Paramount Pictures Corp., has 3 -- with resultant differences & clashes.

(2) To spin off the telecasting properties -- WABD, New York and WTTG, Washington, both Ch. 5 -- from the manufacturing business and set them up as separate corporate entities, in which DuMont stockholders would be given the shares.

Basic idea is first to eradicate main source of friction between Dr. DuMont and Paramount, arising primarily out of moviemens' undisguised conviction that the pioneer set & tube manufacturer, who also pioneered telecasting, cannot successfully operate what's essentially show business "from a factory office in Passaic, N.J."

New director slated to be elected at a special board meeting next week is Armand G. Erpf, partner of Carl M. Loeb, Rhoades & Co., nominated by a protesting minority at annual DuMont stockholders meeting May 2. Only 36,302 shares were voted for him, though his firm claims to own or control some 20% of the 1,801,054 shares of Class A common stock outstanding.

Mr. Erpf said his nomination at this week's meeting was a mere preliminary, after which he set about to persuade Dr. DuMont to have his directors elect him at a special meeting. Otherwise, he threatened to conduct a proxy fight. He's represented by Dewey, Ballantine, Bushby, Palmer & Wood law firm -- the "Gov. Dewey firm."

All 560,000 shares of the Class B are owned by Paramount, which held 43,200 shares of Class A (about 2.4%) as of last Jan. 31 but has recently bought more to increase these holdings to 68,000 (about 4%). The shares have equal value save in elections of officers and directors. Paramount votes 3: Barney Balaban, Paul Rabinow, Edwin L. Weisl. Dr. DuMont's directors, in addition to himself, are Admiral Stanley F. Patten, v.p.; Bruce T. DuMont, a brother; Thomas T. Goldsmith Jr., v.p. research; Percy M. Stewart, partner of Kuhn-Loeb & Co.

It's expected Bruce T. DuMont may yield his directorship to Mr. Erpf, and there's sentiment also to elect Wm. H. Kelley, v.p. & gen. mgr., to the board.

The quid pro quos of the agreement to elect Mr. Erpf aren't clear yet, but



the motivations are. With his claimed 20% Class A holdings and Paramount's 4%, it was apparent his proxy fight would start with a head of steam -- for such combined holdings exceed the 47,800 shares owned or controlled by Dr. DuMont, the 3100 by Dr. Goldsmith, 400 by Adm. Patten, 200 by Bruce DuMont. Mr. Stewart has 1000 shares.

Most of the Class A common is publicly held, traded on the American Stock Exchange, where this week it rose to high of 17½ from low of 14%, closing at 16% Fri.

There's no bad blood, so far as can be learned, between the bankers and Dr. DuMont himself. The bitterness is all vis-a-vis Paramount, which Dr. DuMont blames for thwarting his purposes consistently, including failure of last year's negotiations for a merger with ABC (Vol. 10:46). This Paramount vehemently denies. Paramount blames him for the heavy losses suffered in the telecasting business, forcing the DuMont network to curtail to a mere skeleton (Vol. 11:1, 13) and to sell its profitable WDTV, Pittsburgh (now KDKA-TV) to Westinghouse for \$9,750,000 (Vol. 10:49).

Company's 1954 report shows assets of \$32,954,000. Common stock's book value is \$12.28. Paramount's 1954 report shows it carries its 560,000 Class B and 43,200 Class A (as of Dec. 31, 1954) at \$164,000, that having been its aggregate investment some 20 years ago in Dr. DuMont's then struggling tube-making company.

Dr. DuMont has long sought to get Paramount to sell out, but unavailingly. Paramount operates a TV station of its own in Los Angeles (KTLA) and like other film producers is evincing an eager interest in the TV film market. But it disavows any desire to take over the DuMont Network or its stations; in fact, its votes were required for approval of the sale of the Pittsburgh station.

It won't be surprising if WTTG in Washington is sold, for the bankers' plans seem to concentrate on WABD, and Dr. DuMont has great hopes for his Electronicam, a combination TV & film camera which has given impressive demonstrations (Vol. 11:6, 8, 13, 16). The Electronicam is already shooting for ad agencies, Ford Foundation, et al, and DuMont is considering going into film producing & syndicating business.

The Electronicam will not be sold, only leased-- and its application to efficiency & quality of theatrical movie production appears to be as important as to TV.

\* \* \* \*

There's no disposition to oust Dr. DuMont as head of the TV receiver & tube manufacturing business, which he told stockholders last week earned 3% after taxes both last year and in 1953. Last year, company did a gross business of \$99,570,000 and showed net earnings of \$7,597,000 -- but profit figure included \$6,727,000 after capital gains on the sale of the Pittsburgh station.

Report blames telecasting network operations for low net earning power, and latest 12-week report (to March 25) showed \$27,000 loss on sales of \$15,989,000 in contrast to \$508,000 profit (20¢ a share) on \$19,770,000 in same 1954 period.

Dr. DuMont told the stockholders that network operating losses from inception were \$16,000,000, last year's running \$5,000,000, but he showed that profits from the 3 owned-&-operated stations cut losses down to \$5,500,000. Some saw hint that he might be willing to dispose of both remaining stations when, after pointing out the \$6,725,000 net capital gain after taxes realized from Pittsburgh sale, he said:

"Should it become desirable to translate the market values of our remaining broadcasting properties into liquid assets, it is a matter of simple arithmetic to figure that from the beginning our gains, as a result of being in the broadcasting business, will exceed our total operating losses by more than \$7,000,000 after taxes. This amounts to approximately \$3 a share more in terms of shareholders equity."

But neither the bankers nor Paramount seemed impressed by such figures, if it's contemplated to continue in network telecasting with only 2 stations that are not good earners. They make it plain they want Dr. DuMont to tend to his electronic knitting -- and in that burgeoning field they indicate they have no intention of interfering with him so long as the manufacturing company does well.

Said a banking spokesman: "Dr. DuMont is a first-rate fellow, with certain talents along certain lines. There is no intention to thwart those talents." And Mr. Erpf, apparently satisfied that the situation is well in hand, departed May 6 for 2 weeks in England.



**44th UHF QUILTS AIR, 3 REVIVALS PLANNED:** One more uhf quit the air this week -- KTVU, Stockton, Cal. (Ch. 36) which signed off April 30 after some 16 months of operation. It's the 44th uhf to go off air, leaving 107 uhf out of 429 stations now operating.

This bad news for the uhf protagonists came simultaneously with information that New Orleans' WJMR-TV, authorized to shift from Ch. 61 to Ch. 20 and planning new GE 1-megawatt transmitter, has not only completed arrangements to take over now-silent WKAB-TV, Mobile (Ch. 48) and operate it as satellite, but is also planning to revive KNUZ-TV, Houston (Ch. 39), off air since last June 25.

And new owner of WTOV-TV, Norfolk (Ch. 27), silent since Oct. 3, still says he plans to reinstate it (Vol. 11:11,17) -- but gives no date.

Plan of WJMR-TV is to specialize in all 3 cities in Spanish-language & Negro programming, according to exec. v.p. George Mayoral, who also contemplates other expansions (see p. 8). Whereas 18-month-old WJMR-TV, with CBS & ABC affiliations in one-vhf New Orleans, is in black and on upgrade, according to Mayoral, Stockton's KTVU was victim of intermixture after Ch. 13 KOVR got on air with Mt. Diablo transmitter and final coup came when new KBET-TV, Sacramento (Ch. 10) got going in March.

Only 60 mi. east of San Francisco and 45 mi. down valley from Sacramento, KTVU went on air Dec. 19, 1953 with \$250 hourly rate, soon boosted to \$385 but later cut to \$175. CP is retained by Brown Industries, which publishes daily Richmond Independent and Fontana Herald and the weekly LaMesa Scout.

**MILLION-WATT UHF IMPACT IN WILKES-BARRE:** Power makes a world of difference in uhf. It still doesn't change it into vhf, nor is it a substitute for programming -- but the brute force of 1,000,000 watts can overcome many of the finicky shortcomings in local reception and distant coverage which have plagued uhf operators.

This week we visited Wilkes-Barre, Pa., "mother of megawatts," where GE's and RCA's pilot million-watt installations have been in operation since January for NBC-affiliated WBRE-TV (Ch. 28) and ABC-affiliated WILK-TV (Ch. 34). We talked to the station operators and personnel, TV and parts distributors and servicemen, and found all reactions strongly on the plus side.

Wilkes-Barre area is an acid test for uhf, from the technical point of view. Heart of the hard coal mining area, its landscape is a never-ending series of convolutions of high ridges and low valleys -- the enemy of good uhf coverage.

From another point of view, it is ideal uhf country: It's almost completely "un-intermixed". Uhf is the only service in Wilkes-Barre, and the dominant service to its sister-city Scranton, 16 mi. northeast. But that doesn't keep it from being a fiercely competitive market -- between them, the 2 cities have 5 stations, all uhf.

While there is no conversion problem in Wilkes-Barre-Scranton area, there is nevertheless a constant battle for survival -- as 5 TV stations fight it out for the viewer's attention and the advertiser's dollar. And that's why it wasn't too surprising when 2 of the area's outlets announced last winter -- separately -- that each would be "the world's first million-watt TV station."

WBRE-TV chose RCA's new 25-kw transmitter and huge 46-gain antenna. WILK-TV has GE 45-kw klystron-powered transmitter with conventional type antenna. No area measurements have been completed to show individual signal strength and coverage, and during our visit we found no tendencies to make sharp comparisons. In some locations, one signal may be slightly better; in some the other has the edge. In some spots, there's been no signal improvement at all -- but in vast majority of difficult-reception locations the change has been for the better.

Both transmitters are located on same 2000-ft. mountain ridge near edge of city -- 3 mi. apart -- with good line-of-sight to most heavily populated areas. But both stations were plagued from the start with close-in "shadows" where the signals stubbornly refused to penetrate. The most important of these have been filled in as result of the power boosts. The worst problem areas -- most of them fortunately sparsely populated -- may never respond to any power treatment.

There's no question that coverage area has been enlarged, fringes moved out. Shuffling through stations' mail, we saw many cards and letters of the "we-couldn't-get-you-before-but-now-you're-clear-as-a-bell" variety. Stations' best coverage is



to the southwest, where line-of-sight signal follows rich Wyoming Valley, bringing clear pictures as far as 80 mi. To the north it's blocked by mountains (and Binghamton's vhf territory), with consistent good reports coming from 35 mi. or so in that direction. To south and northeast, heavy mail and good reception reports are consistent up to about 40 miles.

\* \* \* \*

From local trade sources come these typical reports: Admiral distributor R.B. Wall Co. -- "There's been quite a bit of difference. Wherever the signal used to be weak, our sales have increased, particularly in areas like Berwick [22 mi.], Bloomsburg [35], Danville [45] and Milton [55]." Dahl W. Mack, big Scranton parts distributor -- "There's no question that the signal has been increased considerably in the former fringe area. But the biggest improvement we've noticed has been behind obstructions, in the former 'holes'. I myself live in Clark's Summit, well out of line of sight of both the transmitters. Formerly, I couldn't even pick up their audio. Now both come in strong, though the signal has to bend 1000 ft. In town and in nearby places the signal is much easier to pick up now, allowing us to use lower price antennas and lead-in, with the customer saving money."

How does coverage compare with vhf? That's the inevitable question. There is no easy answer, because there's no vhf to compare it with. But for all the improvement, best estimate is that it's still not as good at filling in shadows and providing long-distance coverage as top-power vhf.

\* \* \* \*

Both stations are pleased with their new power plants, though they know they will have to hustle all the more to meet the additional original costs and upkeep (power bill runs about \$1400-\$2000 a month, and total operating costs with the high power add about \$50,000 a year to the stations' bills). Neither station reports any major troubles with the new equipment.

Both stations concentrate on local productions and local selling -- using the "one million watts" to advertising advantage. WILK-TV managing director Thomas P. Shelburne goes in strongly for building up local "personalities," even has daily 90-min. early evening variety show, sold on participation basis. Some 40% of WILK-TV's programming is local live, 40% ABC network. WILK-TV employs over 60, WBRE-TV over 70.

WBRE-TV, with the stronger NBC program lineup and well in the black, also emphasizes Main St. -- and especially since the power boost, it's not only Wilkes-Barre-Scranton's main street, but those in dozens of other communities in the service area. Station has 10 roving newsreel photographers -- many full-time -- stresses local newsfilm coverage in every nearby community. Both stations count their new high power as only a part of the competitive battle for local telecasting supremacy.

They've received quite a few mail inquiries about their high power from other uhf operators, and some have come to give the installations the once-over. But most uhf stations -- particularly in mixed markets -- are struggling now just to stay on the air, and 1,000,000 watts is a luxury they can't even afford to think about yet.

Under what circumstances should uhf operators "go to a million"? We asked managers of both stations. WBRE-TV's exuberant v.p.-gen. mgr. David M. Baltimore replied without hesitation: "Every uhf man in the country ought to have one -- if he can meet the expenses of it." WILK-TV's Shelburne outlined these conditions: "If he wants the edge over his competition; if he wants heavy saturation of power in his primary area, comparing to strong vhf, and if his fringe population is big."

New TV excise tax bill was introduced in Senate this week--by Sen. Long (D-La.). Identical to measure which died with 83rd Congress last year, S-1898 provides for credit of \$7 against manufacturers' 10% excise tax for each set with built-in uhf tuner. Set manufacturers have indicated they will not support such a bill, and uhf telecasters have noted it provides no incentive for production of all-channel sets. Spokesman for Sen. Long said the Senator merely felt the bill "was good last year and ought to be good this year." The bill backed by set makers is

HR-4070, introduced by Rep. Ikard, which would completely exempt all-channel sets from excise tax (Vol. 11:18). Growing impatient with Treasury's apparent unwillingness to state its position on the measure, Ikard this week got House Ways & Means Committee to write to Treasury Dept.

NARTB's mgr. of employer-employee relations Charles H. Tower testified before Senate Labor subcommittee May 4 in opposition to \$1.25 minimum wage proposal as economic hardship for small market stations.



**Personal Notes:** Clair McCollough, pres. of WGAL-TV, Lancaster, Pa. and gen. mgr. of the Steinman stations, to be given honorary degree of Doctor of Commercial Science by Franklin & Marshall College at its 168th commencement June 13; he's TV chairman of NARTB & co-chairman of its upcoming convention . . . Wm. Lodge, CBS engineering v.p., leaves on European trip, returns in mid-June . . . Paul Whiteman resigns as ABC v.p., will devote more time to Jackie Gleason Enterprises . . . Gordon Gray, v.p. & gen. mgr. of WOR-TV & WOR, elected a director of N. Y. Better Business Bureau . . . Milo Frank, head of CBS-TV talent & casting dept., N. Y., transfers to Hollywood as director of casting & new talent . . . Jack McCabe, from Toronto staff, named CBC asst. supervisor for sports . . . John M. Keys, mgr. of adv. & promotion, promoted to sales director, WNBQ & WMAQ, Chicago, with Charles Dresser moving to staff of NBC-TV network's central div. sales v.p. Edward R. Hitz . . . Wm. Veneman, ex-KTTV, Los Angeles, named exec. asst. for TV to J. Elroy McCaw, owner of KTVW, Tacoma, and part owner of KONA, Honolulu . . . Robert F. Stolfi, ex-CBS-TV network sales dept., named sales promotion director of Notre Dame's projected WNDU-TV (Ch. 46), due next July . . . Wm. W. Joyce named midwest TV sales mgr., Roy Miller radio sales mgr., Chicago office, Katz Agency, reporting to v.p. Charles H. Gunst . . . Ted Huston transferred from N. Y. to head new TV commercial production dept., Lennen & Mitchell, Beverly Hills, Cal. . . Robert W. Rawson named TV-radio director, Sherman Lawrence Adv., Newark . . . Harold V. Phillips, ex-WMBD, Peoria, named sales mgr., WTVH-TV, Peoria, under gen. mgr. Edward G. Smith . . . Dr. Frances Horwich, whose *Ding Dong School* originates from N. Y. after June 1, moving from Chicago to N. Y. to add duties of NBC supervisor of children's programs . . . Wm. S. Hedges, NBC v.p., elected pres. of Rotary Club of N. Y. . . . Samuel Dana, ex-McCann-Erickson, named TV promotion supervisor, NBC Spot Sales . . . John F. Manning, ex-TV-radio director, Foote, Cone & Belding, San Francisco, rejoins Chambers & Wiswell, Boston.

Joseph H. McConnell, who at 47 quit the presidency of NBC in Feb. 1953 to become pres. of Colgate-Palmolive Co. under 5-year contract, has resigned in an apparent policy disagreement with chairman E. H. Little. An attorney, he rose from RCA Victor legal staff to become RCA finance v.p., then NBC exec. v.p., then pres. of network. It's expected he may enter practice of law after a vacation.

Paul D. Miles, engineering asst. to FCC Comr. Rosel H. Hyde, becomes exec. secy. of Interdepartment Radio Advisory Committee (IRAC), replacing Carl W. Loeber, who in turn replaces Christian E. Rogers Jr. as special asst. to Harold M. Botkin, ODM asst. director for telecommunications; last week, Rogers was named engineering asst. to FCC Chairman McConaughy.

New officers of Assn. of Federal Communications Consulting Engineers, elected at annual meeting in Atlantic City April 29: T. A. M. Craven, pres.; Everett L. Dillard, v.p.; Robert L. Kennedy, secy.; John Creutz, treas.; Robert M. Silliman, Russell P. May & George P. Adair, exec. committee.

CBS-TV affiliates hold their general conference May 19-20 in Waldorf-Astoria, N. Y.

John Trevor Adams Jr., 37, sales mgr. of WABC-TV, N. Y. and its former gen. mgr., died May 1 of a heart attack at his home in Larchmont, N. Y. He was once TV-radio director of N. Y. Yankees, and for a while with DuMont Network as asst. sales chief. He also was one of principals in application for Ch. 8 in St. Petersburg, Fla., which went to *Tampa Tribune*. Survivors include his widow and a son.

**P**PROMPT GRANTS of unopposed applications are order of the day at FCC which issued 3 CPs this week: Hattiesburg, Miss., Ch. 9, Lion TV Co.; Ephrata, Wash., Ch. 43, Basin TV Co.; Milwaukee, Wis., Ch. 31, WFOX. All were filed within last 2 months, the one in Ephrata less than month ago.

Hattiesburg grant followed dropout of WFOR, went to Dave A. & Harold M. Matison and Milton J. Fine, each owning one-third; they own Fine Bros.-Matison Co. clothing store.

Principals of KIMA-TV, Yakima (Ch. 29), headed by Thomas C. Bostic, are owners of Ephrata grant, will make station a satellite of Yakima, as they did now-operating KEPR-TV, Pasco (Ch. 19); they also hold CP for KLEW-TV, Lewiston, Ida. (Ch. 3), and are applicants for Ch. 8, Walla Walla.

Grantee WFOX, Milwaukee (dairyman Joseph A. Clark, 100% owner) felt that with high uhf conversions and with CBS owning uhf in Milwaukee, another uhf station would have fighting chance, hence quest for Ch. 31.

Two-way competition for Ch. 4, Roseburg, Ore., vanished this week when merger was agreed upon by owners of KVAL-TV, Eugene (Ch. 13), who will own 50%, and principals of KIEM-TV, Eureka (Ch. 3) & KBES-TV, Medford, also 50%.

Efforts of WBUF-TV, Buffalo (Ch. 17) to get Ch. 8 assigned there were turned down by Commission which said it was unable to get Canada to agree to the necessary channel shifts. In passing, FCC said that if it had placed the channel in Buffalo, it wouldn't simply turn it over to WBUF-TV, as requested by station, but would have given all applicants a crack at it. Sale of WBUF-TV to NBC for \$312,000 awaits FCC approval (Vol. 11:11).

Favorable action on a vhf "drop in," first in month, was issuance of proposed rule-making to place Ch. 6 in Nashaquitsa, Mass., on Martha's Vineyard. Petition had been filed by WNBH, New Bedford, which once held CPs for WBOS-TV, Boston (Ch. 50) and WTEV-TV, New Bedford (Ch. 28).

NBC's proposal to buy WKNB-TV, New Britain, Conn. (Ch. 30), and move it to Mt. Higby (Vol. 11:2) was held up by FCC which sent "McFarland Letter" indicating a hearing is necessary. Action parallels that in case of WSTV-TV, Steubenville, O. (Ch. 9), which CBS proposed to buy and move to Pittsburgh (Vol. 10:47).

Commission decided to look further into another sale—transfer of CP for KNAC-TV, Ft. Smith, Ark. (Ch. 5), to broadcaster-publisher Donald W. Reynolds (Vol. 11:8)—ordering a hearing to determine whether there has been "trafficking" in a CP.

Storer's petition to deintermix Miami by deleting Ch. 7 & 10 and moving WTVJ to uhf was amended this week to leave WTVJ on Ch. 4—amendment stating that uhf station can survive in city with only one vhf competitor. At same time, it filed for Ch. 10, saying it would withdraw application if FCC deintermixes area. Storer operates Miami's WGBS-TV (Ch. 23).

Lamb hearing was postponed this week until May 9, with further postponement until May 16 probable, as FCC personnel connected with case trooped to Washington district court where turnabout witness Mrs. Marie Natvig is being tried on 6 counts of perjury. During week's trial proceedings, 2 FBI agents and FCC investigator Robert Leahy testified Mrs. Natvig told them she had been a Communist and presumed Lamb to be one. Govt. charges Mrs. Natvig lied in Feb. when she recanted certain testimony she had given earlier. Govt. abandoned one of its perjury charges this week—the one that Mrs. Natvig lied in February when she said she told FBI investigators she did not want to testify at Lamb hearing.



**Telecasting Notes:** "A good story's worth repeating because there are so few of them," stated noted producer Leland Hayward in *Variety* interview this week—adding another voice to those deploring the economic and artistic waste in TV's failure to re-run most of its hit programs (Vol. 11:17-18). He went on to note that a major success retains or even enhances its pulling power as it's transferred from one medium to another, citing as example movie version of TV's original *Marty*, which is clearly headed for top international awards, according to this week's reports from film festival in Cannes, France. Though working currently only on movies and theatre, Hayward considers TV "the medium that has the greatest excitement, [but] it must be live TV, of course" . . . Similar comment on repeats was made by *New York Times* TV-radio critic Jack Gould this week; praising CBS-TV's May 1 repeat of Reginald Rose play *Almanac of Liberty* under sponsorship of B'nai B'rith Anti-Defamation League, he noted: "*Studio One* has other treasures in its vaults. Why not bring them out?" . . . Columbia Pictures' Screen Gems was among first to show value of film repeats, and this season is no exception. All 39 programs of 1954-55 *Ford Theatre* series have been sold—13 of them currently being shown on NBC-TV as *Kodak Request Performance*, Wed. 8 p.m., 13 to be run as *Ford Summer Theatre* starting on NBC-TV July 7, Thu. 9:30 p.m., 13 bought by Bulova for spot placement this fall . . . Two points on film and film re-runs were made last week by Nielsen v.p. George Blechta, who told N. Y. TV Film Council that research discloses no difference between film and live TV in audience pulling power and that summer re-runs of network film shows garner audiences just as large as those reached by new summer replacements . . . Emulating *Peter Pan* pat-

tern, DuMont's WABD will present stage production *Shoe-string Revue* May 12, 7:30-8:30 p.m., 2 days before its scheduled closing at President Theatre; revue had opened Feb. 28, is believed to be first stage production to appear on TV before closing in theatre . . . Republic Pictures-Consolidated Film Laboratories has acquired N. Y. site on W. 47th St. between 10th & 11th Avenues, for modern film processing labs needed because of increasing demands of TV, expected to be ready by Sept.; plant on W. 57th St. will be absorbed, with theatrical printing continuing at Ft. Lee plant . . . "Britain Falls for the Huckster" titles excellent appraisal of commercial TV prospects there by Robert Lewis Shayon in May 7 *Saturday Review*; having done some first-hand reporting on the subject ourselves (Vol. 10:45), we recommend this article for factual accuracy, despite its somewhat cynical approach . . . Delays in A-bomb blast, first scheduled April 26 and finally set off May 5, cost networks estimated \$5000 daily . . . Another TV play to movies: F. W. Durkee's *Watch Me Die*, presented recently on NBC-TV's *Phileo-Goodyear Playhouse*, has been bought by Lou Walters . . . ABC-Paramount, still casting about for acquisition of a record company, reported looking over Cadence Records (Sam Clark) which brought out best-selling *Ballad of Davy Crockett*; it's said General Teleradio (MBS) also wants in on recording business.

Permanent injunction against TV satire on a movie property was granted May 6 by Los Angeles district court. Jack Benny and CBS were permanently barred from burlesquing on TV the 1944 MGM murder drama *Gaslight*. MGM first obtained temporary injunction when Benny proposed building TV show around the film in 1953.

**BATTLE OF TOLL TV** before FCC won't deal in generalities, if questions raised by opposition are indicative. In last few weeks, firm of Cohn & Marks, counsel for Joint Committee on Toll TV, has filed with Commission mass of economic and technical questions which it says must be answered so that FCC can "determine where the public interest lies in this matter." Prepared by consultants Dallas Smythe and John V. L. Hogan, questions include:

Will receiver decoders be sold, leased or loaned to public—at what price?

Will commercials be carried? If so, what income is expected from what rates?

How fast would sets be equipped with decoders, broken down according to vhf-uhf composition of each market?

What revenues are expected from subscription TV?

How many hours will be devoted to it?

Will there be different prices for programs—if so, how will they be fixed?

What are the estimated revenues, expenses and profits for next 5 years — for stations, equipment makers and program suppliers?

What is circuitry involved for monochrome and color transmitters and receivers to be converted to scrambled basis?

What have been results of technical field tests of equipment?

Is there a "universal" unscrambler for sets, or will several types be needed, and what are their precise specifications?

Who owns patents?

Are the several systems compatible?

These are mere sample of the scores of questions. It's assumed that pay-TV proponents were prepared to answer some of them anyway, but significance of the list is that it emphasizes that major rule-making proceedings of the FCC are never casual or quickie affairs—and that time involved can usually be measured in years, as was case in color and end-of-freeze hearings.

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Paramount's International Telemeter Corp. seems to be well aware of delays involved, for this week v.p. Paul MacNamara disclosed that thought is being given to inauguration of pay system on closed-circuit basis—confined to cables and requiring no FCC approval—in 2 undisclosed cities, one with 100,000 population, other with 50,000. They'd be financed by local exhibitors, he said.

Telemeter did attempt such an operation in Palm Springs, Cal. with a few hundred subscribers but dropped it because movies wouldn't make enough features available. However, MacNamara says that Telemeter could have gone to court and obtained the film, that producers can't refuse to sell for fair price—but that Palm Springs operation wasn't worth it.

Telemeter has own subsidiary, "Ampli-Vision," manufacturing community antenna equipment of type needed for closed-circuit work—but has been trying to sell the subsidiary recently.

MacNamara says system could start with 5000 subscribers. Several community systems already have that many customers, may be willing to consider pay-as-you-look operations—though some are leary of offending TV stations whose signals they now feed to customers. Largest community system, serving more than 6000 homes, is in Williamsport, Pa., was recently sold for reported \$1,200,000 to Texas group (Vol. 11:12).

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Organizations continue to take sides, meanwhile. For example, Brooklyn Dodgers pres. Walter O'Malley said he was in favor of pay system, would like to charge 50¢ per set per game. This brought protest from the Father Duffy Post, Catholic War Veterans. Organizations for Free-TV, through co-chairmen Alfred Starr and Truman Rembusch, promptly cited O'Malley's statement as evidence that toll TV would convert free programs to fee, since Dodgers' games are now on TV. Miami-Dade County Chamber of Commerce voiced opposition to subscription TV in resolution, forwarded to FCC, asking preservation of "the public's freedom to look and freedom to listen without paying any fee." George Trautman, pres. of minor baseball leagues, wrote FCC that he thinks subscription TV is "one ray of hope" for dwindling gate receipts—which he blamed largely on major league telecasts. N. Y. State American Legion said it would ask national organization



to take stand against toll TV, Adjutant Maurice Stember declaring that thousands of sets were donated to veterans in hospitals and "we see no reason why all these donated sets should be converted to 'bedside slot-machines' requiring wounded, sick and disabled heroes to pay for programs they now enjoy without charge."

Debate on CBS-TV May 1, though complicated by so many participants, revolved around same arguments as in past. Zenith counsel W. Theodore Pierson argued that pay system would be supplementary; that present free programs wouldn't be converted to subscription basis because "we have no means of getting the people to pay for them if they can get them without paying." Victor Sholis, v.p. of WHAS-TV, Louisville, insisted that pay-as-you-see operators would outbid free system for present top-rated programs, taking them off present system. Sholis added another factor:

"These proponents are now asking the Govt. to give them a slice of this scarce public resource and they want to use it free of any responsibility or obligation or burden of serving the broad public interest . . . The wonderful glories Mr. Pierson talked about—educational programs, all the cultural things—are not going to be presented because they are not good box office . . . I am very much concerned over what happens to the well-rounded TV programming service which is now our obligation. Who goes to Yucca Flats to present the bomb? Who goes to Ann Arbor to present a roundup on the Salk vaccine? They are not box office."

Next televised debate was scheduled for May 8 on NBC-TV, Zenith sales v.p. H. C. Bonfig taking 15 min., opponents' Alfred Starr taking 15 min.—latter adding "box office" in form of Faye Emerson, who will interview Starr.

Zenith will take advantage of NARTB convention in Washington week of May 22 to conduct Phonevision demonstrations, closed-circuit and off-air, latter using facilities of WMAL-TV. Equipment will be kept in Washington for demonstrations after convention.

**Network Accounts:** Encouraged by record surge of new business and renewals, ABC-TV plans to start daytime programming next fall, along with a couple of heavy-duty week-end evening shows. According to current plans, weekday programming will move up from present 7 p.m. starting time to 3 p.m., with 2 one-hour shows preceding the sold-out *Mickey Mouse Club* 5-6 p.m. Also in works is Sun. 7:30-9 p.m. show produced by an unidentified major Hollywood studio, and Sat. 8-9 p.m. drama series by Alex Segal & Herb Brodtkin, producers of current *U. S. Steel Hour* & *Elgin Hour*. Network has written total of \$34,600,000 in orders during last 12 weeks, or more than its total billings for 1954 . . . Johnson & Johnson plans \$250,000 saturation campaign for new Baby Shampoo, buying 15 min. every Wed., May 4 thru June 22, on each of 3 NBC-TV shows: *Ding Dong School*, *Tennessee Ernie Show* & *Pinky Lee Show*; agency is Young & Rubicam . . . Dodge to sponsor live coverage of final round of 55th National Open golf tournament from San Francisco on NBC-TV, June 18, Sat., 8-9 p.m., thru Grant Adv. . . Miles Laboratories buys John Daly newscasts on ABC-TV beginning July 4, Mon.-Wed.-Fri. 7:15-7:30 p.m., thru Wade Adv., Chicago . . . Quaker Oats to sponsor *Sgt. Preston of the Yukon* on CBS-TV next fall, Thu. 7:30-8 p.m. thru Wherry, Baker & Tilden . . . Reynolds Aluminum replaces *Mr. Peepers* with as-yet-untitled summer do-it-yourself show featuring actor-comedian Dave Willock on NBC-TV beginning June 26, Sun. 7:30-8 p.m., thru Clinton E. Frank Inc., Chicago . . . General Dynamics Corp., which is merging with Stromberg-Carlson (Vol. 11:18), begins sponsorship with institutional commercials of *Youth Wants to Know* on NBC-TV May 15, Sun. 2:30-3 p.m., thru Morey, Humm & Johnstone.

**Station Accounts:** Houston Oldsmobile dealer Harlan Lane has bought all-night telethon on KGUL-TV May 6, running 10:30 p.m. to 7 a.m., with 2 hours of simulcasting on radio KNUZ and costing reported \$6000, besides fee for comic Jerry Colonna, m.c. Report isn't in yet whether he sold all 100 new & used cars on floor—but gimmick of having salesroom as "studio," letting customers be televised signing up, serving doughnuts & coffee, all heralded in full-page ads in city's newspapers, is unique in TV's commercial annals. Dynamic 28-year-old dealer, one of Olds' tops, has avowed sales goal of 500 new & 500 used cars monthly . . . Colgate-Palmolive, for its after-shave lotion, and American Greeting Card Co. tie up for joint Father's Day (June 19) campaign using TV-radio to back up drugstore, co-op & magazine promotion . . . Pepsodent introducing Dove, new toilet soap, in test markets, thru Ogilvy, Benson & Mather, N. Y. . . J. & J. Slater and Hanan & Son, big shoe retailers, sign 40-week contract with WRCA-TV & WRCA, N. Y. for news and weather cut-ins on *Today* and for partic. in various other shows, thru Wendell P. Colton Co., N. Y. . . Burnham & Morrill (B&M Oven-baked Beans), using TV only, no other media, in isolated 6-mo. test on WBAY-TV, Green Bay, Wis., budgeted at \$12,500, upped sales 75% in first 11 weeks, 370% in first half of April, according to preliminary report in May 2 *Sponsor Magazine* . . . Bristol-Myers (Ipana), thru Doherty, Clifford, Steers & Shenfield, and Xlnt Spanish Foods Inc., thru Hixson & Jorgensen, buy alt. sponsorships of second half of *Western Varieties* on KTLA, Los Angeles, Fri. 9:30-10 p.m., Cliquot Club sponsoring first half weekly . . . Among other advertisers currently reported using or preparing to use TV: Resolute Paper Products Corp., N. Y. (wax paper), thru Ettinger Adv. Agency, N. Y.; Lady Esther, Div., Zonite Products Corp., New Brunswick, N. J. (whirled-in-lanolin face powder), thru Biow-Biern-Toigo, N. Y.; American Home Products Corp., N. Y. (Aero shave), thru Geyer Adv., N. Y.; Kretschmer Corp., Carrollton, Mich. (wheat germ), thru Gleason Adv., Detroit; Union Oil Co. of California, Los Angeles (Purple Royal Triton motor oil), thru Young & Rubicam, Hollywood; Purex Corp., South Gate, Cal. (Trend liquid detergent), thru Foote, Cone & Belding, Los Angeles; Parfums Charbert, N. Y. (Breathless Mist cologne), thru Sterling Adv. Agency, N. Y.

**Rate increases:** CBS raises rates of 3 o-&o outlets—WCBS-TV, New York, adds new Class AA hour (7:30-11 p.m. Mon.-Sat. & 6-11 p.m. Sun.) at \$6500, min. at \$1700, Class A hour going from \$6000 to \$6250; WBBM-TV, Chicago raises base hour from \$3000 to \$3300 and adds new Class AA min. only rate (6:59-10 p.m. daily) at \$650; KNXT, Los Angeles, raises base hour from \$2700 to \$3200, adds new Class AA min. only rate (7:59-10 p.m. daily) at \$600. WOOD-TV, Grand Rapids adds new Class AA hour (8-10:30 p.m. daily) at \$950, min. at \$180, Class A hour going from \$800 to \$875; WHO-TV, Des Moines, raises base hour from \$550 to \$650, min. \$110 to \$130; KCMC-TV, Texarkana, Tex., from \$200 to \$260 & \$40 to \$52; WDXI-TV, Jackson, Tenn., \$150 to \$200 & \$20 to \$40. Rate adjusted: WOAY-TV, Oak Hill, W. Va. now has \$200 base hour & \$40 min. rates, changed from \$350 base in effect when sold only in combination with now defunct WKNA-TV, Charleston, W. Va.

"Strangers Into Customers" titles film depicting power of TV as an ad medium, based on study for NBC by W. R. Simmons & Assoc., to be shown at NARTB convention May 26 after TV Bureau of Advertising presentation.

Gotham Adv. consolidates with Irwin Vladimir & Co. July 1 to form Gotham-Vladimir Adv., with Gotham's Duncan Sutphen Jr. as chairman, Irwin Vladimir as pres.

New reps: KCOP, Los Angeles, to Weed (from Katz); WOAY-TV, Oak Hill, W. Va. to Pearson (from Weed).



**E**XPANDING in both uhf & vhf fields, Supreme Broadcasting Co. Inc. (Chester F. Owens, pres. & George A. Mayoral, exec. v.p.) has plans (1) to install GE 1-mega-watt plant for its Ch. 20 WJMR-TV, New Orleans, soon to shift from Ch. 61; (2) to revive WKAB-TV, Mobile (Ch. 48) which has been acquired from Mrs. Louise Pursley for \$200,000 debts, owed mainly to GE, and operate it as a satellite of WJMR-TV; (3) to revive, with KNUZ mgr. David Morris, KNUZ-TV, Houston (Ch. 39), off air nearly year; (4) to acquire 30% of upcoming WORA-TV, Mayaguez, Puerto Rico (Ch. 5), remaining 70% to continue in hands of CP holder Radio Americas Corp., headed by Alfredo Ramirez de Arellano Jr., chemical engineer & sugar cane grower; (5) to apply for Ch. 11 in Caguas, suburb of San Juan, P.R. and Ch. 7 in Ponce. However, Caguas project will be dropped if current negotiations are completed for purchase of 60% of Jose Ramon Quinones' WAPA-TV, San Juan (Ch. 4), in which Cuban telecasters Goar & Abel Mestre hold 14% ownership. Mayoral is an ex-GE engineer, who also does consulting work on Central American TV projects.

GE reports shipment of 20-kw transmitter to WTOCTV, Savannah (Ch. 11) and 5-bay helical antenna to WENS, Pittsburgh (Ch. 16). New GE orders: for upcoming WKRG-TV, Mobile (Ch. 5), 35-kw transmitter, 4-bay antenna, film & live studio equipment; for WSIX-TV, Nashville (Ch. 8), 12-bay antenna, July delivery.

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

WAGE-TV, Marquette, Mich. (Ch. 6), has ordered 5-kw GE transmitter & 6-bay batwing antenna, plans July 5 test patterns, mid-July programming, reports 66% owner Jerome Sill, also gen. mgr. & 21% owner of radio WMIL, Milwaukee, which dropped Ch. 6 application there last week. It will use 700-ft. Kimco tower, now is working on prefabricated studio-transmitter building. Rep not chosen.

KTRE-TV, Lufkin, Tex. (Ch. 9), with 5-kw GE transmitter ordered for mid-May delivery and 6-bay antenna month later, plans July 15-Aug. 1 start, writes v.p.-gen. mgr. Richman Lewin. It will use 500-ft. Andrews tower, plans to operate as satellite of KPRC-TV, Houston. Specific targets will be set when FCC grants CP for microwave with Houston. Boyd Porter Jr. will be program director; Murphy Martin, commercial mgr. Base rate will be \$150. Rep will be Venard, Rintoul & McConnell.

WILL-TV, Champaign-Urbana, Ill. (Ch. 12, educational), which recently changed call from WTLC, expects to have 12-bay GE batwing antenna installed by June 20 on Memorial Stadium's northwest tower, reports director Frank E. Schooley for grantee U of Illinois. Later, antenna may be moved to school's Blaw-Knox FM tower in nearby Monticello, Ill. Although 5-kw transmitter donated by GE is "practically ready," targets haven't been set for test patterns or programming.

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CKVR-TV, Barrie, Ont. (Ch. 3), has ordered 5-kw transmitter & antenna from Canadian GE for mid-summer installation, plans Sept. 1 test patterns. Microwave link to Toronto 55 mi. to south is already under construction and interconnected programming is scheduled to begin Sept. 15, reports Ralph Snelgrove, gen. mgr. and pres. of newly-formed Ralph Snelgrove Television Ltd. Among board members are former Barrie mayor Peter A. Sinclair; Canadian sales rep Paul Mulvihill; R. Stanley Dilworth, pres. of Dilworth Equipment Co., Toronto. It will use Stainless tower at site 2 mi. south of Barrie, where new building will house TV studios & transmitter as well as radio CKBB studios. Base rate will be \$240. Reps will be Adam Young & Paul Mulvihill.

Box Office Television Inc., closed-circuit TV producer headed by Wm. P. Rosensohn, announced this week it will soon "open an experimental TV studio laboratory to facilitate agency-client coordination of TV commercial production." According to trade reports, BOTV is cutting its staff and will subordinate closed-circuit activities to new laboratory project, probably even changing corporate name. Other closed-circuit TV news this week: (1) Theatre Network TV Inc. (Nathan L. Halpern) has signed 81 theatres to carry May 16 Marciano-Cockell heavyweight title bout. (2) TNT announced nationwide labor agreement with IATSE-AFL covering technical employees operating closed-circuit equipment. (3) Second nationwide closed-circuit AMA "Videclinic" will be presented before audience of 25,000 physicians in 34 cities under sponsorship of Smith, Kline & French Labs. Topic will be mental disease.

Telerad Inc., 2226 Television Lane, Pueblo, Colo., has taken over management of KCSJ-TV, Pueblo (Ch. 5) and radio KGA, Spokane (1510 kc, 50-kw, ABC) for owners Bankers Life & Casualty Co. in arrangement which its pres. Ray J. Williams states provides "same thing for the broadcasting business that Conrad Hilton does for hotels." He and v.p. Dave Baylor, with Chicago attorney N. M. Michaels and Bankers Life investments v.p. C. L. Little, constitute planning committee for Telerad Inc., which states it's backed by 3 investment firms "in addition to Texas oil interests" and plans to finance, plan, build and provide personnel "for all classes of stations, new, distressed or stations dissatisfied with present profits." It claims proposals are under discussion with 3 stations, and plans to handle up to 10.

Sarkes Tarzian Inc., which built equipment for its own pre-freeze WTTV, Bloomington, Ind. (Ch. 4), has appointed F. Dan Meadows, ex-gen. sales mgr. of Dage TV div. of Thompson Products Inc. and onetime RCA district sales mgr., as commercial mgr. of its broadcast equipment dept. He will merchandise complete line of TV studio equipment, including vhf & uhf transmitting equipment, vidicon film & studio cameras, relay switching, audio control, 16mm film and automatic slide projectors, microwave equipment.

Senate communications subcommittee under Sen. Pastore (D-R. I.) holds first public hearings May 19 on 2 bills requested by FCC: S-1549, to give Commission authority to levy small fines on non-broadcast licensees; S-1456, to amend common carrier section of Communications Act. FCC will be first to testify. Also due for early hearing by subcommittee is Commission's request for modification of "protest" procedure.

Latest private microwave is 2-hop link granted by FCC this week to KVEC-TV, San Luis Obispo, Cal. (Ch. 6)—an off-air pickup to get programs of KABC-TV & KNXT, Los Angeles. Cost of Raytheon equipment is \$19,942, and transmitters are to be located at McKittrick Summit and Black Mt. Station reported it had sought estimates for microwave service from phone company, received indefinite answers.

DuPont "Kinetic" Chemicals Div., Wilmington, Dela. (attention F. R. Zumbro) is making available on request copies of its 1954 architectural file folder setting forth consulting engineers' views on air conditioning of TV studios, among other structures; one of authorities cited is C. A. Rackey, NBC mgr. of audio-video engineering.

Ban on TV, radio and photos in Manhattan & Bronx courts was upheld this week by appellate div. of N. Y. Supreme Court, which ruled that Justice Diserio of Bronx Children's Court violated rule when he permitted TV and news photographers to operate last March at arraignment of 9 boys on delinquency charges.



**Color Trends & Briefs:** GE's continuous-motion color & monochrome film scanner, after long development period, is now in production and will be installed in stations beginning in about 45 days. GE officials are enthusiastic about performance, admitting that early models had troubles which they say are now completely eliminated. They will make scanner major feature at their NARTB convention exhibit.

The unit's optical system, developed with Eastman Kodak, employs rotating mirror principle which, GE claims, "affords many times more light than any other flying spot scanner system, and gives a crisper, brighter, cleaner picture with a minimum amount of noise."

System is designed so that station may start with monochrome-only, if it chooses. Prices of components: color scanner channel, \$25,500; monochrome scanner channel, \$13,000; dual 2x2 slide scanner, \$7000; film scanner, including continuous motion projector, \$18,000. Thus, station can start with equipment to handle black-&-white film & slides for \$38,000, then add color at any time for \$12,500 more.

GE shipped first such scanner to KING-TV, Seattle, year ago (Vol. 10:25), has been field-testing it since. DuMont and RCA, meanwhile, had substantial jump on GE, selling scores of film chains in interim. GE now aims to make up for lost time.

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RCA's 2 new 21-in. color sets (see p. 10) are \$795 "Seville" lowboy console and \$895 "Director" open-face console, both with 26 tubes including kinescope, both available in mahogany and light woods. Announcing new sets, consumer products exec. v.p. Robert A. Seidel said that dealers would be offering limited numbers in early June and that production would mount each month thereafter. Sets have same circuits, except that "Director" has two 8-in. speakers, "Seville" one—and latter has detachable legs. Seidel attributed reduction in number of tubes to: (1) New circuits. (2) New production techniques, such as use of printed circuits. (3) New dual-purpose rectifier and triode-pentode tubes.

Winners of 1954 McCall's Awards to women in TV-radio, as announced at this week's convention of American Women in Radio & Television in Chicago: top award, Angela McDermott, for *TV Schooltime* on WRGB, Schenectady; executive, service to community, Dorothy Daniel, WQED, Pittsburgh, for work in launching unique citizen-supported educational TV station; executive, service to women, Bee Baxter, KSTP-TV, St. Paul, for nurse recruitment program *Operation Tender Loving Care*; executive, service to youth, Josephine Wetzler, WLS, Chicago, for slogan contest on her *School Time*; broadcaster, service to community, Marian Young Taylor (Martha Deane) for series on juvenile delinquency on WOR, N. Y.; broadcaster, service to women, Mary Jones, WFIL, Philadelphia, for making possible "Mary Jones Hearth" shelter for homeless young women; broadcaster, service to youth, Mary Koehler Rowe, KPIX, San Francisco, for *Adventure School*.

Nationwide search for comedy writing talent was announced this week as "Phase 1 of NBC's multi-million dollar talent and show development program" (Vol. 11:18). Under supervision of program development director Leonard Hole, NBC will solicit aid of colleges, little theatres and affiliates to find promising writers, best to be brought to New York and Hollywood, attached to NBC staff on salary for training and apprenticeship. Calling comedy writing search the "most critical" phase of talent project, Hole said: "It stems from the fact that TV burns out comedy material so enormously fast and the fact that it's so hard to find and develop new comedy writers."

Color TV tape, now undergoing field testing by NBC-TV, is considerably improved over first public showings at RCA Princeton Labs (Vol. 9:49) but "not quite ready for commercial use," according to RCA-NBC experts. Asked whether tape equipment would be commercially available within a year, one stated, "It's too close to be able to pinpoint it. In some ways it's superior to kines now, other ways it's still not as good," he said, "but I'm very optimistic about it." Asked whether tape equipment might not be too expensive, except for network use, he stated: "I'm not at all worried about the price. I believe it will compare favorably with film equipment, coming within price range of individual stations." On May 12-13, Minnesota Mining & Mfg. Co., which supplies TV tape stock, will feature demonstration of color tape at dedication of research center in St. Paul, Minn., with closed-circuit program microwaved from NBC-TV, N. Y.

Upcoming network color schedules: NBC-TV—May 11, *Kraft Theatre*, "Judge Contain's Hotel," 9-10 p.m.; May 19, *Home segments*, 11:04-11:12 & 11:50-11:57; May 20, *Coke Time*, color commercials only, 7:30-7:45 p.m.; May 22, *Max Liebman Presents*, "Promenade," with Judy Holiday, Herb Shriner, Janet Blair & Kay Starr, 7:30-9 p.m. CBS-TV—May 12, *Shower of Stars*, "High Pitch," with Marguerite Piazza, Tony Martin, Vivian Vance, Wm. Frawley & Mel Allen, 8:30-9:30 p.m. NBC-TV reports tentative plans to offer daily 5-6 color show this fall comprising combination of *Pinky Lee* and *Howdy Doody* shows.

Raytheon is doubling color servicing course in Chicago, having trained 200 since start of school in Sept. According to v.p.-mgr. Henry F. Argento, standards are kept so high that only 70% get diplomas. School is conducted by Ken Kleidon under supervision of Frank Loasby, director of TV-radio sales engineering. Servicemen are picked from dealers' crews by Raytheon distributors.

Among first uhf stations to order color film chain is McClatchy's KMJ-TV, Fresno (Ch. 24), buying 3-V unit from RCA. Uhf WBRE-TV, Wilkes-Barre (Ch. 28) is planning to start out with live camera chain.

**There-ought-to-be-a-law dept.:** Political telecast of the future, if Sen. Neuberger (D-Ore.) has his way, might be preceded or followed by an announcement that "the speaker on this program uses pancake makeup and a Teleprompter." He has introduced bill (S-1909) providing that all political telecasts shall include announcement of whether speaker is using cueing aids and what facial makeup, if any, he is wearing. He told Senate he's concerned over "tendency to substitute play-acting for reality [in political campaigns], to try to make men seem to be something which they are not." Sen. Goldwater (R-Ariz.) arose to ask Neuberger if he would also include toupees in the bill. Neuberger then invited Goldwater to sponsor such an amendment. Goldwater concluded humorous exchange with: "I suggest that we are splitting hairs."

Sponsor Magazine to stage another dinner for the 108 pre-freeze stations on eve of Washington NARTB convention; at party Sun. night, May 22, George Abrams, adv. mgr. of Block Drug Co., will be speaker. Note: Same evening rival *Broadcasting-Telecasting* is holding reception honoring FCC members in National Press Club, and next morning *Billboard* will host breakfast featuring panel discussion on films in TV.

RCA Chairman David Sarnoff disclosed at this week's stockholders meeting that his long visit with Gen. Eisenhower March 15 (Vol. 11:12) had to do with a memo he submitted, dated April 5, titled "Program for Political Offensive Against World Communism," which will be released shortly.



**RCA SEES COLOR MAJOR FACTOR IN 1956:** Startling prediction on color receiver sales, given by RCA chairman David Sarnoff at May 3 stockholders meeting in N.Y.: "I expect that in 1956 and the years ahead, RCA earnings from sales of color TV sets will substantially exceed its earnings from sales of black-&-white sets during those years."

Announcement of prices on new line of color sets accompanied Gen. Sarnoff's prediction -- and he stated that consolette would be \$795, console \$895. New line, coming off Bloomington, Ind. production lines this week, has 26 tubes, including picture tube, and the \$795 consolette is \$100 less than price of now-discontinued 38-tube line. [For details of sets, see p. 9.]

There had been speculation that the price drop would be greater (Vol.11:16). Hallicrafters' \$695 price, announced late last week (Vol.11:18), thus stands as the lowest to date. Other sets makers who have had modest color production going to meet any growth in demand -- such as Admiral & Hoffman -- haven't indicated whether they'll also offer a set at \$795 or less.

In response to question at meeting, in which a stockholder asked why RCA had set a "high price" on color sets while other manufacturers were said to be offering \$500 sets, Gen. Sarnoff stated: "A man with \$795 will be able to buy an RCA color set. Come and tell me when you can walk into a store and actually buy a set for \$500." He said it would be a year to two, "depending on volume," before good color sets could be purchased at \$500.

No manufacturer has yet offered a \$500 set, though Chromatic TV Labs has said it would demonstrate, late this month, a receiver which it believes could be manufactured for "substantially" less than \$500 (Vol.11:15). Chromatic doesn't plan to produce sets or tubes itself, but hopes to license others to do so.

Though many industry leaders see color eventually supplanting black-&-white as their major product, none has gone as far as Gen. Sarnoff in predicting that this will start next year. Most have said it would take 3-5 years -- or more.

Reinforcing his statement on color, Gen. Sarnoff told stockholders: "Color TV, I firmly believe, will 'break through' and be well under way before Christmas of the present year. A reasonable number of color programs will be broadcast with regularity and this number will increase rapidly as more color sets are installed in homes. We are confident that we can sell all the color sets and tubes we will produce between now and the end of this year."

\* \* \* \*

TV production sagged to year's low for week ending April 29 -- only 131,627 units. It was year's 17th week, which means one-third of 1955 has been counted, and it means that approximately 2,770,000 TVs have been made thus far this year compared with about 1,904,000 in same 1954 period. (For unrevised RETMA weekly figures for each of first 16 weeks, see p. 12, Vol. 11:18.)

RETMA revises its weekly figures when it makes monthly recapitulations, and this week its monthly recap for first quarter came out: 654,582 in Jan., 702,514 in Feb., 831,156 in March -- total 2,188,252 for quarter. That's about 40% ahead of same 1954 quarter's 1,447,110.

Radio output continues to hold steady -- 278,054 (142,108 auto) for week ending April 29, bringing 17-week total to approximately 4,745,000 vs. 3,326,800 for same 1954 period. Radio figure, revised only through first quarter, shows 1,086,146 in Jan. (280,121 home sets, 47,303 portables, 573,837 auto, 166,885 clock); 1,089,724 in Feb. (232,831 home, 109,120 portable, 597,742 auto, 150,031 clock); 1,482,274 in March (300,840 home, 233,465 portable, 774,025 auto, 173,944 clock).

First quarter's radio output, totaling 3,640,144 breaks down as: 813,792 home sets, 389,888 portables, 1,945,604 auto, 490,860 clock.



**Topics & Trends of TV Trade:** From 1946 through 1954, distributor shipments of TV sets to dealers throughout the U. S. and its territories totaled 35,677,818, according to a recapitulation released this week by RETMA. The aggregate shipment figure compares with production total over same 9-year period of 37,668,819, to which can be added some 2,770,000 sets known to have been produced thus far this year. Latest NBC estimate of sets-in-use, dated March 1, places that figure at 35,028,000 (Vol. 11:16). The new RETMA recapitulation of shipments for 1946-1954:

State	Total	State	Total
Alabama	361,689	New Hampshire	120,842
Arizona	123,925	New Jersey	1,664,853
Arkansas	179,862	New Mexico	66,768
California	3,129,919	New York	4,754,300
Colorado	231,379	North Carolina	555,087
Connecticut	635,586	North Dakota	56,736
Delaware	108,845	Ohio	2,592,978
District of Columbia	351,174	Oklahoma	412,549
Florida	554,183	Oregon	218,476
Georgia	559,164	Pennsylvania	3,112,857
Idaho	70,295	Rhode Island	229,881
Illinois	2,487,747	South Carolina	225,468
Indiana	1,029,462	South Dakota	49,153
Iowa	565,117	Tennessee	461,774
Kansas	310,223	Texas	1,366,244
Kentucky	427,405	Utah	156,224
Louisiana	391,164	Vermont	52,622
Maine	176,297	Virginia	556,496
Maryland	631,803	Washington	492,729
Massachusetts	1,448,063	West Virginia	297,733
Michigan	1,682,313	Wisconsin	724,469
Minnesota	573,162	Wyoming	15,211
Mississippi	146,951	U. S. Total	35,616,771
Missouri	918,661	Alaska	5,496
Montana	39,396	Hawaii	55,551
Nebraska	278,876	Grand Total	35,677,818
Nevada	20,660		

TV set sales by Canadian factories for first quarter of this year totaled 166,462 sets, production 215,918, reports Canadian RTMA. This compares with sales of 111,399, production of 122,625 in same 1954 period. Projected production estimate for April-June period is 145,222 more sets. March sales totaled 55,076 at average price of \$292, production 75,560. Inventory at end of March was 97,340 compared to 76,856 at start of month. Toronto led in March sales with 9422; Montreal second, 8883; British Columbia, 5364; Manitoba, 4550; other Ontario, 4286; Nova Scotia, 4137; Alberta, 3727; Ottawa & eastern Ontario, 3201; New Brunswick & Prince Edward Island, 2859; Quebec City, 2809; Hamilton-Niagara, 2367; Saskatchewan, 1665; Windsor, 1605; other Quebec provincial areas, 195; Newfoundland, 6.

Failures in retail TV-radio-appliance trade during first 1955 quarter totaled 107, involving \$3,758,000 in liabilities, reports Dun & Bradstreet. They compare with 128 involving liabilities of \$17,604,000 in same 1954 period. In all of 1954, there were 457 such failures with liabilities of \$29,920,000. Dun & Bradstreet failure record includes concerns involved in court proceedings or voluntary actions likely to end in loss to creditors, does not cover discontinuances with outside obligations paid in full. In table of retail failure rate per 10,000 operating concerns, the appliance-radio-TV category shows 105 in 1954, 80 in 1953—second highest after infants' & children's wear.

While IUE (CIO) locals were reported demanding guaranteed annual wage and 5% pay increase from RCA plants at Camden and elsewhere, involving some 14,000 workers under 2-year contract expiring in April 1956, same union's Philco locals this week ratified new one-year contract calling for 5¢-an-hour pay boost and certain fringe benefits involving some 5500 employes. New Philco minimum wage rate is \$1.53 an hour, maximum \$2.71, and covers 10 plants.

Old John Wanamaker Store at Broadway & 8th St. (1,500,000 sq. ft.) will be converted and modernized into what will be known as Merchandise Mart of New York, an international display & trading center for hard goods, under plans of new owner Astor-Broadway Holding Corp.

**DISTRIBUTOR NOTES:** Dick C. Klein assigned to chief of Raytheon factory-owned TV-radio branch distributorships, his former duties as director of marketing taken over by Henry F. Argento, v.p. & gen. mgr., and Cliff Knoble, director of merchandising; Raytheon has own branches in Chicago, Milwaukee, Peoria, Harrisburg . . . Philco opens Cleveland factory branch in former quarters of Strong, Carlisle & Hammond Co., which gave up franchise . . . Sylvania appoints Interstate Distributors, 808 W. 14th St., Kansas City . . . CBS-Columbia Distributors Inc., N. Y., names Howard Gross, ex-Motorola Eastern regional sales mgr., as gen. mgr., succeeding Martin L. Scher, resigned . . . Crosley-Bendix franchise for Syracuse-Rochester area acquired from O'Donnell Distributors by Artec Distributors, Middletown, which will continue to operate temporarily from O'Donnell offices in Syracuse . . . Admiral names General Merchandise Co. Inc., 207 N. Milwaukee St., Milwaukee, as additional distributor for radios only; Admiral Distributors-Milwaukee Div. remains area distributor for entire Admiral line . . . Admiral-N. Y. promotes John Klein to sales promotion mgr. for chain store accounts in metropolitan area; Bernard Kaiser succeeds him as lower Manhattan district sales rep . . . GE Supply Co. sets up new mid-Atlantic region with headquarters at 705 Edgewood St., NE, Washington, with C. T. Shropshire as v.p. & regional mgr., M. W. Ryner mgr. for consumer goods . . . Admiral Distributors-Boston Div. takes over New England territory formerly handled by Alexander Distributors Inc., Springfield, with Boston gen. mgr. Thomas J. Hodgens supervising office at 214 Birnie Ave.

Sightmaster Corp., New Rochelle, N. Y., immediately upon confirmation of Chapter XI reorganization plan for Transvision Inc., same city, whereby creditors are to receive 15%, reported it has become largest stockholder in Transvision and proposes to recapture Transvision's former \$3,500,000 business in the TV kit business. New kit has been designed and is now being marketed, said Sightmaster pres. Michael L. Kaplan, and plans call for a color kit by fall along with high fidelity equipment, test instruments, community antenna systems, amplifiers. Sightmaster has endorsed notes to creditors whereby they will be paid 3% now and 1% every 2 months until the 15% is paid. Sightmaster takes over stockholdings of Emanuel Cohen. When Transvision schedules were filed in Oct. 1953, liabilities were put at \$722,589; tax carryover loss is \$750,000, said Mr. Kaplan, which "will be very advantageous to Sightmaster."

Chapter XI petition filed this week by Fada Radio & Electric Co. (Jacob M. Marks, pres.), with factory in Belleville, N. J., estimates liabilities at \$1,604,945 and assets at \$2,451,137 and proposes to pay in full all creditors under \$250 within 90 days after confirmation and all others 5% as initial installment and 5% quarterly thereafter.

Setchell-Carlson Inc., New Brighton, Minn., reports it's producing new 17-in. 20-tube portable TV weighing under 40 lb., to retail at \$180. Cabinet is aluminum, finished in Fabrikoid. It's offered in 3 colors, and factory states it's making 100 a day.

Rokville Co., 1099 So. Logan, Denver, maker of cabinets, again reports it will manufacture color TV sets before end of year; it's RCA-licensed, and pres. is R. L. Pierzina.

Total of 119 different types of receiving tubes are used in 150 models of 1954 & 1955 TV sets surveyed by GE tube dept. The sets surveyed had total of 2950 sockets, or just a shade under 20 tubes per set.

Philco's midsummer distributor convention, where 1956 TV-radio lines will be introduced, will be held at Miami Beach's Fountainbleau Hotel, June 26-28.



**Electronics Reports:** "Lots of Glamor, But Little Cash" headlines article in May 5 *Journal of Commerce* detailing difficulties of smaller electronics companies in financing expansion needs. Causes of these troubles, as enumerated by writer Ben Weberman: (1) Technological advances render production models obsolete almost as fast as they are developed; therefore substantial sums are needed to keep up with progress. (2) Because Govt. is electronics industry's biggest customer, sales are subject to cancellations, stretch-outs and obsolescence—and this hazard in forecasting long-term prospects has caused wariness on part of bankers and other investors. (3) Tremendous expansion of the industry has stiffened competition and held profits to rock bottom.

"Unable to sell stock to the public without a historical record of earnings gains backed by growth of civilian business," says article, "the companies have been forced to merge with older, financially strong companies; have sought venture capital from wealthy individuals; received bank credit against firm govt. contracts, and, especially, have plowed net income back into the business." It concludes that financial problem will be eased when civilian demand for electronic products grows more important in relation to govt. orders.

\* \* \* \*

Motorola's entry into transistor manufacturing was announced this week with disclosure that ground is about to be broken for new \$1,500,000 plant in Phoenix, first section of which will be ready early in 1956. Volume use of transistors is now anticipated, pres. Paul V. Galvin stated, in portable and car radios and in communications equipment. "Transistors," he said, "will revolutionize the design of car radio, and we will announce our first transistorized car radio models in early 1956."

Newest transistor portable radio: Introduced by Emerson, shipments begin next week on tiny set containing 2 transistors, 3 tubes, 2 batteries. Weighing less than 1 lb., it's 6-in. wide, 1¼-in. high, sells for \$44. Other transistorized radios introduced to date: 4-transistor Regency pocket set at \$49.95; 8-transistor Raytheon portable at \$79.95.

"Mural TV," system whereby light amplifier is used to produce flat picture (Vol. 11:6), is a creation of RCA, said Chairman Sarnoff, responding to question at this week's stockholders meeting. However, he added, it's still in lab stage, only 30 or 40% completed.

Standard Electronics div. of Hupp Corp. will be name of new division formed by Hupp's purchase of electronics business of Brown-Allen Chemicals Inc. (Vol. 11:10, 16). [New division is not to be confused with Standard Electronics Corp., transmitter-making subsidiary of old Claude Neon.] Brown-Allen electronics operations were carried on its books as of Dec. 31 at \$798,000, less depreciation and amortization reserve of \$343,800. Hupp made initial payment of \$250,000 in cash, plus 125,000 shares of its common stock, with contingent additional payment during next 5 years through issuance of not over 120,000 shares of common, based on and payable from net earnings of electronics div. Principal products of electronics div. will be cadmium sulfide photocells and quartz crystals.

RCA's move into business "brain" field heralded by announcement by Chairman David Sarnoff at this week's stockholders meeting (see pp. 10 & 13) that company's new "Bizmac" data processing system is designed to handle such business tasks as invoicing, inventory control, etc. First Bizmac system is being built for delivery next fall (at \$5,000,000) to Army Ordnance Tank-Automotive Command in Detroit, where it will be used for stock control of parts, replacing 350 clerks. Gen. Sarnoff also announced RCA has received from United Air Lines its largest order for airborne radar—\$2,500,000. Radar will become standard equipment in all UAL planes.

Hycon-Eastern Inc. is new firm formed by leading MIT scientists Dr. Jerrold R. Zacharias & Dr. Jerome B. Weisner, to specialize in research and product development in fields of nuclear instrumentation, microwaves and computers. It's principally owned by Hycon Mfg. Co., Pasadena, Cal., with the 2 scientists holding substantial equity. It plans to acquire facilities near Cambridge, Mass.

Claude Neon Inc. has changed name to Dynamics Corp. of America, the better to identify it with its electronics activities which include manufacture of TV-radio transmitters (through subsidiary Standard Electronics Corp.), radar, guided missiles, quartz crystal oscillators, automation, fire control, analog computers.

Two new 10-kw vhf transmitters will be introduced at NARTB convention in Washington, May 22-26: Standard Electronics will show "economy model" priced at \$55,000, and GE will display its first unit in that power range.

Efficiency of solar battery (Vol. 10:18) has been increased from 6% to 11%, Bell Labs reports, stating that this is comparable to efficiency of best gasoline engines.

**Trade Personals:** John J. Anderson named mgr. of portable appliances, Westinghouse appliance div., Mansfield, O., succeeding Robert M. Oliver, resigned . . . Douglas Wallace May 1 succeeded E. W. Cashman, retired, as Graybar v.p. & director . . . J. J. Harris, gen. mgr. of Philco Distributors Inc., N. Y., elected to board of N. Y. Better Business Bureau . . . Robert M. Fichter, ex-adv. mgr. for major appliances & electric housewares, named adv.-promotion mgr., Westinghouse TV-radio div. . . . Wm. R. Bush, ex-aide to chief of naval research, named asst. gen. sales mgr., Hoffman Labs . . . Joseph S. Wright, gen. counsel & director, onetime Federal Trade Commission attorney and onetime secy. to ex-Sen. Wheeler, named Zenith Radio v.p. . . . Charles Lloyd, ex-Nashville regional sales mgr., named Motorola's eastern regional sales mgr. succeeding Howard Gross, now gen. mgr. of CBS-Columbia Distributors Inc., N. Y. . . . Daniel Newman, ex-DuMont, named CBS-Columbia director of product service, succeeding Harold J. Schulman, now asst. to pres. Seymour Mintz . . . George Cohen, Emerson eastern regional sales mgr., promoted to director of service sales; Floyd Makstein continues as mgr. of service sales . . . Loyd Dopkins, ex-Crosley, Majestic & Zenith, named sales v.p., Granco Products Inc., Long Island

City, N. Y. . . . N. J. Litherland, ex-Servel Inc., appointed Magnavox comptroller . . . George M. Hakim has resigned as adv. director, Hoffman Electronics . . . John Belieff, ex-Fairchild Publications, named Sparton Baltimore area district merchandiser . . . Alexander E. Blazis, ex-foreman of Raytheon receiving tube plant at Quincy, named mgr. of newly opened sales office & warehouse at Franklin Park, Ill.; C. R. Hammond, asst. Raytheon v.p., is equipment sales mgr. there . . . Everett W. Olson appointed director of adv. & public relations, Webster-Chicago, succeeding S. T. Seaman, now with John W. Shaw Adv., Chicago, newly appointed to handle Webcor account . . . Richard P. Axten, ex-Alexander Smith Inc. (carpets) joins Raytheon June 1 to direct public relations for all its operating divisions . . . Lawrence W. Kanega, ex-gen. sales & merchandise mgr., elected v.p.-operations mgr., RCA Victor record div.

Harold Harris, v.p. of Channel Master Corp., is author of "Eyes & Ears of TV," 3-p. article on antennas, included in 1955 *Book of Knowledge Annual*.

R. Karl Honaman, on leave from Bell Labs, where he is publications chief, named deputy asst. secy. for public affairs, Defense Dept.



**Financial & Trade Notes:** RCA is by way of becoming a \$1 billion company this year, based on record first-quarter sales of \$256,305,000, up 13% from 1954 quarter's \$226,609,000, reported by chairman David Sarnoff at annual stockholders meeting May 3. Quarter's net profit was \$12,568,000 (84¢ a share), gain of 25% over 1954 quarter's \$10,066,000 (66¢). In all of 1954, RCA achieved record sales of \$940,950,000, net profit of \$40,525,000, or \$2.66 a share (Vol. 11:9).

Those figures highlighted session at which Gen. Sarnoff also disclosed that TV manufacturing, telecasting & servicing represents about 52% of RCA's business; that govt. sales & services in first quarter amounted to \$52,000,000, or about 20% of total volume; that unfilled govt. orders on March 31 amounted to \$300,000,000 and deliveries this year are expected to approach 1954 figure of \$221,000,000; that RCA has contract for guided missile launching system for which mechanical engineering phase is being handled by American Machine & Foundry Co.; that its govt. service dept.'s "global electronics field engineering program" for U.S. armed forces includes several thousand RCA-trained field engineers; that RCA International's 1955 first-quarter sales were at record level.

The headline news in Gen. Sarnoff's statement, however, was his surprise prediction that earnings from the sale of color TV sets "in 1956 and years ahead" will exceed those from black-&-white, along with announcement of new \$795 color console and \$895 color console now in production (see p. 10).

Stockholders sided with management to vote down proposals for annual instead of staggered election of all directors and for limitation of extra incentive compensation to executives to \$200,000 ceiling or 100% of base pay for any one individual. They reelected to board Edward F. McGrady, Gen. Walter Bedell Smith, Wm. E. Robinson, Dr. E. W. Engstrom, John T. Cahill — and they unanimously approved resolution urging Gen. Sarnoff to remain with RCA for at least 5 more years from next March 1 when his present employment contract terminates and when he will have completed 50 years with the company. On Feb. 27, 1956 he reaches 65, company retirement age, which can be waived by board.

\* \* \* \*

International Resistance Co. pres. Charles Weyl reported to annual stockholders meeting this week that sales for first 15 weeks of 1955 rose to \$4,112,722 and earnings to \$199,457 (15¢ a share on 1,342,598 common shares outstanding) from sales of \$3,525,802 and earnings of \$69,378 (5¢ on 1,331,163 shares) for like 1954 period. For all 1954, sales were \$13,207,649, earnings \$603,320 (45¢). IRC during first quarter acquired Hycor subsidiaries in Calif. & Puerto Rico whose sales this year are expected to exceed \$1,000,000. Mr. Weyl said company is planning another acquisition, undisclosed.

Motorola first-quarter sales, despite reduced military billings, went up to \$51,873,179 from \$48,006,800 in same 1954 quarter — and pres. Paul V. Galvin, in letter to stockholders, called it second best first quarter in firm's history and attributed improvement mainly to black-&-white TV. Earnings went up to \$2,153,038 (\$1.11 per share) from \$1,644,084 (85¢). For full year 1955, Galvin said, business should exceed previous high of \$217,000,000 of 1953. [For 1954 profit-&-loss report, see Vol. 11:12.]

Tung-Sol reports first quarter sales of \$11,892,273, net profit of \$756,714 (\$1.09 on 641,787 shares), compared to \$9,516,287 & \$450,304 (78¢ on 554,952) same period last year.

Dr. Edward H. Litchfield, dean of Cornell School of Business & Public Administration, elected Avco director.

A. P. Barton, ex-asst. gen. mgr. of Elgin National Watch Co. ordnance div., heads new electronics division that embraces recently acquired Neomatic Inc., L. A.; American Microphone Co., Pasadena; Advance Electric & Relay Co., Burbank. Gordon Odell, former Elgin mgr. of commercial development, has been named west coast plant mgr. Elgin pres. J. G. Shennan told L. A. press conference that about 10% of 1955 volume will be in electronics, or about \$5,000,000.

Collins Radio Co. last week offered 122,500 shares of 4% cumulative preferred stock, \$50 par, convertible into B common through May 1, 1965, to holders of its Class A and Class B common at rate of one share for each 12 common held. Collins stockholders previously approved reclassification as of April 25 of \$5 common, whereby each share is changed into 1½ shares—the Class A having voting rights. New stock is convertible into Class B at initial price of \$27.

Texas Instruments Inc. is issuing to holders of its common stock rights to subscribe at par to 165,945 shares of new 4.48% \$25 par cumulative convertible preferred stock at rate of one share for each 18 of common held, rights expiring May 19. New preferred is convertible into common at any time before May 1, 1965 at rate of one preferred for each 1½ common.

National Co., Malden, Mass., recently backed by Easy Washing Machine Co., Syracuse (Clint Murchison) to extent of \$2,000,000 (Vol. 11:17), has elected as directors Mrs. H. Paul Nelligan, v.p. of Easy Washing Machine Co. and Howard W. Sluyter, associated with the Murchison Brothers in Texas.

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Loew's Inc., parent of MGM and biggest of movie producer-theatre firms (Vol. 11:17), earned net profit of \$3,274,451 (64¢ per share) on gross revenues of \$92,399,000 in 28 weeks ended March 17 compared to \$3,199,166 (62¢) on revenues of \$97,106,000 in corresponding 1954 period. For the 16 weeks ended March 17, net was \$1,753,102 (34¢) on gross of \$52,613,000 vs. \$2,065,273 (40¢) on \$56,096,000 in same 1954 period.

National Theatres Inc. reports net income for 6 months ended March 26 totaled \$1,280,549 (46¢ a share), compared with \$1,307,050 (47¢) same period last year. For quarter ended March 26, net income was \$734,133 (27¢) vs. \$651,468 (24¢) same 1954 period.

Stanley Warner Theatres reports, for 6 months ended Feb. 26, net profit of \$1,621,600 (73¢ on 2,208,680 shares), compared with \$1,191,400 (50¢ on 2,367,696) same period last year.

Twentieth Century-Fox income for 52 weeks ended Dec. 25 was \$115,715,815 compared to \$113,513,260 in comparable 1953 period. Earnings jumped to \$8,044,524 from \$4,560,887.

Paramount Pictures Corp. gross income in 1954 was \$110,069,588, net profit \$9,003,802 (\$4.10 per share) vs. \$112,803,066 & \$6,779,563 (\$3.06) in 1953.

Columbia Pictures reports net earnings of \$3,655,000 (\$4.37 a share) for 39 weeks ended March 26, vs. \$2,644,000 (\$3.12) for corresponding period last year.

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Dividends: CBS "A" & "B" 3-for-1 stock split payable May 20 to stockholders of record April 29; Tung-Sol, 25¢ June 2 to holders May 20; Aircraft Radio, 20¢ May 25 to holders May 18; Globe-Union, 30¢ June 10 to holders June 1; Consolidated TV & Radio Broadcasters Inc. (Bitner group), 28¢ July 1 to holders June 15; RCA, 25¢ July 25 to holders June 17.

Ralph S. Euler, senior v.p., Mellon National Bank & Trust Co., Pittsburgh, appointed a director of Consolidated TV & Radio Broadcasters Inc. (Bitner group).



## Network TV-Radio Billings

March 1955 and January-March 1955

(For February report see *Television Digest*, Vol. 11:15)

COMBINED NETWORK TV billings for first quarter fell just short of record \$100,000,000 total after CBS-TV climbed to new monthly high of \$16,036,896 and NBC-TV to record \$14,122,193 in March, according to Publishers Information Bureau report. The quarter's aggregate \$99,319,468 compared with \$74,208,152 in same 1954 period. Network radio, meanwhile, showed a substantial improvement in March—up about \$1,000,000 from Feb., but quarter's \$32,237,038 was still running about \$7,000,000 behind same 1954 period. The PIB figures:

NETWORK TELEVISION				
	March 1955	March 1954	Jan.-March 1955	Jan.-March 1954
CBS	\$16,036,896	\$11,379,631	\$46,562,763	\$32,058,441
NBC	14,122,193	10,981,690	39,714,529	30,466,775
ABC	3,806,425	2,640,699	11,092,316	7,923,645
DuMont	628,625	1,205,526	1,949,860	3,759,291
<b>Total</b>	<b>\$34,594,139</b>	<b>\$26,207,546</b>	<b>\$99,319,468</b>	<b>\$74,208,152</b>

NETWORK RADIO				
	March 1955	March 1954	Jan.-March 1955	Jan.-March 1954
CBS	\$ 4,391,864	\$ 5,456,351	\$12,524,418	\$15,372,037
NBC	2,953,486	3,639,278	8,282,310	10,208,000
ABC*	2,445,765	2,764,547	7,320,805	8,089,938
MBS	1,445,035	2,034,961	4,109,505	5,715,338
<b>Total</b>	<b>\$11,236,150</b>	<b>\$13,895,137</b>	<b>\$32,237,038</b>	<b>\$39,385,313</b>

NETWORK TELEVISION—January-March 1955					
	ABC	CBS	DuMont	NBC	Total
Jan.	\$ 3,718,195	\$15,831,141	\$ 723,960	\$13,172,695†	\$33,445,991†
Feb.	3,567,696	14,694,726	597,275	12,419,641†	31,279,338†
Mar.	3,806,425	16,036,896	628,625	14,122,193	34,594,139
<b>Tot.</b>	<b>\$11,092,316</b>	<b>\$46,562,763</b>	<b>\$1,949,860</b>	<b>\$39,714,529</b>	<b>\$99,319,468</b>

NETWORK RADIO—January-March 1955					
	ABC	CBS	MBS	NBC	Total
Jan.	\$2,487,140	\$ 4,181,787†	\$1,372,532	\$ 2,744,204	\$10,785,663†
Feb.	2,387,900†	3,950,767	1,291,938	2,584,620	10,215,225†
Mar.	2,445,765	4,391,864	1,445,035	2,953,486	11,236,150
<b>Tot.</b>	<b>\$7,320,805</b>	<b>\$12,524,418</b>	<b>\$4,109,505</b>	<b>\$ 8,282,310</b>	<b>\$32,237,038</b>

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

† Revised as of March 4, 1955.

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

Signs of good TV times: CBS first quarter sales & earnings, soon to be reported, will be ahead of year ago; last year's constituted record (Vol. 11:13) . . . CBS pres. Frank Stanton, personally, heads 399 Park Ave. Corp., planning big new office structure opposite modernistic Lever House, which probably accounts for rumors about projected "TV City" to occupy Park to Lexington Aves. between 53rd & 54th Sts. . . NBC has blueprinted office building opposite its big Burbank studios . . . Ziv TV business reported up 32% in first 1955 quarter from same 1954 period; it's closed corporation, so figures aren't made public . . . WRCA-TV, NBC-owned N. Y. key, which reputedly represents gross billings around \$20,000,000 (about same as CBS key WCBS-TV), reports 23% increase in time sales first quarter.

Rush of sponsors to be charter advertisers on NBC Radio's new *Monitor* week end radio service (Vol. 11:15) is reported by the network, which says it has sold nearly 500 1-min. participations, though program doesn't begin until June 12. Taking advantage of "introductory dividend plan" are such advertisers as Gruen, American Motors, Western Union, Carter Products, RCA, Mid-Continent Petroleum, Coppertone, Bronze Tan & Seaforth—said to account for total of \$450,000 in orders.

It's open season for "nominating" candidates for the FCC again, what with Comr. Hennock's term expiring June 30. White House isn't saying anything about names submitted, but President Eisenhower is expected to pick the Democratic nominee momentarily, and he must of course be persona grata to the Democratic leadership. One strongly-backed name definitely before Mr. Eisenhower is that of Richard Mack, chairman of the Florida Public Utilities Commission, endorsed by both Senators (one of whom, Sen. Smathers, is on Senate Interstate Commerce Committee) and by all Florida Congressmen save the single Republican member from St. Petersburg, Wm. C. Cramer, who has made no objection. Mr. Mack is from Coral Gables.

The \$3,000,000 sale of WNBC-TV, Binghamton, N. Y. (Ch. 12), with radio WNBC to Walter Annenberg's Triangle Publications by John C. Clark interests (Vol. 11:11) was approved by FCC this week. Agreement stipulates actual transfer will take place in 20 days, or by May 24, but closing date is not yet settled. It will be operated under direction of Triangle's WFIL-TV mgr. Roger W. Clipp, with gen. mgr. Geo. Dunham and other key personnel remaining at WNBC-TV. In addition to operating WFIL-TV & WFIL, Philadelphia, Annenberg also owns 50% of radio WHGB, Harrisburg, and publishes *Philadelphia Inquirer*, *New York Telegraph*, *TV Guide*, *Seventeen* and other publications.

Backlog of TV applications was principal subject of questioning by Sens. Magnuson (D-Wash.) and Saltonstall (R-Mass.) as FCC members appeared this week before Senate Appropriations subcommittee headed by Magnuson at preliminary hearing on budget for fiscal 1956. Chairman McConaughy said backlog can be cut down to the "hard core cases" if Senate approves full appropriation. House already has approved FCC budget, adding \$90,000 for processing backlog and \$80,000 for Commission study of networks, to the \$6,700,000 estimated in budget request (Vol. 11:14). Magnuson said he would call Commission back in about 2 weeks to discuss investigation and other "policy matters." He also said Govt. ought to get to work to provide suitable office space for FCC.

Control of KGNC-TV, Amarillo, Tex. (Ch. 4) & KGNC, together with *Amarillo News* and *Globe-Times* and *Lubbock Avalanche* and *Journal* and Lubbock radio KFYO is sought in application filed with FCC this week by Roy N. Whittenburg family which now owns 35.6%. Group proposes to increase holdings to 91.8% by acquiring 64,409 shares of Globe-News Pub. Co. for \$3,864,540 from Parker Prouty group. Wes Izzard would remain TV mgr. Feb. 28 balance sheet of Globe-News Pub. Co. lists \$8,308,296 total assets, \$1,228,072 current assets, \$703,392 current liabilities, \$5,439,831 surplus. Globe-News and subsidiaries show \$506,208 net earnings for 1953, \$277,173 for 1954. TV station lists \$1,026,461 total assets, \$1,044,519 current liabilities, \$119,267 deficit.

"Play Marco," bingo-type program conducted by KTLA, Los Angeles (Vol. 11:10) seems to be an illegal lottery, in eyes of FCC which this week told station it was scheduling "cease-&desist" hearing in which burden would be on KTLA to prove otherwise. However, station informed Commission it would drop program June 2—and it's presumed hearing will be called off, license renewed.

TV applications filed this week: For Miami, Ch. 10, by Storer Bestg. Co. (see p. 5); for Laredo, Tex., Ch. 8, by Midland, Tex. architect H. C. Avery Jr. & contractor David H. Cole. [For details, see *TV Addenda 20-Q* herewith; for complete listings of all grants, new stations, applications etc., see *TV Factbook No. 20* with Addenda to date.]

Russians celebrated May 7 as 60th anniversary of invention of radio by—guess who?—Alexander Popov.



MARTIN CODEL'S

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

# Television Digest

  
with **ELECTRONICS REPORTS**

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## SUMMARY-INDEX OF THE WEEK'S NEWS—May 14, 1955

**HELP-UHF TAX BILL** has little chance of passage this session in view of Administration's opposition to new tax legislation; telecasters push for action (p. 1).

**BANKER ELECTED TO DuMONT board**, presaging sale of one or both stations or else separate operation; plans for Electronicam this summer (p. 2).

**SET MAKERS SITTING OUT** subscription TV fight, with exception of pro-pay stand of Sylvania and opposition of those owning networks and stations (p. 3).

**SUBSCRIPTION TV** proponents have popular side of fight, a tough obstacle for opponents; FCC calm about deluge of mail, awaits formal arguments (p. 4).

**CONGRESSIONAL PROBES** into virtually all phases of TV broadcasting and manufacturing demanded as vote-conscious lawmakers eye "glamour" industries (p. 8).

**"EXPLODING CONSUMER DEMAND"** forecast at convention of security analysts; RCA strike vote authorized; fair trade repeal doubtful (p. 10).

**CBS ACHIEVES RECORD** revenues of \$104,206,067 for first quarter, profit of \$3,892,677 is highest in company's history (p. 13).

**SINGLE CP GRANTED**, to KWGB, Goodland, Kan., as FCC works on vhf drop-ins, channel shifts; CBS affiliation practices examined in Albany hearing (p. 9).

**NEW STATIONS ABOUT TO GO** into 3 non-TV towns: Twin Falls, Ida.; Rapid City, S. D.; Lafayette, La. Notes on shipments and other upcoming stations (p. 9).

**RICHARD A. MACK**, Florida utilities commissioner, definitely in line for FCC post to be vacated by Comr. Henneck June 30 (p. 14).

**DIM OUTLOOK FOR UHF EXCISE TAX BILL:** Against heavy odds, vhf & uhf telecasters embarked this week on full-steam campaign for a law to exempt all-channel TV receivers from the manufacturers' 10% Federal excise tax.

Virtually all Congressmen are familiar with plight of uhf -- and sympathetic -- but most key lawmakers hold out little hope for Congressional action this session. Biggest block is Administration's stated policy to consider no tax bills this year. Congress' determination to adjourn in July also raises the obstacle of time.

HR-4070, introduced by Rep. Ikard (D-Tex.), member of Ways & Means Committee, would provide the exemption, wiping out price differential between all-channel and vhf-only sets. Set manufacturers, meeting with the Senate Commerce Committee last month, endorsed measure, agreed it could cause vhf-only sets to disappear from the market (Vol. 11:10). Bill has been referred to Ways & Means Committee, which has asked Treasury Dept. to give its views on the measure.

Industry is currently concentrating its lobbying efforts on influential members of Ways & Means Committee and on the Treasury Dept. -- spokesman for the Administration on tax matters. NARTB is committed to support measure, and a group of powerful vhf telecasters backed the proposal at last year's Potter subcommittee uhf hearings. This week, NARTB govt. relations v.p. Ralph Hardy, officials of CBS & NBC and several other telecasters made separate visits to important members of the Ways & Means Committee -- spoke with Chairman Cooper (D-Tenn.) and Reps. Mills (D-Ark.), Boggs (D-La.), Simpson (R-Pa.), among others.

Their goal is to get Committee to schedule hearings. If hearings are on the calendar by time of NARTB convention May 22-26, it's evident that telecasters who converge on Washington at that time will be able to do some good by explaining to their individual Congressmen why the bill is needed.

\* \* \* \*

Industry representatives found Congressional reaction divided along party lines. Republicans, while sympathetic to bill's objectives, pointed to Administration's opposition to tax legislation this session -- particularly excise taxes. They pointed out that any excise tax action would be likely to bring pressure from every industry with an excise axe to grind.



Warmer reception came from Democrats. Generally, they felt public opinion was in favor of bill, and expressed view that if Ways & Means Committee approves measure it will easily sweep through the full House. But Chairman Cooper, while friendly, made no commitment on hearings.

Keystone to future of bill is Treasury Dept. attitude. Backers of bill point out that despite an immediate loss to the Govt. of \$75-\$100,000,000 in annual excise taxes, ultimate result will be far greater tax returns because of increase in number of taxpaying TV stations, employes, servicemen, etc.

A high Treasury official held out little hope for a favorable report. He told us it may still be some time before report is sent out. Declining to discuss the specific legislation, he outlined his department's policy on excises:

"I don't see how the Treasury can back any changes in excise taxes, in view of the President's recommendations that there should be no changes in this field this year. The Administration is very strongly against any patchwork changes in the tax structure, but believes the whole excise tax field is due for a complete overhaul -- wants to take a look at the whole thing, possibly next year. I suspect, too, that Congress is not eager to get into taxes at this time."

To avoid "special interest" label, set makers are generally staying aloof from lobbying on bill, though RETMA and an overwhelming majority of TV manufacturers have endorsed it. Its proponents stress that it's not a "tax relief" or "special interest" bill, will put no money in pockets of set makers. Rather, they say, it's "broad public interest" legislation to remove an artificial restriction to growth of nationwide competitive TV system by encouraging the public to buy "a complete TV set" -- one with all 83 channels.

\* \* \* \*

While endorsement of Ikard Bill is virtually universal throughout the industry, unreserved enthusiasm for it is not. Some uhf telecasters express fear that the measure is being regarded as the be-all-&-end-all for uhf. They back the bill, but call it "little more than a palliative," and urge that equal attention be given to such questions as program and network availability, competition in intermixed areas, cost and performance of uhf transmitters, allocation problems, etc.

One active uhf telecaster group, UHF Industry Coordinating Committee, headed by Harold Thoms (WISE-TV, Asheville, N.C.), has called meeting of uhf operators May 22 in Washington, to discuss easing of equipment payments, deintermixture, addition of vhf assignments, "market straddling," AT&T network costs and private microwaves, production of all-channel sets, obtaining network programs, subscription TV.

Summing up chances for all-channel tax exemption, those who visited Congressmen put it this way: Odds are heavily against passage this session, but educational work being done now may turn the tide next year.

**NEXT PROBABLE STEPS IN DuMONT SHAKEUP:** Armand G. Erpf, a partner in Wall Street investment house of Carl M. Loeb, Rhoades & Co., was elected this week to replace Bruce T. DuMont on the board of directors of Allen B. DuMont Laboratories Inc., as predicted (Vol. 11:9) -- and it can now be assumed the board not only will seek to resolve DuMont-Paramount policy differences but will undertake to:

(a) Sell one or both of the remaining TV stations (WABD, New York & WTTG, Washington) as well as the valuable big Tele-Centre on East 67th St., or

(b) Spin off the telecasting properties from the TV-electronics manufacturing business, and place their ownership in the hands of DuMont stockholders. This is the plan first favored by Mr. Erpf, presently on a 2-week trip to England.

Either way, the DuMont Network as such, already curtailed to a mere hookup of the N.Y. & Washington stations, ready for expansions as ordered but with only 6 "network" sponsors remaining, seems doomed to extinction -- unless revived by a buyer.

There have been conversations looking to sale of the properties, but nothing came of them, though at one juncture it looked like a N.Y. combine was ready to pay \$11,000,000 for the "package". Another valuation had \$5,500,000 on WABD, \$3,500,000 on WTTG, \$1,000,000 for the Tele-Centre.



The bankers, perhaps eyeing the successful ownership of stations by other big industrial corporations, are said to be inclined to the belief that the 2 stations can be operated profitably as independents, hence should be spun off. But the Washington station has been a loser, though is said to be holding its own now, and may be sold separately; several local broadcasting interests have approached DuMont, but none felt \$3,500,000 evaluation justified by past, present or potential earnings.

\* \* \* \*

DuMont's Electronicam TV-filming system, which can produce theatre-quality film at the same time it shoots a live TV show and which was first discussed as the basis for a "film network" (Vol. 11:16), will become available this summer on a lease basis, terms still undetermined, in both 16 & 35mm versions. DuMont is unlikely itself to go into the film production and syndicating business, but will make device available to film makers on a lease-&-service basis along the lines of IBM with its large business machines & computers.

For Hollywood, educational & govt. uses, leasing will be arranged through the DuMont plant at Clifton, N.J. Pilot 16mm Electronicam is now in use at Tele-Centre, where some educational films are being made for the Educational TV & Radio Center at Ann Arbor, Mich. James L. Caddigan is in charge, reporting to Ted Bergmann.

Compared with conventional film-making methods, Electronicam is said to cut production costs in half. One labor question apparently was solved this week when DuMont signed pact with Screen Actors Guild providing same pay scale that prevails in the TV film industry -- somewhat higher than AFTRA's live & kinescope TV rates.

**FEW MANUFACTURERS CONCERNED ABOUT FEE TV:** Most setmakers have little to say about pay-as-you-look TV, for few see how it affects them one way or the other. Those owning networks or stations -- like RCA and CBS -- have shown their aversion to it. But others prefer not to get into a hassle over something which they feel holds no dangers -- though some are a bit irked by fact that Zenith "is getting a priceless amount of free publicity and advertising," as one of them put it. (Other interests continue to have plenty to say about it, meanwhile -- see p. 5.)

We queried a score of top manufacturers, have an even dozen replies to date, and foregoing is the pattern of responses from those with no telecasting interests. There was one exception -- and he, incidentally, was the only one who agreed to let us quote him by name. Here's what Sylvania chairman-president Don G. Mitchell thinks:

"There is no question but that programming costs have reached the point where they are acting as a major deterrent to broadening the scope and increasing the quality of TV programs...The major consideration seems to be that any potential solution to the over-all cost problem now confronting the broadcasters and sponsors deserves most careful consideration, and specifically, that subscription TV field tests should be authorized so that reasonably conclusive evaluation can be made.

"Under the American free market system, the consumer or purchaser makes his choice every day -- not only to buy or not to buy, but which brand he will buy. There is nothing basically different about subscription TV; if it is not sound and there is no demand for it, the public will not buy it."

Contrary view is expressed by a manufacturer who is also a telecaster. He says: "I never agreed with either Comdr. McDonald or Dr. Millard Faught...No prediction that either has made about the inability of our present system of TV to provide service has been proven true, and yet every year those of us who pioneered in TV have been told that we are doing something that could not be possible.

"The most recent approach by Zenith, whereby stations would take on 'phone-vision' for a couple of peak hours each day only for paid subscribers is simply ridiculous. We spend tremendous amounts of money to build audiences and I can not conceive of getting anything out of Zenith during these periods, when we are off the air and denying the public our service and the service to which they are entitled under our license, to recompense us for entering into any such ridiculous situation."

Another manufacturer puts it this way: "I am all for doing anything that will enable us to sell more equipment or that will give the customer better programs, which will enable us to sell more equipment. But I haven't been convinced yet (a)



that subscription TV will do this, or (b) that anyone has a practical approach to the technical, legal and social problems that subscription TV raises."

Not much interested in toll TV per se, but concerned about "side effects," another set maker observed: "My opinion is that we can take it or leave it. I doubt whether the proponents can put it over. In the meantime, too much publicity may be another deterrent to TV sales as many people are not very analytical in their reading and may think that it's another new device that will obsolete their current TV investment. I think a clarification to the public on this would be in order."

Another is dubious, saying: "The thought of putting slot machines in every American home, and expecting people to pay for something whose only present cost is the slight irritation of a commercial, appears rather impractical."

Rest of them are staying out of the squabble for the present, making such comments as: "Have not crystallized my thinking." "Haven't formulated a policy." "It is rather unusual to find me not vocal about almost anything, but I should like to stay out of the middle of this particular subject." "Do not actually have any real definite opinion." "Not sufficiently familiar with the matter."

**Personal Notes:** Arthur Hull Hayes, recently named pres. of CBS Radio to replace Adrian Murphy, who resigned to retire from active business, elected a v.p. & director of parent CBS Inc. this week . . . Donald H. McGannon, v.p. & gen. exec., elected to board of Westinghouse Bestg. Co., which moves headquarters about June 1 to Chanin Bldg., 122 E. 42nd St., N. Y.; Joseph E. Baudino, WBC exec. v.p. in old Washington headquarters, elected v.p.-Washington; W. C. Swartley, gen. mgr. of WBZ-TV, elected v.p.-Boston . . . Thomas F. Flanagan, managing director of Station Representatives Assn. for last 7 years, retires shortly but continues as consultant with offices in SRA; no successor has yet been chosen, according to SRA pres. Adam J. Young Jr. . . James W. Beach, sales mgr. of WBKB, Chicago, promoted to director of ABC-TV central div., Chicago, replacing Gerald Vernon, resigned . . . Jerry Danzig, ex-CBS-TV, named gen. exec. for programming for NBC-owned TV-radio stations, reporting to v.p. Charles R. Denny . . . Lawrence L. Wynn promoted to sales mgr. of WABC-TV, N. Y., succeeding the late Trevor Adams . . . Marvin H. Hult promoted to mgr. of WMBD, Peoria, under pres. Charles C. Caley, who also has engaged Robert O. Runnerstrom, ex-WLOK-TV, Lima, O., in an executive capacity; Harold V. Phillips, WMBD sales mgr., recently resigned to take similar position with WTVH-TV, Peoria . . . John C. Mullins has taken over as pres. of KBTV, Denver, which he and partner Frank Leu bought for \$1,000,000 from local business group (Vol. 11:13) . . . John Rossiter resigns as v.p. & gen. mgr., KBMT, Beaumont, Tex., and management has been taken over by Randolph C. Reed, pres. & 50% owner . . . Thomas B. Coulter, ex-radio KYSM, Mankato, Minn., named asst. to NARTB radio v.p. John F. Meagher . . . Alex W. Monahan, ex-Bitner stations in Indianapolis & Evansville, joins WWTW, Cadillac, Mich., as program director under David F. Milligan, gen. mgr.; Daryl Sebastian shifted from operations to promotion & mdsg. mgr. . . Tom Gavin returns to Duluth area (from WIRL, Peoria) to be gen. sales mgr. of Ridders' WDSM-TV & WDSM under v.p. Rodney Quick . . . John Esau, onetime gen. mgr. of KTUL, Tulsa, recently pres. of KTVQ, Oklahoma City, on May 23 becomes business mgr. of *Television Age* (Sol Paul, publisher) . . . Wayne Oliver resigns as Associated Press TV-radio editor, will announce new post shortly . . . Bob Mendelson resigns as v.p. of *Sponsor* to head group acquiring several radio stations . . . Brent Kirk promoted to station mgr. of KUTV, Salt Lake City; John P. Brophy named sales mgr., Alan F. Frank program-production mgr. . . W. Gordon Swan, WBZ-TV, Boston & Paul A. Loyet, WHO-TV, Des Moines, to address National Fire Protection

Assn. convention May 18 in Cincinnati on "Promoting Fire Prevention on Radio & TV" . . . Ted Eiland will be gen. mgr. of WJNO-TV, Palm Beach, Fla., having resigned as pres.-gen. mgr. of WTAP, Parkersburg, W. Va., which he and Baer-Chernoff families sold to Zanesville Publishing Co., operators of WHIZ-TV (Vol. 11:14) . . . John H. Bone, ex-gen. mgr. of WNEM-TV, Bay City, Mich., named gen. mgr. of WNAO-TV, Raleigh, N. C. . . Marcy Tinkle, ex-Petry, joins promotion dept. of ANPA's Bureau of Advertising . . . John Jackson, mgr. of RCA adv. services, named program chairman of Assn. of National Advertisers accounting seminar May 20 at New York's Hotel Plaza . . . Howard W. Coleman promoted to adv., promotion & merchandising mgr. of WNBQ & WMAQ, Chicago, succeeding John M. Keys, now sales director . . . Aubrey Williams, ex-TV-radio director, Fitzgerald Adv., joins with E. V. Brinckerhoff to form Brinckerhoff & Williams Agency, New Orleans . . . Brooks Elms, ex-McCann-Erickson, named TV-radio director, Birmingham, Castleman & Pierce . . . Edward H. Feldman, ex-TV-radio director of Biow-Beirn-Toigo in Hollywood, elected v.p. of Desilu Productions (*I Love Lucy*), in charge of commercial div. . . Meredith M. Daubin, since 1938 with Dow, Lohnes & Albertson, Washington law firm specializing in TV-radio, has resigned to join the George O. Sutton law firm . . . Milton F. (Chick) Allison, with CBS Radio Spot Sales since 1949, last 2 years as eastern sales mgr., promoted to asst. to gen. sales mgr. Henry R. Flynn . . . George Lindsey promoted to sales mgr. of Weed TV, Chicago.

John H. Battison, who installed and for a while managed CHCT-TV, Calgary, and who before that was with Capitol Radio Institute and in consulting practice in Washington, has resumed his consulting business with office at 4515 Saul Rd., Kensington, Md. (phone Olympic 7-9593); first client is U of Georgia's new Continuing Education Center, Athens, Ga., where Ch. 8 is reserved for education.

White House press secy. James C. Hagerty picked by Radio & Television Executives Society of N. Y. for its award for distinguished service to the broadcasting industry in opening up the President's news conferences to TV-radio. Presentation will be at White House soon.

Agnes McGillvra, wife of station rep Joseph McGillvra, has filed application for new Kingston, N. Y. AM (1-kw daytime, 1300 kc). She has minority interests in WOKO, Albany, N. Y. and KXL, Spokane, Wash.

Theodore Streibert, director of U. S. Information Agency, was to leave May 15 for inspection of USIA outposts in Africa, returning to Washington June 8.



**P**OPULAR SIDE of the subscription TV struggle is undoubtedly in favor of the proponents—indicated not only by fact that FCC up to May 13 had received some 8500 endorsements vs. about 1800 oppositions, but by fact that most editorial opinion in general publications, including TV columns, has a pro-pay flavor.

Opponents of pay-as-you-see are becoming aware of this, and accordingly are seeking to tailor arguments with full knowledge of public temper. But they have much more difficult row to hoe than do proponents—who evoke tremendous enthusiasm by simply promising great shows, while opposition can merely issue dark warnings that free TV might go out the window.

Most of FCC commissioners and their staff members, however, seem unimpressed by volume of mail, brushing it aside as “results of promotion.” They’re waiting for formal answers June 9 to the very searching and pertinent questions raised in notice of rule-making (for full text, see Special Report, Feb. 12). They’re extremely sophisticated about intra-industry fights and are really holding off judgment until pros-&-cons are firmly nailed down.

Most of FCC people have always been skeptical about subscription TV, and the betting among them today is strongly against possibility that pay system will be approved—yet all concede that battle has scarcely begun.

\* \* \* \*

Idea of authorizing fee-TV on limited basis as a “commercial test” is approached very cautiously at Commission, where there’s some feeling that such a move might ultimately prove to be simply a final decision in proponents’ favor—that it would take the power to make an ultimate decision out of Commission’s hands. Not much thought has been given to idea, however.

It’s probable that full, formal oral hearing will eventually be conducted, just as it was in color and allocations rule-makings. Several parties will definitely petition for such hearings in June 9 filings, on grounds that conflicting factual information must be tested in cross-examination, and Commission is likely to accept that contention. There’s also opinion around FCC that Congress will—or should—take decision off Commission’s hands; that issues of public policy transcend FCC’s jurisdiction. Furthermore, there’s the cynical view that it’s a fine political football, basic principles of which aren’t buried in technicalities.

\* \* \* \*

Two leading TV columnists tackled subject this week, both coming up with pro-pay conclusions. *N. Y. Times’* Jack Gould on May 8 wrote:

“This corner has supported the principle of toll TV and still does so, but we are distressed to see the blithe assumption that it will magically solve all the TV medium’s very real cultural problems. It certainly will not do so without more searching study and preparation . . . The competitive economics of show business being what they are, the pay-as-you-see contention that toll video will not

touch the existing TV structure but merely add a new wing seems naive, indeed. It is up to the toll TV advocates to spell out in crystal-clear affidavits to the FCC, not in publicity handouts, where they stand on over-all balance in TV programming . . .”

N. Y. Tribune Syndicate’s John Crosby concludes in May 13 column that “subscription TV is inevitable, as I thought sponsored TV was inevitable for Great Britain to meet TV’s ever-mounting costs. How and when it’s coming, I have no idea.” Crosby lists arguments on both sides, evidently feels pros have the edge. He says he can understand exhibitors’ opposition but can’t fathom lack of support from networks and stations which, he says, “could conceivably wind up even richer than they are now in spite of themselves.” He says best argument against toll TV is that “it’s an infringement of your rights” because scrambled picture makes channel temporarily useless to those who won’t or can’t pay.

\* \* \* \*

Bickering continued on many levels, meanwhile. A fact-finding committee of 25 AFL show business unions in New York resolved against pay system, saying it would impose burden on low income groups, deprive invalids of free TV, usurp free airwaves, etc. Among letters to FCC was one from Mrs. Franklin D. Roosevelt, stating that toll TV “appears to be to a very good idea, and one that I would like to see tried.” Also on file is letter from U of Pittsburgh athletic director Rear Adm. T. J. Hamilton stating: “If revenues received from subscription TV can be properly distributed to insure preservation of national athletic and physical training programs in colleges and schools, much benefit will accrue to our country.”

*Sponsor Magazine* reports that majority of advertising executives interviewed don’t believe that subscription TV is a “clear threat” to free TV; that public acceptance will be limited; that competition of pay systems might improve free TV. Other developments:

(1) International Telemeter’s talk of using closed-circuit for pay system (Vol. 11:19) prompted Leon P. Gorman, WABI-TV, Bangor, Me. to invite Paramount-controlled Telemeter to join “Organizations for Free TV,” wiring Telemeter v.p. Paul MacNamara that “you can count on me to back your proposal because this is the exact way that I think pay-as-you-see TV should be handled.”

(2) Zenith rejected invitation of Hollywood Ad Club for another Faught-Starr debate (Vol. 11:16), stating that opponent Alfred Starr is hiding behind “false front” instead of coming out and emphasizing his theatre ownership. Starr said of Zenith’s action: “As far as the opposition of the theatre owners is concerned, is there anything wrong or un-American about this? Is Comdr. McDonald’s ambition so lofty and lily white that nobody can stand in his way?” Telemeter’s MacNamara will appear instead.

(3) First returns on *Saturday Review’s* poll showed about 65% for toll systems, 26% against, 10% uncommitted.

Largest theatre-TV hookup to date has been announced by Nathan L. Halpern’s Theatre Network TV Inc. for May 16 Marciano-Cockell heavyweight title bout from San Francisco at 11 p.m. Fight will be carried in 83 theatres with total seating capacity of 250,000. It won’t be available on home TV (but will be carried on radio) nor will it be shown in any theatres west of Denver. California theatres are blacked out under terms of contract. In New York area, it will be carried by unprecedented total of 17 theatres.

N. Y. Herald Tribune’s new digest-size *TV-Radio Magazine* makes its first appearance May 15 as regular Sun. supplement; its editor is columnist Hy Gardner; managing editor is Al E. Davies, ex-asst. night editor.

CBS-TV Pacific Network has been awarded exclusive rights to 8 Pacific Coast Conference football games this fall on dates when NCAA game-of-the-week is not being televised nationally (on NBC-TV). Schedule: Sept. 16, Texas A&M at UCLA; Sept. 24, Illinois at California & Stanford at Oregon State (night); Oct. 8, USC at Washington; Oct. 22, Stanford at Washington & USC at California (latter in Los Angeles area only); Nov. 5, Oregon at Washington State; Nov. 12, Oregon State at California. NBC-TV will air Notre Dame-Southern Methodist game in midwest only, on Sept. 24.

Bangkok, Thailand gets first TV station in June, operated by Thai Television Co.; it’s an RCA installation, and 1000 RCA sets have been imported.



**Telecasting Notes:** Spectaculars a la NBC's are reasonably certain to be offered by CBS-TV next season. Times haven't yet been determined, but they will be 90-min. drama & variety shows, some in color. Shows will rotate, pre-empting regular sponsorships, according to present plans, and there's even talk that some will come Sat. nights opposite some of NBC's. Unconfirmed, but probable, is that first color spectacular will feature Noel Coward in 90-min. version of his Broadway hit *Present Laughter* on a Sat. 10-11:30 p.m., which would put it opposite NBC's George Gobel . . . Fanning flames of controversy over spectaculars, ABC-TV Research has issued report based on Nielsen data, purporting to show that advertisers get more for their money with conventional programs than with spectaculars . . . Effectiveness of repeats of live TV drama (Vol. 11:17-19) is further illustrated by Trendex rating of May 10 *Fearful Decision* on ABC-TV's *U. S. Steel Hour*; it attained 18.1, compared with 11.6 when first presented June 22, 1954—though precise comparisons can't be made because level of viewing is normally lower in late June than in May . . . Washington Star TV columnist Bernie Harrison commended *Fearful Decision* repeat, observing that "TV ought to demonstrate some gumption and repeat more of its 'live' hit shows—especially the plays. What really whips me is that TV is forever trying to wangle more first class movies out of Hollywood—yet refuses to dip into its own growing library." He called for repeats of *No Time for Sergeants*, *Appointment in Samarra*, *Bachelor Party & Marty* . . . Stratospheric values of TV-radio program properties are underlined by this week's report from Lone Ranger Inc., recently purchased from King-Trendle by Jack Wrather, stating sponsors General Mills and American Bakeries are paying his firm \$5,213,000 for program rights for 4 years while another \$2,500,000 will be derived from 85 manufacturers licensed to use the name and from newspaper, comic book and recording rights . . . Walt Disney's merchandising mgr. Vincent Jefferds tells *Film Daily* that Disney this year will realize more than \$1,000,000 in royalties from *Davy Crockett* merchan-

dise . . . Biggest single program entity in TV-radio is believed to be Arthur Godfrey, who represents well over \$20,000,000 of CBS's annual billings; Dave Garroway's *Today* on NBC-TV is running ahead of that in billings, but of course isn't pegged so closely to one personality . . . NBC scouting local theatre groups for TV shows, signs up Dallas State Fair production of *One Touch of Venus* for Aug. 27 spectacular, may tie up with famed Phoenix Theatre; Jack Rayel, exec. producer, handling long-range planning . . . More proof of TV's growing affinity with movies: Ed Sullivan (*Toast of the Town*) signed to produce and star in major independent feature film to be released by Warner Bros. . . . Gertrude Berg will test her new play *Mind Over Momma*, which she wrote with James Yaffee, on ABC-TV May 31, after which she plans to produce it on Broadway; her last stage play was *Me and Molly* in 1948 . . . Paddy Chayevsky's *Marty*, first done on *Philco Playhouse*, then made into movie, wins Golden Palm grand prize this week at International Film Festival in Cannes . . . Dan Petrie to be chief director of *U. S. Steel Hour* when it moves from ABC-TV to CBS-TV July 6, Wed. 10-11 . . . American Psychiatric Assn. signs with Hal Roach Studios to produce TV film series on mental health . . . Novel contest: WTVW, Milwaukee, preparing for "T-Day," when new 1105-ft. tower now at 500-ft. mark will be completed, offering 12 prizes ranging from Plymouth car to watches to viewers whose guesses come closest to actual completion time.

Organization committee headed by Guild Films' David Savage has been formed to develop plans for new TV film distributors' trade assn., following meeting May 10 of 30 major syndicators called by General Teleradio's Dwight Martin, sparkplug of movement. In addition to Savage & Martin, members of committee to draw up proposals for organization objectives and membership qualifications are Jay Williams, Official Films; Lou Friedland, MCA; Ralph Cohn, Screen Gems; Frank Reel, Ziv; Arche Mayers, Unity; Herb Gelbspan, Hal Roach Studios.

Color tape program microwaved by NBC from New York to St. Paul, Minn. for dedication of Minnesota Mining & Mfg. Co. research labs (Vol. 11:19) was termed a "historic occasion" by RCA-NBC chairman David Sarnoff, whose appearance had been recorded on the tape. Dr. Harry F. Olson, who headed development for RCA, using MM&M tape, said: "Some problems remain to be solved. These involve both the machine and the tape. We are certain that these problems will be solved . . . We are confident that electronic photography will be an important tool first in TV and later in industry and the home."

Fully-equipped color broadcasting studio will be demonstrated by RCA during NARTB convention in Washington week of May 22. It will also demonstrate a new type of color camera chain (Model TK-41), color effects equipment, a universal multiplexer for color broadcasting, new "Ampliphase" AM broadcast transmitter and high-power microwave system (TVM-1A).

Continued improvement of black-&-white reception of color programs is being achieved by networks, though there are still occasional complaints of "fuzziness," etc. (Vol. 11:8). According to RCA operations engineering v.p. O. B. Hanson, improvement is due to "the gradual cleaning up of a lot of little things," not to any new technique or equipment.

Upcoming network color schedules: NBC-TV—May 19, *Home* segments, 11:04-11:12 & 11:50-11:57 a.m.; May 20, *Coke Time*, 7:30-7:45 p.m.; May 22, *Max Liebman Presents*, "Promenade," with Tyrone Power, Judy Holiday, Herb Shriner, Janet Blair, Kay Starr, 7:30-9 p.m.

Canadian Broadcasting Corp. is in no hurry to move into color. At convention of Assn. of Canadian Advertisers in Toronto last week, CBC chairman A. Davidson Dunton stated: "We believe that the sensible time for the CBC to move into color will be when the manufacturers can turn out sets of assured performance at a price people can pay, say \$400 or \$500." Furthermore, he said, CBC hasn't sufficient funds to colorcast as much as 3-4 hours weekly. CBC asst. gen. mgr. Ernest L. Bushnell, after observing color kine shown at convention by NBC-TV, declared: "If that is what the Canadian public is going to get in color, the CBC is not going to spend the public's money on it. When we're sure we can deliver to the public something good, then we'll be ready."

Several hundred color sets employing Chromatic TV Labs' one-gun tube are being built by Telechrome Inc., with demonstrations scheduled for June 6 by Chromatic's parent Paramount Pictures. Sets will have 26 receiving tubes, use 22-in. rectangular picture tubes. Chromatic officials have declared that receivers using their tube can be retailed at less than \$500 (Vol. 11:15).

A 5-hour color show 7-12 p.m. May 7 in Ft. Worth's Will Rogers Memorial Coliseum drew 5000 spectators, WBAP-TV reports; demonstration was solely to show color sets in operation. Station presents 6 hours of color weekly in addition to color programs from NBC-TV.

Improved color film process, said to increase definition and color rendition, will be offered to motion picture industry by Technicolor Inc. at present price scale.

Some 60 "Multi-Scanner" film chains are in use, of which 15-20 are equipped for color, according to DuMont.



**Station Accounts:** Ted Cott's experiment for late-evening viewing on DuMont's WABD, N. Y., is *Featwama*, consisting of 3-to-12 min. filmed short subjects, cartoons & newsreels 11:10-midnight weekdays, 11-midnight Sat. & Sun., starting May 23. Partic. sponsors will use breaks between shorts for commercials at rates to be disclosed next week. Newsreels will be changed daily, rest of bill changing each Mon. & Thu. To be extended later to Washington's WTTG, program is frankly designed to "approximate the kind of program shown at newsreel movie houses all over America," said DuMont . . . Levitt & Sons, builders, sponsoring 13 half-hour documentaries on big Levittown, Pa. development, titled *Miracle City*—using WFIL-TV, Philadelphia, in first test of TV, thru Al Paul Lefton Co., Philadelphia . . . Professional Laundry Foundation, Newark, organization of laundries in north Atlantic states (Harold Buckalew, mgr.), to conduct one-year spot campaign directed at housewives on WCAU-TV, Philadelphia, starting June 1, thru Feigenbaum & Wermen, Philadelphia; similar campaign is planned later in N. Y. . . . Carnation Milk buys alt. week sponsorship of filmed *Annie Oakley* in 70 markets, thru Erwin, Wasey & Co., Los Angeles; Continental Baking Co. will sponsor series in 58 additional markets starting next Jan. 1, thru Ted Bates & Co. . . . Brock Candy Co. buys NBC film div.'s *Steve Donovan*, *Western Marshal* for 7 Southern markets, thru Liller, Neal & Battle, Atlanta; in western states, Royal Baking Co. and Langendorf United Bakeries is sponsor . . . Studebaker to spend nearly \$8,000,000 on all media this year, its biggest campaign in history, thru Roche, Williams & Cleary Inc. . . . UHU Products Corp. (concentrated all-purpose glue) plans TV campaign using glue-it-yourself theme, thru David J. Mendelsohn Adv., N. Y. . . . Seasonal natural: *Fishing Digest* on KHJ-TV, Los Angeles, Thu. 7:30-7:45 p.m., sponsored by Par-T-Pak Beverages, thru Raymond R. Morgan Co. . . . Among other advertisers currently reported using or preparing to use TV: McKesson & Robbins, N. Y. (Tartan sun oil), thru Ellington & Co., N. Y.; J. B. Williams Co., Glastonbury, Conn. (Skol sun tan lotion), thru J. Walter Thompson, N. Y.; Kleen King Home Products Co., Los Angeles (copper & aluminum cleaners), thru Mottl & Siteman Adv., Los Angeles; Jacuzzi Bros., San Leandro, Cal. (pumps), thru Gerth-Pacific Adv., San Francisco; Kerns Foods, Los Angeles (preserves), thru Mottl & Siteman, Los Angeles; Barrett Div., Allied Chemical & Dye Corp., N. Y. (Arcadian fertilizer), thru Albert Sidney Noble Adv., N. Y.; California Prune Advisory Board, San Francisco (promotion), thru Botsford, Constantine & Gardner, San Francisco; Lakeside Mfg., Milwaukee (Servit Hot trays & carts), thru Biddle Co., Bloomington, Ill.

Rate increases: WBAP-TV, Fort Worth, raises base hour from \$800 to \$900, min. \$160 to \$200; WKY-TV, Oklahoma City, base hour from \$750 to \$800, with min. rate added at \$175; WSM-TV, Nashville, adds new Class AA hour (7-10 p.m. daily) at \$700, min. at \$140, Class A hour remains \$600; WMBR-TV, Jacksonville, adds new Class AA hour (7-10:30 p.m. Mon.-Fri. & 6-10:30 p.m. Sat. & Sun.) at \$700, 20 sec. at \$180, Class A hour remains \$600.

Gross sales of more than \$1,000,000 are reported by NBC for its upcoming *Monitor* weekend radio service which debuts June 12 (Vol. 11:15, 19). Some 58% of network time availabilities have been sold, network states, latest sponsors being Chevrolet (buying \$325,000 worth of partic.) thru Campbell-Ewald, and Philip Morris, thru Biow-Beirn-Toigo.

NBC Radio, capitalizing on ABC-TV's *Disneyland* hit, on May 30 starts 5-min. strip, *Stories of Davy Crockett*, Mon.-thru-Fri. 5:55-6 p.m.

**Network Accounts:** Alcoa's cancellation of Ed Murrow's Tue. 10:30-11 p.m. *See It Now* on CBS-TV, effective after July 5 program, doesn't represent any yielding to controversial program's critics, says company; it merely reflects shift in its advertising concept from institutional-type public service programming to mass-appeal programs designed to sell consumer products. Network spokesman said no replacement had been signed yet, promised the prize-winning program will return in fall as sustainer if necessary . . . Elgin Watch Co. cancels *Elgin Hour* on ABC-TV alt. Tue. 9:30-10:30 p.m., effective June 14, will become alt. sponsor of Ed Murrow's *Person to Person* on CBS-TV starting Sept. 2, Fri. 10:30-11 p.m., thru Young & Rubicam . . . Ford Foundation's TV-Radio Workshop announced it would retain commercially-successful *Ominibus* on CBS-TV for 4th season next fall, scotching rumors it would shift to NBC-TV . . . Wildroot (hair tonic) and Johnson & Johnson (baby products) to be alt. sponsors of *Robin Hood* filmed series, featuring all-British cast and filmed by Sapphire in historic Sherwood Forest, on CBS-TV starting Sept. 26, Mon. 7:30-8 p.m., thru BBDO & Young & Rubicam . . . Kleenex to sponsor *Midwestern Hayride* on NBC-TV starting July 8, Fri. 8-8:30 p.m., thru Foote, Cone & Belding . . . Borden Co. to sponsor panel show, *Make the Connection*, on NBC-TV starting June 30, Thu. 8:30-9 p.m., thru Young & Rubicam . . . Farm State Insurance Co. to sponsor *Red Barber Show* on NBC-TV following weekly boxing bouts starting Fri. May 13, thru Needham, Louis & Brorby . . . Gerber Products (baby foods) to sponsor Fri. 3:30-3:45 p.m. segments on alt. weeks of *Bob Crosby Show* on CBS-TV, thru D'Arcy Adv. . . . Scott Paper to sponsor Thu. 10-10:15 a.m. & Fri. 10:15-10:30 a.m. portions of *Garry Moore Show* on CBS-TV starting June 9 and Thu. 3:45-4 p.m. portion of *Bob Crosby Show* on CBS-TV starting June 23, thru J. Walter Thompson . . . Gold Seal Wax is 5th partic. sponsor on *Perry Como Show* on NBC-TV this fall, Sat. 8-9 p.m., thru Campbell-Mithun, Minneapolis; others are Noxzema, Kleenex, Dormeyer & Warner-Lambert Co. . . . Dow Chemical buys 7 of 15-min. post-NCAA football game programs on NBC-TV in fall, thru MacManus, John & Adams (games themselves have no sponsor yet) . . . A&P grocery chain buys 7 partic. on NBC-TV's *Today* starting May 30, Mon.-thru-Fri. 7-9 a.m. . . . Ciba Pharmaceuticals to sponsor *For Doctors Only*, medical program with live remotes from hospitals, thru J. Walter Thompson; time & network are undetermined.

Signs of the TV times: Procter & Gamble, TV's largest single advertiser, is spending \$44,000,000 on TV this year, out of a total advertising budget of \$71,000,000, reports *Sponsor Magazine* in first of 3 articles on company. Of that sum, \$33,000,000 is going to network TV, \$11,000,000 to spot. An additional \$11,300,000 is going to network radio, \$1,750,000 to spot radio. Its emphasis is shifting from predominantly daytime programs, this year spending about \$17,000,000 each on day & evening shows. Currently it has at least one program on a TV network every evening except Thu. Last year P & G spent total of \$44,151,220 on advertising, of which \$23,701,228 went to network TV, \$12,339,668 to network radio.

All-night auto-sales telethon on KGUL-TV, Galveston-Houston (Vol. 11:19) was great success, according to station which reports that Houston Oldsmobile dealer Harlan Lane sold more than 100 cars.

ABC affiliates, both TV & radio, will hold their annual convention May 26 at Washington's Sheraton-Park Hotel during NARTB convention.

Mutual affiliates hold their meeting in Washington Hotel Sun. May 22 in advance of NARTB convention.



**I**S TROUBLE BREWING on Capitol Hill for TV broadcasting & manufacturing industries? As the nation's newest "big businesses," TV and electronics are getting more and more mention in Congress—with more and more pleas for investigation of various phases. With an eye to next year's elections, legislators are not unmindful of the glamour of the 2 industries—and the Democrats, who head the committees of Congress, are in many cases anxious to keep their "trust-busting" reputations.

The granddaddy of all TV investigations—by Sen. Magnuson's Commerce Committee—appears dormant, but it's not dead. Chief counsel Sidney Davis is in throes of organizing the probe, amassing information, etc. This will go slowly, and hearings aren't in prospect soon. There's no word when they'll begin; they may not start until next fall.

House Commerce Committee headed by Rep. Priest (D-Tenn.) has been tied up in natural gas legislation, which it hopes to dispose of in week or two, then will have executive session to work out program for rest of term. It has several TV bills pending, as well as a number of requests for TV investigations. Senate Judiciary Committee's monopoly subcommittee under Sen. Kilgore (D-W. Va.) has indicated it will at least touch on TV-electronics during its current anti-trust inquiry.

Its House counterpart headed by Rep. Celler (D-N. Y.) opened hearings this week on over-all review of anti-trust laws. As witnesses, it heard several lawmakers discuss monopoly problems. Their references to TV industry give good indication of the pressures on Capital Hill today:

Rep. Reuss (D-Wis.) accused FCC of accelerating the tendency to TV monopoly, as he did in House speech last month (Vol. 11:15). Appearing before committee, he

blamed FCC's multiple ownership rule for situation in Milwaukee, where he charged "a healthy uhf station was forced out of business because CBS cancelled it out, and another uhf station was purchased by CBS."

Subscription TV is certain to come up for Congressional investigation before long, and Congressmen have been subjected to strong barrage of mail on subject—preponderantly in favor. At this week's anti-trust hearings, Rep. Byron Rogers (D-Colo.) asked Reuss whether fee TV would "upset this monopoly." Reuss replied he didn't know, but "it should be thoroughly and sympathetically studied by the appropriate committees of both houses of Congress."

Former GOP national chairman Rep. Scott (D-Pa.), member of the subcommittee, commented on cost of TV time in general and political time in particular — and warned: "There's trouble brewing." Recent Senate hearings on political expenditures went into TV question in some detail (Vol. 11:16-18), but there almost certainly will be further Congressional exploration of this subject.

Sen. O'Mahoney (D-Wyo.) appearing before subcommittee, held up an institutional ad in which RCA told of its "7500 suppliers from 43 states." He urged investigation of terms of company's contracts with its suppliers, and suggested that they may be "7500 satellites of RCA — they do what RCA says or else."

Also testifying was Rep. Patman (D-Tex.) who repeated a charge that recommendations of recent Justice Dept. committee on anti-trust law changes (Vol. 11:14) would in effect wipe out Zenith's patent suit against RCA. Patman charged that 5 lawyers on the Justice Dept. committee "represent RCA and the other defendants in this pending litigation" while none represent Zenith.

Govt. dropped 3 more perjury counts against Mrs. Marie Natvig, turnabout witness in FCC's celebrated Lamb case, on grounds that they would be too difficult to prove—leaving 3 of the original charges still standing. Among those dismissed was charge that she lied when she said she had been "coerced" into giving false testimony by ex-Broadcast Bureau attorney Walter R. Powell. As trial neared close, issues in case are whether she told FCC attorneys and FBI men that she had been a Communist and had known broadcaster Edward Lamb, and whether at the FCC hearing she later said she had never told them. As Govt. closed its case, 2 FBI men testified Mrs. Natvig told them her turnabout testimony was perjured. Main defense argument was that she became "befuddled and frightened" while on stand because she was subjected to so many pressures. Attorneys for both sides will sum up case for jury Mon. May 16. In address at U of Michigan, meanwhile, Lamb lashed out at Natvig indictment and asked: "Where else, even in Hitler's Germany, has there been a situation where the Govt., prior to the conclusion of its own case, indicted its own witness for perjury?" FCC held only one day of hearings on Lamb case this week, May 9 heard Michigan CIO pres. August Scholle say he had heard Lamb express anti-communist views on "a thousand occasions." FCC hearing resumes Wed. May 18.

FCC will discuss its proposed investigation of TV's "economics and operations" (Vol. 11:6) May 19, when it appears again before Senate Appropriations subcommittee headed by Sen. Magnuson (D-Wash.). Hearing on 2 non-broadcast bills (Vol. 11:9) requested by FCC, originally scheduled for same day by Senate Commerce's communications subcommittee under Sen. Pastore (D-R. I.) has been postponed to June 1-2.

The \$50,000 sale of WEW, St. Louis (1-kw, 770 kc) by St. Louis U to Aubrey D. Reid (performer Bruce Barrington), former mgr. of KXOK, has been approved by FCC. University retains 60% interest in Ch. 11 application.

Transfer of CP for WCTV, Thomasville, Ga. (Ch. 6) from E. D. Rivers Sr. to John H. Phipps for \$88,700 was approved by FCC this week, along with transfer of radio WKTG, Thomasville from Fred Scott Jr. family to Phipps for \$100,000 (Vol. 11:5). Comrs. Webster & Bartley dissented, former showing concern about "trafficking" in permits and stating: "[The FCC] has never seemed to be able to arrive at a policy under which it could determine what constitutes trafficking in frequencies, and, as a result, it has vacillated from one extreme to another . . . I contend that the Commission can set up a general policy which would at least permit us to achieve a certain degree of consistency." He wanted a hearing to determine what's involved in expense items classified as "travel and entertainment," etc. FCC also approved move of transmitter to halfway between Thomasville and Tallahassee. Phipps operates radio WTAL, Tallahassee & WTYS, Marianna, Fla.

Cy Blumenthal sought FCC approval this week of stock exchange whereby he obtains 100% control of WARL, Arlington, Va. (1-kw, 780 kc), & WARL-FM by giving his 800 shares (1/3) of off-air uhf WCAN-TV, Milwaukee to Lou Poller in return for latter's 102 shares (56.6%) of WARL. Blumenthal also heads group buying WROV & WROV-FM, Roanoke, Va. for \$45,000 (Vol. 11:16).

Owners of CKSO-TV, Sudbury, Ont. (Ch. 5) & CKSO, have sold *Sudbury Star* to Thomson Co. Ltd., price not reported, making it 18th Canadian daily in Roy Thomson chain. Thomson has 49% interest in CKWS-TV & CKWS, Kingston and in CHEX-TV & CHEX, Peterborough, both Ont., Sen. W. Rupert Davies holding other 51%.

ABC Radio and its 4 owned stations joined NARTB this week, giving it 100% network membership and total membership of 1991 as of May 15—composed of 8 networks, 271 TV stations, 1259 AM stations, 332 FM stations, 121 associates.



**A**FTER GRANTING ONE CP — to KWGB, Goodland, Kan., Ch. 10 — FCC dug into backlog of allocations petitions, finalizing some, proposing others. Actions: (1) Ch. 7 was assigned to Laurel-Pachuta, Miss. (2) On petition of KHOL-TV, Kearney, Neb., Commission proposed putting Ch. 6 in Hayes Center, Neb., where KHOL-TV proposes satellite. (3) WMVT will now be identified as Burlington, Vt. station, its Ch. 3 being moved from Montpelier.

CBS's affiliation practices were probed before chief examiner James Cunningham this week in Albany case, wherein off-air WTRI (Ch. 35) charged CBS with anti-trust "conspiracy" in shifting affiliation to WROW-TV (Ch. 41), in which CBS newscaster Lowell Thomas is stockholder.

CBS pres. Frank Stanton testified that he favored WROW-TV because of plans for future outlined by part-owner Frank Smith, Thomas' business mgr.; that Smith was pushing addition of Ch. 10 to area and proposed a Ch. 52 satellite in Amsterdam—while WTRI management was "sluggish." Stanton said that he'd prefer WRGB (Ch. 6) as CBS-TV basic affiliate in area, that a Ch. 10 station would be next choice, regardless who had it—even if it were WTRI.

Stanton said he prefers not to get into affiliation decisions, but has had hand in quite a few—dozen or so last year. Station relations v.p. Herbert Akerberg testified that he began negotiations with Smith after Stanton made decision to affiliate WROW-TV; that he assumed Stanton had weighed relative coverage of the two stations, etc. Stanton said that CBS also plans to affiliate radio WROW. WTRI counsel Paul Porter sought to show that CBS ignored affiliation criteria, as presented to Potter committee last year, by refusing to recognize WTRI's superior coverage, studio facilities, audience response. Stanton insisted he was looking to future, as outlined by Smith.

Another effort to obtain vhf drop-in via low-power route was filed this week. WHBC, Canton, O. petitioned for assignment of Ch. 12, proposing station with 5.4-kw, 300-ft. WHBC said new station would cause no more interference than would a station complying with present mileage rules and operating at full power and height.

KBAK-TV, Bakersfield, Cal. (Ch. 29) petitioned for shift of Ch. 12 from Fresno, making Fresno's Ch. 18 commercial, and asked that KBAK-TV be shifted to Ch. 12.

Other FCC actions: (1) Turned down protest of KWTX-TV, Waco, against power increase granted KTBC-TV, Austin (Vol. 11:18). (2) Granted 6-month extension of CP for Ch. 10, KHTV, Hibbing, Minn. (3) Turned down protests of grantee WMFL, Miami (Ch. 33) and radio WINZ, against transfer of WMIE-TV (now WGBS-TV) to Storer Bestg. Co. (4) Received protest of WKNX-TV, Saginaw, Mich. (Ch. 57) against grant permitting construction of WJRT, Flint (Ch. 12) about 14 mi. from Saginaw.

Postponement of deadline for filing comments in booster rule-making from May 20 to July 21 was requested by RETMA this week, is expected to be granted. RETMA told Commission it has committee working on subject, needs more time.

Revision of protest section of Communications Act was recommended by American Bar Assn. committee on communications, headed by Arthur W. Scharfeld. It urged that FCC's suggested changes be adopted, with additions. Aim is to prevent abuse of section whereby protestants delay unduly the implementation of FCC grants.

Recent power increases: KQTV, Ft. Dodge, Ia. (Ch. 21) to 214-kw ERP; KOAM-TV, Pittsburg, Kan. (Ch. 7) to 245-kw; KTBC-TV, Austin, Tex. (Ch. 7) to 245-kw; KYTV, Springfield, Mo. (Ch. 3) to 100-kw.

**T**HREE NEW STATIONS are due on air within next week or two; all are vhf and in small communities not now having their own TV stations. Two of them, in fact, open up brand new TV markets—KLIX-TV, Twin Falls, Ida. (Ch. 11), and KOTA-TV, Rapid City, S. D. (Ch. 3). The other imminent starter is KLFY-TV, Lafayette, La. (Ch. 10), which is 52 mi. from Baton Rouge with its stations WBRZ (Ch. 2) and WAFB-TV (Ch. 28).

RCA shipped 12½-kw transmitter May 3 to WNDU-TV, Notre Dame-South Bend (Ch. 46), which has July target. Same day 2-kw RCA transmitters went to KSTF, Scottsbluff, Neb. (Ch. 10), planning June start, and to KNTV, San Jose, Cal. (Ch. 11), which recently changed call from KQXI, but hasn't announced target; on May 9, 1-kw transmitter went to KCOR-TV, San Antonio, Tex. (Ch. 41), which has June target.

GE reports order for 5-kw transmitter, 6-bay antenna and studio equipment from WAGE-TV, Marquette, Mich. (Ch. 6), for July delivery, and order for equipment to change from Ch. 61 to Ch. 22, to be shipped to WWLP, Springfield, Mass. within 45 days.

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

WTHS-TV, Miami, Fla. (Ch. 2, educational), which just got CP extension for 6 months, expects to get on air with test patterns "before too long," advises Vernon Bronson, asst. director, Dept. of Radio & TV Education, Dade County Board of Public Instruction. It now has most of GE material needed to convert old WTVJ Ch. 4 transmitter & antenna, with transmitter in Everglades Hotel and antenna on rooftop FM tower. Full-scale programming will be delayed until station finds "kind of educational program which will supply needs and service which cannot be supplied by the commercial broadcasters."

KOTA-TV, Rapid City, S. D. (Ch. 3), now installing 3-bay RCA antenna on 300-ft. Fisher tower formerly used for FM, plans test patterns by May 22, programming between June 15 & July 1, writes gen. mgr. Leo Borin. RCA 500-watt transmitter is wired and ready to go. It has signed with CBS Extended Market Plan, has agreements with other networks. KOTA radio production mgr. Norman Heffron will also function for TV, as will chief engineer Robert Musfeldt. Base rate will be \$150. Rep will be Headley-Reed.

WKRQ-TV, Mobile, Ala. (Ch. 5) plans Sept. start, reports pres. Kenneth R. Giddens. It's working on construction & studio plans now, has GE 35-kw transmitter, 4-bay antenna and studio gear ordered for July delivery. It will be second vhf outlet for city, where owners of New Orleans' WJMR-TV plan to revive WKAB-TV (Ch. 48) as satellite (Vol. 11:19). Rep not chosen.



New uhf antenna, designed for low-power stations and satellites, will be unveiled by Prodelin Inc. at NARTB convention. The low-priced omnidirectional antenna, called the "Cover-Loop," employs plastic tube which houses and weatherproofs the antenna elements. It's available with power gains of 2, 4 & 8, with voltage standing wave ratio better than 1.1 over several uhf channels.

Regulations were amended by FCC this week to require stations to keep records for 2 years on results of performance measurements, auxiliary transmitter tests, requests for time by political candidates, logs of auxiliary & experimental broadcast stations and program & operating logs.

New DuMont transmitters to be shown at NARTB convention include 50-watt Ch. 2-13, 10-kw Ch. 2-6, 20-kw Ch. 7-13, 100-kw Ch. 7-13—in addition to previous line of 500-watt & 5-kw Ch. 2-13, 25-kw Ch. 2-6, 50-kw Ch. 7-13.



**FORECAST OF 'EXPLODING CONSUMER DEMAND':** More predictions of continuing prosperity, both in national economy generally and in TV-radio-electronics specifically, came out of this week's convention of National Federation of Financial Analysts Societies in N.Y. And while the forecasts will be subject to differing applications in each region, enough was said to point the way to robust national economic growth.

Roy Rierson, chief economist of Bankers Trust Co., N.Y., epitomized spirit of optimism at convention. He forecast a 1955 gross national product of about \$375 billion, 5% over last year and 3% above previous record set in 1953. He also predicted "record or near-record" profits for business this year -- "assuming no substantial interruption of output because of strikes."

Outlook for TV-radio-electronics, an increasingly important segment of the national economy, was generally regarded as bullish. At special forum on electrical-electronics, Westinghouse sales v.p. James H. Jewell foresaw an "exploding consumer demand," fed by increasing population, as opening a very large market for electrical equipment of all kinds.

"The explosive expansion of the consumer market," he said, "has affected almost all industries whether they make consumer goods or not, for nearly everything contributes to or ends up as a consumer product." He added that industrial production is increasing about 4% a year, while the use of electrical energy by industry is increasing by more than 6% a year.

Julian K. Sprague, pres. of Sprague Electric Co., quoting study by Stanford Research Institute estimating growth of electronic industry at about 10% per year for next 10 years, said that "by next 7 or 8 years" electronic industry division will be roughly: TV-radio, \$3 billion annually; military electronics, \$3.5 billion; industrial electronics, \$2.5 billion.

Philco pres. James H. Carmine, on basis of expanded economy, revised upward his earlier estimates of refrigerator sales this year from 3,500,000 to 3,700,000 units, figured electric range sales at about 1,300,000; washing machines 3,700,000; air conditioners 1,400,000; dryers, more than 1,000,000.

Journal of Commerce surveyed 242 analysts, reported 30% of them felt stocks of TV-radio-electrical equipment companies would do better than all other groups of businesses in 1955. They placed third as most-preferred securities, exceeded only by rails (preferred by 37%) and chemicals (33%).

\* \* \* \*

Brief highlights of major trade developments this week:

LABOR: Six IUE locals, representing 6000 workers at RCA plants in Camden, Moorestown & Delaware Township, N.J., Cincinnati & Los Angeles, have authorized a strike after midnight June 1 to enforce demands for a 5% general pay increase and guaranteed annual wage. Another IUE local, representing 640 employes at Sylvania's TV-radio plant in Buffalo, has authorized a strike after May 15 unless the company agrees to arbitrate grievance on hourly wage rates. IUE headquarters also warned GE to expect a strike unless a "decent contract" is negotiated by Sept. 15.

FAIR TRADE: Rep. Celler (D-N.Y.), chairman of powerful Judiciary Committee, in surprising turnabout, indicated he would not favor repeal of fair trade laws, as recommended recently by National Committee to Study the Anti-Trust Laws, blue-ribbon panel of experts under Justice Dept. direction (Vol. 11:14). Asst. Attorney General Stanley Barnes, head of Justice anti-trust div., urged committee to consider repeal of fair trade laws, but Celler's remark that such action would be an "awful hard nut to crack" in present Congress makes repeal extremely doubtful, at least this year.

PRODUCTION: TV output declined to year's low of 127,067 week ended May 6, compared to 131,627 preceding week and 151,593 week ended April 22. It was year's



18th week and brought production for year to date to about 2,825,000, compared to approximately 2,100,000 in same period of 1954.

Radio production totaled 286,284 (141,978 auto) week ended May 6, compared to 278,054 week ended April 29 and 275,176 week before. For 18 weeks, production was 5,100,000 vs. 3,525,000 in corresponding period year ago.

RETAIL SALES: Some 1,943,992 TVs were sold at retail in first 3 months, compared to 1,773,427 in record 1954, reports RETMA. March sales were 669,794, compared to 626,613 in Feb. and 505,493 in March 1954. Radio sales at retail in first quarter, exclusive of auto sets, totaled 1,246,038, compared to 1,059,336 in first 3 months of 1954. Auto radio production in the first 3 months this year is placed by RETMA at 1,945,604, nearly all sold at retail. March radio sales, excluding auto, were 451,049 vs. 320,042 in Feb. and 486,034 in March 1954.

**Topics & Trends of TV Trade:** Milwaukee proves that second sets can be sold. *Milwaukee Journal* shows that 20,182 families in its metropolitan area, or 6.8% of total of 276,321 TV families, had second sets as of Jan. That's well above national average of 3.7% estimated in Jan. survey by American Research Bureau (Vol. 11:16).

Milwaukee data is from 1955 *Consumer Analysis* just released by the newspaper. It shows rise of second-set families from 12,194 in Jan. 1954 (4.4% of the 250,545 set owners). Some 43 different makes of sets were represented among the multiple-set families, up from 29 year earlier.

Of the second-set families, an Admiral was purchased by 19.7% as a second set; RCA, 15.6%; Motorola, 11.2%; GE, 10.3%; Philco, 8.2%; Crosley, 2.9%; Emerson & Zenith, each 2.4%; Muntz & Silvertone, 2.1%; Philharmonic & Westinghouse, 1.8%; Hallicrafters, Sentinel, Sylvania & Trav-Ler, 1.5%; Capehart-Farnsworth, DuMont, Magnavox & Tele-tone, 1.2%; miscellaneous, 9%; didn't know, 1.5%

Among the 27,009 Milwaukee families (9.1%) who indicated they planned to purchase a set this year, 35.5% were undecided about brands. Among those who have made up their minds, these brand preferences were listed: RCA, 26.4%; Admiral, 10.4%; Philco, 6.6%; Zenith, 4.6%; GE, 3.7%; Motorola, 3.7%; Sylvania, 2.2%; Emerson, 2%; miscellaneous, 6.8%.

Note: *Journal* is one of 20 newspapers which conducted consumer purchasing surveys in their respective markets. (For list of the 20 newspapers, plus results of survey by *Washington Star* in its market, see Vol. 11:15).

\* \* \* \*

Admiral and Federal Trade Commission officials will confer in Chicago May 16 on possibility of settling FTC's complaint charging misrepresentation in ads claiming its "giant" 21-in. picture tubes provide 20% more screen area than other 21-in. sets (Vol. 11:14, 17). Hearing had been set in Chicago May 17, but Admiral counsel Pope & Ballard set up preliminary conference with FTC attorney Edward F. Downs. Company would not confirm or deny that it was prepared to sign consent judgment in which without admitting guilt, it would agree to discontinue allegedly illegal practices in future. Admiral's answer to complaint noted that company no longer makes the "giant" ad claims -- though maintaining such claims are correct (Vol. 11:17).

Lion Mfg. Co., Chicago, expects to start production in Sept. of \$695 color console using RCA 21-in. picture tube, plus special remote control attachment, says TV mgr. Paul Eckstein. Hallicrafters recently broke with \$695 price on its color set, to be introduced in June (Vol. 11:18).

Alfred Shaw, 54, founder & ex-pres. of Shaw Television Corp., Brooklyn, onetime manufacturers of TV sets & cabinets, died of leukemia May 11.

**Trade Personals:** Arthur L. Milk, Sylvania liaison with Federal agencies in Washington since 1947, elected v.p. in charge of govt. relations . . . T. J. Newcomb, recently succeeded by Edward J. Kelly as Westinghouse TV-radio mgr., retires June 1 after 26 years with company . . . Richard O'Brian promoted to DuMont field sales mgr. for receivers, succeeded as eastern regional mgr. by Robert Cheshire, ex-Hoffman Electronics; A. G. Evans named N. Y. State district mgr., C. J. Molthrop midwest mgr. . . Wm. Bullock, mgr. of sales planning, promoted to sales & merchandising mgr., RCA Victor record div., succeeding Larry Kanaga, now v.p. & operations mgr. . . Thomas B. Moseley, ex-southern district mgr., DuMont transmitter dept., joins Continental Electronics Mfg. Co., Dallas (James O. Weldon, pres.) as director of sales & contract negotiations . . . Matt Soja named Sparton's chief TV engineer . . . Wm. Stroben resigns as Sylvania TV-radio adv. mgr. to join McCann-Erickson . . . Joseph F. Miller promoted to managing director of National Electrical Mfrs. Assn., succeeding Wm. J. Donald, retired . . . Dr. Werner A. Auerbacher promoted to director of Emerson's new govt. projects engineering div., v.p. R. T. Capodanno continuing to head commercial engineering div. . . Charles Golenpaul, Aerovox v.p., elected chairman of Sales Managers Club, N. Y., composed of sales officials of eastern electronic parts & equipment manufacturers, which he organized in 1935 . . . E. A. Tischler returns as adv. director to Hoffman Electronics after 6-month absence, replacing George M. Hakim, resigned . . . W. J. Merrill promoted to Hoffman Electronics south central district mgr., Dallas . . . Thomas Kennedy, veteran N. Y. *Times* science reporter, joins DuMont Labs public relations staff . . . Michael J. Ranalli resigns as DuMont mid-Atlantic sales mgr. . . Wm. Sevy, ex-Arvin & Capehart-Farnsworth, named national field sales supervisor, Crescent Industries.

**DISTRIBUTOR NOTES:** Raytheon has added 25 new distributors in 1955, latest being Radio Specialties Co. Inc., 456 Charlotte Ave., Detroit (Charles Pooch, pres.); Ohio Valley Hardware Co. Inc., 300 Fourth Ave., Evansville (A. J. Becker, pres.); Electric City Radio Supply Co., 1566 State St., Schenectady (Nathan Israel, pres.); Dixie Distributors Inc., 831 N. 19th St., Birmingham (Murray C. White Jr., pres.) . . . Capehart-Farnsworth appoints Roger & Wood Co., 2500 W. 6th St., Los Angeles (Kenneth Rogers, pres.), replacing Graybar . . . Crosley-Bendix appoints Graybar, 327 N. West St., Rochester, N. Y., replacing O'Donnell Distributors Co. . . T. A. O'Loughlin & Co. Inc., Newark (CBS-Columbia) appoints Martin L. Scher as gen. sales mgr., succeeding T. J. O'Loughlin, now merchandising v.p.; Scher is ex-gen. mgr. of CBS-Columbia Distributors Inc., N. Y., onetime gen. sales mgr. of Admiral-N. Y. & Motorola-N. Y. . . McCormack & Co., San Francisco (CBS-Columbia) appoints A. J. Lindholm as exec. v.p. for sales; Karl F. Wettelund named appliance sales mgr.



**U**NDER STUDY at highest govt. levels is "Program for a Political Offensive Against World Communism" submitted by RCA's chairman David Sarnoff as memorandum to President Eisenhower April 5, released May 10. Besides recommending a Strategy Board for Political Defense, equivalent to the Joint Chiefs of Staff, headed by cabinet-rank executive and with a budget up to \$3 billion a year to go on attack in the "cold war," the memo specifically suggests:

"We need in every country, newspapers; magazines; radio and TV stations, consciously and effectively supporting our side. Those that exist should be aided materially to increase their range and vitality; others should be started with our help. The strongest individual anti-Communist voices must be provided with better facilities for making themselves heard in their own countries.

"Mobile film units are already penetrating backward areas. The operation should be enlarged, its message and appeal perfected. In addition, mobile big-screen television units in black-and-white and in color can carry our message. Their very novelty will guarantee large and attentive audiences. Vast regions in Asia and elsewhere, where illiteracy bars the written word and lack of radios bars the spoken word, could thus be reached. To quote the Chinese saying: 'One picture is worth ten thousand words.' . . .

"Mass production of cheap and light-weight receivers tuned to pick up American signals are now feasible. They should be made available by the million at cost or gratis, as expedient, to listeners in critical areas and behind the Iron Curtain.

"There are millions of persons in the world who do not have electric power receptacles, electron tubes, batteries or any of the electrical and mechanical marvels which the free world has and takes for granted. A simple, hand-operated phonograph device costing no more than a loaf of bread, could be produced in quantities and supplied

gratis to millions of persons living behind the Iron and Bamboo Curtains and in other critical areas.

"An unbreakable and intelligible record, made of cardboard and costing less than a bottle of Coca-Cola, could carry our messages to these people. Such records could be dropped from the sky like leaflets and the messages they carried could not be jammed."

Note: At May 11 press conference, President Eisenhower, asked about the Sarnoff memo, stated: "I believe thoroughly in Gen. Sarnoff's general proposition that when you are spending all the money we are for direct defense through security establishments, it is just unthinkable to limit ourselves too much in this whole field of information service that is necessary to a cold war."

And in Senate speech May 11, Majority Leader Johnson (D-Tex.) urged all Americans to read Sarnoff memo, which he said "may well be his greatest achievement." He said document is under study at "very highest" levels of Govt. "It is a monumental work," he added, "deserving the attention of all those who seek to preserve the security of the United States." Johnson inserted full text in *Congressional Record*.

Survival TV network, linking secret White House "dispersal" headquarters with 35 secret places already set up outside Washington, has been set up for use in case of possible enemy attack. Details of closed-circuit hookup are secret, but at least portions of it have been ready for operation for about a year. Joint project of Govt. and several unnamed TV firms, the network would permit President and Defense Dept. to keep in close touch with other branches of Govt. in war emergency. The emergency TV circuit could be tied in with regular TV networks on short notice so President or other govt. officials could report directly to nation. Entire govt. dispersal program is scheduled for 3-day test in mid-June, at which time TV network system is expected to get full-scale test.

**Electronics Reports:** "Think how satisfactory 'wireless' electrical circuitry could be—electricity carried through the home by high frequency electronics instead of by wiring systems! TV will watch the kitchen and the nursery. Cooking by electronics already is being developed. How about starting your car on a cold morning by electronics while having breakfast, first opening the garage door by electronics? Electronic devices will take the hazard and discomfort out of auto travel—steering the car, braking it, and taking over functions subject to human error."

Thus Sylvania chairman-pres. Don G. Mitchell, in leading article in May edition of *The Exchange*, organ of N. Y. Stock Exchange, titled "Electronics—World's Fastest Growing Industry." It's largely devoted to forecasts of industry's 10-year potential, with almost identical statistical data (\$9 billion rate now, \$20 billion by 1964) that was contained in Sylvania finance v.p. W. Benton Harrison's recent address to Philadelphia Financial Analysts, which we published in full text as Special Report with Vol. 11:11. (Note: Extra copies of the Special Report are still available to subscribers.)

\* \* \* \*

Top-level Signal Corps personnel changes as result of elevation of Maj. Gen. James D. O'Connell to Chief Signal Officer: Brig. Gen. Francis F. Uhrhane named chief of research & development, Office of Chief Signal Officer, succeeding Brig. Gen. W. Preston Corderman, now Deputy Chief Signal Officer. Col. Earle F. Cooke, deputy commanding officer, Ft. Huachuca, Ariz. proving grounds, succeeds Gen. Uhrhane as commanding general, Signal Corps Labs, Ft. Monmouth, N. J.

Settlement of 6-year-old anti-trust suit against AT&T may be in the works, Asst. Attorney General Stanley N. Barnes indicated this week. He told House monopoly subcommittee that negotiations are in progress for possible end of suit to split AT&T from its manufacturing subsidiary Western Electric. He said "there are definite defense implications."

RCA introduces 6 geiger counters, "with range, sensitivity and price to meet requirements of week-end and professional uranium prospectors and technicians in medical and industrial laboratory work" at next week's Chicago radio parts show. As yet unpriced, the counters will be merchandised by tube div.

GE dedicates automation plant in Waynesboro, Pa. May 14—190,000-sq. ft. building said to be first plant designed to produce electronic controls for use on mechanized production lines.

RCA Victor Co. Ltd. will build new 50,000-sq. ft. TV-radio-electronics plant at Renfrew, Ont., with production due to begin early next year. It will employ about 450, supplementing Prescott, Ont. plant.

Raytheon is purchasing 210,000-sq. ft. branch plant at South Lowell, Mass., which it has operated under lease since 1952, with 700 employes on classified work.

RCA is entering selenium rectifier market, introducing complete line, for replacement purposes only, at next week's electronic parts show in Chicago.

Lambda-Pacific Engineering Inc. opened new general offices and plant at 14725 Arminta St., Van Nuys, Cal.

Warranty on GE transistors was extended this week from 90 days to full year.



**Financial & Trade Notes:** CBS Inc. gross revenues went up to record \$104,206,067 for 3 months ended April 2 compared to \$90,974,533 for equivalent 13 weeks of 1954—auguring another record year; for all 1954, total was \$373,380,139, up 18.9% from preceding year (Vol. 11:13). Consolidated net income was \$3,892,677, highest first quarter in firm's history, up 36% from the \$2,866,365 of comparable 1954 quarter. Based on shares outstanding before 3-for-1 stock split, the 1955 first quarter earnings were at rate of \$1.60 per share, compared with \$1.22 for same 1954 period; in all 1954, net income was \$11,414,645 (\$4.85). On basis of new stock, 1955 first quarter earnings were equivalent to slightly more than 53¢ a share. Stock certificates for additional shares resulting from the splitup are to be mailed May 20 to stockholders of record April 29. Dividend of 20¢ per share on new stock was declared payable June 10 to holders of record May 27.

Philco sales of \$96,825,000 in first quarter were 15% below the \$113,777,000 in 1954 period but earnings were relatively unchanged at \$2,447,000 (62¢ a share) vs. \$2,438,000 (62¢). Taxes were \$2,785,000 vs. \$4,439,000 year ago. Pres. James H. Carmine said that while unit sales of TVs showed "gratifying" increase this year, trend to lower-priced models reduced dollar volume. Improvement is expected with new fall line, he added. "Our work in the guided missile field for the armed forces is becoming increasingly important," said Carmine. "Research and development on color TV and transistors are continuing at a very high rate in anticipation of the time that these new products will become important commercially."

Admiral's earnings of \$1,238,176 (53¢) in first quarter were 18% under the \$1,504,044 (64¢) earned in first 3 months of 1954. Sales were \$50,034,396, down 11% from \$55,977,563 in first 1954 quarter. John B. Huarisa, exec. v.p. & treas., attributed sales drop entirely to loss of military billings, said company's volume in civilian electronics & appliances was higher than first quarter year ago. He predicted second-quarter sales about equal to last year's \$49,223,936, foresaw 10-20% sales increase in second half over last half of 1954, with "somewhat higher" earnings.

Storer Bestg. Co. has increased quarterly dividend from 30¢ to 35¢, payable June 14 to stockholders of record June 1—applicable to the 788,250 common shares now outstanding as result of public sale of 262,750 shares in April (Vol. 11:14). Regular quarterly 3 1/8¢ dividend was declared on 1,686,500 shares of Class B, of which pres. George B. Storer owns or controls about 88%. Company also has called for redemption on July 1, 1955 all of its outstanding preferred stock, of which 14,500 shares (96.67%) are held by Jefferson Standard Life Insurance Co.

Carl M. Loeb, Rhoades & Co., which claims to control some 20% of DuMont stock and now has partner Armand G. Erpf on its board, has bought large block of stock in McIntosh Laboratory Inc., Binghamton, N. Y., hi-fi manufacturer, founded and controlled by Washington consulting engineer Frank H. McIntosh, which recapitalized last Jan. and placed part of its stock on market (Vol. 11:2).

Muter Co. first quarter sales were \$3,162,000, net profit \$101,687 (14¢ a share) vs. \$3,187,000 & \$111,173 (15¢) same 1954 quarter.

Sales drops: Sparks-Withington first quarter sales \$6,972,162, down from \$8,273,547 same 1954 quarter; Wells-Gardner first quarter \$4,853,923 vs. \$5,655,991.

\* \* \* \*

Dividends: CBS "A" & "B" (new), 20¢ payable June 10 to stockholders of record May 27; Storer Bestg. Co., 35¢ June 14 to holders June 1; Cornell-Dubilier, 30¢ quarterly & 20¢ extra, payable June 24 to holders June 15; Oak Mfg. Co., 35¢ June 15 to holders June 1.

Webster-Chicago Corp. sales for first quarter rose to \$8,321,000 from \$6,899,000 same 1954 period; earnings after taxes were \$192,000 (37¢ a share) vs. \$205,000 (39¢). Pres. N. C. Owen reported company has gone into use of printed circuits to permit machine assembly of amplifiers, making Webcor first phonograph manufacturer using printed circuits in mass production; lamination div. is now fully automatic; production control dept. is now being mechanized; new Webcor of Great Britain Ltd. now being formed as British sales company. All officers were re-elected at recent annual meeting, with treas. Edward R. Johnson elected v.p. and these new v.p.'s named: Charles S. Castle, mgr. eastern div.; Walter F. Herman, director of operations; Henry R. Lezter, gen. sales mgr.; H. Danforth von Jenef, gen. mgr. govt. div. Named controller & asst. treas. was Henry V. Janowicz.

General Electric has displaced RCA as most popular common stock with monthly investment plan investors, reports *The Exchange*. When pay-as-you-go plan for buying stocks was inaugurated in Jan. 1954, RCA took lead, which it held until March 25, 1955 when GE nosed it out (1930 to 1717 plan purchasers), largely result of 3-for-1 split. Dow Chemical ranked third, General Motors fourth, AT&T fifth; among top 50, Westinghouse ranked 13th, Sylvania 41st, only other electronic firms included.

Paramount Pictures Corp. achieved record for any quarter since its domestic theatres were severed in Dec. 1949 when in 3-month period ended April 2 its estimated earnings were \$2,858,000 (\$1.31 per share on 2,190,021 shares) as against \$1,404,000 (63¢ on 2,217,044 shares) in comparable 1954 period.

Republic Pictures, for quarter ended Jan. 29, earned net of \$383,207 (15¢ per share) vs. \$260,937 (8¢) for 1954 period; gross figures unstated.

CBS Foundation Inc., agency for making charitable & educational grants for CBS Inc. and its divisions, this week announced 20 "Class of 1955" grants of \$2000 each, awarded on unrestricted basis to 16 privately-supported colleges & universities that are alma maters of certain CBS executives, both senior and junior. This year's grants total \$40,000 as against \$32,000 last year. Foundation's formula isn't made public but is based on minimum of 30 months of continuous service and promotion to certain levels. The 1955 list: Augustana College, Sioux Falls, S. D., Sig Mickelson; Brown U, Donald I. Ball; Columbia, Jules Dundes & Benjamin F. Feiner; Cornell College, Mt. Vernon, Ia., Earl H. Gammons; Cornell U, Julius F. Brauner & Charles J. Oppenheim; Creighton, Wm. Dozier; Dartmouth, Robt. E. Kalaidjian; Harvard, Sidney S. Alexander, John J. Carol & Edward L. Saxe; MIT, Wm. B. Lodge; Stanford, Richard W. Jencks; U of Chattanooga, Eugene B. Wilkey; U of Detroit, Arthur Hull Hayes; U of Pennsylvania, Guy G. Della Cioppa; U of So. Calif., H. R. Flynn; Wesleyan U, Edw. G. Reeve; Yale, Wm. H. Hylan.

"Among the other candidates mentioned prominently [for presidency of Montgomery Ward] Frank Folsom, president of RCA, is considered by many a choice candidate who would spark enthusiasm and loyalty throughout the Ward organization [which he once quit in disagreement with Sewell Avery]. But it is known he turned down overtures from the Wolfson interests and it is doubted that he would be interested even in an offer from the present management since he has such strong financial ties with RCA."—*Wall Street Journal*, May 13.

GE's Harry F. Mayer has been named as RETMA's representative on executive committee of Radio Technical Commission for Aeronautics, succeeding Knox McIlwain, Hazeltine Corp. Executive committee has 15 members, representing 7 non-govt. organizations and 8 govt. agencies.



**T**HERE'S MANY A SLIP—but it's apparently definite as anything in politics can be that Richard A. Mack, member of Florida Railroad & Public Utilities Commission and v.p. of National Assn. of Railroad & Utilities Commissioners for 1954-55, will succeed Frieda Hennock next June 30 as a Democratic member of the FCC (Vol. 11:19). Florida's Congressional delegation is backing him solidly, and the White House has informed its members that he's currently undergoing usual security checkup. Endorsers of other candidates have been given to understand by the White House that the job is "committed."

Mr. Mack would be the third figure going from a state utilities commission to FCC, others having been Chairman George McConaughy and John Doerfer, both Republicans and ex-chairmen of their respective Ohio & Wisconsin commissions. Both know Mr. Mack, who has served on the Florida board since 1947 (as chairman, 1951-52).

The Florida Senators describe him as able, personable and a "sound business man." He is 46, and friends term him "warm-natured." A native of Miami, he was graduated from its public schools, attended Northwestern Military Academy in Wisconsin, was graduated in 1932 from U of Florida school of business administration. He's a Protestant, member of Sigma Nu and of Blue Key honorary society. His wife is the daughter of Col. W. F. Stovall, a Tampa pioneer who founded the *Tampa Tribune*, and they have an 8-year-old daughter, Susan.

Mr. Mack went into the insurance business in Tampa in 1932, returned to Miami in 1935 to join General Motors Acceptance Corp. In 1940, he became credit mgr. of Hector Supply Co., Miami, which he left to become a second lieutenant of infantry. He served until 1946, much of the time in Washington, leaving the army as a lieutenant colonel. He was secy. of Port Everglades Rock Co., Ft. Lauderdale, until 1947 when Gov. Caldwell appointed him to the state commission, to which he was elected in 1948 & 1952. His present term expires Dec. 31, 1956.

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Beg-leave-to-disagree dept.: Obviously relishing the publicity, Teleprompter chairman Irving Kahn writes Sen. Neuberger (D-Ore.) to object to his bill S-1909 requiring that audience be told when a political speaker is using a cueing device (Vol. 11:19). According to Kahn, mike, control room & transmitter might just as well be considered "artificial aid" which bill says "could be said to mislead the public." Such a law (which obviously hasn't the proverbial Chinaman's chance), in Kahn's words, might "foreclose from consideration some of the nation's most competent political talent who thus far have remained in the background because public speechmaking and TV & radio appearances seem to be so arduous." He suggests Teleprompters might be useful in the halls of Congress.

TV applications on file with FCC now total 157, of which 15 are for uhf stations. This week saw one new application, for Ch. 14 in Owensboro, Ky. by owners of WVMC, Mt. Carmel, Ill., and WIZZ, Streator, Ill. [For details, see *TV Addenda 20-R* herewith; for complete listings of all grants, new stations, applications, etc., see *TV Factbook No. 20* with Addenda to date.]

Private microwaves should be authorized to stations for the present, CBS recommended to FCC this week, suggesting that 4-year amortization period be established. CBS also questioned whether AT&T's proposed 3-year contract period for new off-air service (Vol. 7, 9, 14) would be fair to stations in view of fact that network contracts are for no more than 2 years.

President Eisenhower's address to NARTB convention in Washington May 24 will be televised live by NBC-TV 11:30-11:45 a.m. as part of *Home* show; CBS will carry it on film 5-5:15 p.m.

Avco chairman-pres. Victor Emanuel, v.p.-director James D. Shouse and Crosley Bestg. Corp. pres. Robert E. Dunville all unequivocally denied this week's story (in *Variety*) intimating that the 4 Crosley TV stations are up for sale. Even WLWA, Atlanta, is not for sale, it was stated, although it admittedly isn't as profitable a property as Crosley's WLWT, Cincinnati; WLWD, Dayton; WLWC, Columbus—to say nothing of radio WLW. Formal statement came from Mr. Emanuel: "Avco has no intention whatsoever of selling any of its present properties, either radio or TV. Avco is not negotiating for their sale at present, has not done so in the past, and has no intention of selling any of these properties at any time in the foreseeable future. Indeed, Avco is in the market to build or buy another TV station, and has had an application [for Ch. 13] in Indianapolis for some time."

John Cowles, publisher of *Minneapolis Star and Tribune*, which owns 47% of WCCO-TV there, is still negotiating for purchase of KTVH, Hutchinson, Kan. (Ch. 12), deal understood to depend largely on CBS affiliation contract; it's CBS outlet for Wichita area, owned in part by J. P. & Sidney F. Harris, who publish *Hutchinson News-Herald*, by Bess Wyse, owner of 250-w KWBW, Hutchinson, and by gen. mgr. Howard O. Peterson. Cowles interests also own KVTU, Sioux City, Ia. (Ch. 9), hold majority of CP for upcoming KRNT-TV, Des Moines (Ch. 8), and operate radio WNAX, Yankton, S. D. and KRNT, Des Moines.

Oklahoma City's KTVQ (Ch. 25), second uhf in 2-uhf city to run into fiscal troubles and now operated by trustees (Vol. 11:14), will be taken over under National Affiliated Television Stations (NATS) auspices shortly as one of its first projects in GE-supported program to aid distressed stations (Vol. 11:12). Consultant Robert Purcell, of Los Angeles, has been called in and new management is planned, pres. John Esau having resigned to join *Television Age*. KTVQ has been on air since Oct. 1953. City's other uhf, KMPT (Ch. 19) went off air Feb. 3 after 15 months of operation.

WMFJ, Daytona Beach (250-watts, 1450 kc, ABC) is being sold for \$40,000 by W. Wright Esch, who wishes to devote all time and resources to construction of upcoming WMFJ-TV (Ch. 2), of which he is pres. & 40% owner. Buyers are Harold Kaye & Emil J. Arnold, who together own 50% of WORC, Worcester, Mass. and recently acquired like amount of WLOW, Portsmouth, Va. from former owners of WTOV-TV, Norfolk (11:15). WMFJ-TV target is next July.

FCC rules covering type acceptance and certification of equipment (Vol. 11:2, 6) were amended this week, Commission following recommendations of RETMA in regard to definitions, speed of FCC approval, technical data required, changes in equipment permitted, etc. Amendments are in Public Notice 55-547, Mimeo 19038, available from Commission or from us.

Television System of Mexico, formed by recent merger of Azcarraga-O'Farrill interests (Vol. 11:15), is reported building Ch. 11 satellite in Cuernavaca, which will repeat programs of XHTV, Mexico City (Ch. 4). It's also planning Ch. 3 outlet in Guanajuato area, scheduled to repeat XEW-TV, Mexico City (Ch. 2).

Headquarters of *Television Digest* during NARTB convention will be Suite D-615-17, Shoreham Hotel. Visitors are cordially invited. Note to subscribers: If you want your May 21 copy left in your hotel box, drop us a note.



MARTIN CODEL'S

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

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# Television Digest

with **ELECTRONICS REPORTS**

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## SUMMARY-INDEX OF THE WEEK'S NEWS—May 21, 1955

**TV IN 10 YEARS:** \$3.5 billion gross billings, 1000 stations, 65,000,000 sets-in-use, color dominant, picture-on-wall receivers, 7-8,000,000 yearly set sales (p. 1).

**VIGOROUS STAND AGAINST PAY-TV** taken by CBS and ABC, as tide of public's letters to FCC turns against subscription TV 4-to-1 (pp. 3 & 4).

**YEAR'S NEW STARTERS** probably won't total more than 50, with only 30 or so yet to come; stations which plan to begin before year's end are listed (p. 4).

**NBC-WESTINGHOUSE SWAP** would exchange WPTZ & KYW, Philadelphia, for WNBK & WTAM, Cleveland, with NBC paying additional \$3,000,000 cash (p. 5).

**THE FCC WEEK:** KSLA goes to Shreveport TV Co. in final decision; Ch. 12 granted in Bismarck, N. D.; deintermixture comments filed for 4 cities (p. 6).

**GE-BACKED NATS** lines up 19 stations, discloses terms of one uhf deal; Doherty says only 12-15 uhfs are profitable, most post-freeze vhfs losing (p. 7).

**REPEATS OF TOP SHOWS** strongly supported by ABC's Bob Kintner, who plans to run kines of best U. S. Steel dramas; cites experience of Disneyland (p. 8).

**TOP EXECUTIVES CHANGE JOBS**—Bonfig to CBS, Gifford to Crosley, Cromer to Mognovox, Holpin to Westinghouse; bottle for distribution indicated (p. 11).

**PARTS MAKERS** see good business rest of year for TV set manufacturers; annual electronic components show dominated by high-fidelity (p. 12).

**430 STATIONS ON AIR**, latest starter being WFRV-TV, Green Bay, Wis. vhf, controlled by former uhf operator; more upcoming stations report on plans (p. 9).

**NEW UHF TRANSMITTER** for megowatt installation shown by RCA, simplified circuitry and new tubes cutting initial cost by 25%, operating costs up to 50% (p. 9).

**LIVE COLOR SCANNER**, developed by DuMont as low-cost camera substitute, produces excellent color by applying flying spot techniques to live programming (p. 10).

**TESTIMONY ENDS IN LAMB CASE**, 8 months after hearings began; final decision not due for several months. Mrs. Notvig convicted of lying to FBI & FCC (p. 15).

**SET CENSUS PROJECT** still for off, some research experts saying they think it will die oborning; Politz still testing for NARTB (p. 16).

**NEXT TV DECADE—WHAT CRYSTAL BALL SHOWS:** Exactly 10 years ago this week, on May 25, 1945, the FCC (Paul A. Porter, chairman), as part of an all-inclusive proceeding to allocate the spectrum to various services, called for industry comments on a proposed allocation of TV channels and proposed rules & standards. Six months later, Nov. 21, 1945, the first "final" allocation was promulgated.

The rest is history, and the anniversary is being celebrated at a dominantly-TV convention of NARTB and, incidentally, by ourselves (10th year of publication).

Most striking fact about the 10 years of fantastic development, most of it coming during the last 5 years because of the initial inertia of broadcasters toward the seemingly profitless new art, is that it has wrought a deeper revolution in the life of America than did radio in all its 35 years.

It has achieved much greater dollar volume, too, now ranking third among all advertising media (Vol. 11:15), exceeded only by newspapers and direct mail. Telecasting in all facets now represents at least \$1 billion of a national advertising budget that ran \$8.15 billion last year; the business of set-making, selling & servicing last year represented a retail value of \$2.2 billion (Vol. 11:2) and this year should run about the same; the rest of electronics, growing out of the same basic principles and involving vast military expenditures, runs well over \$6 billion.

What about the next 10 years? Consulting the best authorities we know, drawing upon our own records, adducing from current facts and trends and logic, frankly avoiding prognosis on such incalculables as uhf and subscription TV -- and fully aware we're going out on quite a few proverbial limbs -- this is what we foresee:

The Business of Telecasting, 1965: Advertisers will spend \$3.5 billion on TV annually, as against about \$1 billion now -- that sum covering time sales, talent, production, everything. This figure is based on 3 assumptions: (1) That the Gross National Product, or value of all goods & services, will reach \$535 billion by 1965,



as estimated by Congress' Joint Committee on the Economic Report, up from a current rate of \$370 billion officially reported by the Commerce Dept. this week. (2) That total advertising expenditures will rise another percentage point over next decade -- to 3.25% of GNP as against 2.26% in 1954 and 1.34% in 1945. (3) That TV's take of all advertising expenditures will go from last year's near 10% (Vol. 11:15) to 20%. All figures are in terms of value of the dollar in 1953, as used by Joint Committee.

The Business of Broadcasting, 1965: U.S. radio homes today total 46,600,000, virtually 100% saturation. There are about 90,000,000 home sets and 30,000,000 auto sets. By 1965, with 58,000,000 homes, there ought to be at least 100,000,000 home and perhaps 50,000,000 auto sets. Radios are cheap today, will be all-transistorized and cheaper later, and rate of home set output should be at least 8-9,000,000 annually. While most of the 2700-odd AM stations and 550 FM stations may be able to survive, on basis of their low operating costs and cheap rates for size of audience served and returns produced, it's doubtful whether 4 live radio networks can do so. It's questionable, too, whether radio can maintain the \$608,100,000 level it enjoyed in 1954, down 3.3% from 1953 (Vol. 11:15). Though the parent radio may eventually be separated from its TV offspring, whether voluntarily or by FCC fiat, radio always will be with us -- in home & workshop, in vehicles, in our pockets, on our wrists. And, powered by tiny long-lasting batteries, it won't have to plug into wall outlet.

\* \* \* \*

Sets-in-Use, 1965: 65,000,000 or more in 58,000,000 homes, as against some 35,000,000 in 47,000,000 homes now. The estimated number of homes is based on Census Bureau formula that they're increasing at rate of a little more than 1,000,000 a year. About 60% of all sets-in-use will be color, though production by that time should be virtually entirely color. All programming will be in color, whether network or local, live or tape; black-&-white sets will gradually be relegated to the back room, basement or children's room.

TV Receiver, 1965: Will be picture-on-wall set, with controls and chassis in relatively small cabinet or panel at chairside. Size of flat, wall-mounted screen will be limited only by viewer's preference -- and picture will be produced by electro-luminescence. Entire circuit will be tubeless, printed circuit, completely transistorized, miniaturized -- and automatically produced. As for repairs, once the trouble is located, set will be as easy to fix as changing a light bulb. Portable battery-powered 21-in. color set may measure only about 3-in. deep, weigh 5-10 lb., be as easy to carry as a briefcase. Average retail price may be little more than \$200. Average price of a TV set now is about \$180.

TV Trade Volume, 1965: 7-8,000,000 sets will be sold annually, as now, mainly replacements or second sets, at factory value of about \$1.5 billion which alone will represent some \$2.25 billion in retail trade; plus a servicing bill of \$750,000,000 or thereabouts. Thus, the over-all consumer expenditure will be about \$3 billion out of an estimated total "electronics economy" of \$20 billion (Vol. 11:11).

Telecasting Structure, 1965: About 1000 stations, some of them satellites & boosters, providing a signal to every home in the land, linked by 3 "live" networks as we know them today, with TV tape replacing film and "tape networks" as common as radio's transcription & record services. Directional antennas and small-coverage stations will be shoe-horned into the spectrum to serve local areas on a basis comparable with radio's 250-watters -- and "area" stations will reach out much farther into sparsely settled regions, employing many times the power in use today.

\* \* \* \*

So much for the basic structure, the economics, the receivers. Other aspects:

Transmitting & Studio Equipment: Simpler, more compact, cheaper, more powerful, with portable color camera and associated equipment as easy to handle as film camera, and associated equipment no bigger than sound recorder. Transmitters will use big brothers of the transistor and consume much less power. Remotes will be as simplified as in radio.

Station Rates: Top rate per hour about \$10,000-\$12,000, with NBC & CBS keys in N.Y. (present base rates, \$6200 & \$6000, respectively) leading the way by upping gradually, as now, based on saturation and the powerful pull of color commercials.



Station Values: Key stations in major markets will be big business in every sense of the word, valued more highly in many places than local newspapers. On the basis of gross revenues (now \$20,000,000 or more at N.Y. keys) and net earnings (now 40% and better at some stations), it won't be surprising to see stations sell for as high as \$25,000,000. Record to date: \$9,750,000 for WDTV, Pittsburgh (now KDKA-TV).

Theatres vs. TV: If fee-TV clicks, not much chance for most theatres, certainly not the neighborhoods. The legitimate theatre is already all but dead outside the very big cities. Movie theatre exhibition will be limited to big-budgeted first-run features only, and moviegoing will be an "event" like going to a Broadway play, the opera, championship fight, Kentucky Derby, etc.

International TV: Relays to and from Europe and Latin America will be commonplace, but exchanges will be on delayed tape basis more often than live because of time differentials. Technical standards will differ, but U.S. standards will dominate, as now. Foreign TV stations, now totaling only about 150 (TV Factbook No. 20), will increase many fold until few countries are without TV -- with U.S., British, Dutch, German and Japanese factories main competitors for the business.

**'FALSE PROPHETS' OF PAY-TV ATTACKED**: Recognizing that the chips are down on toll TV, the once-silent networks and stations (Vol. 11:9), CBS particularly, have mounted a full-scale assault on the concept of pay-as-you-look TV.

Both CBS pres. Frank Stanton and ABC chairman Leonard Goldenson broke their silence this week, though their attitude has been known for some time (Vol. 11:14), while the strong antipathy expressed 2 years ago by RCA-NBC chairman David Sarnoff (Vol. 9:18) still stands.

Stanton's scathing attack was delivered at meeting of CBS affiliates in N.Y. May 19 -- and affiliates promptly voted 107-2 to endorse CBS's position.

Stanton's denunciation was keyed to same theme running through letters currently being received from public by FCC -- that pay-as-you-look TV "would highjack the American public into paying for the privilege of looking at its own TV sets."

Striking reversal in sentiment is disclosed in this week's bale of mail delivered at Commission. Until this week, comments were running about 5-to-1 in favor. This week's batch is about 4-to-1 against -- though total is still in favor (about 9000 to 3000). Chances are that a few more weeks will bring totals neck-and-neck. Volume of letters is obviously a matter of promotion & publicity, and study of mail shows that much of opposition was stimulated by exhortations of Alfred Starr during his recent NBC-TV debate with Zenith's H.C. Bonfig who, incidentally, just became a CBS executive (see p. 11). This seesawing by public shows why FCC and staff tell us they're "unimpressed" by mail volume, calling it "results of promotion" (Vol. 11:20).

Stanton's remarks to affiliates, to be amplified upon in formal comments to be filed with FCC June 9, are likely to provoke serious attention at Commission, particularly when he says:

"We could expect to operate profitably under a system of pay-TV. With our programming know-how, facilities and experience, we regard it as more than probable that we would earn our share of the billions of pay-TV dollars. But this is not where CBS believes its best interests lie.

"We are proud of of the progress the broadcasting industry has made in establishing a nationwide free TV service. The pay-TV promoters have continuously predicted the failure of free TV at every point of its development; that it could never support itself without direct tribute from the public. They made these false prophecies 25 years ago and, as recently as 1946 the president of Zenith Radio Corp. flatly stated 'the advertisers haven't sufficient money to pay for the type of continuous programs that will be necessary to make the public buy TV receivers by the millions.' Today there are 36,000,000 TV sets in daily use. Unlike these false prophets, we set no limits to the increased and continually increasing service to the public of free TV."

(For more of Stanton's statement, for Goldenson's remarks and for other subscription-TV developments, see p. 4.)



**FEW NEW STARTERS NOWADAYS, WHAT'S ON TAP:** Only 21 new stations have gone on air thus far this year -- and it looks like only about 30 more will make it before year ends. Six more are due in Canada. Off the air this year to date went 16 -- 14 uhf, 2 mergers of time-sharers -- making 44 mortalities altogether since TV began.

So it looks like the rush for the precious TV channels has slowed to one-a-week rate from onetime one-a-day, the slowdown dictated by economics and competition for the more desirable channels. The 1954 figure of 101 new starters, the 231 of 1953, aren't likely to be repeated.

This year should end, assuming few more mortalities and some revivals, with something like 460 stations on the air. Total now is 430 (see TV Addenda 20-S).

CPs still outstanding number 181 (59 vhf, 122 uhf), of which 28 were granted this year (Hilo & Wailuku satellites of KGMB-TV being already on air) -- and a few more CPs may be expected. Applications pending for new stations total 155 (140 vhf, 15 uhf). But a close scrutiny of the records, especially of promised starting dates of CP holders, checked against known equipment shipments and/or orders, bring us to an actual figure of 34 would-be 1955 starters as of this writing.

These are the stations due on air before end of 1955 and their own stated starting times; we can't vouch for accuracy or completeness of the list, inasmuch as there's many a slip between promise and performance and there may be some new grantees before year is out, as well as revivals of some now off-air stations:

KLFY-TV, Lafayette, La. (Ch. 10). May.  
KOTA-TV, Rapid City, S. D. (Ch. 3). May.  
KLIX-TV, Twin Falls, Ida. (Ch. 11). May.  
KSTF, Scottsbluff, Neb. (Ch. 10). June.  
KCOR-TV, San Antonio (Ch. 41). June.  
WNDU-TV, Notre Dame-South Bend, Ind. (Ch. 46). July.  
WFLB-TV, Fayetteville, N. C. (Ch. 18). July.  
KBST-TV, Big Spring, Tex. (Ch. 4). July.  
WXEX-TV, Petersburg, Va. (Ch. 8). July.  
KRNT-TV, Des Moines (Ch. 8). Aug.  
WCTV, Thomasville, Ga. (Ch. 6). Aug.  
KFJZ-TV, Fort Worth (Ch. 11). Aug.  
KTRE-TV, Lufkin, Tex. (Ch. 9). Aug.  
WHIS-TV, Bluefield, W. Va. (Ch. 6). Aug.  
WJRT, Flint, Mich. (Ch. 12). Summer.  
WCBI-TV, Columbus, Miss. (Ch. 4). Summer.

KFJI-TV, Klamath Falls, Ore. (Ch. 2). Summer.  
WHTN-TV, Huntington, W. Va. (Ch. 13). Summer.  
WTHS-TV, Miami (Ch. 2, educational). Summer or Fall.  
KOKE, El Paso (Ch. 13). Summer or Fall.  
WKRQ-TV, Mobile, Ala. (Ch. 5). Sept.  
KORA-TV, Sacramento, Cal. (Ch. 3). Sept.  
WTTW, Chicago (Ch. 11, educational). Sept.  
KTBS-TV, Shreveport, La. (Ch. 3). Sept.  
WTWV, Tupelo, Miss. (Ch. 9). Sept.  
WITN, Washington, N. C. (Ch. 7). Sept.  
WAIQ, Andalusia, Ala. (Ch. 2, educational). Fall.  
WILL-TV, Champaign-Urbana, Ill. (Ch. 12, educational). Fall.

WCBC, Anderson, Ind. (Ch. 61). Fall.  
WOSU-TV, Columbus, O. (Ch. 34, educational). Fall.  
WDBJ-TV, Roanoke, Va. (Ch. 7). Fall.  
KDLO-TV, Florence, S. D. (Ch. 3). Fall.  
WSPA-TV, Spartanburg, S. C. (Ch. 7)\*.  
WBLK-TV, Clarksburg, W. Va. (Ch. 12)\*.  
  
Canadian  
CJON-TV, St. John's, Nfld. (Ch. 6). July.  
CBOFT, Ottawa, Ont. (Ch. 9). Summer.  
CKVR-TV, Barrie, Ont. (Ch. 3). Sept.  
CKRS-TV, Jonquiere, Que. (Ch. 12). Fall.  
CHLT-TV, Sherbrook, Que. (Ch. 7). Fall.  
CKNX-TV, Wingham, Ont. (Ch. 8). Fall.

\* Held up by litigation.

**C**RUX of CBS's **OPPOSITION** to pay-as-you-look TV, as expressed by pres. Frank Stanton this week (see p. 3), was that it would discriminate against those who cannot afford to pay. Here's how he phrased his objections:

"Pay-TV promoters say they would be satisfied if they got \$100 a year from the average family. On this basis, today's TV audience would pay some \$3½ billion a year—more than it pays for shoes or doctors or electricity—for viewing far fewer programs than it now watches without charge. This is 3 times the amount now being paid by the public for all spectator admissions.

"Under the present system of American TV, no set owner is deprived of a program because he is not as prosperous as his neighbor. But, once the turnstile of pay-TV is placed in the living room, the families who rely most on TV for their entertainment and information would be hit the hardest because they would be the ones who, for economic reasons, would have to restrict their viewing most severely. TV would no longer belong to all the people all the time . . .

"If this scheme is authorized and becomes generally established, pay-TV would be able to bid away from free TV every kind of program the public now enjoys. For example: For viewing the World Series at home, a tribute of some \$6,000,000 per game would be levied on the public if each family which watched the Series in 1954 were forced to put up the modest-sounding sum of 50¢ for each game. Thus the people would pay 15 to 25 times as much

as is now being paid by the sponsors who bring them the games free.

"If only 5% of the families who now watch Ed Sullivan's *Toast of the Town* would pay only 50¢ each to see the show, they would spend \$375,000—2½ times as much as the sponsor now pays to bring it to the public free. The other 95% would then have the 'free choice' that pay-TV promoters want to give them: the free choice of not watching *Toast of the Town* or paying to see it. It's the old story of letting the camel get his nose into the tent . . ."

\* \* \* \*

Stanton's vigorous stand raises question whether CBS will use its own facilities to fight toll TV. CBS has asserted networks' right to editorialize, exercising this right during McCarthy censure hearings last year and claiming that TV-radio should have freedom to cover such public matters as the hearings (Vol. 10:35).

Current letters from public to FCC reflect almost exactly the same thinking as Stanton's. There are now almost 40 volumes of letters and cards. Picking one of this week's at random, we counted 282 expressions against toll TV, 66 in favor. Typical phrases: "We paid \$200 for our set and can't afford to pay for programs, too; we're satisfied with today's programs." "We're still paying for our set. Poor folks can't pay any more." Among recent letters supporting toll TV are those of poet-writer Carl Sandburg and playwright Robert Sherwood.

AB-PT chairman Leonard Goldenson confined his opposition to brief remarks during stockholders meeting in N. Y. this week, saying: "Basically, it was concluded that, at the very least, paid and free TV could not co-exist



without resulting in a great loss to the viewer of the availability of varied types of TV programming, and that paid TV would not be in the general public interest and would not be a proper use of a public franchise."

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American Civil Liberties Union's TV-radio panel has apparently given considerable thought to subject, recommending to whole ACLU that pay-TV be given a trial under these conditions: (1) Carry no commercials. (2) Limited to city with 2 or more channels. (3) For fixed period. (4) Guarantee that programs will offer something not now available.

Despite enormous publicity, precise idea how pay systems would work isn't well understood. For example, *Washington News* TV columnist David Reque started poll this week, asking readers to answer "yes" or "no" to this question: "Should channels be allocated for programs you would have to pay to watch?" Here's how he described paid operations:

"One channel, or maybe more, of those now inactive on your set would be allocated to toll-charge telecasting. Unless you paid to watch its programs, either through a coin machine installed on your set, or by paying a subscription, the picture on these channels would be 'scrambled'. But you'd still have the no-pay channels you now watch." Many others have same misconception—that toll TV would be confined to channels not now used, rather than delivered over presently operating channels.

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Zenith will demonstrate its pay system during NARTB convention in Washington (Vol. 11:19) part-time on closed-circuit, part-time using facilities of WMAL-TV which obtained FCC approval for 8 a.m.-12:30 p.m. tests daily May 21-June 20. Commission stipulated that "these tests shall avoid any action which may create public impression that FCC has or will approve any system of subscription TV." Comr. Webster dissented, telling us: "I think this is premature and improper under these conditions. I think the proper place for demonstrations is during a hearing—so that it can be put on the record. I have no objections to experiments, however."

How much would viewers pay to watch? Interesting comment is given by Martin F. Malarkey, pres. of National Community TV Assn. and operator of systems serving some 7000 homes in Pottsville, Minersville & Schuylkill Haven, Pa. He has had some 5 years experience charging subscribers \$3.75 monthly, giving them choice of 3-5 signals. He says: "If a subscriber had the pay-TV programs added to his bill, I think he'd buy \$1-\$1.50 worth weekly. If he put coins in a box, received no bill, he might go to \$1.50-\$2 weekly."

Sports promoters' enthusiasm for subscription TV got fishy eye from veteran *Washington Post* sports columnist Shirley Povich. Deploing "pay-through-the-nose TV," he wrote: "On a pay-TV basis, baseball could wind up as a game only for the TV screens, minus the noise and hurly-burly of the ball parks. The players would get paid handsomely, the owners would reap big profits, there would be no parking problems and not much fun."

Among organizations taking stand against tollvision recently are national American Legion and Central Trades & Labor Council of Greater N. Y. Chicago City Council, which on April 21 unanimously voted in favor, has now decided to send resolution back to committee.

And veteran broadcaster Edgar Kobak, former MBS president now operating WTWA, Thomson, Ga., said there should be subscription radio if there's going to be subscription TV. Pay radio was pushed at FCC before World War II by Muzak—and Commission is said to have come close to authorizing it.

WESTINGHOUSE will get back \$3,000,000 cash of the \$8,500,000 price it paid Philco just 2 years ago for WPTZ, Philadelphia (Ch. 3) as result of swap deal concluded this week with NBC whereby it takes over network's WNBK, Cleveland (Ch. 3) with radio WTAM (50-kw, 1100 kc) in exchange for WPTZ with radio KYW (50-kw, 1060 kc)—exactly as forecast here last Feb. 12 (Vol. 11:7):

"It's an open secret that the network and Westinghouse have been dickering and that Westinghouse is pursuing a policy of owning stations in areas where it has big manufacturing operations. That was one reason given for paying record \$9,750,000 to DuMont recently for its WDTV, Pittsburgh (Ch. 2), now KDKA-TV . . . it's good guess there will be an added quid pro quo on NBC's part in consideration of fact that Philadelphia area stands 4th, Cleveland 10th in U. S. Census Bureau market rankings."

WPTZ (base rate \$2500 an hour) grossed slightly in excess of \$5,600,000 last year, KYW about \$1,000,000; gross of WNBK (base rate \$1300) is said to have been around \$4,000,000, WTAM also about \$1,000,000. Cleveland topkicks Lloyd Yoder, Wm. Davidson & Theodore Walworth Jr. will probably go to Philadelphia; WPTZ mgr. Roland Tooke and KYW mgr. Frank Tooke (no kin!) are tentatively slated for Cleveland.

NBC's parent RCA, with main plant in Camden and others scattered throughout area, is reputed to be largest employer in Philadelphia area. Westinghouse has big operation there, too, but is also a major factor in Cleveland and has its huge appliance plant in Mansfield, O. Emphasis on plant locations gives rise once again to speculation that Westinghouse will seek its fifth station in Baltimore—presumably WAAM (Ch. 13), which would give it one ABC affiliation as well as the CBS affiliation it has in San Francisco in addition to 3 NBC affiliations.

Westinghouse is still trying to win Ch. 8 in Portland, Ore., where it also has factory, but initial decision favors North Pacific TV group (Mrs. Scott Bullitt). If company misses out in Portland, it won't be surprising if it either applies for a new uhf there or undertakes to buy Storer's KPTV, for pres. Chris Witting has stated that his company plans to join the uhf swim under suitable conditions.

NBC has given up efforts to buy *San Francisco Chronicle's* KRON-TV (Ch. 4), its affiliate there, whose 2-year contract was recently renewed. Network is still awaiting FCC action on projected purchases of 2 uhf stations—WBUF-TV, Buffalo (Vol. 11:9, 11) and WKNB-TV, New Britain-Hartford (Vol. 11:2). It has no intention, said a spokesman, to drop uhf ownership plans.

Merger in Jackson, Miss. was approved by FCC this week (Vol. 11:16), city's uhf WJTV (Ch. 25) to go off air, its ownership (same as *Jackson Clarion Ledger*) to acquire 40% of WSLI-TV (Ch. 12) for \$176,000. Owners of WSLI-TV will in turn pay \$175,000 for physical facilities of WJTV, adopt WJTV call letters. Standard Life Insurance Co. owns 32.4% of WSLI-TV, T. B. Lanford 13.8%, L. H. Sepaugh 13.8%. Also approved this week was deal whereby J. Albert Dear (*Sedalia Capital and Democrat*) will eventually own 50% of Milton J. Hinlein's KDRO-TV (Ch. 6) & KRDO, Sedalia, Mo. (Vol. 11:18).

Network members of NARTB radio board elected this week: Charles T. Ayres, ABC v.p.; Arthur Hull Hayes, pres., CBS Radio; Charles R. Denny, NBC v.p. for owned-&-operated stations and spot sales.



**Personal Notes:** Sidney M. Markley, v.p. & asst. to pres., elected a director of American Broadcasting-Paramount Theatres Inc., succeeding the late Herbert Schwartz . . . Robert H. Salk, ex-gen. mgr. of Katz Agency's now discontinued Station Films Inc., on Aug. 1 becomes sales mgr. of Screen Gems Inc. . . . Frank P. Schreiber, gen. mgr. of WGN-TV & WGN, Chicago, elected v.p. of WGN Inc., now headed by J. Howard Wood, *Chicago Tribune* business mgr. who succeeded the late Col. Robt. McCormick as pres. . . . Robert Dale Martin promoted to director of CBS-TV talent & casting dept., N. Y., succeeding Milo Frank, now holding same job in Hollywood . . . Harold R. Wettersten, from WBKB sales, promoted to sales mgr. of ABC-TV central div., Chicago, under newly appointed director James W. Beach . . . Sylvia D. Kessler, who resigned as chief of FCC Office of Opinions & Review about 2 years ago to join Cohn & Marks, has left that firm to open her own law offices shortly . . . Brendan McInerney, asst. to FCC gen. counsel Warren E. Baker, resigns as of June 1 to practice law in Rochester, N. Y. . . . Edgar W. Holtz, asst. city solicitor of Cincinnati, June 27 becomes asst. chief of FCC's Office of Opinions & Review, reporting to chief John Fitzgerald . . . Sydney Rubin, NBC mgr. of licensing, joins Kagan Corp., now NBC-owned, to which operations of NBC Enterprises' licensing div., headed by administrative v.p. J. M. Clifford, have been transferred; Edward L. Justin is operating v.p. . . . Oliver S. Gramling, asst. gen. mgr. of AP in charge of TV-radio services, elected pres. of Journalism Alumni Assn., Columbia U, from which he was graduated in Class of 1927 . . . Wayne C. Oliver, TV-radio editor of AP, joining *Television Magazine* Aug. 1 as exec. editor . . . Jay Hoffer, ex-WJAR-TV, Providence, named adv. & promotion director of WABC-TV & WABC, N. Y. . . . Norman J. Ostby, Don Lee v.p. in charge of station relations, Hollywood, elected pres. of Southern Calif. Bestrs. Assn., succeeding Robert J. McAndrews, v.p. of John Poole Bestg. Co., Hollywood . . . Frank Crosiar promoted from U of Notre Dame's recently acquired radio WHOT to local sales development director of its upcoming WNDU-TV (Ch. 46), due in July . . . Dean Craig promoted from exec. producer to program mgr. of KRCA, Los Angeles . . . Don Bishop promoted to publicity director of NBC's owned TV-radio stations & spot sales div. . . . G. W. (Johnny) Johnstone, TV-radio director of NAM, leaves Washington after NARTB convention for month's transcontinental business trip . . . George W. Brett, Katz Agency v.p., elected a director of Television Bureau of Advertising; Lloyd Griffin, Free & Peters v.p., named chairman of membership committee for northeast . . . Robert J. Burton, BMI v.p., elected pres. of Radio & TV Executives Society of N. Y. . . . Gordon Lawhead promoted to sales service director of WHBQ-TV, Memphis, with Wilson Northercross succeeding him as program director and Mark Forrester taking over as production director from Northercross . . . Ray Gallagher, ex-KPHO-TV & KTVK, Phoenix, named exec. producer & director of KBTB, Denver . . . Douglas Meservey, pre-war NBC executive, recently in film production, joins Young & Rubicam, San Francisco . . . Robert T. Colwell, of Sullivan, Stauffer, Colwell & Bayles, named to broadcasting advisory committee of U.S.I.A. (Voice of America) . . . Stuart D. Strand, CBS-TV producer, joins E. M. Eisfeld Adv., Miami, as TV-radio director . . . Willard E. Walbridge advanced to exec. v.p., *Houston Chronicle's* KTRK-TV . . . Al Rylander, ex-Columbia Pictures, named to new post of NBC director of exploitation, reporting to Kenneth W. Bilby, public relations v.p.

Lawrence Webb, recently national sales mgr. of WLOK-TV & WLOK, Lima, O., onetime v.p. of WJW, Cleveland, succeeds Thomas F. Flanagan, resigned, as pres. of Station Representatives Assn.

**THREE-WAY OWNERSHIP** of Shreveport's KSLA (Ch. 12) is due to come to an end, with FCC's final decision this week reaffirming examiner's report recommending grant to Shreveport TV Co., denying KCIJ & KRMD. Station had been operated since Dec. 1953 under unique arrangement—the 3 applicants agreeing to operate station jointly until one was victor in hearing. Winner is to pay losers for expenses to date.

Choice of Shreveport TV was predicated on fact that Commission felt it offered more assurance that its program proposals would be fulfilled and because of "diversification"—its principals having no other station ownership. Pres. and prospective mgr. is Don George, movie exhibitor who owns 43%.

One additional CP was granted, Ch. 12, Bismarck, N. D., to North Dakota Bestg. Co. (John Boler, pres.), operator of KXJB-TV, Valley City-Fargo (Ch. 4) and KCJB-TV, Minot (Ch. 13). Grant was over dissent of Comrs. Hennock & Bartley, latter issuing statement expressing fear that multiple-station owner Boler might jeopardize existence of other Bismarck station KFYZ-TV (Ch. 5). He said that "public may have been imposed upon," stating that Boler first proposed to make Bismarck a satellite of KXJB-TV and feed it live programs, then later filed with FCC proposed program schedule that seems to be mainly devoted to film.

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Commission's "second look" at deintermixture in Madison, Peoria, Hartford & Evansville (Vol. 11:14) brought mountain of comments from uhf operators and vhf applicants in the cities involved—all reiterating, amplifying and supplementing original contentions. Essentially, uhf operators say there is danger that public will lose service because uhf stations are liable to fail when vhf stations start, while vhf applicants claim that public will be deprived of the wide-range coverage vhf stations could provide. Chances are FCC will ponder comments and render decisions in these cases before considering the many other deintermixture petitions on file.

FCC got a bit brusque in one decision this week. In denying request of KWKH, Shreveport, that Ch. 3 grant to competitor KTBS be reversed, Commission said KWKH's charges were excessive and "we wish to state emphatically that Commission hearing procedures are not to be used for unsupported, reckless and unwarranted attacks on the Commission, its members, or its staff, nor should accusations of serious crimes by competing applicants be advanced in pleadings without a substantial basis therefor."

In other actions, FCC: (1) Denied protest of WMBV-TV, Marinette, Wis. (Ch. 11) against merger of WFRV-TV, Green Bay (Ch. 5) and WNAM-TV, Neenah (Ch. 42); WMBV-TV had charged the others with harassing it and with trafficking in licenses. (2) Denied request of WNOW-TV, York, Pa. (Ch. 49) that Ch. 15 or 21 be allocated to York and the request of WTPA, Harrisburg (Ch. 71) that Ch. 21 be assigned to Harrisburg. Shifts would have involved channel changes for several CP-holders and Commission said that "we do not believe that uhf frequencies should be switched from the community where a CP is outstanding in order to make a lower frequency available to another community."

Commission was busy in courts, defending its actions in the McClatchy "newspaper discrimination" case (Vol. 11:10), the grant of WJRT, Flint and the grant of sale of WROW-TV, Albany (Vol. 11:20).

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Second appearance of FCC before Sen. Magnuson's appropriations subcommittee to discuss budget items (Vol. 11:20) was postponed from May 19 to May 25.



**GE-SUPPORTED National Affiliated Television Stations Inc.**, which proposes to assist TV stations with finances, management, programming & sales (Vol. 11:14), released list of 19 affiliates this week, stating that only 3 had asked financial aid. More will be added after NARTB convention consultations, said NATS v.p. Berman Swartz.

Three vhf are in group, 2 of them not yet built: KEYD-TV, Minneapolis (Ch. 9); WHTN-TV, Huntington, W. Va. (CP for Ch. 13); WORA-TV, Mayaguez, Puerto Rico (CP for Ch. 3). Others, all uhf and all on air: WROW-TV, Albany (Ch. 41); KBMT, Beaumont, Tex. (Ch. 31); WBLN, Bloomington, Ill. (Ch. 15); WCMB-TV, Harrisburg, Pa. (Ch. 27); WKNY-TV, Kingston, N. Y. (Ch. 21); WTOM-TV, Lansing, Mich. (Ch. 54); KTVE, Longview, Tex. (Ch. 32); WJMR-TV, New Orleans (Ch. 20); WVEC-TV, Norfolk (Ch. 15); KTVQ, Oklahoma City (Ch. 25); WPFA-TV, Pensacola (Ch. 15); WEEK-TV, Peoria (Ch. 43); KCCC-TV, Sacramento (Ch. 40); KSAN-TV, San Francisco (Ch. 32); KTVI, St. Louis (Ch. 36); KVVG, Tulare, Cal. (Ch. 27).

Those seeking financial aid weren't divulged, though it's known that in court-approved plan for reorganization of Oklahoma City's KTVQ this week NATS advances \$25,000, GE \$38,000 in plan whereby Jack Fariss, local attorney-oilman, cancels some \$100,000 owed to him and acquires all common stock. Consultant Robert Purcell takes over as director for 60-90 days, and R. Mack Lester, ex-mgr. of local radio KTOW becomes gen. mgr., succeeding John Esau (Vol. 11:20). Indebtedness is still about \$300,000. Other terms: NATS management fees run 6% of gross business, rep fees usual 15%; GE gives moratorium of year on equipment payments, except for klystron rentals, and NATS defers payments on film library rentals for 6 months; 90% of net income goes to NATS in retirement of loan, rest set aside for other debtors.

Oklahoma City station deal presumably is pattern for

others. That many stations, both vhf & uhf, are in similar plight was indicated in May 23 statement by Dick Doherty, management consultant retained by NATS, in which he says no more than 12-15 uhf stations are making a "true profit" and that "all of these are in markets without immediate vhf competition." He added:

"The uhf situation is much more deplorable than most individuals realize. Station income of \$5000 to \$6000 per month, and \$60,000 to \$75,000 per year, is not at all uncommon for a considerable number of uhf operations. Obviously no one has found a magic formula by which TV station cash operating costs may be kept at this low level.

"There is no such thing as a profitable uhf station in a market with two vhf's; there are some cases of marginal uhf's in markets with only one vhf competitor.

"According to generalized experience, when a new vhf comes into a previously all-uhf market, the revenue of the uhf station drops by at least 20%-30%; when a second vhf or when two vhf's arrive, the uhf drops 40% to 50%. This is the rather clearly proven record of experience even though there are a few exceptions.

"It is of coincidental economic interest to realize that between 40% and 45% of all the postfreeze vhf stations are currently either losing money or technically breaking even. Many of these are in comparatively small TV markets; some are the 'third' vhf station in markets outside the major metropolitan categories; some are the so-called 'independent' operation even in the top major metropolitan centers of the nation.

"Four out of five uhf stations are actually flirting with bankruptcy within the next 6 months to a year unless they find a financial angel or develop a cohesive, cooperating means to instill life into the total uhf picture."

Sign of the TV times: WMUR-TV, Manchester, N. H. (Ch. 9), whose management was taken over 4 months ago by ex-WJAR-TV mgr. Norman A. Gittleston, reports 46% increase in sales for first quarter of 1955, bringing it within reach of operating black; at same time, radio WMUR upped sales 10.5%.

**Network Accounts:** Eastman Kodak, which sponsored now-discontinued *Norby* as first regular color film series on NBC-TV, backs unusual show on same network starting in Oct.—weekly dramas titled *Screen Directors Playhouse*, Wed. 8-8:30 p.m., thru J. Walter Thompson. Leading members of Screen Directors Guild will participate in series, to be filmed by Hal Roach Studios, and will turn over all proceeds to union's educational & benevolent foundation. Union was associated with similar radio series several years ago . . . GE to sponsor *Front Row Center* on CBS-TV starting June 1, alt. Wed. 10-11 p.m., thru Young & Rubicam; first show is TV version of Broadway hit *Dinner at Eight* . . . Whitehall Pharmacal Co. to sponsor *Name That Tune* on CBS-TV starting Sept. 27, Tue. 7:30-8 p.m., thru Ashley-Steiner Adv. . . Liggett & Myers to sponsor *Julius La Rosa Show* on CBS-TV starting July 9, Sat. 10-10:30 p.m., thru Cunningham & Walsh . . . Ideal Toy Corp. to sponsor *Winky Dink and You* on CBS-TV starting Sept. 25, Sun. noon-12:30 p.m., thru Grey Adv. . . Amana Refrigeration Co. to be alt. sponsor (with Camels) of *You'll Never Get Rich* on CBS-TV starting in fall, tentatively scheduled for Tue. 8-8:30 p.m., thru MacFarland, Aveyard & Co., Chicago . . . Marlboro cigarettes & Revlon to be co-sponsors of *Johnny Carson Show* on CBS-TV starting June 30, Wed. 10-10:30 p.m., thru Leo Burnett Co. & BBDO . . . Maybelline Co. (mascara) buys partic. in 13 NBC-TV color "spectaculars" this fall, thru Gordon Best Co., Chicago . . . General Mills buys partic. in *Wyatt Earp* on ABC-TV next fall, Tue. 8:30-9 p.m., thru Dancer-Fitzgerald-Sample . . . Johnson's

Wax & Pet Milk buy *Playhouse* series from ABC Film Syndication as replacement for Red Skelton Show on CBS-TV, no time set . . . Grand Ole Opry, originated in 1925 and carried for 4½ hours Sat. nights on radio WSM, Nashville (sponsored for half hour on NBC Radio since 1939 by Prince Albert Tobacco), gets showcasing on NBC-TV Sat. June 11, 8-8:30 p.m.

Rate increases: KDKA-TV, Pittsburgh, adds new Class AA hour (7-11 p.m. Mon.-Fri. & 4-11 p.m. Sat. & Sun.) at \$1500, min. at \$400, Class A hour going from \$1400 to \$1300; WMAL-TV, Washington, raises base hour from \$750 to \$900; WTVN-TV, Columbus, raises base hour from \$600 to \$700, min. \$100 to \$125; WMT-TV, Cedar Rapids, new Class AA hour (7:30-9:30 p.m. daily) is \$500, min. \$100, Class A remaining \$400; WGBI-TV, Scranton, raises base hour from \$300 to \$400, min. \$60 to \$80; KPLC-TV, Lake Charles, La., from \$200 to \$250 & \$40 to \$50. Rate adjustments: WEWS, Cleveland, raises base hour from \$950 to \$1050, having cut rate last March from \$1200 to \$950 when it switched from CBS to ABC; KHQ-TV, Spokane, gives up Class AA \$600 hour set last April 1, now has \$550 base hourly rate, min. at \$137.50.

NBC-TV uses closed-circuit hookup in 28 cities May 25, 1:30-2 p.m., to explain to advertising officials results of its \$250,000 research project in Ft. Wayne, called "Strangers Into Customers." Survey measured TV's impact on local residents in the 18 months since its first station, uhf WKJG-TV, went on air. It will also be subject of NBC-TV *Background* program May 29, 4-4:30 p.m.



**Telecasting Notes:** Magic names of major movie companies on their own TV shows is no guarantee of success, despite apparent impressions to the contrary. Spurred by triumph of *Disneyland* as an ideal way to plug theatrical films and get paid for it, such top producers as Warner Bros., 20th Century & Paramount have signed with networks and sponsors for own shows next season, following Disney formula of 45 min. of entertainment, with rest of show consisting of plugs for current movie releases, preview of next week's show and commercials . . . If show is good, formula may be unbeatable. But recent statements of major producers indicate that they view TV as "a substitute for the old 'B' picture" and "testing ground for new actors and story material." Ratings indicate televiewers are already fed up on "B" pictures, and second-class material could easily damage the names of the movie-makers. In coveting success of *Disneyland*, big film producers would do well to remember that Disney never produced a "B" picture. Disney himself sounds warning to other producers in May 18 *Variety* interview: "If you don't entertain them on TV, they won't be looking the next time" . . . CBS uncorked its TV program plans to affiliates at May 19-20 New York conference—giving featured billing to its 90-min. Saturday night "specials," most of them in color and featuring Noel Coward, Bing Crosby, Mary Martin and others (See Color Trends & Briefs & Vol. 11:20). Other highlights are new batch of situation comedies, and "the blockbuster of all giveaway programs—*The \$64,000 Question*" . . . In sports, CBS-TV appears to be cornering the "regional" football telecasts provided for by NCAA on 5 dates set aside for them; while NBC-TV has rights to national college grid games, CBS-TV has signed up for Big Ten series, Pacific Coast Conference series, and also plans to tie up eastern series, all to be televised on regional networks. NCAA track meet and Big Ten basketball will also be on CBS-TV next season . . . Life of TV film commercial is short, reports May 21 *Billboard*. "Generally speaking, it ceases to do an effective job selling after 6 months' exposure," according to *Billboard's* new 530-member "TV Editorial Advisory Board," consisting of top-level representatives of networks, stations, film producers & distributors, ad agencies, sponsors, being polled on various TV questions fortnightly . . . Good idea: "Why isn't there some kind of an award presented every year for the least obnoxious commercial on TV and radio?" asks Faye Emerson in her syndicated column. "And while they're about it, why don't they give a booby prize to the ones that offend good taste? I believe this would improve the whole tone of TV selling" . . . Broadway-to-TV coup: Musical *3 for Tonight*, featuring Marge & Gower Champion, to be televised from Hollywood by CBS-TV June 22, 10-11 p.m., just 4 days after it closes . . . Suggestion by a WRCA-TV secretary, Marilyn Rosenberg, led NBC to extend its key station's sign-off to 1:02 a.m. daily with 2-min. animated film showing sheep hurdling a fence and with sleep-inducing background music . . . Milton Berle setting up motion picture production company in Hollywood, while continuing to do his NBC-TV shows live; first film to be biography of Berle's mother, presumably for theatre showing.

Taller even than WHAS-TV's proposed 2003-ft. tower (Vol. 11:8)—in fact, tallest man-made structure in world—is TV relay tower planned by Belgian ministry of communications. Concrete tower is due to be completed in Brussels by 1958, soaring 2160-2180 ft. above ground. Ministry didn't make clear whether actual telecast transmissions would emanate from tower, but said it would be designed as part of permanent European TV exchange program to eliminate number of smaller relay towers.

**REPEATS OF TOP SHOWS**, making the most of TV's best programs—a concept drawing increased attention from industry's leaders (Vol. 11:17-20) — has gained vigorous support from ABC pres. Robert E. Kintner, whose network has made very successful use of the repeat principle. Its current repeats of *Disneyland* series are out-pulling first presentation and it plans this summer to run kines of best programs of *U. S. Steel Hour* starting June 28. Here's Kintner's evaluation, responding to our analysis in Vol. 11:17:

"In my own view, there is no basic showmanship reason why repeat performances of live programs should not be given. The analogy you draw with movies and TV film programs is sound—there does not seem to be any particular reticence on the part of the distributors of theatre product, or of the agencies and advertisers in re-showing filmed shows.

"To the point of live repeats: There is, to my knowledge, no aversion among the people associated with TV to offering again a successful live program . . . There is an area of problem in connection with repeats. Many programs are presented each week, and a good number of these are live dramas. Of 7 full-hour dramatic TV programs that are currently produced each week, probably the 'just-right' program, one which combines script, cast, performance, settings, direction and the myriad other facets into a glistening, outstanding production—worthy of repeat—occurs less than once in every 2 weeks.

"Now, assuming that this does take place, and further assuming that the 'just-right' program's author and adapter agree to the repeat performance, we are still faced with a psychological obstacle, which may have more substance to it than mere emotional objection. This is the feeling that some people in our business have about the economic expediency of repeats. This is something which I personally do not agree with; in the case of dramatic live programs, for example, it generally costs as much to do the second program as the original. In the case of good filmed programs, I hold that a good program, like a good book, or piece of music, or a favorite dish, may be savored again and enjoyed as much or more at the second sitting."

Kintner then pointed to Trendex & Nielsen ratings of *Disneyland* series, showing that repeats achieved greater ratings than originals, with but one exception. "This," he said, "is a quantitative public acknowledgment of the programs' intrinsic qualitative content. Such figures will be repeated, I am sure, whenever a fine program which enjoys wide original exposure, followed by favorable reviews, publicity and word-of-mouth, is offered to the public again."

Harry C. Maizlish & Morton Sidney, of KFVB, Hollywood, have pulled out of deal to buy KVOA-TV, Tucson (Ch. 4) with radio KVOA (1-kw, 1290 kc, NBC) and new lineup of buyers keeps the KFVB sales mgr. Frank Oxarart in for 20%. Rest of group proposing to buy out holdings of KTAR Broadcasting Co., Phoenix (controlled by John J. Louis, of Needham, Louis & Brorby) for total of \$450,000 are ex-Congressman Clinton McKinnon, who once owned KCBQ, San Diego, now has weekly there and in Coronado; Bernard Weinberg, adman; Arthur A. Desser, attorney; Harold B. Garfield, druggist—each with 20%. They take over \$225,000 in notes, will pay \$42,000 to present gen. mgr. R. B. Williams, \$10,500 each to Harper M. Phillips & Ben L. Slack Jr., \$3500 to Raymond Holsclaw for their minority stockholdings. While stations have earned surplus of \$52,581, they showed loss of \$9574 on operations in first 3 months of 1955.



**WFRV-TV, GREEN BAY, WIS. (Ch. 5)**, bringing on-air total to 430, starts with ABC & DuMont shows over the week-end, following FCC approval May 19 of stock transfer to owners of off-air WNAM-TV, Neenah (Ch. 42). WNAM's S. N. Pickard now controls over 50%, only others with more than 5% being original WFRV-TV stockholders Clayton Ewing & George Nau Burridge, each with 10.9%. Station has been ready to go for about 4 weeks (Vol. 11:17), but had to wait for FCC to take second look at already-approved transfer because of objections raised by WMBV-TV, Marinette (Ch. 11). It has 25-kw DuMont transmitter & 5-bay RCA antenna on 463-ft. tower of defunct WJPG-FM, located adjacent to that of WBAY-TV (Ch. 2). Neenah studios of WNAM-TV will supplement Green Bay facilities. Don C. Wirth is v.p.-gen. mgr.; Ed Murphy, ex-KSTM-TV, St. Louis, operations director; John Schulz, ex-Chicago NBC-TV Spot Sales, station mgr.; Harry Hill, chief engineer. Base hour is \$300. Rep is Headley-Reed.

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

**KHAS-TV, Hastings, Neb. (Ch. 5)** has ordered RCA transmitter & 12-bay antenna, plans fall start, reports gen. mgr. Duane L. Watts, ex-KHOL-TV, Kearney, Neb. It will use 767-ft. tower. Studio-transmitter house will be built 3 mi. N of city on Hwy. 281. KHAS-TV will be operated by new Nebraska TV Corp., now being set up by grantee Seaton Publishing Co., publisher of *Hastings Tribune*. Seaton Publishing principals also control *Alliance* (Neb.) *Times-Herald* and newspapers in Kan., S. D., & Wyo., as well as radio stations KHAS, Hastings; KGGF, Coffeyville Kan.; KMAN, Manhattan, Kan. Duane B. Allison, chief engineer of KHAS, will also be TV chief engineer. Rep not reported.

**WCTV, Thomasville, Ga. (Ch. 6)** has Aug. 1 target for test patterns, Sept. 1 for programming, reports John H. Phipps, who recently acquired CP from E. D. Rivers Sr. for \$88,700, along with Thomasville radio WKTG from Fred Scott Jr. family for \$100,000 (Vol. 11:20). GE transmitter and 5-bay antenna are on order, with latter due for installation on 600-ft. tower in June. Studio-transmitter building is under construction at new site halfway between Thomasville and Tallahassee, where Phipps operates radio WTAL. He also owns WTYS, Marianna, Fla. Rep not yet chosen.

**WHIS-TV, Bluefield, W. Va. (Ch. 6)** hopes to get on air about Aug., reports pres.-gen. mgr. Hugh I. Shott Jr., for family-owned grantee *Bluefield Daily Telegraph*. RCA 10-kw transmitter is ready for testing. RCA 6-bay antenna & 100-ft. Ideco tower are on hand and tower construction begins next week. It has agreement with NBC, is negotiating for interconnection facilities. Base hour will be \$200. Rep will be Katz.

**KCOR-TV, San Antonio (Ch. 41)** has set June 1 test pattern target, now that it's installing 1-kw RCA transmitter, reports chief engineer Marvin L. Fiedler. RCA pylon antenna is scheduled for installation on 558-ft. Truscon tower week of May 23. It will be 90% Spanish language outlet, using Latin-American films and kines. Base rate will be \$180. Rep will be Richard O'Connell.

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Experimental vhf booster for Hawaii was granted this week to Iresco Inc., 2221 Warwick Ave., Santa Monica, Cal., which plans to test re-transmission of Ch. 4 & 9 at 6 points in the Islands.

**SIMPLIFIED & CHEAPER** "megawatt" transmitter is being shown for first time by RCA at NARTB convention in Washington. It delivers 25-kw, can be used with supergain antenna to produce 1000-kw ERP, is expected to sell for approximately 25% less than RCA's previous 25-kw equipment, which basically consisted of two 12½-kw transmitters arranged in parallel. Slated for commercial availability later this year, new TTU-25B utilizes single standard tetrode in each final output stage, with savings of up to 50% in operating costs claimed.

As enumerated by RCA broadcast equipment marketing mgr. A. R. Hopkins, new transmitter has these advantages: requires no more space than 12½-kw equipment, ⅔ reduction in visual amplifier tube requirements, 50% reduction in cabinetry and "average annual savings up to \$20,000 in overall operating costs." Also due for availability this year is package for converting RCA 12½-kw transmitters to the new 25-kw circuit.

Next station scheduled to increase power to 1-megawatt is Portland's KPTV (Ch. 27), nation's first uhf station, now owned by Storer, due to boost to full permitted output June 11, date of Portland's Rose Parade. Most of RCA transmitter equipment for increase to 25-kw power has been delivered, and supergain antenna is due to arrive before end of month. KPTV is expected to be nation's 3rd station to reach 1,000,000 watts, and RCA's second such installation.

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**Experimental satellite in Manson, Wash. (Vol. 11:3, 14)**, which is unique in that it "translates" received Ch. 4 signals of KXLY-TV to uhf Ch. 16, was inspected this week by Ben Adler, whose Adler Communications Labs supplied equipment. He reports excellent coverage in Manson area 1-3 mi. from satellite. Some 160 sets have been equipped to receive Ch. 16, owners paying \$67.50 for year's service. New sets being sold have that fee added to price; it's then turned over to a town committee. Adler said no one fears that viewers will "bootleg" signal without paying, adding that "the community spirit appears to be at a terrifically high level." Community antenna operators are naturally concerned about such satellites, and NCTA exec. secy. E. Stratford Smith, who also visited Manson last week, is dubious about their economics. He reports that construction cost was \$16,000 excluding engineering costs; that it would take \$10,000 more for each additional channel; that operating costs are unknown; that support must rely on "honor system" because non-payers can use signal. Most of all, he says, satellite offers only one channel whereas community systems usually offer 3 or more.

Two new vhf applications were filed with FCC this week: For Las Vegas, Nev., Ch. 13, by Moritz Zenoff, owner of radio KBMI, Henderson, Nev., and publisher of newspapers in Henderson & Boulder City; for Carlsbad, N. M., Ch. 6, by KAVE, whose pres. Val Lawrence is gen. mgr. of KROD-TV, El Paso. Applications pending FCC action now total 155 (including 15 uhf). [For details, see *TV Addenda 20-S* herewith; for complete listings of all grants, new stations, applications, etc., see *TV Factbook No. 20* with Addenda to date.]

Less expensive off-air microwave service proposed by AT&T (Vol. 11:18) is fine, RETMA and NARTB told FCC in comments filed at May 20 deadline, but they recommended that stations be permitted considerable leeway in deciding whether to build own off-air microwave or buy service from AT&T.

Comments on uhf boosters, which FCC calls "co-channel amplifying transmitters" in its rule-making proceeding (Vol. 11:14), may be filed until July 21, deadline being moved from May 20 at request of RETMA.



**Color Trends & Briefs:** Most sponsors seem to like color spectaculars—and with only a couple of exceptions they've signed up for another season. On NBC-TV, Oldsmobile has renewed Sat. evening series with \$5,000,000 budget; RCA & Ford, \$5,000,000 Mon. evening show; Sunbeam, Sun. evening "color spreads," to be sold on partic. basis every 4 weeks beginning Sept. 11 for series of 14 shows running right through summer of next year, also with total budget of about \$5,000,000. Hallmark, which occasionally has used color for operas and other "specials," will sponsor 8 Sun. afternoon Maurice Evans color shows at total outlay of some \$2,500,000.

CBS-TV's *Shower of Stars* once-a-month color programs will continue next season—Jack Benny starring in 6 of them—with Chrysler staying on as sponsor. Network revealed a little more this week about its series of ten 90-min. Sat. evening shows, "the majority of which will be broadcast in color." Two will feature Bing Crosby in musical plays, 3 will star Noel Coward with Mary Martin co-starring in first one, 3 will be produced by Paul Gregory. Beginning next fall, CBS says it will telecast at least 2 shows a week in color—in addition to *Omnibus*, with several complete shows in color and segments of others.

Note: Milton Berle told newsmen this week that all of his shows next season may be done in color from NBC-TV Burbank studios.

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An all-industry standard color stripe, to be transmitted during monochrome programs to aid servicemen adjusting color sets (Vol. 11:11), would be preferable to variety of stripes using different standards, FCC told RETMA this week. Commission said it has no objection to stations' transmissions of RETMA-recommended signals and said: "It is gratifying to know that an industry standard has been developed, so that the alternative transmission of a number of different signals is unlikely. The fact that the RETMA standard is not mandatory raises the possibility that alternative signals may be transmitted, with resulting confusion. It may be desirable, when at a later date the usefulness of the RETMA signal has been proven, to consider its adoption into [FCC Rules]."

**UNIQUE TECHNIQUE** of producing live color for limited kinds of programming, using flying-spot scanner principle, will be shown by DuMont during NARTB convention. DuMont's claim is that for price much less than that of conventional 3-tube color camera, a station can present fair variety of live material in excellent color.

As demonstrated to us at DuMont research labs recently, system did produce very good color, and claims of "no registration problems" seemed substantiated. "Vitascan," as DuMont terms new system, works on same principle as its film scanner. CR tube "scans" live scene, and clusters of multiplier phototubes, located about studio, pick up light reflected from scene and feed signals through normal channels to transmitter.

Studio must be "light tight," i.e., permit no extraneous light to enter. At recent demonstration, studio was dark except for dim light emitted by CR tube. Engineers said plan was to install stroboscopic lights at NARTB demonstrations—flashing on and off 60 times a second, supplying adequate light for reading, etc., during vertical blanking period. Experiments have been conducted with both mercury lights and special CR tubes.

Six clusters of multiplier phototubes were used during demonstration. Each had 4 tubes—2 for red, one each for blue and green. Each cluster is located where floodlights would be in normal TV system. In fact, whole arrangement is precise reverse of normal TV—the "cam-

"Color-effects" equipment, which permits telecasters to originate slides and artwork in color without color camera or scanner, is being shown by RCA at NARTB convention in Washington and is now available. Described as an "intermediate step" before addition of complete color facilities, the equipment makes it unnecessary for a station to return to monochrome for station breaks in network color shows. It permits station to use any of a group of 12 pre-selected 2-color combinations as substitute for black and white portions of monochrome picture. Colors in the picture are "produced" rather than "reproduced." All of the equipment elements are standard units which will be required when the station later adds color origination equipment. The color combinations are produced by colorplexer and vary according to the combination of channels into which the blanking and monochrome signal are fed. Other elements of the equipment include color-bar generator, color frequency standard, burst flag generator—at total cost of about \$12,500.

"Color TV is coming faster than many people think," RCA consumer products exec. v.p. Robert A. Seidel told NARDA group in Milwaukee this week. "I am sure you are aware of the fact," he said, "that newly-designed and completely re-styled 21-in. compatible color sets are about to be offered by a number of manufacturers." [So far, Hoffman and Hallicrafters have announced new color models, Vol. 11:17-18.] Advent of color won't hurt black-&-white sales, Seidel said. "The greatest opportunity for increased sales and profits this year, next year, or perhaps during our lifetime, will be in TV," he stated. "It's now a billion dollar industry. With the advent of color, and it's coming fast, it will top \$2 billion annually." Air conditioners, he added, would bring "the second greatest opportunity for increased sales and profits for at least the next 10 years."

Upcoming network color schedules: NBC-TV—May 30, *Producers' Showcase*, "The Petrified Forest," with Humphrey Bogart, Henry Fonda, Lauren Bacall, 8-9:30 p.m.; June 4, *Max Liebman Presents*, "The Chocolate Soldier," with Rise Stevens, Eddie Albert, Akim Tamiroff, 9-10:30 p.m. CBS-TV—June 9, *Shower of Stars*, 8:30-9:30 p.m.

era" (CR tube) emitting light and the "floodlights" (phototubes) picking up light. Number of clusters used is determined by nature of program.

DuMont officials say they don't tout system for big "spectaculars" and the like, but they claim it's a very economical method of presenting commercials, news, debates, panel discussions, etc., where action is confined to limited area. Major claims are economies of installation & operation and absence of registration problems involved in present 3-tube live color cameras. They say one-man operation is possible and tubes are inexpensive.

Stationary light source was used, but plan was to have one on dolly, to be moved like live camera. System may also be used for monochrome.

DuMont officials admit that they hope "Vitascan" will help sell film scanners, of which DuMont has already delivered more than 60; of these, 15-20 are color-equipped.

From price aspect, DuMont stresses that station which already has flying-spot scanner, costing \$40,000-\$45,000, can add "Vitascan" equipment for much less than the \$49,500 it would pay for regular 3-tube live camera. If station already has DuMont color film "Multi-Scanner," the "Vitascan" gear can be added for \$15,692; if it doesn't, cost is \$32,570. Stations with monochrome "Multi-Scanner" can add live monochrome equipment for \$9207; without it, price is \$18,415.

Delivery 30-60 days after convention is promised, and DuMont plans to install system at its own WABD, N. Y. and WTTG, Washington.



**TOP-LEVEL CHANGES—WHAT THEY PRESAGE:** This was a week of drastic changes in the top executive & sales personnel of several important TV-radio manufacturing companies -- and the implications appear far more significant than the mere announcements. They presage an intensified effort by some of the second-rung manufacturers to improve their positions in the market as against front-running RCA, Philco, Admiral, Motorola, GE & Zenith who represent very nearly 60% of the present TV business. Items:

Henry C. Bonfig, third-ranking Zenith executive after pres. E.F. McDonald and exec. v.p. Hugh Robertson, quit job of sales v.p. which last year paid him \$40,000 salary plus \$56,763 bonus, to become pres. of CBS-Columbia Inc. He replaces Seymour Mintz, and has been replaced at Zenith by Leonard C. Truesdell, TV-radio sales v.p.

Chester G. Gifford, who retired recently as pres. of Schick Inc., post now held by ex-RCA consumer products v.p. Joseph B. Elliott, becomes pres. of Avco Mfg. Co.'s Crosley & Bendix appliance divisions as well as an Avco v.p., taking over from James D. Shouse, Avco v.p. & director, who resumes active duties as chairman of the Crosley Broadcasting Co., operating 4 TV stations & one radio -- his original field.

Leonard F. Cramer, ex-Avco v.p. & gen. mgr. of its Crosley-TV-radio div., onetime DuMont v.p., joins Magnavox as v.p. & gen. mgr. of TV-radio-phonograph div.

Dan D. Halpin, who left RCA post of mgr. of TV receiver sales in Aug. 1952 to join DuMont as gen. mgr. of TV sales, resigns to become asst. gen. mgr. in charge of marketing and gen. sales mgr. of Westinghouse TV-radio div., Metuchen, N.J. He succeeds Richard L. Sandefur, resigned. He serves under gen. mgr. Edward J. Kelly, who recently succeeded T.J. Newcomb, retired. At DuMont, his duties are being taken over by Wm. C. Scales, gen. mgr. of receiver sales div. under v.p. Wm. H. Kelley.

It's noteworthy that Truesdell was once Crosley sales mgr., later headed Bendix radio div., joined Zenith in 1946; that Mintz quit as Admiral v.p. in charge of advertising about year ago to go to CBS, where he was at once also elected a v.p. & director of parent CBS Inc., to which posts Bonfig will succeed; that Bonfig joined Zenith 11 years ago after 13 years with old RCA Mfg. Co., which he quit as a v.p.

Bonfig's salary hasn't been disclosed, but he acquires stock options and, as he put it, "the kind of deal I couldn't reject." Mintz plans to acquire an interest in a small electronics factory, owned by a friend; he leaves his job well-fixed by virtue of an option on 2500 shares of CBS stock at 47¼ granted in March 1954.

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Battle for strong distributorships, long under way and rendered all the more difficult by the well-heeled and well-entrenched positions of old-line firms that give RCA, Philco, Motorola & Zenith such strong competitive positions, is the prime problem facing CBS-Columbia and other "pretenders" to the 9-year-old TV trade. That is main job 57-year-old Henry Bonfig confronts at CBS-Columbia which, despite a tremendous TV-radio publicity machine and the huge finances behind it, has not yet been able to win as much as 1% of the market.

Therein lies the key to the basic competitive problem, not only for TV-radio but appliances handled by the same firms. Crosley tried to hypo TV-radio distribution by way of its prize Bendix washing machine line, which it abruptly pulled away from long-standing distributors who were handling rival TV-radio lines. Admiral is inclining more and more to factory-owned distributorships, with 21 already -- most of any except GE & Westinghouse, which have own national distribution subsidiaries.

The Big 4 -- RCA, Philco, Admiral, Motorola -- and close running Zenith have always insisted on private franchisers, though they keep a few of own. Philco, and to a lesser extent Crosley, manufacture year-round lines for their distributors, designed to equalize seasonal humps. RCA under pres. Frank Folsom has been working toward that end. It's doubtful whether CBS wants to go into "white goods" too.



Veteran of the appliance field, which he first entered in Kansas City in 1924, going in 1927 with Bill Grunow's old General Household Utilities Corp., Chicago, big refrigerator handler, then radios, the popular "Hank" Bonfig faces enormous obstacles in such TV-radio-appliance competition. CBS is a highly profitable concern, apparently bent on being another RCA, but despite its expected \$400,000,000 volume this year (mainly from telecasting) it is still losing money in the set & tube manufacturing businesses -- the tube business mainly because of investment in color.

It's hell bent to win a share of a market it has been unable to dent in the 4 years since it bought out Air King. Bonfig's job is to shore up distribution soft spots, set up new ones, ride the inevitable "tide of color" when it begins to flow, and take the receiver manufacturing phases of CBS's operations out of the red.

\* \* \* \*

Broader distribution is probable reason behind negotiations for merger of Whirlpool Corp., St. Joseph, Mich. (washing machines) and Seeger Mfg. Co., St. Paul (Coldspot refrigerators & freezers), both major entities in their fields, both part-owned by and suppliers of Sears Roebuck. The news leaked this week that principals are discussing legality of merger with govt. officials. Either or both lines would be hot items for many TV-radio distributors, eager for top-brand "white goods". Both companies are strong ones, Whirlpool sales last year running \$169,453,888, earnings \$2.98 a share, Seeger's sales \$112,564,615, earnings \$5.32 a share.

\* \* \* \*

TV production continued seasonal decline, totaling 110,651 week ended May 13, compared to 127,067 preceding week and 131,627 in week ended April 29. It was 19th week of year by RETMA calculations and brought production for year to date to about 2,935,000, compared to approximately 2,200,000 in same period of 1954.

Radio production totaled 287,352 (145,757 auto) week ended May 13, compared to 286,284 week ended May 6 and 278,054 week before. For 19 weeks, production was estimated at 5,400,000 vs. 3,750,000 in corresponding 1954 period.

**C**OMPONENTS MAKERS, those under-publicized but usually reliable barometers of TV trade trends, generally foresee 1955 as another year of solid growth for their set manufacturer customers—equal to, perhaps exceeding, the nearly 7,500,000 TVs produced and sold in 1954—on the basis of parts orders currently on their books. They're a pretty optimistic bunch, by and large, and their optimism was reflected this week at the annual Electronic Parts Show at Chicago's Conrad Hilton Hotel, which proved to be biggest ever (290 exhibitors, 10,000 registrants).

Several important parts makers tell us they look for sizable increases in TV set production in last 6 months of year. All noted increases in orders last 3 months—a welcome indication that set makers at long last were reducing their huge inventories of components.

Parts and set manufacturers make common cause on one complaint—profits are too low, even though unit sales remain high and are even expanding on some items. And they apparently don't see much prospect of raising parts prices to get more profit.

\* \* \* \*

Veteran parts maker Leslie F. Muter, pres. of Muter Co. & RETMA treas., comments thus on current state of parts industry: "I think we're all going along quite well, and don't have too much room to complain. We're getting volume, better than a year ago in most cases, which I think is basically due to high-fidelity and such allied fields. But the continued high level of TV business has also been a big factor—bigger, I think, than many of us would have predicted a year ago.

"With those low price tags, our set-manufacturing friends are going to move a lot of receivers this year.

Second sets are going into homes with some regularity now, and that's bound to increase business for everybody, including us. The whole picture adds up in my mind to a 7,000,000-plus year for TV production and retail sales. Now if something can be done about low profits on parts . . ."

Matt Little, pres. of Quam-Nichols Co., big speaker manufacturer, goes along with Muter—with this reservation: "I just hope the TV manufacturers don't overproduce in the last 6 months to spoil what could be a very fine year for everyone. As long as they watch that inventory, and I have every reason to believe they will, all of us will have at least as good a year as 1954."

Harry A. Ehle, v.p. of International Resistance Co., sees the tremendous number of new electronic products being introduced almost daily as one of biggest reasons for his prediction of bullish future. He cautions all levels of trade to prepare for diversification of product to eliminate seasonal peaks and valleys in sales.

\* \* \* \*

Interest at parts show itself was centered on high-fidelity. Many jobbers reported sales of "hi-fi" components this year running 25-50% over 1954, which in itself was big year in this field. More manufacturers have entered field with higher-quality products, for, as Little said: "The public has been trained to demand better sound and is getting it from the manufacturers. High-fidelity is getting to mean precisely that, even though we have no fully-acceptable definition of the term; the old days in which anything could be palmed off as high-fidelity are gone."

Lots of interest, too, in color—though consensus of jobbers was that a real lift from color couldn't be expected until 1956, at the earliest. By the same token, some parts manufacturers expressed view that they could help speed lower color prices by continuing their research on automation and other production short cuts with objectives of reducing cost of components even further.



**Topics & Trends of TV Trade:** Long-awaited 1955 *Consolidated Consumer Analysis*, released this week and covering 20 markets where newspapers conducted own consumer buying surveys in Jan. (Vol. 11:15,20), reveals important data on TV purchase plans this year, rate of saturation and ownership by makes. Here are percentages of families, both TV & non-TV owners, planning to buy set this year (saturation as of Jan. in parentheses):

Sacramento, 15.7% (60.8%); Modesto, 12.4% (59%); Newark, 11.8% (92.9%); Fresno, 11.7% (66.4%); Washington, 10.8% (81.6%); Portland, Ore., 10.5% (64.9%); Milwaukee, 9.1% (93.1%); San Jose, 8.9% (82%); Honolulu, 8.7% (62.9%); Cincinnati, 8.6% (90.7%); Portland, Me., 8.4% (77.9%); Seattle, 8.1% (74.8%); Long Beach, 7.4% (90.8%); Duluth-Superior, 6.8% (75.3%); Phoenix, 6.5% (81.5%); Indianapolis, 6.3% (88.6%); Columbus, O., 5.3% (93.8%); St. Paul, 4.9% (89.2%); Omaha, 4.5% (88.7%); Salt Lake City, 4.5% (87.1%).

RCA ranks first among set ownership in 16 of those 20 markets; Hoffman is tops in 2 (Fresno & Modesto); Admiral, one (Phoenix); Philco, one (Sacramento).

Newspapers in some of the markets asked additional TV questions of consumers; for example, *Milwaukee Journal* last week published replies to queries on second-set ownership (Vol. 11:20). Copies of the consolidated report, which gives basic data on all 20 markets, are available from *Milwaukee Journal* promotion dept., which coordinated information.

Individual copies of respective market studies are available from these newspapers: *Portland (Me.) Press Herald* and *Evening Express*, *Columbus Dispatch* and *Ohio State Journal*, *Cincinnati Times-Star*, *Indianapolis Star* and *News*, *Duluth Herald* and *News-Tribune*, *St. Paul Dispatch* and *Pioneer Press*, *Omaha World-Herald*, *Salt Lake Tribune & Deseret News*, *Seattle Times*, *San Jose Mercury* and *News*, *Sacramento Bee*, *Fresno Bee*, *Modesto Bee*, *Long Beach Press-Telegram*, *Honolulu Star-Bulletin*, *Phoenix Republic* and *Gazette*, *Oregon Journal*, *Newark News*, *Milwaukee Journal*, *Washington Star*.

GE sees resurgent demand for 14-in. receiver, as second sets loom increasingly important in TV market. This week, it brought out a 32-lb. table model at \$99.95, in Boston and Buffalo (and shown to press in N. Y.) as first cities in distribution expected to become nation-wide by July. It reportedly will cost distributor about \$72, dealer about \$80—somewhat lower profit margins than on 17 & 21-in. receivers. Paul H. Leslie, monochrome TV sales mgr., told us that GE's decision to resume 14-in. was motivated by marketing research indicating that comparatively few set owners are replacing their small-screen sets and demand is for a low-priced second set instead.

"We expect to sell very few to initial buyers," he said. "This set is designed to be taken from room to room or to the summer camp or any place where a portable radio goes." Sets come in brown metal at \$99.95, slightly higher for 2-tone ivory and gray. They're about 10½-in. high, 13¾-in. wide, 17-in. deep. They contain GE's first vertical chassis (more are expected in GE's new line to be introduced in July at National Assn. of Music Merchants show), are more than 50% printed-circuit, have 16 tubes (6 of them multi-purpose). They have 41-mc IF circuit, built-in antenna & all-channel tuner.

Note: Olympic Radio has been merchandising 14-in. table model at \$99.95 for last 8 months (Vol. 10:36).

RCA will show new TV line, which reportedly includes its first vertical chassis sets, at meeting of field reps June 6-8 in Barbizon Plaza Hotel, N. Y. Regional meetings will be held June 10-12 in San Francisco, June 14-16 in Chicago, June 17-19 in New Orleans.

SHIPMENTS of TVs to dealers in first 3 months totaled 1,968,347, compared to production of 2,188,252, according to RETMA state-by-state report released this week, supplementing recent 9-year tabulation, 1946-54 (Vol. 11:19). They compared with 1,655,839 shipped in first quarter of 1954, when production was 1,447,110. New York led, with 187,003; California second, 144,335; Pennsylvania, 125,252. March shipments were 690,097, compared to 640,771 in Feb. and 582,839 in March 1954. Here's state-by-state report for quarter (county-by-county tables available to members from RETMA on request):

State	Total	State	Total
Alabama	35,180	New Hampshire	7,271
Arizona	10,941	New Jersey	60,216
Arkansas	24,124	New Mexico	6,320
California	144,335	New York	187,003
Colorado	14,339	North Carolina	51,752
Connecticut	26,981	North Dakota	7,729
Delaware	3,855	Ohio	100,647
District of Columbia	19,628	Oklahoma	29,675
Florida	61,153	Oregon	25,787
Georgia	40,268	Pennsylvania	125,252
Idaho	9,380	Rhode Island	9,416
Illinois	108,071	South Carolina	29,607
Indiana	52,994	South Dakota	6,211
Iowa	32,215	Tennessee	43,755
Kansas	29,057	Texas	114,675
Kentucky	37,014	Utah	7,812
Louisiana	39,687	Vermont	7,729
Maine	15,502	Virginia	37,479
Maryland	26,388	Washington	34,009
Massachusetts	55,860	West Virginia	22,025
Michigan	78,431	Wisconsin	43,883
Minnesota	36,326	Wyoming	1,970
Mississippi	18,526		
Missouri	54,829	U. S. TOTAL	1,962,726
Montana	6,468	Alaska	2,360
Nebraska	18,670	Hawaii	3,261
Nevada	2,332		
		GRAND TOTAL	1,968,347

Convention of National Community TV Assn. in New York's Park-Sheraton Hotel June 6-8 will have as principal speaker FCC Comr. John C. Doerfer, who has shown a particular interest in community systems. Arthur Gladstone, of Commission's Common Carrier Bureau, will describe FCC's policy on microwaves for systems. Program includes panel sessions and speeches on taxes, promotion & advertising, satellites & boosters, govt. regulation, technical developments. Exhibitors include: Ampli-Vision div. of International Telemeter, Blonder-Tongue Labs, Entron, Federal Telephone & Radio, Jerrold, Phelps-Dodge, Philco, Plastoid, RCA, Rego Insulated Wire, Spencer-Kennedy, Times Wire & Cable, U. S. Wire & Cable, Vision Wire, Westbury Electronics.

Bill to remove excise taxes from repair and replacement parts for TV-radio sets, to specifically exempt non-entertainment TV & radio from tax and to lift tax from certain TV-radio components and parts "where the cost of compliance and enforcement is not warranted by the negligible revenues produced" was introduced May 19 by Sen. Martin (R-Pa.) for himself and Sen. Dirksen (R-Ill.). The bill, S-2009, is identical to section of last year's HR-6440 which died when Congress adjourned (Vol. 10:34).

Another microwave application to serve community antenna systems was filed this week—Antennavision Service Co., 612 Security Bldg., Phoenix, Ariz., seeking relay on Heliograph Peak to bring Phoenix station signals to towns of Clifton, Plantsite, Stargo & Morenci. Pres. of Antennavision is Paul Merrill, mgr. of Gila Bestg. Co., operator of AMs in Coolidge, Globe, Safford & Winslow, Ariz. Application specifies Philco TLR-3AP equipment, construction costs of \$18,382.

Admiral and Federal Trade Commission may settle complaint charging misrepresentation in ads on 21-in. sets (Vol. 11:14,17,20) without need for hearing, it was indicated this week following cancellation of hearing scheduled May 17 in Chicago. Admiral lawyers and FTC attorney Edward K. Downs will confer later on terms.

Raytheon pres. Charles Francis Adams Jr., taking cognizance of persistent "merger" rumors, states in current house organ "there is nothing of the sort in sight."



**Trade Personals:** Henry C. Bonfig's resignation as Zenith v.p. & director of sales (see p. 11) became effective May 18 when TV-radio sales v.p. Leonard C. Truesdell succeeded him; Bonfig will vacation until early June, when he assumes presidency of CBS-Columbia Inc., and until then retiring pres. Seymour Mintz will remain on job . . . Frank Folsom, RCA pres., leaves this week-end for 4 weeks in Europe, will also go to Cairo and Istanbul; v.p. Mannie Sacks will join him in about week . . . Sam F. Arn Jr. promoted to sales mgr. in expansion of Packard-Bell technical products div.; Hugh Vick, ex-Northrop Aircraft, named chief of contracts administration section . . . Harry L. Thorson, mgr. of GE TV camera tube project, appointed mgr. of transmitting tube project engineering at Schenectady . . . Fred C. Zusi promoted to head new DuMont systems-engineering group, supervising sales of electronic equipment for automatic production & quality control . . . Nat Marshall, ex-mgr. of broadcast sales, promoted to asst. director of General Precision Labs' engineering products div.; Joseph Belcher promoted to mgr. of industrial TV sales . . . Jack L. Hobby, Raytheon staff asst. for public relations, will become mgr. of publicity & institutional adv. and head house organ *Raytheon News*, in new setup after Richard Axten takes over v.p. of GE as director of public relations . . . Bernard B. Cohen, ex-Emerson & Tele-tone, named works mgr., General Transistor Corp., Jamaica, N. Y. . . . Ray McCadam promoted to western district sales mgr., GE tube dept., Los Angeles . . . Jerome K. Levy, gen. mgr. of Audio & Video Corp., N. Y., elected a v.p.; Robert Winston elected sales v.p. of National Musitime Corp., div., Ray Rand sales v.p. of A-V Tape Libraries Inc. . . . Edwin J. Bradley, ex-Airpax Products Co., Middle River, Md., appointed sales mgr. of Color Television Inc., San Carlos, Cal., now largely in military electronics production . . . Albert Benjaminson named chief engineer, Granco Products, Long Island City, N. Y. . . . Richard Berggren, ex-Stiller-Rouse & Assoc. Adv., Los Angeles, named Hoffman Radio adv. mgr., reporting to E. A. Tischler, new adv. director of parent Hoffman Electronics; Deane Aylesworth continues as adv. mgr. of Hoffman Labs . . . G. Warren Kimball promoted to mgr. of battery & renewal components marketing, RCA tube div.

**DISTRIBUTOR NOTES:** Walther Bros., Philco distributor in New Orleans last 27 years, switches to RCA, replacing Television & Appliance Distributors Inc. . . . Crosley-Bendix appoints Graybar, Buffalo . . . Stromberg-Carlson appoints Southern Electric Corp., Staunton, Va. (L. J. Kiger, pres.) . . . Sentinel appoints Ralph Lay Co., 5627 Manchester Ave., St. Louis . . . CBS-Columbia Boston factory branch promotes Arnold Mackowsky to sales mgr. . . . Gross Distributing Corp., Newark (Stromberg-Carlson) appoints C. Edward Erbe as sales mgr.

Lansdale Tube Co., Lansdale, Pa., operated as Philco subsidiary since 1947, becomes Philco division under name of Lansdale Tube & Transistor Co. Wm. J. Peltz, v.p. of operations for TV div., has been promoted to v.p. & gen. mgr. of new div.

Construction of Motorola's \$1,500,000 transistor plant in Phoenix began this week as exec. v.p. Robert W. Galvin dug first shovel of dirt. New 57,600-sq. ft. building is slated for completion by end of year, initially will employ 300-500.

Louis A. Connelly, 59, mgr. for last 13 years of govt. dept., RCA engineering products div., died of heart attack May 20 at his home in Medford Lakes, N. J. He had been with RCA and predecessor companies since 1924, always on govt. sales, won company's highest citation recently for extraordinary service during Korean War. Surviving are his wife and 2 daughters.

**Electronics Reports:** Complaint that aircraft manufacturers are using govt. procurement policies to put themselves in the electronics business (Vol. 11:7,17) drew strong rebuttal last week from a leading airframe maker and a top Air Force procurement official. Addressing National Conference on Aeronautical Electronics, August C. Esenwein, Ft. Worth v.p. of Convair (whose parent General Dynamics Corp. is due to take over Stromberg-Carlson; see Vol. 11:18) said aircraft industry has too many of its own research, development and production problems to try to take over the function of electronic subcontractors.

"Never has our problem been one of too little work, work to be husbanded selfishly in our own plant," he said. "Rather, the greatest problem has been one of finding capable, qualified, enthusiastic and uncommitted vendors. Our sister divisions at San Diego and Pomona have had the same trouble . . . which is why, in certain instances, they have had to do some of the electronics work themselves."

Air Force policy is opposed to aircraft manufacturer competition with established electronics suppliers, said Brig. Gen. C. H. Mitchell, director, procurement & production, Air Materiel Command headquarters. "There must be some compelling reason for an airframe manufacturer to build his own component equipment," he declared. "This should happen only by default of the electronics industry. However, it is not the policy of the Air Force to encourage or condone airframe manufacturers entering the electronics business—or the same policy in reverse."

Sperry Gyroscope Air Force contracts mgr. Norman L. Winter urged that electronics companies be given bigger role in new "weapons system" procurement contracts. He said each program should be examined carefully to see whether an aviation or an electronics company would be better equipped to manage the program. To date, the bulk of weapons system management contracts have gone to airframe manufacturers, giving them full responsibility for design and integration of all components going into the military end-product, and important responsibility for procurement of these components.

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Consolidated Electronics Industries Corp., Waterbury, Conn., controlled by North American Philips Co., will buy all assets of Alliance Mfg. Co., Alliance, O., leading manufacturer of antenna rotators, small motors for phonographs, fans & bathroom heaters. It's paying \$3,650,000 in notes convertible into 200,000 shares of Consolidated within 3 years. Transaction is to be concluded by June 30, subject to stockholders' approval. Consolidated, formerly Reynolds Spring Co., sold its automotive business last Dec. and acquired a number of Philips properties (Vol. 11:2), including military electronics. Consolidated reported net profit of \$301,000 for first quarter 1955. In last quarter 1954, company sustained operating loss of \$274,000 plus loss of \$731,000 on sale of its assets. Net sales for 6 months ended March 31 were \$2,934,000, net loss \$704,000.

Original "Tinkertoy" automatic production line in Arlington, Va.—which gave modular design of electronics its greatest impetus when shown for first time in 1953 (Vol. 9:38)—has been leased by National Bureau of Standards and Navy to Aerovox Corp., which succeeds Kaiser electronics div., Willys Motors Inc. as operator of the line. Key personnel formerly associated with Kaiser have been employed by Aerovox to operate and expand the system. Emphasis will be placed on production of modules for experimental use by interested electronic equipment manufacturers. The Navy, which is encouraging use of modular-design concepts in fleet equipment, reports that electronic devices turned out on the Arlington automatic assembly line have proved equal or superior to conventional equipment.



**Financial & Trade Notes:** Television-Electronics Fund Inc., reporting total net assets of \$96,182,331 (8,489,045 shares) as of April 30, up from \$79,231,366 (7,275,625 shares) as of Jan. 31, reports that it added these stocks during the quarter: 9200 shares of Babcock & Wilcox at market value of \$869,400; 10,000 Barry Controls Inc. "B," \$145,000; 3000 Bell & Howell, \$115,875; 16,200 Bullard Co., \$607,500; 9000 Continental Telephone Co., \$219,375; 12,000 Elgin National Watch, \$250,500; 4000 Lockheed Aircraft, \$187,000; 16,100 Pullman, \$970,025; 10,000 Servomechanisms Inc., \$112,500; 1200 Topp Industries Inc., \$7950.

Also acquired were 7400 shares of recently offered (Vol. 11:17) Gross Telecasting Inc., valued at \$142,450. Fund also holds 800 Consolidated TV & Radio Broadcasters Inc. (Bitner stations), at \$20,800, and increased its holdings in Storer Bestg. Co. from 5000 to 20,000 shares at \$505,000.

Fund added to holdings in these stocks during quarter: ACF Industries, Addressograph-Multigraph, Allis-Chalmers, American Broadcasting-Paramount, American Chain & Cable, Beckman Instruments, Borg-Warner, Bulova Watch, Carborundum Co., Chance Vought Aircraft, CBS "A," Columbia Pictures, Consolidated Electronics Industries, Consolidated Engineering Corp., Cornell-Dubilier, Corning Glass, Curtiss-Wright, Douglas Aircraft, Eastman Kodak, Eaton Mfg., Electric Controller & Mfg., ElectroData, Food Machinery & Chemical, Garrett, General Dynamics, General Tire, Goodyear, Hazeltine, Indiana Steel Products, IBM, International Nickel of Canada, I-T-E Circuit Breaker, Magnavox, Maxson, Minneapolis-Honeywell, Minnesota Mining, National Acme, National Cash Register, North American Aviation, Northrop Aircraft, Oak Mfg., Paramount Pictures, Penn Controls, Photon, RCA, Reliance Electric, Remington Rand, Ryan Aeronautical, Square "D," Stewart-Warner, Taylor Instrument, Texas Instruments, Tung-Sol, 20th Century-Fox, United Aircraft, Walt Disney Productions, Westinghouse Electric, Worthington.

Part of holdings were sold in Aerovox, AT&T, Bendix Aviation, Borg (Geo. W.), Clark Controller, Cle vite, Cutler-Hammer, DuMont "A," Emerson Radio, General Con-

trols, GE, Hammond Organ, International Resistance, Raytheon, Robertshaw-Fulton, Stromberg-Carlson, Technicolor, Thompson Products, United-Carr Fastener, Western Union, Westinghouse Air Brake, Zenith. Having disposed of American Bosch Arma in preceding quarter, it also sold its 1900 shares of American Bosch preferred, 1952 series, retaining in portfolio of preferred stocks Eastern Industries, 75 Giannini, 2000 Raytheon.

(For similar report on Oct. 31-Jan. 31 quarter, see Vol. 11:10, p. 13.)

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Daystrom-Weston merger (Vol. 11:14) was approved May 17 by stockholders of both companies. Weston stock will be exchanged for Daystrom on one-for-one basis, and Weston will become wholly operated subsidiary of Daystrom. For fiscal year ended March 31, unaudited Daystrom figures show estimated sales of \$73,800,000, compared to \$62,473,000 preceding year. Net income was \$1,690,000 (\$2.56 a share) compared to \$1,459,000 (\$2.33). Weston's 1954 sales totaled \$28,672,800 vs. \$32,409,800 in 1953. Net income was \$1,056,714 (\$2.47 a share) vs. \$1,025,930 (\$2.40) in 1953. Daystrom pres. Thomas Roy Jones predicted 70% of company's sales this year will be in electronics, electrical and related field.

Reeves-Ely Laboratories Inc. 1954 sales dropped to \$35,332,365 from record \$39,630,155 of 1953, reports pres. David T. Bonner, but net income went up to \$2,295,688 (\$2.16 per share) from \$1,823,174 (\$1.71). Backlog at year's end was \$51,000,000, and working capital was \$15,387,430 compared with \$12,244,152 at end of 1953.

Jerrold Electronics Corp., Philadelphia, major manufacturer of community antenna and master antenna systems, has filed with SEC proposed issue of \$2,750,000 of 6% convertible subordinate debentures due 1975 and 200,000 shares of common; underwriting is headed by Van Alstyne, Noel & Co. and Butcher & Sherrerd, Philadelphia.

Storer Broadcasting Co. reports net income of \$811,989 (\$1.44 a share) for first quarter vs. \$803,235 (\$1.43) in 1954 quarter. Gross revenues were not disclosed. (For 1954 and preceding years' balances, see Vol. 11:15, p. 16.)

**LAST TESTIMONY** in Lamb case was concluded May 20 after 56 days of hearings extending over 8 months as Toledo broadcaster-publisher-industrialist Edward Lamb reaffirmed from the witness stand "every non-Communist affidavit I ever made" and declared "I do not retract by one iota or comma" any affidavits made to FCC. Actual hearing record—which now contains about 1,500,000 words—won't be closed until both sides meet with examiner Herbert Sharfman to dispose of certain motions, discuss various stipulations, etc. This shouldn't take longer than one day.

Next step will be for each party to file proposed findings (for which 20 days is permitted by Commission rules), then examiner's initial decision—likely to take several months—followed by filing of exceptions by both sides, then final decision by FCC.

At this week's hearing, former Attorney General J. Howard McGrath, Lamb's business partner and attorney, testified on "issue No. 2" in Lamb case—the accusation that bribe had been offered for false testimony against Lamb. McGrath testified that Emmet Lee Wheaton Jr., Toledo, had signed statement that Wm. G. Cummings, self-styled ex-FBI undercover Communist and FCC's first witness against Lamb, told him it would be "worth \$1000" if he could remember that Lamb had attended the dedication of Communist headquarters in Toledo in 1944. McGrath emphasized that he was not accusing FCC of proposing or condoning an attempted bribe.

Proceedings this week also heard Pittsburgh Mayor

David L. Lawrence, 32nd witness in the hearings, testify he had known Lamb since 1937 as staunch enemy of Communism, that he first met him in Pittsburgh when Lamb was labor lawyer fighting to keep Reds out of United Steelworkers Union.

In a related development, a Federal jury in Washington, deliberating only 20 minutes, found Mrs. Marie Natvig guilty of 3 counts of lying to FBI and FCC officials. Trial did not deal with the truth of what she said about Lamb in either her original or her turnabout testimony. She faces up to 15 years in prison and \$6000 fine, was released on bond pending probation report. Her attorney, who argued Mrs. Natvig was "confused" while on stand at FCC hearing, said verdict would be appealed. In summing up to jury, Justice Dept. attorney said she committed "one of the most vicious things she could have done" if she lied in linking Lamb to Communists. He said evidence seemed to show that she did.

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Sylvania has no present intention of seeking new financing this year, pres.-chairman Don G. Mitchell told *Wall Street Journal* this week, apparently prompted by inquiries about its atomic energy activity. He said Sylvania is one of leaders in field of atomic fuel & components, under contract with AEC. While this business is not profitable, it isn't losing either, he said, and over next 5 years he said company's atomic energy activities could become as big as Sylvania is today (1954 gross: \$281,641,987, net \$9,480,941, or \$2.92 per share).



**NOT ON AGENDA** of NARTB convention, apparently still as far off as ever, is matter of a continuing market-by-market or county-by-county census of TV homes acceptable to all segments of the industry. Though it's one of industry's real needs, NARTB officials deny dawdling—but fact is that it has been in the works now for 3 years and only action thus far has been to have Politz undertake pre-test methods and make pilot studies in undisclosed markets.

Next step is another progress report, to be submitted to TV board at June 23 meeting in Hot Springs, Va., and at the convention pres. Harold Fellows is expected to repeat "hope" that a workable system will be in operation before the 1956 convention.

Some of the leading research people in the industry now frankly say they think the project may die aborning, and at the moment they don't seem overly concerned. The telecasting industry is so vital, time so scarce on networks and major stations, outlets so few, jobs for sponsors so well done on TV, that agencies simply take-or-leave the network figures (covering their affiliated stations), the figures claimed by stations, or other proffered statistics.

Networks don't release their figures. Station estimates are carried in some trade journals—"certified". Some big agencies, like J. Walter Thompson, which conducted 4 surveys on "Where the Sets Are," covering only metropolitan trading areas of 340 top markets, compile their own figures.

Last county-by-county census released by NBC was dated May 1, 1953, covered radio as well as TV ownership; one by CBS was dated Nov. 1, 1953, based on a Nielsen study. Since then, *Television Magazine* has been publishing monthly projections which have been gaining considerable acceptance. Another index to gains in audience, but by no means synonymous with sets-in-use, is monthly report by RETMA on shipments to dealers; it's released by states only, though compiled on county-by-county basis, with latter figures not for publication.

NARTB research mgr. Richard M. Allerton is in charge of the long-projected all-industry census which, it had been expected, would be backed by the networks, RETMA, AAAA, ANA. Committee has Robert D. Swezey, WDSU-TV, New Orleans, as chairman, and members are Hugh Beville, NBC; Donald Coyle, ABC; Oscar Katz, CBS; Edward Eadeh, DuMont; James Anderson, Crosley; Campbell Arnoux, WTAR-TV, Norfolk; Richard Borel, WBNS-TV, Columbus; Kenneth Carter, WAAM, Baltimore; Clair R. McCollough, WGAL-TV, Lancaster; J. Leonard Reinsch, WSB-TV, Atlanta; Donald Thornburgh, WCAU-TV, Philadelphia; Lee Wailes, Storer.

First "permanent" CBS-TV affiliates advisory board was elected at convention in N. Y. May 19, each member to serve 2 years: Howard Lane, KOIN-TV, Portland, Orc., chairman; Richard A. Borel, WBNS-TV, Columbus, secy.; Paul Adanti, WHEN-TV, Syracuse; Glenn Marshall Jr., WMBR-TV, Jacksonville; T. B. Lanford, WJTV, Jackson, Miss.; Bruce McConnell, WISH-TV, Indianapolis; Wm. B. Quarton, WMT-TV, Cedar Rapids; Clyde Rembert, KRLD-TV, Dallas; James Russell, KKTU, Colorado Springs; Rex Howell, KFXJ-TV, Grand Junction, Colo.; Frank E. Busby, WTVY, Dothan, Ala.

CBS newsfilm div. named supplier of film news coverage of North & South America and Far East for Independent Television News Ltd., British service headed by Aidan Crawley to serve upcoming commercial Independent Television Authority.

Screen Tests to Order Inc., 550 Fifth Ave., N. Y., set up as companion service to Stock Shots to Order Inc.'s TV film dept., headed by Raymond Pheelan.

ABC has been in the black since first of year, and second-quarter earnings will be substantially higher than same period of 1954, thanks mainly to TV billings, AB-PT pres. Leonard H. Goldenson reported to stockholders at May 17 annual meeting. He said TV network time sales booked thus far this year exceed total for all of 1954. ABC in past year has "gained increased stature as a major network," he stated, citing such upcoming new programs as *Mickey Mouse Club*, *Warner Brothers Presents* & Bishop Sheen's *Life Is Worth Living* (shifted from DuMont) and sponsorship renewals as "evidence of greater critic, public and sponsor acceptance and the ability to deliver audiences through improved ratings." Goldenson reaffirmed the company's interest in phonograph & electronic fields; it's still surveying prospects of entering record field, and holds one-third of Microwave Associates, Boston. Upward trend of 1954 in movie business is continuing, with earnings for first 17 weeks running well ahead of similar 1954 period, though second quarter is seasonally weak because of lack of good pictures. AB-PT expects to complete required theatre divestiture program by Sept. 3, then will "give consideration" to purchase of additional theatres. (For Goldenson's remarks on subscription TV, see p. 4.)

"Children's programs are improving every year," according to survey of TV in all 48 states by General Federation of Women's Clubs, which expressed regret, however, that most of them "seek only to entertain." As reported by Federation's communications dept. chairman Mrs. Dexter O. Arnold, huge 500-woman survey and monitoring operation found: (1) Amount of objectionable language on children's programs is "insignificant in comparison with the amount of inspiring language." (2) "Children's programs seem to have neglected opportunities for presenting material of educational value. [The] problem is not what they present, but what they fail to present." (3) Early-evening shows "best meet the challenge of elementary school children," but there's lack of material for junior high age group. (4) Shows most consistently approved: *Disneyland* (100%), *Howdy Doody*, *Pinky Lee*, *Movie Marshal*.

Urging FCC to defy Pentagon's unwritten ban on towers higher than 1000 ft., Broadcast Bureau this week recommended that KSWB-TV, Roswell, N. M. be permitted to build 1610-ft. tower at new location despite opposition of military representatives on Washington Airspace Subcommittee (Vol. 11:11). Broadcast Bureau argued that military & civil aviation spokesmen appearing at FCC hearing on the tower proposal presented no evidence that new tower's height and location would make it a hazard, and pointed to evidence that present location is greater hazard than proposed one.

ABC-TV will begin colorcasting "only when color TV becomes commercially feasible and enough sets are in the hands of the public," AB-PT pres. Leonard Goldenson told stockholders meeting this week. He pointed out that *Disneyland* and *Warner Bros. Presents* series are being filmed in color for eventual re-runs on color TV.

Out-of-court settlement of \$1,000,000 suit against NBC by John J. Dickerson, ex-New Jersey GOP chairman, was reported "for a substantial amount" May 17, one day after case went to trial. Defamation suit resulted from 5 Robert Montgomery newscasts in 1952 dealing with state probe of gambling and corruption in Bergen County.

Headquarters of *Television Digest* during the NARTB convention are Suite D-615-17, Shoreham Hotel. Visitors are cordially invited.



# MARTIN CODEL'S

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

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JUN 8 1955

# Television Digest

with **ELECTRONICS** REPORTS

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## SUMMARY - INDEX OF THE WEEK'S NEWS—May 28, 1955

**AWARENESS OF INFLUENCE** characterizes NARTB convention as members seek to insure unfettered growth under friendly governmental aegis (p. 1).

**NETWORK PRESIDENTS** proud of TV accomplishments, stress essentiality of networks on eve of govt. investigations, disclose exciting program outlook (p. 2).

**"LINCOLN-DOUGLAS" DEBATES** on TV proposed by Stanton for 1956 Presidential campaign, cueing evaluation of political "free time" controversy (p. 4).

TV's **SELLING POWER**, moving merchandise faster than any other medium, illustrated in presentations by NBC and TvB (p. 6).

**SUBSCRIPTION TV** finds few zealots among NARTB members, as efforts at "revolt" fail; proponents seek support for tryout; CBC turns thumbs down (p. 6).

**LOW-POWER & LOW-PRICE** transmitters and studio gear featured at NARTB show, as manufacturers anticipate FCC approval of small stations & boosters (p. 8).

**BIG APPLIANCE DEAL**, involving consolidation of RCA, Sears, Whirlpool, Seeger, perhaps others, awaits Justice Dept. opinion (p. 12).

**INCREASE IN EARNINGS** reported for most leading TV manufacturers in first quarter over year ago; outlook favorable for second quarter (p. 15).

**FCC GRANTS CPs** for Memphis & Hawaii, asks Supreme Court to reinstate multiple rule (p. 9). Richard A. Mack of Florida named to succeed Comr. Hennock (p. 16).

**5-MEGAWATT UHF** power ceiling to be proposed by FCC with drive to improve uhf sets, as Lee urges long-range reallocation; uhf operators map new strategy (p. 10).

**FIRST TV OUTLETS** go on air in Lafayette, La. & Rapid City, S. D.; Norfolk uhf resumes after 7-month silence. Peoria station buys first new RCA "megawatt" (p. 11).

**POPULAR-PRICED COLOR SETS** awaited by telecasters weighing purchases of color equipment; competition growing in color film chains (p. 11).

**NARTB CONVENTION—THE SUMMING UP:** A TV industry deeply conscious of its strength and concomitant responsibilities and a radio industry now optimistic about its economics after several shaky years met this week at NARTB convention in Washington, left with feeling that affairs are in safe hands among the governmental regulators.

Economic background of convention had several distinct characteristics -- pioneer telecasters are beginning to get some competition, seeing more coming as new vhf grants are issued, are working harder to maintain leadership; uhf operators with little or no vhf competition are doing well, but others see no succor except in drastic remedies; the myriad small radio operators, who comprise bulk of NARTB membership, look with envy at successful telecasters and wait for the day when they can assume in TV the same satisfying role they have attained in radio. Against that background, here are what we consider to be the major developments:

\* \* \* \*

Govt. Regulation: "Freedom" was the watchword from every govt. spokesman, from President Eisenhower down. The President was very explicit, stating: "We must grow up with this great force, assuring the freedom of people to express their proper opinions, with the whole industry governed by the same rules that govern newspapers, the normal rules of decency and good taste. As long as those are observed, any proper opinion -- any opinion -- can be expressed before the public." CBS pres. Frank Stanton spoke for the industry later when he said: "I am happy to hear those words, and CBS will not forget them."

FCC is considered more solid and safe than ever, with a chairman and majority who reiterate a "hands off" policy with every public utterance -- enhanced this week by appointment of Richard Mack who comes to FCC with record of stability (see p. 16).

Congress is a somewhat less certain quantity. Though Rep. Priest's remarks were unsettling to some, Sen. Magnuson's speech was calm and careful -- and no one expects crippling legislation to emerge from current Senate study. But networks' present freedom from licensing was questioned by keynote speaker Mark Ethridge, who



asked: "Does the economic and social impact of television make it desirable to re-view the question of network regulation -- certainly not with the end of making them common carriers, but in the light of the apparent inconsistency of regulating the faucet but not the pump, and in the light of the fact that television has given the networks more power than ever?"

\* \* \* \*

Subscription TV: Pro-toll converts among broadcasters are few indeed. Many operators dismiss pay-TV as something FCC or Congress couldn't conceivably approve. Others are alarmed at momentum it has achieved in some quarters, are trying to alert colleagues before it's too late. Some, among telecasters in economic difficulties or radio operators not yet in TV, are intrigued by pay concept, would like to "give it a try" -- if a "safe" test can be devised (p. 6).

TV's Selling Power: Two sales presentations, Television Bureau of Advertising 5-city survey of grocery shopping and NBC's "Strangers Into Customers", documented an advertising impact even greater than most telecasters realized (p. 6).

Color: Conversion to color is considered inevitable by virtually everyone -- but only a handful of telecasters are buying color equipment, while majority finds no incentive to colorcast until mass-priced receivers are on the horizon. Furthermore, there's fear of obsolescence as equipment continues to be refined (p. 11).

Hometown TV: Though there's still need for more strong outlets in most metropolitan areas, much attention was focused on another potential direction for TV's expansion. Difficult as it is to foresee today, there are those who predict that TV will burgeon as a small-city service, following in the path of radio's postwar expansion from 1056 stations in 1945 to 2835 authorized today.

New formula is needed, one comparable to small-town radio. On the technical side, FCC is preparing it now, drawing up new set of rules for low-power stations and boosters. Equipment makers seemed ready, showing widest variety of low-cost transmitting and studio gear -- some of it made even more attractive by novel "easy payment" plans. Programming and sales side of the small-city TV formula are still relatively undeveloped, crying out for pioneering and imagination (p. 8).

Equality of TV opportunity: Deficit-ridden uhf operators -- those with heavy vhf competition -- listened glumly as FCC Chairman McConnaughey proposed to let them buy 5-megawatt transmitters, to be available in about 2 years at a cost of perhaps \$300-\$400,000. Those wondering if they'd still be in business next month were not impressed by his plan for FCC-sponsored "improvement" of uhf receivers, his enumeration of what Commission is doing to "help uhf," nor Comr. Lee's long-term proposal for re-allocation. Meeting between convention sessions, group of hard-pressed uhf telecasters mapped strategy for last-ditch defense against bankruptcy (p. 10).

It's safe bet Washington won't be convention city again for a long time. Physical layout was completely unsatisfactory -- with shuttling between Shoreham and Sheraton Park Hotels, with exhibits in hard-to-get-at and stifling Shoreham garage and with many delegates forced to room at distant downtown hotels. With sigh of relief, members decided to convene next year in Chicago, where they met last year.

**NETWORK PRESIDENTS SCAN TV HORIZON:** Expressing unabashed pride in their contributions to TV in 10 short years, the 4 TV network presidents also showed keen and serious awareness of TV's unprecedented role in the American scene as they outlined plans for the future, in speeches at NARTB convention.

Presidents of the two most powerful networks, CBS's Frank Stanton and NBC's Sylvester L. Weaver, literally thrilled the not-easily-impressed audience when they projected network programming as far ahead as they could see.

With measured emphasis, the serious-minded Stanton stated: "The strongest sustained attention of America is now, daily and nightly, bestowed on television as it is bestowed on nothing else." In view of this, he said, "the policy of 'giving the public more and more of what it likes' is no longer good enough because it no longer goes far enough. TV could scarcely have gotten started by giving the public what it didn't like -- but the day for a closer inspection of the relationship between TV and its enormous public is now, in my opinion, at hand."



Stanton then disclosed CBS's plan to enlist "outside help" to determine how TV can best "satisfy the public taste and raise it a little, too." CBS will form a committee, "composed of distinguished members of the public representing the arts, religion, labor, industry, education, social and political scientists and television critics." Its job will be to "develop a list of the most difficult, vexing or perplexing questions on which public opinion of all degrees should be solicited as to the role of TV in our society -- and then let these questions be turned over to an experienced professional group for a field study to collect the answers the public gives back." CBS will underwrite cost -- coming to at least \$100,000.

\* \* \* \*

The gangling Pat Weaver, with his love of the word "excitement" and his capacity for generating a lot of it, opened this kind of vista: "In our future TV week, we might have 6 or 7 hours of special programming. First, a 3-hour, all-evening entertainment spectacular. Then a one-hour telementary. Telementaries give background and orientation on a subject like Pete Solomon's 'Three-Two-One-Zero' on the hydrogen bomb or his forthcoming 'Nightmare in Red' on Russia, or our 'India' and 'Tomorrow' telementaries. These are great lasting productions taking as much as a year to prepare and execute. Then we'll have one news-in-perspective show, a form that still escapes all of us, in my opinion. It would represent a relevant, important subject made into a special major report to the people and would be done in time to be hot. This would marry our 'Background' and 'Comment' shows with Ed Murrow's 'See It Now', but with less feature story feeling and more miracle-type coverage." All this, he said, can come only from networks.

If networks went out of existence, Weaver went on, there would be a shift of money from stations "who have proved that they will spend part of their money back in public service -- a shift to program companies and syndicates who will spend their money on shows aimed at the lowest cost-per-1000. Once the hit half-hours develop good ratings, then they will program the cheap half-hour after them in order to hold enough audience at the lower program cost to get a great buy -- and you have set up the chain reaction that will take this great instrument of ours and depress it to a living room toy -- panels, quizzes, B pictures, audience participations, trivia, escape, breaking through the nadir of nepenthe! We are not like the movies -- merchants of dreams, salesmen of escape. We primarily deal with reality. We are communicators, like newspapers and radio at its best."

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ABC's Robert Kintner, given the topic "The Business of Television," delivered a thumping defense of TV, of commercials, of networks -- and a ringing denunciation of subscription TV and the limitations of FCC's allocation plan.

"The loss of TV," Kintner said, "even in its present development, would represent an estimated loss of \$40 billion in terms of sales of goods and services which can be credited to TV today...I think that there can be no question on the rightness of advertiser support of TV. Its basic rightness needs no real argument. The American system works, and works well."

Though ABC-TV suffers from lack of "accessibility" to more markets -- out of 233 TV markets, only 42 have 3 or more stations -- Kintner warned that legal restrictions on networks aren't the answer. Instead, he said, accessibility should be provided via channel allocations changes; he cautioned that "any Congressional committee, or the FCC should go slowly in further restricting relationships between networks and stations." (For Kintner's views on allocations, see p. 10; on pay TV, p. 6.)

Pioneer TV inventor Dr. Allen B. DuMont reviewed development of TV since its "first seed" appeared with discovery of selenium 138 years ago, then stated: "Perhaps the future technical changes in receivers and equipment are of lesser importance than the world-wide spread of TV itself. Whether the receiver is thin and hangs on the wall like a picture -- whether the picture itself is in color or black-&-white, these things are not as important as the fact that Czechs, Russians, Chinese, Germans, Frenchmen and Indians may watch international sports events, deliberations before the United Nations, and other events of world-wide importance. A world-wide TV network is a certainty some time in the future."



**TV'S MIGHTY POLITICAL POWER IN FOCUS:** You'll be hearing a lot about the ground rules for TV as the 1956 political campaigns approach -- with Congress, FCC, networks et al certain to plunge headlong into "equal time" issue. TV's critical influence in making or breaking a candidate grows greater each year -- and this week it impelled CBS president Frank Stanton to suggest Congress amend Section 315 of Communications Act to permit him to offer free network time to Presidential candidates of 2 major parties for series of electronic "Lincoln-Douglas" debates, without necessity of making same offer to candidates of all minor parties (16 of them in 1952).

It's certain to evoke deepest sort of controversy among politicians & broadcasters, whose opinions are sharply divided. As against those who favor more liberal "free time" policy, there are those who say proposals such as Dr. Stanton's place too much power in hands of networks & stations, that they discriminate against legally constituted minority parties.

Divergence of FCC opinion was manifested this week at NARTB convention panel. Miss Hennock, only commissioner favoring free time for political candidates, urged creation of joint Congressional-Presidential committee to make recommendations on subject, even recommending "public treasury" share the cost of financing free time, if necessary. She was challenged by Comr. Doerfer, who commented that under her theory a candidate "shouldn't have to pay for public halls, newspaper space or a brass band." He said that in England the BBC allowed only total of 5½ hours of free time to hundreds of candidates in recent campaign.

Stanton proposes to invite 2 candidates to participate in its sustaining public service programs, and in addition would make "perhaps 2, perhaps 3 hours available free in prime evening time during the 1956 campaign for a modern-day electronic version of the 'Lincoln-Douglas' debates." Proposal drew quick approval of affiliates, to whom it was first broached last week.

Stanton thus explained reasoning behind his proposal: "TV as a full-fledged member of the free press, with perhaps more impact and more excitement than any other part of the press, does have an enormous responsibility in providing information and enlightenment during election campaigns. More and more not only do the politicians look first to TV, but also the voters themselves are turning to TV for the faces and facts upon which they can make the judgment which they finally record in the voting booth."

Both political parties generally endorsed idea as a step in right direction. Spokesman for Democratic National Committee told us: "The idea is promising as far as it goes. However, some safeguard will have to be provided so that a strong, legitimate third party is not frozen out." GOP spokesman commented in same vein.

Sen. Magnuson (D-Wash.), chairman of Interstate & Foreign Commerce Committee, termed Dr. Stanton's proposals "farsighted", said they were "well worth considering" because, although it sounds good to say you give equal time to candidates, from practical experience it doesn't work out that way." Interviewed on CBS-TV's "Morning Show," he said he favored changes in provisions of Communications Act, stating:

"I don't know just how we're going to spell it out, whether we'll spell it out in X number of hours or give it to the political parties to distribute among their candidates, but we're going to have to meet the problem -- and I'm glad to see Mr. Stanton was farsighted enough, as head of a big network, to realize it." A bill (S-636) to raise the limit on expenditures by each national political committee to \$12,300,000, partly to account for higher cost of TV, is under consideration of the Senate Rules subcommittee. NARTB pres. Harold Fellows has endorsed it in principle.

N.Y. Times' astute political writer James Reston took up whole problem of TV & politics in 1956 in May 26 column, said: "There is general agreement here that the ability-to-pay principle is not just in a democracy, and that the injustice is likely to increase in direct ratio to the rise in TV costs, but the problem cannot be solved merely by changing the rules to give the Democrats and Republicans free time and blocking out all others." Without mentioning Miss Hennock's proposal, he suggested creation of a Presidential commission, with representatives of public, broadcasters, FCC & major parties, "to explore the problem."



**Personal Notes:** Joseph H. McConnell, ex-NBC pres. resigning as pres. of Colgate-Palmolive Co., named gen. counsel & director of Reynolds Metals, succeeding the late Judge Robert B. Patterson . . . Harry G. Ommerle, CBS-TV program director, named N. Y. v.p. in charge of network programs, coordinating N. Y. programming and reporting to Hubbell Robinson Jr., national v.p. in charge of network programs . . . George Bristol promoted to director of CBS-TV sales presentations . . . Glenn Boundy elected Storer engineering v.p. this week in wake of last week's elevations of Stanton P. Kettler from southern district v.p. to v.p. in charge of operations, succeeded by George B. Storer Jr. in former post, and of John E. McCoy from secy. & house counsel to v.p. in charge of law, finance & engineering . . . H. Leslie Atlass, CBS central div. v.p., to be awarded honorary degree June 5 by Lincoln College, Lincoln, Ill., his home town, where he and his brother Ralph started WBBM in the '20s; presentation will be by Carl Haverlin, pres. of BMI, a Lincoln scholar, who also holds honorary degree from that institution . . . Fred Thrower, v.p.-gen. mgr. of WPIX, N. Y., elected a director of WGN Inc., Chicago . . . Earl H. Gammons, CBS Washington v.p., presented Distinguished Service Certificate by President Eisenhower May 23 for service as 1951-53 vice-chairman of President's Committee on Employment of the Physically Handicapped . . . Charles Moos promoted to NBC labor relations mgr., reporting to personnel director B. Lowell Jacobsen . . . Thomas W. Sarnoff, NBC Hollywood, married May 21 to Janyce Lois Lundon; at home after July 1 at 2000 No. Beverly Dr., Beverly Hills . . . Sol Cornberg, NBC director of studio & plant planning, leaves July 1 for England to serve as consultant to Sidney L. Bernstein, chairman of Granada Theatres Ltd., one of 4 companies granted commercial license by Independent Television Authority, will design TV studio facilities in Manchester . . . Ben Park, NBC-TV network program mgr., Chicago, named director of public affairs, reporting to v.p. Davidson Taylor . . . Patrick J. White promoted from commercial mgr. of KTBS to station mgr. of upcoming KTBS-TV, Shreveport (Ch. 3), due in Sept., reporting to pres.-gen. mgr. E. Newton Wray; Mrs. Marie Gifford will be TV commercial mgr.; Charles Saltgaver, production director . . . Larry Stevens, local sales mgr. of KGMB-TV, Honolulu, resigns to open own ad agency there in early summer . . . Milton F. Komito, ex-WAKR-TV, Akron, named gen. mgr. of WTAP-TV, Parkersburg, W. Va., succeeding Ted Eiland, now gen. mgr. of WJNO-TV, Palm Beach . . . Wm. Craw-

ford resigns as sales mgr. of WABD, N. Y. . . Wm. P. Breen promoted to new post of southeastern sales supervision in expansion of NBC film div.; John F. Tobin named northeastern sales supervisor, Edward A. Montaus central region, Robert R. Rogers N. Y. City . . . Soren H. Munkhof resigns as gen. mgr. of Hearst's WTVW, Milwaukee, to become consultant for Jerome Sill's upcoming WAGE-TV, Marquette, Mich. (Ch. 6), due in July; he's succeeded by Harry Peck, ex-gen. mgr. of AM affiliate WISN . . . George Greaves, gen. mgr. of radio KNBC, San Francisco, promoted to staff asst. to Thomas C. McCray, gen. mgr. of KRCA, Los Angeles and Pacific div., NBC radio; W. K. McDaniels promoted from sales mgr. to KNBC gen. mgr. . . Milton Brown promoted to NBC mgr. of program publicity, succeeding Don Bishop, now publicity director of NBC's owned stations, spot sales & WRCA-TV . . . John J. Schneider promoted to v.p. of Biow-Biern-Toigo; he's pres. of National TV Film Council . . . Howard E. Walpert resigns as sales mgr. of WHUM-TV, Reading, Pa., to join TV-radio dept. of Arndt, Preston, Chapin, Lamb & Keene Adv., Philadelphia . . . A. Prose Walker, mgr. of NARTB engineering dept., married last week end to Ellanie Lezos, of GE Washington office . . . B. P. Timothy resigns as gen. sales mgr. of Avery-Knodel Chicago sales office, plans to enter into station ownership in West or Southwest . . . Frank G. Silvernail, BBDO, elected chairman of American Assn. of Advertising Agencies' broadcast media committee; Jane Daly, Earle Ludgin & Co., elected vice chairman; John F. Devine, J. Walker, mgr. of NARTB engineering dept., married this tee, C. Burt Oliver, Foote, Cone & Belding, vice-chairman . . . John H. Allen, ex-Lever Bros., named TV-radio program director, Tatham-Laird Inc. . . Buckingham Gunn named v.p. & TV-radio director, Clinton E. Frank Adv., Chicago; he's replaced in Foote, Cone & Belding TV-radio dept. by Wm. Hyer, film package producer . . . E. L. (Spike) Colburn, ex-Television Programs of America, named exec. sales director of KBTB, Denver . . . Wm. Patterson appointed TV-radio v.p. for east, John Gaunt for west, Grant Adv. . . Edwin M. Fisher, ex-*Television Magazine* v.p., joins TV div. of rep Bolling Co.

TV Inc., co-op film purchasing firm with 62 stations as members, this week elected new officers: pres. & chairman, Joe Floyd, KELO-TV, Sioux Falls, S. D.; exec. v.p., W. D. (Dub) Rogers, KDUB-TV, Lubbock, Tex.; secy., Jim Manning, KXLF-TV, Butte; treas., Ed Craney, KXLF-TV.

**National Affiliated Television Stations Inc. (NATS)**, GE-supported organization which proposes to assist TV stations with finances, management, programming & sales (Vol. 11:12, 14, 21), this week released list of 16 new affiliates (14 of them vhf, including 2 CP-holders), in addition to the 19 disclosed last week. According to NATS v.p. Berman Swartz, new affiliates are: WFIL-TV, Philadelphia (Ch. 6); KMBC-TV, Kansas City (Ch. 9); WNEM-TV, Bay City, Mich. (Ch. 5); KBMB-TV, Bismarck (CP for Ch. 12); WRBL-TV, Columbus, Ga. (Ch. 4); KIEM-TV, Eureka, Cal. (Ch. 3); WINT, Waterloo, Ia. (Ch. 15); KHOL-TV, Kearney, Neb. (Ch. 13); KBES-TV, Medford, Ore. (Ch. 5); KCJB-TV, Minot, N. D. (Ch. 13); WSIX-TV, Nashville (Ch. 8); WOAY-TV, Oak Hill, W. Va. (Ch. 4); WDBO-TV, Orlando, Fla. (Ch. 6); WWLP, Springfield, Mass. (Ch. 61); WTWV, Tupelo, Miss. (CP for Ch. 9); WSBA-TV, York, Pa. (Ch. 43).

Operating in black for first full year in its 6-year history, *Los Angeles Times'* independent KTTV showed profit of \$225,833 last year, compared to loss of \$607,699 in 1953 and \$896,940 in 1952. Last year's gross revenue totaled \$5,640,555, compared to \$4,011,981 for 1953.

Citations at NARTB convention: To Mark Ethridge, publisher of *Louisville Courier-Journal* (WHAS-TV & WHAS) and 1936 pres. of old NAB, annual convention keynote award, previously bestowed on RCA-NBC's David Sarnoff and CBS's Wm. S. Paley; to James C. Hagerty, White House press secy., "TV Pioneers" award of *Sponsor Magazine* for making possible televising of presidential press conferences, with citations to TV newsmen Bryson Rash of ABC, Lewis Shollenberger of CBS, Julian Goodman of NBC, who worked with him on technical aspects; to Mr. Hagerty again for same reason by Radio & TV Executives Society of N.Y., presented at White House May 22 by WQXR's Elliott Sanger & NAM's G. W. (Johnny) Johnstone; to ex-President Herbert Hoover, Radio Hall of Fame citation by Radio Pioneers, with citations to NBC pres. Pat Weaver, CBS network radio sales v.p. John J. Karol, Jack Benny, Fred Allen. Placed in Radio Hall of Fame was Joseph Henry, pioneer physicist (1797-1878).

Most valuable sales research book of the year, just off the press: *Sale's Management's* "Survey of Buying Power" (Bill Bros. Publishing Corp., \$4.).



**POWERFUL SALES stimulus of TV advertising**, how it moves merchandise faster than any other medium, was graphically illustrated in 2 separate but closely-related film presentations at NARTB convention. First was NBC's "Strangers Into Customers," a comprehensive survey of TV's impact on Ft. Wayne since its first station, uhf WKJG-TV, went on air in Nov. 1953. Second was Television Bureau of Advertising's 5-city survey of grocery shopping revealing TV as dominant influence in sales in 12 out of 15 food categories.

NBC's \$250,000 Ft. Wayne project, which research director Hugh Beville termed "the major achievement of my 25 years as a broadcast researcher," was truly an eye-opener. Largest research project ever undertaken by NBC, survey was conducted by W. R. Simmons Co. research firm in 2 parts—the first in Oct. 1953, month before station went on air, the second among same interviewees 6 months later. Major findings:

(1) After getting TV, consumers increased total exposure to all media by 41%, with TV getting lion's share; set owners watched TV average of 173 min. per day, compared to 94 min. for newspapers, magazines & radio combined. (2) TV accounted for 7 out of every 10 advertising impressions absorbed. (3) TV increased average brand-awareness by 45%, brand-product association by 59%, trademark recognition by 68%. (4) TV-advertised brands increased share of purchasers by 19% in typical package-goods field, while non-TV brands fell off 11%. (5) Most-advertised brands on TV increased business 48%, while brands with small TV schedules increased only 28%. (6) Four dealers out of 10 stocked new brands as result of TV advertising, with retailers favoring TV over newspapers almost 3 to 1 and over magazines almost 10 to 1 as "doing the best job of moving goods." Project was under supervision of NBC research mgr. Thomas E. Coffin.

**NO TOLL TV FRACAS developed at NARTB convention**—because rank-&-file endorses board's stand and because sizeable portion of membership is indifferent about the whole issue. A few minor efforts to precipitate debate aborted.

NARTB pres. Harold Fellows obviously spoke for majority when he stated: "There are times when it is not prudent, or for that matter fair, to try the issues in public before they have been considered by the established Federal authority in the matter."

As for networks' stand, CBS and ABC have already made positions clear (Vol. 11:21), ABC's pres. Robert Kintner again stating opposition in address during convention. NBC's attitude, as stated by RCA-NBC chairman David Sarnoff 2 years ago and quoted in current *Newsweek* article, remains unchanged. It's understood that NBC will take position in formal comments to FCC June 9 (a) that subscription TV is designed to make a "Hollywood cash box" out of TV; (b) that there can be no "peaceful coexistence" between free and fee TV because top-rated network shows would inevitably move over to pay-as-you-look.

"No fee-no see" will be NBC's war-cry, counterpart of CBS's slogan "TV can't exist half fee and half free." It won't be surprising if NBC, as well as CBS, opens up facilities for more debates on subject (Vol. 11:21)—impressed by reversal of sentiment expressed in letters to FCC as result of recent Bonfig-Starr debate (Vol. 11:21).

Kintner stated he had no doubt that paid TV could outbid free for best programs and that "the result would be not only a serious effect on advertising—a basic part of

Another aspect of Ft. Wayne survey, sociological impact of TV, was to be shown on NBC-TV's *Background* May 29. Filmed separately by NBC as a parallel project to sales promotion, it showed among other things that quality reading went up, light fiction & love stories down; attendance at club meetings & bridge parties decreased; clergymen found it harder to get contributions while sets were being paid for; husbands spent more evenings at home; scholarship in schools improved.

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TvB presentation by pres. Oliver Treyz, titled "Television—the Selling Machine," revealed that in just-completed survey conducted for it by Nielsen in Syracuse, Tarrytown & Peekskill, N. Y., and Fresno & suburban San Francisco, grocery shoppers were asked to reveal which advertising medium influenced them most to buy specific brands. TV was found to be first in brand purchases of soaps & cleansers, baked products, dairy products, cereals, coffee & tea, frozen foods, soups, pet foods, drugs, soft drinks, cigarettes & paper products—all but 3 of the categories covered. TV's influence was represented in 54% of dollar volume of all items purchased, magazines 27%, newspapers 11%, radio 8%.

Treyz further illustrated TV's potential selling power by another recent Nielsen survey of sudsless detergent field. It showed 15,100,000 families, 13,100,000 of them TV owners, use automatic washing machines. By buying 10 spot announcements a week on 126 member TV stations alone, said Treyz, a detergent manufacturer could achieve 42,000,000 "sales impacts" at cost of only \$1.37 per 1000, far lower price than any other medium.

Of the 13,000,000 U. S. homes which do not now have TV set, said Treyz, 10,200,000 are in TV areas, 2,800,000 out of TV signal range. He said average TV viewing is now 5 hours, 15 min. per day, "meaning that the average TV set, like its owner, also works 40 hours a week."

our economy—but a more limited use of TV facilities that would not be in the public interest."

"I am afraid," he added, "that we have not been too successful in bringing home to the public the economic and social implications of subscription TV . . . If you merely assume that the public will be against paid TV per se, you may be in for an awakening." He described telephone survey conducted by ABC in March "before the hullabaloo really began" in Baltimore, Los Angeles & New York. Most of the 800 polled hadn't heard of pay TV. Opinion was 2-to-1 against it, he said, "but the significant part of the survey, in my judgment, was that the 'against' answers were much higher among people who actually understood subscription TV than from those who had heard nothing about it."

"We do not consider this survey definitive," he went on, "but I think it does point out the need to expose free broadcasting as a part of our economic system, and as a principal method of all-day-long entertainment and information. There is need to do it quickly."

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There were several attempts to inject toll-TV controversy into NARTB deliberations. During FM session, Ben Strouse, operator of WWDC & WWDC-FM, Washington, and major stockholder of off-air WFMZ-TV, Allentown, Pa. (Ch. 67), submitted following resolution which was rejected: "It is correct as a matter of law, principle and public interest for a broadcast licensee to make a direct charge to a listener for a service rendered by the broadcaster over his licensed frequency."

Gene O'Fallon, owner of KFEL-TV, a former NARTB member, circulated petition asking repudiation of NARTB stand, working under aegis of International Telemeter. He



reported following signers: Ernest M. Thwaites, KFUN, Las Vegas; Jack Wallace, of CP-holder KBST-TV, Big Spring, Tex. (Ch. 4); Franz Robischon, KWRN, Reno; Richard Davis, CP-holder WELI-TV, New Haven, Conn. (Ch. 59); Frank J. Collins, WTVU, Scranton, Pa. (Ch. 73); John Doley, WACH-TV, Newport News, Va. (Ch. 33); Lewis O. Seibert, KGKL, San Angelo.

At NARTB business meeting, Edgar Kobak, WTWA, Thomson, Ga., tendered his proposal that toll radio be added to toll TV consideration (Vol. 11:21), but resolution was tabled. Dave Baylor, KCSJ-TV, Pueblo, Colo. (Ch. 5) sought to introduce resolution in favor of pay TV but submitted it after deadline, was informed it was out of order.

UHF Industry Committee, meeting in session separate from NARTB convention, first considered pro-pay stand, finally settled on this statement: "The Committee reaffirmed its position that subscription TV should be fully considered by the FCC in order to determine its capacity to provide additional program service for the public and revenues for all stations in a practical manner and consistent with the best interest of the public and broadcasters. The Committee does not endorse or oppose subscription TV."

Zenith continued its skillful promotional campaign, inviting broadcasters and press to demonstrations in hotel suite—and a veritable "Who's Who" of Washington correspondents showed up. Some, like N. Y. *Herald Tribune's* Roscoe Drummond, were quite impressed. He said pay TV should be permitted a test in the marketplace—"Why not let the consumer decide?" His paper took slightly different tack in editorial, stating: "Certainly the fact that TV has managed in a very brief time to become the prime American entertainment medium is a powerful argument against altering the current arrangement. Furthermore, the possibility that many programs which are now free might suddenly become subject to extra charges cannot be overlooked. Nevertheless, if a substantial number of viewers are interested in subscription TV, there seems no good reason why it cannot exist side by side with commercial TV."

*Washington News*, though its TV columnist's poll showed public 7-to-1 against and its movie columnist put pay TV in class with "such enlightened projects as the poll tax, infanticide, lynching bees and hillbilly music," plumped for a tryout, editorializing: "Soap operas and ancient cowboy movies needn't be put out of the TV business. Lots of people seem to like them. But others want to look at something else and are willing to pay for it. They ought to be granted the opportunity."

Zenith publicist Millard Faught says that a tryout is all Zenith wants, but "it shouldn't be so hedged with restrictions that it isn't fair." He said Zenith would like to introduce it to at least one large and one small city. He estimated Zenith has spent \$7-8,000,000 on project to date.

Stung by CBS's attack (Vol. 11:21), Zenith pres. E. F. McDonald shot back with assertion that people wouldn't pay a nickel for any CBS show on pay system; that networks shouldn't be permitted to go into subscription business. And he opened up on a front recently quiet—an attack on commercials—with declaration that pay-as-you-look TV would carry no advertising.

CBC has rejected toll TV for Canada, chairman A. D. Dunton telling House of Commons committee that study indicates that it's complicated, expensive and impractical—and that public reaction would be unfavorable.

Paramount Pictures' International Telemeter, while pushing for FCC approval of tollcasting, is still considering closed-circuit system which needs no Commission approval. Spokesman said Telemeter estimates it would cost about \$100 per home to wire up a town.

**Network Accounts:** Walt Disney's next big ABC-TV project is 90-min. preview of his Disneyland Park near Anaheim, Cal. July 17, Sun. 7:30-9 p.m., tour through fabulous combination "amusement park, world's Fair & museum." Sponsors are American Motors, thru Geyer Adv.; Swift & Co., thru J. Walter Thompson & McCann-Erickson; Gibson Greeting Cards, thru A. A. Christiansen Adv., Chicago . . . Procter & Gamble to sponsor Janis Paige's *The Four of Us* on CBS-TV starting Sept. 10, Sat. 9:30-10 p.m., thru Young & Rubicam . . . Kellogg Co. to sponsor *Wild Bill Hickok Show* on CBS-TV starting June 5, Sun. 11:30-noon, thru Leo Burnett Co. . . . Toni to sponsor *Dollar a Second* on NBC-TV starting July 5, Tue. 9:30-10 p.m., thru Weiss & Geller . . . Carter Products & Geritol to be alt. sponsors of Marie Wilson's *Miss Pepperdine* on CBS-TV starting in fall, Tue. 8:30-9 p.m., thru Sullivan, Stauffer, Colwell & Bayles and Edward Kletter & Assoc. . . . Sheaffer Pen & Maytag to be alt. sponsors of *Joe and Mabel* on CBS-TV starting in fall, Tue. 9-9:30 p.m., thru Russel M. Seeds & McCann-Erickson . . . Procter & Gamble and Borden Co. to sponsor *America's Greatest Bands* as summer replacement for *Jackie Gleason Show* on CBS-TV starting June 25, Sat. 8-9 p.m., thru Compton Adv. & Bryan Houston Inc. . . . Lenthéric & Emerson Drug to switch *Chance of a Lifetime* from DuMont to ABC-TV starting July 3, Sun. 9-9:30 p.m., thru Cunningham & Walsh and Lennen & Newell . . . Campbell Soup to cancel *Dear Phoebe* on CBS-TV, retaining Fri. 9:30-10 p.m. segment for undetermined new show . . . Colgate-Palmolive (Lustre net hair spray) buys 2 partic. a week for 13 weeks on CBS-TV's west coast *Panorama Pacific* starting June 15, Mon.-thru-Fri. 7-9 a.m., thru Lennen & Newell . . . NBC-TV switches Art Linkletter's *People Are Funny* to Sat. 9-9:30 p.m. in fall, replacing *Imogene Coca Show*, which will be moved to another period . . . CBS-TV may change format of *Morning Show*, Mon.-thru-Fri. 7-9 a.m., to emphasize news rather than entertainment; host Jack Paar this week asked to be relieved on show, saying his forte was entertainment.

CBS Radio & affiliates board this week proposed an equal rate for day and night every day in week. It would involve increasing weekend rates 5% to equalize them with weekdays and bringing down night rates to daytime level. Statement said "new proposal would merely serve to eliminate the complicated and cumbersome discount structure that prevails under the present system. It would in no regard lower the time cost to the advertiser . . . It would eliminate such factors as day-night conversions in station payments." Network also advanced proposal for reduction of payments to stations, to be offset by increased number of 70-sec. station breaks and increase in co-op programming which stations can sell locally.

Mutual's plan to hypo time sales, as proposed to affiliates meeting in Washington May 22, involves: (1) Additional 5-min. programs, on which stations need only carry commercials, which will be fed to affiliates each day via closed circuit, recorded and carried as run-of-schedule announcements. (2) Greater use of 6-sec. IDs, on which stations will be paid on double-up arrangement on basis of one-min. commercial program. (3) Chopping up 5-min. of commercial time on daytime partic. 30-min. programs into varied lengths to permit more flexible sales patterns. Affiliates will vote on proposals at future meeting.

NBC Radio to spend \$1,675,000 during June to promote its upcoming Monitor round-the-clock weekend service which debuts June 12 (Vol. 11:15). Promotion includes 248 announcements on NBC-TV, 336 on radio network, plus newspaper & magazine space.



**Telecasting Notes:** "Our program standards should not rely on mass ratings alone to judge their effectiveness. That concept must be extended by thinking more in terms of fundamental perception. We should, with equal force, represent the best standards of entertainment, the press, the educational institution, the church, the public forum and a multiplicity of other entities." So said John Fetzer in his farewell remarks on retiring as chairman of NARTB code review board this week. He said code now has 250 station members, plus the 4 networks, and its internal operations are "running smooth as silk" . . . TV code was likened to legal, medical or journalistic codes of ethics by Fetzer, in what was to us one of most significant speeches at convention. These older professions, he said, have learned that it's better to write their own ground rules than to wait until someone else writes them . . . "I raise a voice," said Fetzer—"querulous though it may sound, and perhaps itself tinged with guilt and misgivings—against the disturbing evidence that, to some in our industry, a dollar is a more important commodity than self-respect. It is not. A dollar in TV does not buy self-respect; on the contrary, self-respect attracts dollars." Telecasters who have adhered most faithfully to the code, he added, are those who generally have been commercially successful. "This must represent some sort of equation that should be of more than passing interest to all broadcasters: If you have a code, and you live up to it, you are more apt to be liked by more people" . . . CBS-TV's 90-min. Sat. night special programs (Vol. 11:20-21) have tentatively been titled *Jubilee*; network also plans special 90-min. color shows on Tue. & Thu., but probably not on regular basis . . . NBC takes jibe at CBS in trade ads featuring reproduction of *Variety* May 11 headline: "CBS-TV to 'Spec It Up,' Too" . . . Hailing CBS program plans, *New York Times* TV-radio critic Jack Gould wrote May 22: "The significance of the impending [NBC-CBS] battle from the viewer's standpoint is that the historic pattern of broadcasting is now all but junked. Well-ordered little hours and half-hours that come around each week with monotonous regularity may still be with us, but their days are numbered. TV has dipped its toes in the show business; now it is taking the big plunge" . . . Black-&-white spec-taculars are on NBC program for summer—called "summer specials," series of 4 shows will be in Sat. & Sun. night spots usually occupied by Max Liebman color shows. First will be *Remember—1938*, with Groucho Marx, Ethel Barrymore, Oscar Levant June 19. Others will be musi-

cal version of *Trilby*, with Carol Channing & Basil Rathbone, and musical *One Touch of Venus*, brought to New York after run at Dallas State Fair, and starring Russell Nype . . . Another TV hit becomes movie: Rod Serling's *Patterns*, first presented on NBC-TV's *Kraft Theatre* Jan. 12 and repeated Feb. 9 (Vol. 11:7) will be produced in New York as theatrical film starring Van Heflin and directed by Fielder Cooke, who directed original TV play . . . Sid Caesar and TV-movie writer Charles Peck form new company to film series of hour-long TV documentaries on O.S.S. activities during World War II . . . TV sells furs—\$2,000,000 worth of rabbit, raccoon and opossum—and has practically cleaned the market out of wolf tails and used furs, according to pres. Louis A. Cohen of American Fur Merchants Assn. The cause of it all—fur hats inspired by *Disneyland's* Davy Crockett.

Rate increases: July 1, WDSU-TV, New Orleans, raises base hour from \$700 to \$850, min. \$150 to \$180; WABT, Birmingham, has added new Class AA hour (7-9:30 p.m. daily) at \$750, min. at \$185, Class A hour remaining \$650; KTVT, Salt Lake City, has raised base hour from \$550 to \$600, min. \$100 to \$125, and added new Class AA min. only rate (7:29-9:30 p.m. daily) at \$150; KEDD, Wichita, Kan. has added new Class AA hour (7-9:30 p.m. daily) at \$425, min. at \$85, Class A hour remaining \$375; WKJG-TV, Fort Wayne, has new Class AA hour (7-10 p.m. daily) at \$400, min. at \$80, Class A hour remaining \$350; WSBT-TV, South Bend, base hour from \$300 to \$400, min. \$60 to \$80; KGNC-TV, Amarillo, hour from \$250 to \$300, min. \$50 to \$70; KGLO-TV, Mason City, Ia. hour \$200 to \$250, min. \$40 to \$50; KOAM-TV, Pittsburg, Kan. hour \$200 to \$250, min. \$40 to \$50; KGBT-TV, Harlingen, Tex. hour \$200 to \$250, min. \$40 to \$50; KOAT-TV, Albuquerque, hour \$160 to \$200, min. \$26 to \$35; June 15, WLEX-TV, Lexington, raises base hour from \$150 to \$165; also June 15, combination hour for Phoenix's KOOL-TV & Tucson's KOPO-TV goes from \$573.75 to \$637.50, min. \$55.25 to \$124.10.

NBC-TV previews its *Wide, Wide World* series on "Producers Showcase" June 27, Mon. 7:30-9 p.m., featuring 17 live pickups from U. S., Canada & Mexico. Canadian origination will be from Shakespearean Festival at Stratford, Ont., Mexican from Tijuana. A favorite project of NBC pres. Pat Weaver, series is expected to get regular network position on Sun. this fall; AT&T is still reported interested in sponsoring.

**LOW-POWERED and low-priced TV transmitting** equipment for boosters & satellites and small local stations got plenty of attention at NARTB convention this week, as manufacturers showed new transmitters and other gear—even a complete TV station with 2 studio cameras and film equipment for as little as \$50,000.

Equipment makers are betting on outcome of 2 pending FCC rule-making proceedings—involving on-channel boosters and low-power stations. Eventual approval of these proposals in some form is virtual certainty, and manufacturers were getting ready this week, hawking their wares and arousing plenty of interest.

How big will the low-power TV market be? Leonard Rooney, mgr. of new product sales for Sylvania (which operates 2 experimental satellites and one booster in Emporium, Pa., and plans to manufacture low-power equipment) gives these estimates: Nearly 1400 low-power stations may be built in next 5 years, representing \$32,500,000 in total equipment sales, with

transmitters accounting for about one-third of that figure. He breaks down potential into: (1) 375 satellites operating under present power-height rules, with no local originations. (2) 600 low-power stations, under proposed rules, "repeating" most programs as satellites but capable of inserting local commercials. These stations would cost \$35-\$40,000 each. (3) 400 boosters (amplifying transmitters) costing about \$15-\$20,000 each.

Out to get some of this business is a group of newer and smaller companies, and companies which previously haven't been identified with transmitter sales. One big name company planning to offer complete low-power TV station packages is Philco, which will include transmitters built by Adler Communications Labs, cameras by Kay-Lab.

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Banking heavily on low-cost low-power stations, Dage Television div. of Thompson Products Inc. showed its 200-watt transmitter, available in package as complete local station with 2 live vidicon cameras and film chain—including everything needed for year's operation, even down to make-up kit—for \$51,383. Package with film camera only is \$34,904, with one live camera \$45,865. Also featured by



Dage was remote-control vidicon camera chain, said to be only one of its kind.

Plunging heavily into telecasting equipment is telecaster-manufacturer Sarkes Tarzian, who announced availability by next fall of 200-watt vhf transmitters at \$7500-\$7900, 500-watt vhf at \$14,500, 100 & 250-watt uhf at \$8000-\$13,900. Novel plan of Sarkes Tarzian Inc. is a proposed combination TV & AM station which can be set up for \$50,000, including programming aid, etc. Idea is to simulcast local TV-radio programs, with one man controlling all equipment, making it possible to sell combination TV-AM time at about twice AM rate. For existing AM stations, it would cost about \$40,000 to add TV.

Other new Sarkes Tarzian equipment shown at NARTB convention included automatic 100-slide projector at \$1295—especially suited for local commercials in satellite operation—in which entire day's slides may be set up in advance, any slide selected by remote control. Also shown was vidicon film chain at \$3600, studio vidicon chain with 5-in. viewfinder at \$4500. Complete live-film-slide station, less transmitter, was priced at \$25,000.

Adler Communications Laboratories, which is operating experimental booster in Waterbury, Conn., and built satellite in Manson, Wash., showed 150-watt transmitters for \$13,865 in uhf, \$7500 in vhf. For complete 20-watt "translator" satellite, which picks up signals on one channel, converts them to another without demodulating, price is \$13,500, with all necessary equipment, including 100-ft. tower. Complete 150-watt uhf station would cost \$21,000 installed (not including originating equipment), with annual power bill of \$800-\$1000. ACL points out that big advantage of "translator" type satellite is original low cost combined with unattended operation.

Among other low-power transmitters featured at convention show were DuMont's vhf 50-watt transmitters priced at \$9500 and capable of being increased to 150 watts, and Gates' vhf 100-watt unit at \$5250.

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Studio equipment designed for low-cost community operation was featured by several manufacturers, including Kay Lab, which showed entirely new broadcast line, available on lease. Dual camera chain, with associated equipment, would cost \$20.70 a day, film chain with projectors and sync generator \$16.50. Under lease plan, \$5000 worth of equipment may be leased for \$229 a month on 24-month lease, and at end of period can be purchased for \$750 or lease renewed at \$20.83 a month. Kay Lab showed vidicon camera chain with 5-in. viewfinder, rear turret and zoom controls at \$6500, designed for studio or remote use. It also showed vidicon film chain at \$4766.

Unattended and one-man control was keynote of "station automation" displays. Vandivere Laboratories Inc. showed its Program Sequencer (Vol. 11:13). GE had tape-controlled system which automatically handles all station breaks, commercials and film & slide programming, making attended operation unnecessary. GE broadcast equipment gen. mgr. Paul Chamberlain predicted most stations would be using automation systems for film and slide programming within 3 years. For one-man operation, Teleprompter Corp. demonstrated system whereby announcer controls entire telecast. By manipulating small hand control while on camera, he runs Teleprompter at desired speed—and Teleprompter in turn cues recorded commercials, films and slides, which may be inserted at any prearranged points in the program.

Prodelin Inc. showed unusual plastic-enclosed uhf antenna designed for small stations. Designated "Cover-Loop," it's available in gains of from 2 to 8, beginning at about \$1200 for 2-gain. It requires no painting or deicing. Prodelin pres. L. A. Bondon estimated \$47,000,000 would be spent on low-power telecasting equipment.

**T**WO GRANTS were awarded this week by FCC, which felt that NARTB convention in Washington was fine thing because Commission stayed at home and got a lot of work done. Grants were a final decision favoring WREC over WMPS for Memphis' Ch. 3 and a CP on Ch. 12 to KMVI, Maui, Hawaii, which proposes to repeat programs of KONA-TV, Honolulu.

Commission gave nod to Hoyt Wooten's WREC because of better record of radio performance and ownership-management integration, saying WREC "is the more reliable applicant in its sense of responsibility in the fulfillment of the public trust."

In one unique action, Commission voted to reserve Ch. 13 in Monroe, La. for educational use—with Comrs. Hyde, Doerfer & Lee dissenting.

TV set maker H. L. Hoffman, operator of KOVR, Stockton, Cal. (Ch. 13), petitioned FCC to shift channel's assignment to San Francisco-Oakland and designate his station a San Francisco operation.

Appeal to Supreme Court, asking reversal of Court of Appeals decision voiding multiple ownership rules (Vol. 11:9), was sought by FCC this week as it asked high court for writ of certiorari. Acting on appeal of Storer Bcstg. Co., appeals court had ruled that Commission has no right to set numerical limit on number of stations anyone can own and that every application is entitled to a hearing. At same time, Commission turned down Storer's petition asking that his old Ch. 10 application for Miami be reinstated, citing rights of other Ch. 10 applicants and Storer's failure to complain when application was dismissed. Also turned down was petition of WWTW, Cadillac, Mich. (Ch. 13) that WJRT, Flint (Ch. 12) be stayed from building near Saginaw.

WITV, Ft. Lauderdale, asked Commission to amend its rules to provide that "no license shall be granted to a TV station that broadcasts the programs of more than one network if there is another TV station in the same area ready and willing to affiliate with and broadcast the programs of the second network."

KWTV-TV, Waco, Tex. (Ch. 10) dismissed its anti-trust protest against power increase granted KTBC-TV, Austin (Vol. 11:18) after obtaining ABC affiliation.



NBC's purchase of WKNB-TV, New Britain, Conn. (Ch. 30) and radio WKNB (Vol. 11:2,5) was set for oral argument June 20 before full Commission, with objectors WNHC-TV, New Haven (Ch. 8) and WTAR-TV, Waterbury, Conn. (Ch. 53) participating. Issues in hearing will be whether overlap between NBC's New York stations and the New Britain outlets violates duopoly rules and whether NBC's purchase would substantially restrain TV competition in New Britain area. NBC's proposed move of the channel from New Britain to Mt. Higby was not made issue of hearing. Comrs. Webster & Bartley dissented and voted for full evidentiary hearing; Comr. Hennock, in written dissent, urged fullscale hearing to show "horrendous impact on our society" of NBC's proposed purchase of WKNB-TV and Philadelphia's WPTZ, both in area contiguous to New York.

Proposed Armed Forces TV station on Guam (Vol. 11:16) drew objection this week from pres. Harry Engel of radio KUAM, Agana, Guam, who claimed in letter to FCC that low-power Ch. 8 outlet there would constitute "unfair competition." He asked Commission to "deny the request of the Armed Forces Radio Service" for use of Ch. 8 on Guam. Actually, FCC has no jurisdiction over military use of frequencies but acts in advisory capacity.



**FIVE-MEGAWATT** power ceiling for uhf will soon be proposed by FCC, and Commission will request "information concerning the possibility of improving the sensitivity of uhf receivers," Chairman McConnaughey revealed in May 24 address to NARTB. Leading transmitter makers tell us they can make 3-5 megawatt installations available at \$300-\$400,000 in 2 years or less, if there's any market for them.

Though uhf problems weren't on NARTB agenda, the Washington convention served as a backdrop not only for McConnaughey's proposals but for these other developments aimed at "equality of opportunity" among all TV channels:

(1) FCC Comr. Lee urged complete reallocation of radio spectrum as "long-range permanent solution" to uhf and other allocations problems. He presented a sample allocation plan, which would include 47 contiguous TV channels, beginning at 60 mc (Ch. 3) and running to 342 mc. His sample was submitted "solely to stimulate interest," he said, adding that final solution may require 3-15 years.

(2) Group of 45 uhf operators, meeting under aegis of UHF Industry Coordinating Committee, headed by Harold Thoms (WISE-TV, Asheville, N. C.) and Fred Weber (WFPG-TV, Atlantic City, now off air), worked up new proposal, undisclosed but presumed to relate to allocations, to present to FCC, and started concerted drive for moratorium on equipment and film payments and for greater availability of network programs.

(3) Chairman Magnuson (D-Wash.) of Senate Commerce Committee announced that his committee's TV hearings—centered around plight of uhf—won't begin until after Congress recesses this summer, but there was speculation that it might be fall or even winter before sessions get under way.

(4) ABC pres. Robert E. Kintner called for "quick action" on deintermixture, on market-by-market basis.

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McConnaughey's announcement of an FCC drive to improve uhf sets came as a surprise. Apparently this was a very recent proposal at the Commission, and ideas on how it is to be carried out aren't yet very well formed. Its purpose, apparently, is to use "moral suasion" to induce manufacturers to develop better receivers.

The 5-megawatt ERP proposal is due to come out in form of rule-making soon. We checked 2 top transmitter makers, neither of whom saw any insurmountable technical obstacles—high-power tubes already being under development, presumably for military requirements. RCA has triode in the works which could deliver 60-100 kw transmitter power, 3-megawatt or greater ERP with high-gain antenna. It would require expenditure of another

\$300,000 to complete the development, and this would have to be justified by demand. RCA spokesman said company hasn't decided whether to go ahead with it, though interest has been expressed by NBC, Storer and Wilkes-Barre's WBRE-TV. It probably could be ready in 1½-2 years.

GE says it can supply 5-megawatt unit "about one year after FCC approval" if there's any demand for it—"but there's no stampede even to 1-megawatt now." GE would get this power by using four 30-kw klystrons in transmitter, with 50-gain antenna, would require orders from about 5 stations to justify development. A company spokesman pointed out that GE's 1-megawatt installation in Wilkes-Barre could be boosted to about 2-megawatts by using 50-gain antenna.

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Magnuson told May 26 convention luncheon that his committee's forthcoming hearings won't be "looking for the villain in the piece," but will look into state of competition in TV industry, availability of programs, affiliation practices of networks. "We will hold hearings," he said, "when we are ready to hold constructive hearings and only then." He said he had written to Chairman Byrd (D-Va.) of Senate Finance Committee urging **exemption of all-channel sets** from Federal excise tax.

Commission appeared at brief public hearing this week before Sen. Magnuson in his capacity as chairman of independent offices appropriations subcommittee, to justify House-approved appropriation of \$6,870,000 for fiscal 1956, including an extra \$90,000 for processing backlog and \$80,000 for an FCC network investigation (Vol. 11:14). At a preliminary closed meeting with Sens. Magnuson and Dirksen (R-Ill.), McConnaughey apparently dropped his proposal for a much larger-scale investigation of entire TV-radio industry (Vol. 11:16) in return for Magnuson's support of the \$80,000 appropriation for more limited study of networks.

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Kintner, whose ABC network has most to gain from any deintermixture plan, told NARTB members that only 42 of the nation's 233 TV markets have 3 or more stations. "Under present allocations," he said, 165 markets will continue to be monopoly and duopoly in the vhf channels for the foreseeable future." He recommended area-by-area deintermixture as "a practical and immediate solution to permit a greater variety of national programming and a greater choice to which the public is entitled," referring to Boston, New Orleans, Miami, Pittsburgh and St. Louis as major markets where deintermixture can be accomplished. He also asked speedy FCC action on drop-ins—allocation of new vhf channels which will fit in the suburbs of major markets. As a third "partial solution" he urged careful consideration of switching educational vhf allocations to commercial operation in certain markets, substituting uhf channels for the educators.

Noting success with remote control of non-directional AM stations—630,970 hours of operation with lost-air figure of only .04%—NARTB engineering mgr. A. Prose Walker told conference this week that petition for remote control of directional and high-power stations would be filed with FCC in Aug. or Sept. He said that 19 lower-powered directional stations have operated experimentally with no problems and that experiments would be undertaken with at least one 50-kw station. "Modern transmitters and directional arrays," he said, "have reached such a high degree of stability as to warrant a change in the rules now requiring that first-class operators remain on duty." Walker declared that "there is a critical shortage of skilled engineers in this country today, and it ill behooves us not to devote our attention to more efficient methods of operation." Almost 700 radio stations have obtained FCC permission to operate by remote control.

Renewed interest in FM has been sparked by FCC's new multiplex rules, with quite a few stations visualizing new methods of getting on more profitable basis. This was evident at NARTB FM sessions and multiplex equipment exhibits and demonstrations. Multiplex Development Corp. pres. Wm. S. Halstead told engineering session cost will be so reasonable the broadcaster can realize his investment in less than year, that equipment will be available on 60-90 day basis, that "multiplexing will open up a whole new industry." Some panel speakers disagreed, urging operators to "keep FM in the broadcasting business."

Automatic programming of radio stations 15 hours daily, via tape, will be possible in near future, according to Ampex research engineer Philip Smaller, who told NARTB engineering conference that tapes handling 9 hours are now commercially available.



**F**IRST TV stations went on air this week in 2 small communities, and a uhf station resumed operation after being off air 7 months. KOTA-TV, Rapid City, S. D. (Ch. 3) opened up an entirely new TV area, KLFY-TV (Ch. 10) brought first local service to Lafayette, La., and WTOV-TV (Ch. 27) started up again in Norfolk area—bringing total on air to 433, of which 108 are uhf.

Rapid City, 220 mi. from nearest station, will get its first programs late in June, following month of test patterns. It has 500-watt RCA transmitter, 3-bay antenna on 300-ft. Fisher tower formerly used for FM. Owner is local clothier Helen S. Duhamel, who recently bought local radio KOTA. Gen. mgr. is Leo Borin; Wm. F. Turner, business mgr.; N. Heffron, program director; Bob Musfeldt, chief engineer. Base rate is \$150. Rep is Headley-Reed.

KLFY-TV started test patterns this week in Lafayette, 52 mi. from nearest outlets in Baton Rouge. CBS-affiliated, it has 5-kw DuMont transmitter, 12-bay RCA antenna on 483-ft. Trilsch tower. Earlier this year, DeClouet family which owns KLFY bought out *Lafayette Advertiser's* KVOL-TV, with which it shared CP (Vol. 11:4). Wm. Patton is gen. mgr.; John H. Selleck, program director; Maurice Wynne, chief engineer. Base rate is \$200. Reps are Venard, Rintoul & McConnell, and Clarke Brown for south.

WTOV-TV resumed operation May 25 under new owner Temus Bright, having been dark since last Oct. (Vol. 10:40). It's second uhf in area to return to air, New-

port News' WACH-TV (Ch. 33) having resumed with simulcasts in Aug. 1953 (Vol. 10:31). WTOV-TV is operating with syndicated film and live news, weather and sportscasts. Temporary studios are at Portsmouth transmitter site. Bright recently acquired WTOV-TV for \$95,000, including \$63,000 in RCA equipment notes (Vol. 11:6, 11). A. V. Bamford, ex-Oakland radio operator, is gen. mgr.; Ray Spearenberg, program director; Lee Marshall, production mgr.; Henry G. Root, chief engineer. Base hour rate is \$350.

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Another 1-megawatt station—probably this summer—will be Peoria's WTVH-TV (Ch. 19), which bought first of RCA's new 25-kw uhf transmitters, displayed at NARTB convention (Vol. 11:21). Used with supergain antenna, transmitter will deliver full 1,000,000 watts ERP. New transmitter is priced at \$186,000, compared to \$122,500 for RCA's 12½-kw uhf plant. RCA has also priced new 25-kw amplifier addition to 1-kw transmitter at \$163,500, and equipment to convert 12½-kw transmitter to 25-kw at \$70,000, less credit for returned parts. Supergain antenna to achieve megawatt power is priced at \$49,000.

Increase to 1-megawatt by KPTV, Portland (Ch. 27), scheduled for June 11 (Vol. 11:21) was postponed this week when huge supergain antenna was accidentally dropped by crane during final stages of construction at RCA's Camden plant. KPTV now says earliest shipment date will be June 10, with boost to 1,000,000 slated tentatively for July 1. Only equipment shipment reported this week was 2-kw RCA standby transmitter, sent May 25 to KWK-TV, St. Louis (Ch. 4).

**Color Trends & Briefs:** Color still awaits the mass-priced receiver. Though excellent choice of good live & film originating equipment dominated exhibits at NARTB convention this week, and though telecasters with well-saturated black-&-white markets look to color to strengthen their rate cards, no great rush to buy equipment developed. Instead, the heretofore modest flow of purchases is likely to continue.

There's no question that bigger telecasters would commit themselves heavily in color equipment if they felt confident that by so doing they would stimulate rapid growth in color set distribution. Price of today's sets, they say, offers little prospect of that.

Greatest activity continues in film chains—film being cheapest and easiest way for stations to originate color. RCA and DuMont have had market mostly to themselves up to now, with Philco playing a smaller role. GE has finished its developmental work, is making determined effort to catch up. In addition, many smaller companies have found RCA's 3-vidicon approach within their capabilities and are chipping away at major manufacturers' dominant position. Dage, GPL & Telechrome showed vidicon color cameras, some proposing them also for limited live use. Tel-Instrument offered associated equipment, such as color bar and sync generators, while Raytheon and Motorola presented color-handling microwave equipment.

RCA had most extensive exhibit, demonstrating live, film & slide equipment, feeding signals to numerous home-type receivers. GE showed its live "Chromacoder" camera but put most emphasis on continuous-film CR scanner.

DuMont's new "Vitascan" equipment for presenting live shows with CR scanner (Vol. 11:21) drew much comment—of all kinds. Some operators are ready to sign contracts, visualizing equipment as relatively inexpensive way of producing certain kinds of live shows. Others dismissed it as "a scientific curiosity" due to fade away.

Though telecasters haven't rushed to buy extensively,

they're deeply interested nonetheless. For example, several of the larger ones, like Storer, brought along reels of color film, had competing manufacturers run it through chains. Each equipment maker claimed distinct points of preference in the results.

Basic appeal of color, whether to telecasters or to public, can't be denied. For example, during awkward lull while stopwatches were ticking toward on-camera time before his convention speech, President Eisenhower leaned over to RCA's Gen. Sarnoff and said that it was too bad telecast wasn't in color. Note: White House has a color set.

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Color is key to success of TV in secondary markets, Harold Hough, WBAP-TV, Fort Worth, told NARTB session May 26. Secondary market TV, he said, must depend on local advertising for sizable share of its revenue—and color is the answer. "Forget about the outlay of color TV," he said, "it can be installed cheaper than you think. It can be operated as simply as the black-&-white—but the impact, once it is under way, and that will not be as long as you expect, will be the salvation for TV in those markets . . . We know that color TV will revolutionize all advertising—and I do mean all."

Upcoming network color schedules: NBC-TV—May 30, *Producers' Showcase*, "The Petrified Forest," Humphrey Bogart, Henry Fonda, Lauren Bacall, 8-9:30 p.m.; June 4, *Max Liebman Presents*, "The Chocolate Soldier," Rise Stevens, Akim Tamiroff, Eddie Albert; June 7, President Eisenhower addresses West Point commencement exercises, 10-10:30 a.m.; June 8, *Home* segments, 11:02-11:04 & 11:50-11:57 a.m. CBS-TV—June 9, *Shower of Stars*, Edgar Bergen, Dan Dailey, Betty Grable, Harry James, Tony Martin, Ethel Merman, Red Skelton, Marilyn Maxwell, Jack Oakie, 8:30-9:30 p.m.

RCA shipped 3-V color film cameras May 20 to KMJ-TV, Fresno and to upcoming WXEX-TV, Petersburg-Richmond (Ch. 8), due this summer.



**BIG APPLIANCE DEAL COOKING; LABOR PEACEFUL:** A Justice Dept. opinion as to whether it violates the anti-trust laws is awaited as the major element in one of biggest appliance consolidations in years, involving RCA, Sears, Whirlpool, Seeger Refrigerator Co. and possibly others. All sorts of rumors have been rampant, making it difficult to separate fact from fancy, and principals are understandably reluctant to discuss it, but this is expected to materialize if Justice says it's legal:

Whirlpool Corp., St. Joseph, Mich., largest manufacturer of automatic washing machines, would merge with Seeger and perhaps others, into a single corporation, of which RCA would own about 20% and would contribute production of its RCA Estate Appliance Corp. (gas & electric ranges) into a common appliance pool. Sears owns about 28% of Whirlpool, which supplies it with Kenmore washer, and about 30% of Seeger, which furnishes it with Coldspot refrigerator, and Sears would continue as a stockholder in new entity. RCA's washer line probably would be RCA-Whirlpool.

Battle for distributors, already pitched in TV-radio industry as evidenced in executive changes last week (Vol. 11:21), would be intensified under such consolidation. RCA distributors presumably would handle the RCA-Whirlpool line, though it was considered possible that in some cases, existing Whirlpool distributors would get the RCA franchises. RCA officials declined comment.

Ephraim Jacobs, chief of Justice's anti-trust legislation & clearance branch, who must give unofficial opinion on legality of proposed deal, refused to discuss case, in accordance with Govt. policy. "We and the companies which make use of our clearance service regard the procedure as completely confidential," he said. "They come to us in the knowledge that this relationship will be so respected."

Elisha Gray II, pres. of Whirlpool, commented: "We have been conducting discussions with many companies, exploring possible avenues of expansion. I would not bet a nickel on the outcome of any of those discussions; that's how indefinite and inconclusive they are at this time."

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Brief highlights of other major trade developments this week:

LABOR: RCA and 7 IUE locals signed contract for 4-7¢ hourly wage increase, plus improved pension & fringe benefits, covering 14,000 workers in Camden & Moorestown, N.J., Cincinnati & Los Angeles. Union gave up earlier demand for guaranteed annual wage, apparently indicating that issue won't be pressed in electronics industry this year. Several hundred workers in GE's TV-radio dept. walked off jobs for 2 days this week in protest against suspension of 6 union stewards, but company officials said production wasn't seriously affected.

NEW MODELS: Midyear TV lines start appearing next week when Admiral holds annual distributors' convention, to be followed by other manufacturers in June and July (for list & dates of meetings announced thus far, see p. 13). Full new lines, rather than fill-ins, will be the rule, with several manufacturers promising radical changes in engineering & styling. Major trends are expected to be greater use of vertical chassis sets, more printed circuits, prices at approximately current level. There was also some unconfirmed speculation in trade that RCA and Philco would make sharp price cuts on 24-in. models in effort to capitalize on replacement market.

FAIR TRADE: New plea to Congress to strengthen fair trade laws was made by American Fair Trade Council, which urged crackdown on manufacturers & distributors who knowingly sell fair-traded merchandise to discount houses. Its statement was in support of bill (S-2055) by Sen. Capehart (R-Ind.) to permit any person or firm to sue for injunction and treble damages against manufacturer or distributor who ships fair-traded items to retail price-cutters. Meanwhile, Rep. Celler (D-N.Y.), chairman of House Judiciary Committee, told Maurice Mermey, director of Bureau of Education on Fair Trade, that national fair trade laws wouldn't be repealed in 1955.



PRODUCTION: TV output totaled 120,144 units week ended May 20, compared to 110,651 preceding week and 127,067 week ended May 6. It was 20th week of year by RETMA calculations and brought production for year to date to about 3,050,000, compared to approximately 2,350,000 in corresponding period of 1954.

Radio production totaled 280,445 (137,073 auto) week ended May 20, compared to 287,352 week ended May 13 and 286,284 week before. For 20 weeks, production was estimated at 5,720,000 vs. 4,000,000 in corresponding 1954 period.

**Topics & Trends of TV Trade:** Annual distributor conventions for introduction of fall TV lines (see p. 12) get under way next week, starting with Admiral's meeting June 2-3 at Chicago's Conrad Hilton & Blackstone Hotels, confabs continue through July. Other manufacturers who have announced dates thus far:

RCA, meeting with field reps, June 6-8 at Barbizon Plaza Hotel, N. Y.; Zenith, June 9 at Conrad Hilton, Chicago; Philco, June 26 at Fontainebleau Hotel, Miami Beach; GE, July 19 at National Assn. of Music Merchants convention in Chicago's Conrad Hilton Hotel; Motorola, July 21 at Conrad Hilton. DuMont will introduce new line at 5 regional meetings: June 14 at Hotel Statler, N. Y.; June 17 at Chicago's Edgewater Beach Hotel; June 20 at Statler, Los Angeles; June 23 at Broadmoor Hotel, Colorado Springs; June 27 at Dinkler Plaza, Atlanta.

Most lines which have been introduced by then will be shown to dealers week of June 20 at American Furniture Mart and Merchandise Mart in Chicago's summer markets. Total of 15 manufacturers will exhibit, with following lineup:

Furniture Mart—Admiral, Bendix Radio, Hallcrafters, Philco, RCA, Sparton, Zenith. Merchandise Mart—Capehart-Farnsworth, CBS-Columbia, Crosley, GE, Magnavox, Motorola, Raytheon, Westinghouse.

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Annual plant shutdowns for vacations, traditional in industry to fulfill union contracts and give manufacturers chance to check inventory in preparation for fall lines, include these companies, as reported to RETMA by members:

Set manufacturers: Avco, June 27-July 10; Bendix Radio, June 27-July 10; Capehart-Farnsworth, July 18-31; CBS-Columbia, July 4-17; DeWald Radio, July 25-Aug. 7; Emerson, Aug. 1-14; GE, July 4-17; Hallcrafters, July 4-17; Hoffman, July 18-31; Magnavox, July 4-17; Motorola, June 27-July 10; Olympic Radio, July 1-17; Packard-Bell, June 30-July 17; Philco, July 18-31; Pilot Radio, July 4-17; RCA, July 18-31; Raytheon, July 1-17; Sentinel, July 4-17; Stromberg-Carlson, July 4-17; Sylvania, July 18-31; Trav-Ler, July 4-17; Wells-Gardner, July 4-18; Westinghouse, dates undetermined; Zenith, July 4-17. Admiral, not an RETMA member, usually closes down first 2 weeks of July.

Tubes: CBS-Hytron, July 4-17; DuMont, July 4-17; Eitel-McCullough, Aug. 1-14; Federal, July 4-17; Machlett Labs, Aug. 1-14; Sylvania, July 4-17; Thomas Electronics, July 4-17; Tung-Sol, July 18-31; Westinghouse, July 4-17.

Components and others: Alliance Mfg. Co., July 4-17; American Condenser, July 4-17; American Phenolic, July 4-17; David Bogen Co., July 4-10; Clarostat, July 11-17; Erie Resistor, July 4-17; Hazeltine, July 25-Aug. 7; International Resistance, July 25-Aug. 7; Quam-Nichols, July 4-17; Radio Condenser Co., July 18-31; Weston Electrical, July 18-31. Among those not shutting down are P. R. Mallory, Muter Co., Oak Mfg. Co., Sprague Electric.

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Another aircraft company acquires electronics business: Bellanca Aircraft Corp., New Castle, Del., purchases National Electronics Laboratories Inc., Washington, D. C. manufacturer of aviation electronics and radar equipment in exchange for 16,000 shares of Bellanca common stock.

**DISTRIBUTOR NOTES:** Admiral appoints Pittsburgh Products Tri-State Co. Inc., 500 Fontella St., Pittsburgh (Richard W. Evans, v.p.-gen. mgr.), replacing own factory branch established several months ago. Admiral gen. sales mgr. H. D. Conklin said move "is in accordance with Admiral's policy of appointing independent distributors wherever possible" . . . Sentinel Radio appoints Main-Line Distributors Inc., Chicago, replacing own factory branch . . . Sampson Co., Chicago, relinquishes Capehart-Farnsworth line . . . Admiral appoints Carl Lantz as gen. mgr. of Chicago factory branch, succeeding Wm. F. Hand, promoted to regional sales mgr.; Charles M. Svoboda, from Los Angeles branch, succeeds Lantz as gen. mgr. of San Diego div. . . Zerega Distributing Co., Seattle (Motorola) appoints Charles W. Schuchart Jr., ex-Westinghouse Electric Supply Co., as sales mgr. . . Fridley Bros. Inc., Kansas City (CBS-Columbia) appoints Ted Gilmore gen. mgr., replacing Wm. Burns, resigned . . . Hoffman Sales Corp. of St. Louis appoints Joseph McFarland, ex-Graybar, as sales mgr. . . Federal Distributing Co., Des Moines (Sylvania) appoints John O'Neil sales mgr. for Des Moines territory, Guy Leatherby for Davenport, both succeeding the late Peter Prescott.

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Zenith attorney Thomas C. McConnell admitted error this week in charging that RCA counsel John T. Cahill, in contesting Zenith's anti-trust suit against RCA, quoted portions of recently-released report of Attorney General's Committee to Study the Anti-Trust Laws (of which Cahill is member) nearly a year before its publication. Mr. McConnell wrote Rep. Celler (D-N. Y.) that he erred last week in his widely publicized testimony before Celler's Judiciary subcommittee, and conceded that Cahill had actually quoted from report of special committee of American Bar Assn., as Cahill claimed. Celler inserted McConnell's letter in his subcommittee's hearing record, along with comment that McConnell "misled this committee" and "deserves condemnation and criticism." Cahill said "this kind of irresponsible conduct is typical of Mr. McConnell's tactics."

Color converter employing motor and disc, developed by Airtronic Research Inc., Bethesda, Md. (Vol. 10:6), will be made by Color Converter Inc., Columbia City, Ind., licensed by Airtronics. The \$149.95 device includes 2 units—electronic section attached to back of set and motor-disc assembly placed in front of picture tube. Latter weighs 15 lbs., has diameter about 30-in., produces 14-in. color picture, can be removed when not in use. Company, owned by James D. Adams & M. V. Lowe, says it has production capacity of 800 units daily. When demonstrated last year, device suffered from serious flicker and low brightness, but developers claim improvement has been made. They say 1000 converters have been made.

Canadian RTMA's annual meeting June 2-3 at Sheraton Brock Hotel, Niagara Falls, Ont. will be highlighted by panel on color developments. Participants are RETMA chairman Max Balcom; J. Alphonse Ouimet, CBC gen. mgr.; F. W. Radcliffe, commercial v.p. of RCA Victor Co. Ltd.; Ralph A. Hackbusch, pres. of Hackbusch Electronics Ltd. Panel chairman is Ivor M. Leslie, v.p.-gen. mgr. of Crosley div., Avco of Canada Ltd.



**Trade Personals:** Fritz P. Rice, DuMont director of manufacturing & purchasing, promoted to new post of operations director, consumer products, supervising production & sales of receivers & picture tubes . . . Reese B. Lloyd, Philco director of industrial & personnel relations, promoted to operations v.p. of TV div., succeeding Wm. J. Peltz, now v.p.-gen. mgr. of new Lansdale Tube & Transistor Co. div.; Wm. H. Mattison, TV production mgr., promoted to production v.p. . . . Lester Krugman, ex-Bulova, onetime exec. on Emerson Radio account at Grey Adv., joins Emerson in new post of marketing v.p., supervising adv., sales promotion, public relations & marketing research; Michael Kory, Emerson sales director, elected a v.p. . . . John J. Hemberger named administrator, black-&-white picture tube sales, RCA tube div. . . . Warren H. Rymer appointed Hoffman Electronics east central district mgr., Kansas City, succeeding Byron Brown, who joins Hoffman Labs, Los Angeles . . . Gramer Yarbrough promoted to sales mgr., American Microphone Co., Pasadena, Cal. . . . Melvin L. Hayden, ex-Westinghouse Electric Supply Co., Boston, named adv.-sales promotion mgr., National Co., Malden, Mass. (communications equipment) . . . Thomas B. Moseley, ex-DuMont, named director of sales & contract negotiations, Continental Electronics, Dallas.

National Assn. of Electrical Distributors, at 47th annual convention this week at Chicago's Conrad Hilton Hotel, elected following officers: pres., Lester E. Barrett, Barrett Electrical Supply Co., St. Louis; v.p.'s, Ralph J. Brown, GE Supply Co., Bridgeport, Conn.; J. P. Hamblen, Southern Electric Supply Co., Houston; George Albiez, Englewood Electric Supply Co., Chicago; Irving P. Bean, Bean Electric Co., Seattle.

Albert C. Embrechts promoted from v.p.-gen. mgr. to pres. of IT&T's International Standard Trading Corp., which develops and coordinates automation practices and equipment within IT&T system; technical director Eric M. S. McWhirter & sales mgr. John T. Benjamin, were elected v.p.'s.

Sir Robert A. Watson-Watt, the Briton credited as discover and developer of radar, has been named chairman & pres. of Logistics Research Inc., Redondo Beach, Cal., designers and manufacturers of electronic computers.

Bell Telephone Labs names military communications systems director Estill I. Green to post of v.p. in charge of systems engineering, promotes research v.p. Dr. James B. Fisk to exec. v.p.

Dr. Bernard Kopelman from Sylvania's metallurgy research laboratory, named chief engineer of company's atomic energy div.

Extensive study of corporate mergers between 1948 & 1954 has been released by Federal Trade Commission in 233-p. report which notes that mergers & acquisitions are currently nearing postwar peak rate of 1946-47 but are well below pre-depression rate of late 1920s. Report makes no recommendations for solutions. Only allusion to TV-radio-appliance trade is brief reference to Aveco's addition of household appliances & farm equipment lines.

Color in Britain within 3 years is expected by B. V. Soames-Charlton, of Pye Ltd. research labs. He said system will be simpler than that of U. S. but will give adequate color, and sets will sell for about \$420. He doubted that BBC will tackle color in less than 5 years but expected new ITA to inaugurate it in 3.

International Resistance Co. has purchased EMEC Inc., Seattle, manufacturer of magnetic clutches for electronic applications.

New ad agency appointed by General Precision Labs: Geer, DuBois & Co., 40 E. 49th St., N. Y.

Huge new electronics manufacturer—Sperry Rand Corp.—will be formed July 1 as result of overwhelming approval of Remington Rand-Sperry Corp. merger by both companies' stockholders at meetings this week (Vol. 11:12). Remington Rand chairman Gen. Douglas MacArthur and pres. James H. Rand will be chairman and vice chairman of new firm, which will have assets of about \$484,000,000 and estimated annual sales totaling nearly \$900,000,000—just about 10% smaller than RCA in size & sales. Sperry pres. Harry Vickers becomes pres. & chief executive officer, Sperry senior v.p. John Sanderson v.p.-secy., Remington exec. v.p. Bernard O. Reuther v.p.-treas. Under terms of consolidation, each share of Sperry stock will be converted into 3¼ shares of Sperry Rand, each share of Remington Rand to be exchanged for 2 new shares. Both Sperry and Remington Rand will retain their old corporate names for advertising and trade purposes. In first quarter statement just released, Sperry reported net profit of \$6,683,359 (\$1.46 a share) on sales of \$103,683,000, compared with \$5,579,314 (\$1.33) and \$120,414,000 for first quarter 1954.

FCC's patent-filing proposal, which would have required licensees to file vast amount of patent information with Commission (Vol. 10:50, 11:2-4), has been sharply revised as result of strenuous industry opposition, and in new form removes most of the objections. New proposal would require no reports by those who control less than 10 communications patents, and reduce information required by eliminating reports of patents not directly connected with transmission or reception as well as reports on licensees' use of patents. Comments on new proposal are due June 30.

Lack of national TV distributors organization has impelled NARDA to set up a "distributor-booster" category in its group, to be composed of TV-radio distributors "who feel NARDA's work in building better dealers deserves their support." It's regarded as first step in bringing distributors into full membership in dealers' organization. Participation by distributors at outset will involve annual contribution of \$50, entitling them to most NARDA services and invitations to annual convention.

Picture tube sales in first 3 months totaled 2,608,753, valued at \$52,027,429, compared to 1,962,864 worth \$41,995,088 in first quarter of 1954, reports RETMA. March sales were 882,268 worth \$17,246,843, compared to 859,529 in Feb. and 759,468 at \$15,904,687 in March 1954. Receiving tube sales in first 3 months were 117,557,439, valued at \$84,906,835, compared to 76,385,978 worth \$56,862,951 in first 1954 quarter. March sales were 41,080,881 worth \$29,922,192 vs. 38,526,796 at \$28,107,186 in Feb. and 29,063,484 at \$22,130,627 in March 1954.

NARDA has taken policy stand against centralized servicing "as a device which diminishes the worth of the retailer to the total merchandising picture; which causes separation between his customer and the retailer, and which fails to allow ample recognition to the established type of merchant."

Rep. Williams D-Miss.) last week introduced legislation (HR-5947) to ban sales by manufacturers to discount houses; it was referred to House Interstate & Foreign Commerce Committee, where it stands little chance of favorable action.

RETMA publishes 3rd edition of its popular 16-p. booklet, *Things You Should Know About the Purchase and Servicing of Television Sets*, available free from RETMA or local Better Business Bureaus.

Motorola & Admiral will move from American Furniture Mart to 11th floor of Merchandise Mart, Chicago, though latter's space won't be occupied until June 1956.



**Financial & Trade Notes:** "Earnings reports of most leading TV manufacturers for the first quarter of 1955 showed good year-to-year gains, and similar favorable comparisons are indicated for the June quarter," reports Standard & Poor's May 25 survey of electrical products industry. "However, results in the final half of 1955, particularly in the last 3 months, are not expected to exceed those of a year earlier. Thus, normal seasonal improvement (starting in the fall of the year) will be considerably less pronounced this year than in 1954 . . .

"Earnings of TV producers this year will generally show a modest improvement over the 1954 level, due to a more even production flow and good early-year improvement . . . Dividends may be increased by some TV and appliance manufacturers. Payments by most others should be in line with the 1954 experience."

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United Business Service devotes its May 23 investment report in large part to "Television Brought Up to Date," adds CBS "A" to its "supervised list," recommends it along with Motorola & RCA for new purchases, suggests to its subscribers they maintain holdings of Philco. It lists this handy table of leading TV stocks:

	Earnings Est. 1955	Share Ac-tual 1954	Recent Price	Dividends Past 12 Mos.	Yield %	Price Earnings Ratio
Admiral Corp.	\$2.75	\$2.78	26	\$1.00	3.8	9.5
Am. Broadcasting-Para.	2.00	1.06	31	1.00	3.2	15.5
Avco Mfg.	10.35	10.37	7	10.40	5.7	20.0
CBS "A"	2.30	1.56	28	10.80	2.9	12.2
DuMont Laboratories "A"	Nil	0.32	\$16	Nil	Nil	
Emerson Radio	c1.10	c0.97	14	0.60	4.3	12.7
Hoffman Electronics	2.50	2.08	28	1.00	3.6	11.2
Magnavox Co.	b3.00	b2.77	36	1.50+	4.2	12.0
Motorola, Inc.	4.50	3.91	52	1.50	2.9	11.5
Philco Corp.	3.50	1.70	40	1.60	4.0	11.4
Radio Corp.	3.10	2.66	49	1.35	2.8	15.8
Raytheon Mfg.	a1.85	a1.39	23	Nil	Nil	12.4
Sylvania Electric	4.00	2.93	48	2.00	4.2	12.0
Zenith Radio	14.00	11.53	130	3.25	2.5	9.3

† Based on estimated 1955 earnings. ‡ Indicated rate. + Plus 5% stock. \$ American S.E. a Year ending May. b Year ending June. c Year ending Oct. † Year ending Nov.

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National Telefilm Assoc., film syndication firm headed by Ely Landau and 65% owners of GE-supported National Affiliated Television Stations Inc., which has been set up to help stations achieve profitable operations (Vol. 11:14), offers 312,500 common shares at \$5, thru underwriter Charles Plohn & Co., in prospectus dated May 19. After offering, firm will have 650,000 common shares outstanding. Net proceeds of issue, estimated at \$1,260,000, will be used to pay off loan of \$334,153, with balance to be used for working capital. Prospectus says money will be available for "acquisition of distribution rights, retirement of film acquisition loans and repurchase of the lenders' participations in the gross proceeds of related films, or other corporate purposes, including the possible financing of film production." For 8 months ended March 31, company had net loss of \$156,658, prospectus reveals. For fiscal year ended last July 31, net loss was \$139,830.

Dividends: Philco, 40¢ payable June 13 to stockholders of record June 6; Sylvania, 50¢ July 1 to holders June 10; Stromberg-Carlson, 40¢ June 30 to holders June 15; Wells-Gardner, 15¢ June 15 to holders June 3; Radio Condenser Co., 5¢ June 20 to holders June 1; Hazeltine, 35¢ June 15 to holders June 1; GE, 40¢ July 25 to holders June 17; Sprague Electric, 30¢ June 14 to holders May 31; General Precision Equipment, 60¢ June 15 to holders June 6; National Co., 10¢ June 30 to holders June 25, 10¢ Dec. 30 to holders Dec. 25, plus 2% stock Sept. 30 to holders Sept. 25; Famous Players (Canada), 37½¢ June 29 to holders June 3; Electronic Assoc., 100¢ stock July 1 to holders June 20.

Decca Records Inc. reports first quarter net income of \$816,339 (50¢ a share) compared to \$635,238 (42¢) for first quarter 1954.

Among officers' & directors' stock transactions reported by SEC for March: Gordon T. Ritter sold 100 Avco, holds 624; Irving B. Babcock sold 1500 Avco, holds 4897; Edward K. Foster bought 200 Bendix Aviation, holds 400; J. L. Van Volkenburg bought 1000 CBS "A" by joint tenancy, holds 102 personally and 1000 by joint tenancy; Seymour Mintz bought 300 CBS "A," holds 300; Adrian Murphy bought 1989 CBS "A," holds 1989; Arthur G. B. Metcalf sold 2334 Electronics Corp. of America, holds 22,333 personally and 142,000 thru trust; John H. Briggs bought 1115 Gabriel Co., holds 37,000; Harry S. Samuels bought 1900 Gabriel Co., holds 5000 personally and 700 with wife; Lawrence B. Richardson sold 300 General Dynamics, holds 4930; Charles D. Dickey bought 500 GE, holds 7500; Clarence H. Linder bought 1070 GE, holds 2640; John D. Lockton bought 1500 GE, holds 2019; Philip D. Reed bought 3300 GE, holds 6300; Walter O. Menge bought 100 Magnavox, holds 100; E. W. Engstrom bought 100 RCA, holds 600; Robert A. Seidel bought 180 RCA, holds 680; Paul F. Hannah bought 2000 Raytheon, holds 2236; Charles M. Hofman sold 760 Raytheon, holds 640 personally and 1569 jointly with wife; Harold C. Mattes sold 1000 Raytheon, holds 9234; Frank J. Healy bought 181 Sylvania, holds 2722; Don G. Mitchell sold 100 Sylvania, holds 2461; R. D. Blasier bought 150 Westinghouse, holds 833; Leslie E. Lynde bought 725 Westinghouse, holds 1510.

Capehart-Farnsworth Co. had net loss of about \$26,000 in first 4 months of 1954, with most of loss occurring in April, annual meeting of IT&T stockholders was told this week by pres. Gen. Wm. H. Harrison. He "hopes and expects" that company will "about break even" for all of 1955. Capehart-Farnsworth last year lost \$800,000-\$900,000 before taxes, he said. Farnsworth Electronics Co., research & industrial subsidiary formed out of original Capehart-Farnsworth subsidiary, had profit of \$320,000 before taxes in first 4 months this year, he noted.

American Electronics Inc., Los Angeles, in May 10 prospectus offers \$1,250,000 in 5% convertible debentures due May 1, 1967 through Van Alstyne, Noel & Co. and Crowell, Weedon & Co. Firm is vendor to Hughes Aircraft and other aeronautical firms and to govt., had net sales of \$5,461,074 and profit of \$273,057 in 1954. It owns Pierson Electrical & Engineering Corp. and Electroflow Inc.; latter last Feb. entered into merger agreement with Berlant Associates and Tri-D Sound Corp., whereby it proposes to enter magnetic tape recorder field.

Westinghouse reports first quarter sales of \$367,705,000, earnings of \$12,782,000 (75¢ a share), both sharply below the \$403,537,000 & \$26,286,000 reported for first quarter 1954. Pres. Gwilym A. Price blamed decline of backlogs for apparatus and industrial equipment, but said this trend has been sharply reversed recently. Consumer products sales, he added, are up considerably over first quarter 1954.

American Phenolic Corp. earned \$204,451 (51¢ a share (after taxes of \$190,000 on sales of \$6,006,243 in first quarter, compared to \$121,016 (30¢) after \$134,000 on \$6,261,035 in corresponding 1954 period. Backlog of orders totaled \$6,300,000 as of March 31. Working capital increased by \$127,413 during quarter.

Warner Bros. Pictures profit of \$2,081,000 (84¢ a share) in 6 months ended Feb. 26 was highest for any half-year since its separation from theatre-exhibitor operations in Feb. 1953. Film rentals & sales totaled \$35,079,000. Profit in corresponding period year ago was \$1,618,000 (65¢), rentals & sales \$34,059,000. Taxes were \$2,100,000 vs. \$1,700,000 year ago.

Oak Mfg. Co. first-quarter earnings were \$441,998 (84¢ a share) vs. \$240,971 (46¢) first 1954 quarter.



Richard A. Mack of Coral Gables, Fla., was nominated May 27 by President Eisenhower to 7-year term as a Democratic FCC member (Vol. 11:19-20), succeeding Comr. Frieda B. Hennock, whose term expires June 30. Member and former chairman of Florida Railroad & Public Utilities Commission and 2nd v.p. of National Assn. of Railroad and Utility Commissioners, he'll be 3rd member of FCC picked from ranks of state utility commissioners by an Administration whose policy toward business is laissez-faire—others being Republicans Chairman McConnaughey and Comr. Doerfer, who formerly headed Ohio and Wisconsin utilities commissions. Appointment of the 46-year-old Mack was hailed in statements by his sponsors, Florida Democratic Sens. Holland & Smathers, latter being member of Interstate & Foreign Commerce Committee, which will hold hearings on appointment. Smathers said he has "known Richie personally for almost 25 years," termed him "eminently qualified" and "a loyal and faithful Democrat." Committee Chairman Magnuson (D-Wash.) said that hearing probably will be held in "a couple of weeks," that he doesn't know Mack. There was speculation that Administration's announcement was timed by GOP to make political capital by disclosing Comr. Hennock's successor during week of NARTB convention, when many of nation's broadcasters were in Washington. Comr. Hennock, a New York lawyer, hasn't revealed her plans.

First tower over 1000 ft. to receive aeronautical clearance in more than 6 months is 1110-ft. structure proposed by KWWL-TV, Waterloo, Ia. (Ch. 7), which got OK from Washington Airspace Subcommittee May 24. Military members of subcommittee have been blocking approval of all tall towers on grounds that they are hazardous to air navigation (Vol. 11:11). Two of the rejected tower proposals have already been given hearings by FCC, at which military and aviation industry spokesmen have appeared to state their opposition, and FCC's Broadcast Bureau last week backed applicant in one of these cases (Vol. 11:21). Third case—that of WSLA, Selma, Ala. (Ch. 8)—is scheduled for June 16 hearing. KWWL-TV plans to move to new tower Aug. 1, increase power to 316-kw at same time. Station hopes to serve Dubuque and Mason City, as well as Waterloo, from new tower.

Two microwave applications for links to serve community antenna systems in Rapid City, S. D. with signals of Denver stations (Vol. 10:39, 51) were set down for FCC hearing July 5. Commission informed Bartlett & Reed Management and Blackhills Video Co. that neither had proved its proposed service would be in public interest. In any event, Commission added, 2 such systems might be a wasteful duplication. All aspects of proposals are to be explored at hearing: need, technicalities, personnel, rates, regulations, operational practices, qualifications of applicants. Big microwave system to serve community systems in Wyoming is being planned by Pioneer Transmission Corp., Worland, Wyo. (H. B. Van Buskirk & J. R. McKibbin), proposing to serve existing and proposed systems in Worland, Lander, Riverton, Thermopolis, Rock Springs, Rawlins & Green River.

Evil effects of TV are being discovered in Russia, as they were here when the medium was in its infancy. Answering questions raised "in connection with the spread of TV in the USSR," Radio Moscow this week told worried listeners: (1) "TV must be used intelligently without disturbing the daily routine of children." (2) "TV rays have no effect whatever on the human organism."

Brand Names Foundation Inc., in first service to TV, provides 275 stations with kits pointing up benefits of brand buying. Kit includes 2 animated cartoon spots and fact sheets for use in integrated commercials.

Radio is making spirited comeback, despite inroads of TV, NARTB convention was told. Increasing demand for sets, new programming concepts and revisions of rate structures have been major factors, speakers stressed. NARTB pres. Harold Fellows said that in face of 25% decline in network time sales in 1952-54, some 1012 out of NARTB's 1220 AM members increased sales or held their own, during 1954. He attributed radio's comeback to improvement of management and selling techniques. In keynote award speech, Mark Ethridge (WHAS-TV & WHAS, Louisville) said: "I don't think radio has ever had better days program-wise and public service-wise than it has now. It is more of the people than it has ever been; it is closer to them than it has ever been. And they bought more sets in the first quarter of this year than they bought in the first 17 weeks of last year." Radio Advertising Bureau pres. Kevin Sweeney said plans call for enlarging sales staff to 12, expanding sales committees to 115 cities and devoting \$120,000 annually to "wider and deeper research to strengthen radio's competitive position." (For proposed rate structure changes by CBS and MBS, see p. 7.)

Are broadcasters in danger of losing their "Magna Carta"—Title III of Communications Act, which establishes principle of free broadcasting? Chairman Priest (D-Tenn.) of House Interstate & Foreign Commerce Committee senses "a growing feeling among many members of Congress that more regulation of the broadcasting industry is called for in view of changed circumstances." In address to NARTB convention May 24, he said the frequency of complaints about TV & radio from the public—and from congressmen—is increasing "day by day." He cited complaints about caliber and amount of advertising, prize fight "blackouts," programming, and stated: "If Congress were confronted today anew with the problem of writing a broadcast law designed to safeguard the public interest, it is questionable whether you, the broadcasters, would be successful in persuading the Congress to give you the same degree of freedom that Congress gave you in [the Radio Act of] 1927 and again in [Communications Act of] 1934." He warned broadcasters to "prove by your deeds that the principles of the charter granted to you should be left intact."

Lamb hearing record was closed May 24 following brief procedural session with examiner Herbert Sharfman by attorneys representing broadcaster-publisher-industrialist Edward O. Lamb and FCC Broadcast Bureau. Both sides agreed to submit proposed findings within 60 days. On May 26, appeals court upheld lower court decision which dismissed Lamb's long-ago attempt to block hearings on the Communist-association charges. Meanwhile, Commission dismissed Lamb's application to sell radio WHOO & WHOO-FM, Orlando, Fla., at request of prospective purchaser Mowry Lowe, who backed out after 9-month purchase agreement expired. FCC had held up approval of sale pending decision on charges against Lamb.

Relected to TV board of NARTB at convention this week, for 2-year terms: Kenneth L. Carter, WAAM, Baltimore; Campbell Arnoux, WTAR-TV, Norfolk; Wm. Fay, WHAM-TV, Rochester; Ward L. Quaal, WLWT, Cincinnati. Joseph E. Baudino, Westinghouse, was elected to fill unexpired term of John Esau, resigned to join *Television Age*.

New Yorker Magazine's profile of NBC-TV's Pat Weaver, titled "The Communicator" and carried Oct. 16 & 23, later made available as reprint, has won for its author Thomas Whiteside the Benjamin Franklin Award of U of Illinois for best biographical writing of the year.

Licensed TV sets in Britain totaled 4,503,766 at end of March, up 96,373 in month.



MARTIN CODEL'S

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

# Television Digest

with **ELECTRONICS REPORTS**

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## SUMMARY-INDEX OF THE WEEK'S NEWS—June 4, 1955

**EVE OF FEE-TV SHOWDOWN** brings scathing attack by RCA-NBC Chairman Sarnoff who says toll TV would "degrade and ultimately destroy free TV" (pp. 1 & 5).

**FIRST-RUN MOVIE** on network TV in color next fall is symptomatic of Hollywood-TV interdependence, may lead to more "TV premieres" of major films (p. 1).

**IDEAS FOR ADDING VHF** channels analyzed by FCC staff expert; problems of conversion and costs of moving govt. services inherent in all (p. 2).

**RELEASE OF VHF EDUCATIONAL** channel proposed by FCC in Des Moines, first such move to date; proposed decisions for Ch. 3, Hartford & Ch. 6, Milwaukee (p. 4).

**TWO NEW STATIONS**—one in non-TV area, other a Spanish-language uhf—go on air as uhf outlets sign off in Atlanta & Macon, Ga. and Jackson, Miss. (p. 6).

**NEW PRODUCTION TECHNOLOGY** built into "1956" TVs; first "Tinkertoy" set due soon, following Admiral's 80% printed-circuit chassis (p. 9).

**23 ELECTRONICS FIRMS** on post-Korea list of top 100 military contractors; procurement cancellations & cutbacks, emphasis on aircraft shown on new list (p. 12).

**COMMUNITY ANTENNA** business continues remarkably vital, serving 1,000,000 people; association holding N. Y. convention June 6-8 (p. 8).

**REPEAT PERFORMANCES** of hit live programs draw more support—from CBS-TV pres. Jack Van Volkenburg and veteran producer Worthington Miner (p. 14).

**NETWORK TV BILLINGS** slip slightly in April but are well ahead of April 1954; PIB figures show first 4 months' TV billings more than 30% ahead of 1954 (p. 14).

**BIG GUNS POISED IN PAY-AS-YOU-LOOK BATTLE:** The big showdown on subscription TV begins next week with filing of official comments at FCC by June 9 deadline. All the big industry entities are expected to file -- the 4 networks, 3 pay-TV proponents (Paramount, Skiatron, Zenith), Joint Committee on Toll TV, NARTB, etc.

Next official step will be filing of "reply comments" July 11 -- or later if postponement is requested and granted. After that, it's pure guesswork as to how FCC procedures will run. If Commission is anxious for quick decision, windup could come before year's end. More likely, however, FCC will be quite deliberate, running proceedings well into next year -- if not longer.

Some parties will wait until June 9 deadline to file, but one of those filing early is NBC. Chairman Sarnoff devotes blistering 28-page attack to point-by-point refutation of proponents' arguments, keyed to theme that "pay-TV would degrade and ultimately destroy the present system of free TV." He concludes:

"Our American principle of Freedom to Listen and Freedom to Look is chiefly responsible for the growth of the most dynamic industry in the world today. It has made the American people the best informed in the world and it has done so without discriminating between the poor and the rich.

"It would be tragic for this Commission to authorize pay-TV to cripple this great democratic medium for the free dissemination of ideas, education and entertainment to all the people of America. My earnest plea to the FCC is: Keep American Radio and Television Broadcasting Free to the Public." (For details of Gen. Sarnoff's comments and other subscription TV developments, see p. 5.)

**FIRST-RUN RELEASE TO TV—IN COLOR:** There's more significance than at first apparent in NBC-TV's announcement that it has bought (for reported \$250,000) first-run rights to a full-length British feature film which it will telecast -- in color -- as first filmed spectacular in its "Color Spread" series starting Sept. 11, 7:30-9 p.m.

Recently released in English theatres, where it got very good reviews, the Alexander Korda comedy "The Constant Husband", starring Rex Harrison, will debut in U.S. as a one-shot before a U.S. audience that has come to like many of the British oldies and not-so-oldies that have crowded its TV screens in recent years.

Built up as an American premiere, offered in prime Sun. night time, assured



a home audience running into millions, will the TV showing kill off the picture's U.S. theatre boxoffice? If it clicks with the TV public, and profits the producer, can more of the same be far behind -- domestic as well as foreign, black-&-white as well as color? Also...

What need for subscription TV if good new or recent films find their way to TV naturally? And what price films still held in the major U.S. producers' vaults if TV should prove, as it is doing in the case of Davy Crockett, that it can introduce and share the showing of new shows without killing off boxoffice?

\* \* \* \*

It happened slowly -- and with some elements of the movie industry protesting all the way, just as did the newspapers against early radio -- but it's obvious now that the movie producing and TV arts and industries have become mutually interdependent. It would be difficult now for either to do without the other.

Only sour note in the relationship is the continued opposition of most movie exhibitors who, while they probably would be better off if TV had never been invented, are still refusing to recognize that it has been invented and accepted and are closing their eyes to best promotional medium available to them.

Their eyes are being opened -- but slowly. Walt Disney's delightful "hour-long commercials" for his theatrical products have packed movie houses for his new and old pictures. Enlightened exhibitors are said to be fighting for rights to show "Davy Crockett", produced originally for TV and shown twice on "Disneyland" before it ever appeared in a movie theatre -- and it's not even in Cinemascope!

The Korda film to be shown as an NBC color spectacular will net its producer from TV an estimated 25% of its production cost, leading Korda's U.S. representative Morris Helprin, pres. of London Films, to remark: "We believe that eventually the whole pattern of motion picture distribution may be reversed. 'The Constant Husband' will be the most talked-about movie in the country, just because of the exploitation it will get from TV. We feel there are other picture producers who want to do something like this -- but they're a little timid about it."

Just as it took Walt Disney to wake up the majors to the promotional and financial values of putting on their own network TV shows, it may well be that a British producer will show that a pre-theatre TV showing of a good picture can even enhance its boxoffice.

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Hollywood's new TV-made prosperity is another facet of movie-TV interdependence. Not even in the heyday of the silver screen have so many film actors, directors, producers & writers been working and eating. But instead of a handful of production and distribution firms, there are now about 1000 that make films of one sort or other, nearly every one producing for TV. Judy Dupuy's "Who's Who" directory lists 961 firms, 122 of them regarded important.

Consider also these statistics from the first major movie producer to enter TV film making: Columbia Pictures' Screen Gems will turn out 286 half-hour films for next season, or about half the number of feature-length theatrical pictures due to be made by all the Hollywood studios combined. Screen Gems recently had 42 writers working, while the 9 major Hollywood studios together had 166. In Hollywood alone, TV film slated to be produced for next season will total some 900 hours.

**ENIGMAS OF THE TV ALLOCATIONS PLAN:** Allocations picture is one of most perplexing ever to face FCC. On one hand, there's the demand that uhf areas be kept pure uhf by eliminating vhf assignments. That's the deintermixture principle. On the other hand, there's demand that more vhf channels be assigned -- "enough for everyone" -- to be accomplished through many suggested plans.

Among the FCC members, there are as many opinions as there are commissioners, and it's impossible to predict ultimate vote on any new plan -- though odds always favor a decision to leave things essentially as they are.

FCC staff has racked its brains over problem for a long time, and its recommendations usually carry much weight with commissioners. Here's how a veteran staff member, expert in such matters, summarizes situation as of now; because of his position and because the subject is so controversial, his identity is withheld:



"It's not the public that's complaining. The Commission knew what it was doing when it adopted as first priority the concept of giving everyone at least one TV signal. Scarcely anyone cannot now get a picture. The Commission has really done a good job for the public and doesn't get enough credit for it.

"There are vhf stations as well as uhfs in financial trouble, and you wonder whether the economics of TV will support many more stations as of today. However, there are various plans for getting more vhf channels where demand for them is the greatest. How feasible are these plans?

"There are predictions that present vhf channels will be 'broken down' -- new stations squeezed in by directional antennas and small-coverage assignments -- all at the expense of today's vhfs. I think you'll have a 'clear channel' situation. If the few dozen AM clear channel stations have been able to resist encroachments for 30 years, don't you think 300-400 vhfs would be able to do at least as well?

"Then there is Comr. Lee's idea. He suggests that the spectrum be reallocated to give TV 47 vhf channels in the 60-342 mc band, dropping uhf. This may sound good to a group of broadcasters looking for vhf channels. But would it solve their problems any more than uhf would? Let's see.

\* \* \* \*

"Uhf's problem is not propagation; it's circulation, conversions. Lee's plan would still require conversions. Then, the plan would move many govt. services up higher in the spectrum. A 3-kc voice channel is very inefficiently used at, say, 1000 mc -- perhaps 1½% efficient. On the other hand, TV is 75% efficient wherever it's used. On top of that, the Govt. has millions invested in its present facilities -- aircraft navigation equipment. Would the John Tabers of Congress appropriate the money to move these services, essential to safety of life and property, just to take care of an 'entertainment' service?

"If the Commission really wants to authorize a lot of vhf stations, it could conceivably do it by appropriating the 88-108 mc FM band and cut it into 2 or 3 TV channels. This is the 6A-6B-6C idea. What it could do is to cut the channel separations of the new channels way down, protecting the present Ch. 6 (82-88 mc), but giving the new channels really postage-stamp coverage.

"You could get an awful lot of them that way -- probably hundreds. They'd have a coverage radius of 5-10 mi., compared with 60 mi. or more for present vhf channels. They'd be comparable with 250-watt AMs, many of which do very well, even in big cities. There would still be a conversion problem, but the operators would be able to tell Madison Avenue that they have vhf stations. Perhaps these new channels could be used to deintermix, to give each uhf a vhf channel, but it couldn't take care of all uhf stations; they're too concentrated in some places.

"What would happen to FM? The proponents of the plan think they could squeeze most existing FMs into the 8 mc left if 2 TV channels are carved out, but they agree that little could be done with the 2 mc left if 3 TV channels are created. I'm dubious whether even 8 mc could take care of all the FM stations."

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Note: "Re-evaluation of the allocation plan" by committee of engineers may be next big project in Senate Commerce Committee's TV investigation. Chief counsel Sidney Davis has been discussing such a proposal with industry representatives, with idea of forming ad hoc committee of "the best engineering talent" to study engineering aspects of channel allocations, perhaps come up with alternative plans. Queried about project, Chairman Magnuson (D-Wash.) said no members have been picked for the committee, and, in fact "nothing has been started yet."

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More than 50% of business films are made with eye toward eventual TV distribution—in contrast to situation just year ago when only 10% of business film sponsors were thinking in terms of TV showings. This is one of hitherto unrevealed facts brought to light in survey of 157 business films by Association of National Advertisers, published as *The Dollars & Sense of Business Films* (ANA, 285 Madison Ave., N. Y., 128-pp., \$5). Though study is devoted mainly to economics of commercial films, these TV

facts are brought out: Excluding TV showings, business films draw from 40,000 to 21,850,000 each, with median of 1,269,000 spectators. Nine films in survey shown on TV reached 1,095,000 to 10,975,000 persons each, with median of 3,465,000—though the film with largest total audience has never been used on TV. Figures show average business film costs 4.6¢ per spectator—but when 9 films were given additional distribution on TV, cost per spectator was reduced to 1.6¢.



**Personal Notes:** Harry Ackerman relinquishes post as CBS-TV program v.p., Hollywood, to become exec. director of new CBS-TV special projects div., operating out of N. Y. & Hollywood, in charge of developing & administering new programs, sharing ownership of some; Alfred J. Scalpone resigns as McCann-Erickson TV-radio v.p. to succeed Ackerman as CBS-TV Hollywood program v.p., effective July 1 . . . Edward H. Benedict, ex-Ziv, named national sales mgr. of Triangle Publications' WFIL-TV & WFIL, Philadelphia, and WNBC-TV & WNBC, Binghamton; A. G. Hubbell succeeds S. N. Heslop as WNBC-TV sales mgr. . . . John T. Murphy, Crosley v.p., named midwest membership committee chairman, Television Bureau of Advertising . . . Stanley Neustadt, ex-FCC litigation div., joins Cohn & Marks law firm . . . Joe Bernard, gen. mgr., elected v.p. of WGR Inc., Buffalo (WGR-TV), Karl Hoffman engineering v.p.; George F. Goodyear is chairman-pres. . . . James C. Hirsch, ex-sales mgr., WRC, Washington, joins Petry in N. Y. as radio sales promotion mgr. under new exec. v.p. Tom Knode . . . George Swearingen Jr., ex-Weed, named mgr. of CBS Radio Spot Sales, Atlanta, succeeding David Kittrell, resigned . . . Richard Dorso, founder & exec. v.p. of United Television Programs, joins Ziv TV Programs Inc., heading up development of new programs & packages . . . John T. Parsons resigns as mgr. of WMGT, Adams-Pittsfield, Mass., to become mgr. of WHYN-TV, Holyoke, Mass.; he's succeeded by Wm. P. Geary, WMGT commercial mgr. . . . Dwight Hinshaw, ex-KCKT, Great Bend, Kan., named regional sales mgr., KEDD, Wichita . . . Charles Mercer, AP feature writer, succeeds Wayne Oliver as TV-radio editor, latter joining *Television Magazine* Aug. 1 . . . Richard W. Bowman, ex-Foote, Cone & Belding, joins Wm. H. Weintraub & Co. as TV-radio copy supervisor . . . John C. Spearman, of Spearman & Roberson law firm, suffered heart attack, is confined in Doctors Hospital, Washington.

FCC Comr. Rosel H. Hyde, who left for Hawaii on Commission business May 28, speaks at BMI clinics in Twin Falls, Ida. & Salt Lake City June 13 & 15 before returning to Washington June 18. Comr. John C. Doerfer speaks at National Community TV Assn. convention in New York's Park Sheraton Hotel June 8, at D. C.-Md.-Va. Bestr. Assn. meeting at Ocean City, Md. June 17.

John F. Patt, pres. of WJR, Detroit and upcoming WJRT, Flint (Ch. 12), who was stricken with coronary occlusion while attending NARTB convention in Washington last week, is reported recovering slowly, will continue to be confined in Georgetown Hospital for at least a few more weeks. He was taken out of oxygen tent this week, can receive no visitors other than Mrs. Patt.

Morris Novik, TV-radio consultant for various labor & educational organizations, has purchased Richard E. O'Dea's interest in WOV, N. Y. Mr. O'Dea is retiring.

Frank H. McIntosh & Assoc. Consulting Radio Engineers is new name of Washington firm, following being named associates: Robert E. Baluta, James R. Croy, Elizabeth L. Dahlberg.

George Heller, 49, national exec. secy. of AFTRA, who negotiated first union contracts for TV-radio actors, died May 29 in N. Y. after 7-week illness. He had been ballet dancer, actor, composer & producer, was instrumental in founding AFTRA and later the TV Authority, of which he became exec. secy. in 1949, retaining same position in AFTRA when the 2 unions merged in 1952.

Benjamin J. Atlas, 48, Washington correspondent of *Billboard* and *Tide*, onetime reporter on *Syracuse Herald-Journal* and other upstate N. Y. newspapers, died June 1. Surviving are his widow, son and daughter.

**SANCTITY** of the educational channels was breached this week—but ever so slightly—when FCC for first time started proposed rule-making to explore possibility of opening one to commercial use. On petition of red-inked KGTV, Des Moines (Ch. 17), it proposed to open Ch. 11 to commercial applicants.

Everyone at FCC cautions that move shouldn't be interpreted as "beginning of the end" of unused educational vhf channels; that each case is being considered individually; that Commission had in mind Congressional criticism that it has too often dismissed petitions "summarily"; that only last week it shifted Ch. 13 in Monroe, La. from commercial to educational use, etc. Nonetheless, move is regarded as a "first"—with potentials.

There were no CPs, but 2 initial decisions were issued—one of them in the tough Hartford Ch. 3 case, wherein examiner Fanny N. Litvin recommended grant to Travelers Insurance's WTIC (Fritz Morency) over group sparked by Harry Butcher, Hartford Telecasting Co. She said pioneer WTIC's excellent broadcasting record and superior proposed programming overbalanced fact that grant to Butcher's group would promote greater diversification of mass media ownership. She rejected Hartford Telecasting's contention that Travelers Insurance is the "dominating" economic power in area.

Other initial decision was pro forma action looking toward Ch. 6 grant in Milwaukee suburb Whitefish Bay to Independent TV Inc. after dropout of WMIL (Vol. 11:17). Pres. of Independent is Jack Kahn, yarn & hosiery mfr.

Way was finally cleared for Ch. 11 CP in Pittsburgh this week when competitors WWSW and WJAS got together on 50-50 merger. Each is putting up half the capital, and WJAS will be sold. Each will have 3 members on board, with 7th member to be mutually acceptable. Officers will also be balanced 50-50.

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Long squabble in Houston-Galveston reached initial decision stage when examiner John B. Poindexter rejected all arguments of KTRK-TV, Houston, that KGUL-TV, Galveston, was really becoming a Houston station and ignoring Galveston—in violation of allocation plan and FCC rules—by getting transmitter site 27 mi. from Galveston and 24 mi. from Houston.

First TV hearing outside Washington since freeze will be held in Biloxi, Miss. Though examiner issued initial decision favoring WVMI over WLOX for Ch. 13, FCC ordered further hearing into cross-charges by both parties that principals of each violated liquor laws in their hotel operations and other character qualifications need looking into.

In allocations, Commission received petition from WDMJ, Marquette, Mich. that Ch. 5 be substituted for Ch. 13 in Calumet, shifting Ch. 13 to Marquette. Also filed was petition of KSVP, Artesia, N. M. to shift Ch. 10 from Roswell to Artesia.

To build up data on TV propagation, Commission has set up a "central reference file" and is soliciting field strength coverage surveys. File will be split—one section for public inspection, other confidential for FCC staff, latter to prevent stations from using data to competitive advantage.

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FCC's proposed investigation of networks won approval of Senate Appropriations Committee June 3. It okayed House-passed appropriation of \$6,870,000 for fiscal 1956, including \$80,000 for getting the network study started and \$90,000 for processing application backlog (Vol. 11:14,22).



**O**BVIOUSLY relishing quoting pessimistic statements regarding sponsored TV, uttered during 1946-48 by Zenith president Eugene F. McDonald, prime subscription TV proponent, RCA-NBC chairman David Sarnoff, in comments filed with FCC, aims to show that Comdr. McDonald is still wrong. Rugged individualists both, they've fought in the past over FM, uhf and TV, are still litigating over patents and are intense rivals in set & tube field; indeed it was only on compatible color that they seem ever to have agreed.

Quoting multi-billion-dollar statistics on TV's stature, Sarnoff cites such statements in 1947 by McDonald as: "I have said that TV required a boxoffice to pay for the type of programming that would give it mass appeal, and events have borne me out."

Gen. Sarnoff said pay-TV proponents favor "paid narrowcasting" as against "free broadcasting"; that their attitude is "No Fee—No See." He asserted that pay-TV would undoubtedly attract best free programs and talent, and as result: "Shrinking revenues of TV broadcasters and the economic facts of life not only would result in inferior sponsored programs but, as well, would force curtailment and perhaps abandonment of public affairs, cultural and educational programs which are now presented by free TV. This would be a tragic loss to the public and to the nation."

He foresaw Hollywood taking over, saying that movie producers, "having been legally divorced by the courts from several thousand theatre boxoffices to which they were for so long wedded, are now panting for marriage to cash boxes that can be attached to 35,000,000 TV receivers now in American homes."

Sarnoff noted that 45 markets have only one station each; that 6,500,000 people in those areas would get nothing when toll TV programs were telecast unless they paid; that 64 more areas have only 2 stations each, serving some 12,500,000 people who would lose half their free programming whenever only one station scrambled its pictures, all of it when both did. The idea of limiting pay-TV to major urban areas isn't practical, he said, because it's the large audiences in these areas that make possible costly programs now provided free.

**Telecasting Notes:** Big 20th Century-Fox's TV film subsidiary, TCF Television Productions Inc., began operation this week at Fox's Western Ave. lot in Hollywood, which was completely redesigned for TV at cost of about \$2,000,000. "Best equipped in world" and "first film studios specially designed for TV" are phrases used to describe TCF lot which eventually will have 14 studios plus complete theatre for audience participation programs . . . At full capacity, TCF studios will be able to handle 680 half-hour shows a year. TCF also is building permanent "western" set at 20th Century's Malibu, Cal. lot. Its first project is *My Friend Flicka* series, to be shot in color, already sold to CBS for fall. Cameras roll next month on 20 full-hour black-&-white films, following *Disneyland* formula, for GE sponsorship, to be shown alt. weeks on CBS beginning Sept. 21. TCF is headed by Sid Rogell, with Michael Kraike in charge of production; it already has more than 100 on payroll, including 15 writers for first 2 series . . . Neat turn: Margaret Truman (NBC contract artist) substituted for Ed Murrow on his CBS *Person to Person* May 27 to interview her parents by remote control to their home in Independence, Mo. in a homey, happy, much-quoted telecast . . . In Britain, where he went to cover the elections, Murrow saw campaign handled on

As for argument that people now pay for free programs by paying more for products, Sarnoff said this "is as absurd as contending that purchases of automobiles and clothing subsidize the press and that, were there no press, automobiles and clothing would cost the consumer less. Of course, it is elementary economics that advertising produces increased sales which in turn make possible increased production, lower costs, and lower prices to the consumer."

Note: Copies of the Sarnoff printed brief are available from NBC or RCA.

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Letters and cards keep flowing into FCC files, and sentiment is almost entirely against toll TV now. Ratio is running somewhere between 10-to-1 and 20-to-1. Due to early start, pro-pay comments still hold lead in total count—running about 10,000 for, 5500 against. Rate of influx has slackened somewhat.

Subject gets big play in press, will get great deal more next week when industry comments are filed with FCC. This week, *N. Y. Herald Tribune* devoted 1½ pages to it. *Wall St. Journal* carried long feature on it. *Tide Magazine* is satisfied that pay-TV is inevitable, stating: "Like it or not, toll TV is on the way . . . It offers the public a convenience never before available. It is coming." *Billboard* poll of stations, agencies, advertisers, film producers & distributors shows 127 executives calling toll TV a threat to free TV, 138 terming it no threat; 55 station & network men said it's a threat, 37 said "no threat." Of total, 161 predict that FCC will approve pay-TV, 78 say it won't; 43 telecasters say it will, 40 say it won't.

Interestingly, while British film magnate was announcing contract permitting a new feature to be premiered on NBC-TV this fall (p. 1), Zenith's McDonald was reporting that Korda has signed up for British rights to Phonevision, saying Korda will seek govt. permission to set up pay system in British Isles.

Dramatists Guild of Authors League of America, through pres. Moss Hart, wrote FCC that: "The inexorable law of the boxoffice is, we think, sound and we would prefer to have this govern our returns rather than the sales volume of a commercial product, as at present." A National League of Televiewers has been organized by Joseph J. Mahoney, of Newark, who asked FCC to delay comments deadline from June 9 to Sept. 9 so that public can "become fully informed" and express its opposition.

BBC-TV on "rationed" basis—6 periods only, 3 each for Conservative and Labor spokesmen—and it didn't go too well with electorate, who regarded the straight speech-making by party leaders as monotonous and dull . . . *London Daily Express* suggested: "The more the party leaders stay off the television programme, the more likely they are to win the nation's confidence" . . . Ace director Alex Segal, of *U. S. Steel Hour* (which shifts to CBS next season) has called off new contract with ABC, which reportedly would have paid him \$100,000 for 26 new shows next season; he may freelance in TV next season or produce Broadway play . . . CBS Newsfilm at NARTB convention filmed station owners and operators with local Congressmen and TV stars at CBS film display; about 50 such interviews were filmed and mailed "home" for showing on local stations . . . CBS Foundation contributes \$10,000 to projected American Shakespeare Festival Theatre, Stratford, Conn. . . . Another radio show goes TV: Ziv signs Jean Hersholt to star in new film series as "Dr. Christian," same part he played in radio for 17 years . . . Film Festival—preview screenings of portions of all types of film available for spot sponsorship—will be held for 4th year June 22 by WGN-TV, Chicago; last year's showing of 33 films drew 300 admen.



**TWO NEW STATIONS** went on air this week —while 3 uhf outlets signed off. New vhf outlet opened up Twin Falls, Ida. area, and Spanish-language uhf went into pre-freeze San Antonio. Stations suspending were in Atlanta & Macon, Ga. and Jackson, Miss. On-air total now is 432, including 106 uhf.

KLIX-TV, Twin Falls, Ida. (Ch. 11), more than 100 mi. from nearest other station, began test patterns Memorial Day. Principals are J. Robb Brady Trust Co., holding 50%, and Frank C. Carman & Grant R. Wrathall each holding 12.5%. Carman & Wrathall own 25% each of KUTV, Salt Lake City, and have interests in group of western radio stations. KLIX-TV has 5-kw DuMont transmitter & 6-bay RCA antenna formerly used by WFAA-TV, Dallas, and old GE microwave equipment of WBKB, Chicago. It has 250-ft. tower on Flat Top Butte, 14 mi. north of city. Frank C. McIntyre is v.p.-gen. mgr. & sales mgr.; Paul Droubay, program director; C. W. Evans, technical director. Affiliated with CBS & ABC, it has \$120 base rate. Rep is Moore & Lund.

KCOR-TV, San Antonio (Ch. 41), which begins programming June 10, aired first test patterns June 2. First uhf in city already served by pre-freeze WOAI-TV & KENS-TV, 90% of its programming will consist of Latin-American films & kines. It has 1-kw RCA transmitter, pylon antenna on 558-ft. Truscon tower. Principal owner is R. A. Cortez, with R. A. Cortez Jr. as v.p.-commercial mgr.; W. P. Smythe, v.p.-gen. mgr.; Martin L. Fieldler, chief engineer. Base hour is \$200. Rep is Richard O'Connell.

WQXI-TV, Atlanta (Ch. 36) signed off May 31 after 5½ months of commercial operation in city with competition from three pre-freeze vhf outlets. Owner Robert W. Rounsaville told FCC revenue has been below \$1000 a month, while monthly operating losses have exceeded \$10,000. It had no network. Rounsaville continues to operate radio WQXI and 6 other AM properties. He still holds CPs for WQXL-TV, Louisville (Ch. 41) & WQXN-TV, Cincinnati (Ch. 54).

Also suspending operation May 31 was WOKA, Macon, Ga. (Ch. 47), formerly WNEX-TV, which was transferred to new owners E. K. Cargill & J. C. Barnes in April (Vol. 11:14,17). It began commercial operation as WETV in Aug. 1953. Jackson's uhf outlet signed off May 31 after its owners (*Jackson Clarion Ledger*) merged with vhf competitor WSLI-TV (Vol. 11:12,21), whose Ch. 12 facilities were retained, using WJTV call letters. Ch. 35 grant has been surrendered. Jackson operation was one of first uhf stations, went on air in Jan. 1953.

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

KRNT-TV, Des Moines (Ch. 8) has June 20 target for test pattern, Aug. 1 for programming as CBS basic, writes v.p. Bob Dillon. The Cowles station is now completing wiring of GE transmitter, has installed RCA 12-bay antenna on existing 709-ft. Ideco tower. Base hour rate will be \$650. Rep will be Katz.

KRBB, El Dorado, Ark. (Ch. 10) has 5-kw RCA transmitter purchased from Terre Haute's WTHI-TV (Ch. 10), but hasn't set targets, reports one-third owner Wm. M. Bigley. RCA 6-bay antenna is ready on 600-ft. Skyline tower. It's near southern border of state, over 100 mi. from Little Rock, the nearest TV stations being KNOE-TV, Monroe, La. (Ch. 8), 59 mi., and KSLA, Shreveport (Ch. 12), 81 mi. away. KRBB owners control radio KVMA, Magnolia, Ark. Rep will be Pearson.

KNTV, San Jose, Cal. (Ch. 11), has 2-kw RCA transmitter, plans July 15 test patterns, reports mgr. Harry Y. Maynard. It will use 12-bay RCA antenna on 218-ft. Ideco tower. Owner is A. T. Gilliland's Sunlite Bakery, which bought out 36 other stockholders last winter (Vol. 10:52). Base rate will be approximately \$300. Rep not yet chosen.

KMVI-TV, Wailuku, Hawaii (Ch. 12), granted May 25, plans start in 120 days, reports pres. J. Walter Cameron for grantee Maui Publishing Co. Ltd., publisher of semi-weekly *Maui News* (KMVI). With GE transmitter on order, transmitter house atop Haleakala Crater is to be ready in 6 weeks. Supertent 6-bay antenna will rise 137-ft. above ground. Microwave connecting Wailuku studios will be built later. KMVI-TV will re-transmit Honolulu's KONA programs, in much same way that KGMB-TV programs are picked up and rebroadcast by satellite KMAU, also on Haleakala. Ezra J. Crane, gen. mgr. of newspaper, will be TV gen. mgr.; Richard E. Mawson, KMVI mgr., asst. gen. mgr.; Frank Kovacic, KMVI sales mgr., TV sales mgr.; Alan J. Delpech, TV ad director; George Tam, TV-radio chief engineer. Rep will be NBC Spot Sales.

WHTN-TV, Huntington, W. Va. (Ch. 13), now plans start next Sept. 25, reports v.p. Fred Weber, also pres. of off-air WFPG-TV, Atlantic City (Ch. 46). First competitor for pre-freeze WSAZ-TV (Ch. 3), it has signed with ABC. Base hour will be \$460. Rep will be Petry.

WOOK-TV, Washington, D. C., recently granted Ch. 14 in lieu of originally-assigned Ch. 50 (Vol. 11:5), still has plans to start in 4-vhf capital, seeing need for "specialized" types of service, reports exec. v.p. Arthur Snowberger. Owner is Richard Eaton, who has purchased 12-kw GE transmitter and helical antenna of defunct KACY, Festus-St. Louis (Ch. 14) and will use 300-ft. tower of WFAN, FM affiliate of Eaton's radio WOOK, at First Place & Riggs Rd. N.E., also location of new TV-radio studios. Fall start also is planned for Eaton's WTLF, Baltimore (Ch. 18), which has asked for new call WSID-TV. It already has 1-kw RCA transmitter, has purchased antenna from off-air WECT, Elmira, N. Y. (Ch. 18). It will use 488-ft. Truscon tower with TV transmitter & studios housed with WSID at 912 N. Charles St. Eaton also operates radios WARK, Hagerstown, Md.; WINX, Rockville, Md.; WANT, Richmond, Va.; WJMO, Cleveland. Rep for both TVs will be Eaton's United Bestg. Co.

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Five Canadian TV applicants: On agenda for June 24 meeting of CBC are applications of G. A. Alger & J. F. Grainger, latter gen. mgr. of *North Bay Nugget*, competing for Ch. 10, North Bay, Ont.; CKRD, Red Deer, Alta., for Ch. 6 there; J. Conrad Lavinger, operator of radio CFCL, Timmins, Ont., for Ch. 6 there; Quebec North Shore & Labrador Railway Co., for Ch. 9 in Schefferville, Que., new iron mining town near Labrador border.

This week's equipment shipments: DuMont—25-kw transmitter, film & live studio equipment to KTBS-TV, Shreveport, La. (Ch. 3), due on air next Sept.; 50-kw amplifier to KCRG-TV, Cedar Rapids, Ia. (Ch. 9). GE—50-kw transmitter & network color equipment to KRNT, Des Moines (Ch. 8), due in Aug.; 12-bay antenna to KFJZ-TV, Ft. Worth (Ch. 11), Aug. target. RCA—12½-kw amplifier to WMTV, Madison, Wis. (Ch. 33); 2-kw standby transmitter to WCCO-TV, Minneapolis (Ch. 4). GE also reports new order from WCTV, Thomasville, Ga. (Ch. 6), due on air in Aug., for 35-kw transmitter, 5-bay antenna, complete studio equipment, for June delivery.

New call letters: WPFH, Wilmington, Del. (Ch. 12), formerly WDEL-TV. New owner is Paul F. Harron.



**Station Accounts:** Entire Sat. afternoon, 1-6 p.m. for 8 weeks from May 21, purchased on NBC's WNBQ, Chicago, by Cole-Finder Co., Lincoln Mercury dealer, in biggest local time block station ever sold; it will sponsor 5 one-hour feature films seriatim under title *Pieturama*, thru Rocklin-Irving & Assoc. It's package deal, details undisclosed, but WNBQ Class C rate, covering 7 a.m.-6:30 p.m. Sat., is \$1650 per hour before frequency discounts . . . Even bigger local time purchase, by Polk Bros. dept. store chain, already big TV advertiser, extended TV sponsorships to 18½ hrs. per week for 52 weeks on ABC's WBKB, Chicago, embracing 7 morning, afternoon & evening programs (3 new, 4 renewals) . . . Loss of shoppers to N. Y. City and outlying shopping centers led group of Paterson, N. J. merchants to buy spots on various daytime shows on WRCA-TV & WRCA, N. Y. June 1-7 to plug slogan "Downtown Paterson Has Everything"; stations produce shows about the city, for which Commercial Development Fund, as group calls itself, solicits local commercial participants . . . Click program *The Big Idea*, aimed at amateur inventors, sponsored last 5 years by Philadelphia Saving Fund Society on WCAU-TV Tue. 7-7:30 p.m., and seen for 10 months on DuMont, will be filmed by Donn Bennett Productions at RKO-Pathe in 52 segments for national syndication in Sept. . . . Glass Container Mfrs. Institute, N. Y., comprising 74 manufacturers, to spend \$1,200,000 this year in all-media campaign to promote greater use of glass by food & beverage packers, thru Kenyon & Eckhardt . . . Wool Bureau Inc., 16 W. 46th St., N. Y. has released *Today's Male*, 6-min. TV film, offered one station per city . . . Among other advertisers currently reported using or preparing to use TV: National Paint & Varnish Co., thru Caples Co., Los Angeles; Regina Trading Corp. (Liebig Soups of France), thru Ralph D. Gardner Adv., N. Y.; Cheramy Perfumer (April Showers deodorant), thru Emil Mogul; Allechem Mfg. Co. Inc., N. Y. (Kill-Flame fire extinguisher), thru C. J. Herrick Assoc., N. Y.; Baylis Bros., Cincinnati (Kathy Don & Polly Flinders children's dresses), thru J. Gerald Brown Adv., Hempstead, N. Y.; Lufthansa Airline, N. Y., thru Albert Woodley Co., N. Y.; Solby Bayes, Boston (shoes), thru Mina Lee Simon, Boston; Tanner Products, Los Angeles (Leather-Kleen leather protective), thru Philip J. Meany Co., Los Angeles; Shircraft Co., N. Y. (Airman shirts & sportswear), thru Willsted & Schacter, N. Y.; Weaver Products Co., Minneapolis (Spoolies curlers), thru Gregory & House, Terre Haute; Sperry Candy Co., Milwaukee (Chicken Dinner candy bar), thru Keck Adv., Oconomowoc, Wis.; Lydia O'Leary Inc., N. Y. (Covermark cosmetic), thru Gibbons-O'Neill, N. Y.; Norwegian Frozen Foods Ltd., Jersey City, N. J., thru Creative Adv., Jersey City; General Petroleum Corp., Los Angeles (Mobilgas "R" gasoline), thru Stromberger, LaVene & McKenzie, Los Angeles; Welch Grape Juice Co., Westfield, N. Y. (Fruit-of-the-Vine preserves), thru Kenyon & Eckhardt; Western Tool & Stamping Co., Des Moines (power mowers, lawn sweepers), thru A. Martin Rothbardt, Chicago; Ferber Corp., Englewood, N. J. (Vu-Riter ball point pen), thru Emil Mogul; Block Drug Co. (Stera-Kleen), thru Dowd, Redfield & Johnstone, N. Y.

**More honorary degrees:** To Ben Duffy, BBDO pres., from St. Joseph's College, Philadelphia. To Will C. Grant, pres. of Grant Adv., from Southern Methodist U, his alma mater. To Edward J. Noble, chairman of finance committee, ABC-Paramount, and Samuel I. Newhouse, chain newspaper publisher and owner of WSYR-TV, Syracuse, among other stations—both from Syracuse U.

Wallace-Ferry-Hanley Co. (Campana Sales Co. & other accounts) closes up shop June 30, pres. L. T. Wallace and v.p. L. H. Ploetz joining Fletcher D. Richards Inc.,

**Network Accounts:** Auto manufacturers dominated this week's network TV purchases, epitomizing keen competitive struggle among car makers this fall. Ford bought all 10 Sat. night 90-min. "specials" on CBS-TV (9:30-11 p.m.), some of them in color, thru J. Walter Thompson, retaining part sponsorship of Mon. night color spectaculars on NBC-TV. Chevrolet bought 17 of Tue. 8-9 p.m. periods on NBC-TV for variety show featuring Bob Hope on at least 6. Dodge will sponsor *Lawrence Welk Show* on ABC-TV starting July 2, Sat. 9-10 p.m., thru Grant Adv., retaining *Break the Bank* on ABC-TV Sun. 10-10:30 p.m. . . . Reynolds Metals to sponsor do-it-yourself program on NBC-TV starting June 26, Sun. 7:30-8 p.m., as replacement for *Mr. Peepers*, thru Clinton Frank, Chicago . . . Hazel Bishop to sponsor *The Dunninger Show* on NBC-TV starting June 25, Sat. 8:30-9 p.m., thru Raymond Spector . . . Sheaffer Pen & Maytag to be alt. sponsors of *Navy Log*, adventure series taken from Navy files, on CBS-TV in fall, Tue. 8-8:30 p.m., thru Russel M. Seeds Co. & McCann-Erickson . . . Whitehall Pharmacal & Procter & Gamble to be alt. sponsors of *Down You Go*, another ex-DuMont show, on CBS-TV starting June 11, Sat. 9:30-10 p.m. as summer replacement for *My Favorite Husband*, thru Biow-Beirn-Toigo and Young & Rubicam . . . Pharmaceuticals Inc. to be alt. sponsor (with Esquire Shoe Polish) of *Masquerade Party* on ABC-TV starting July 13, Wed. 9-9:30 p.m., thru Edward Kletter Assoc. . . . General Foods & Procter & Gamble to be alt. sponsors of *Those Whiting Girls* on CBS-TV starting July 4, Mon. 9-9:30 p.m., thru Young & Rubicam and Biow-Beirn-Toigo . . . Parker Pens to be alt. sponsor (with General Mills) of *Wyatt Earp* series on ABC-TV next fall, Tue. 8:30-9 p.m., thru Tatham-Laird . . . General Mills to sponsor *Screen Gems' Tales of the Texas Rangers* on CBS-TV starting in fall, Sat. 11:30-noon, thru Tatham-Laird . . . Lee Ltd. (Dri-Mist deodorant) to sponsor *Caesar Presents*, variety show produced by Sid Caesar, as summer replacement for his *Caesar's Hour* on NBC-TV starting July 4, Mon. 8-9 p.m., thru Erwin Wasey & Milton Weinberg Adv., Los Angeles.

NBC to offer advertisers combination rate for participations in either *Today*, *Home* or *Tonight* show along with spots on *Monitor*, its upcoming around-the-clock weekend radio service (Vol. 11:15). Sales presentation will stress advantages of retaining audience via radio on weekends at beaches and in cars during summer. *Monitor's* introductory simulcast on NBC June 12 (4-5 p.m.) will pick up excerpts of jazz concert in Hermosa Beach, Cal., trans-Atlantic plane flight, interview with San Quentin inmates, debate on "spiritual climate of America," scene from "The Fairly Fortune" drama at Bucks County Playhouse.

Rate increases: KULA-TV, Honolulu, July 1 adds new Class AA hour (6-9 p.m. daily) at \$300, min. at \$60, Class A hour remaining \$250; KFDX-TV, Wichita Falls, has raised base hour from \$250 to \$300, min. \$50 to \$60; WDXI-TV, Jackson, Tenn., hour from \$150 to \$200, min. \$20 to \$40; CBFT, Montreal, Que., has raised base hour from \$650 to \$700 and added Class AA min. only rate (7:30-10:30 p.m. Mon.-Sat.) at \$175, Class A min. going from \$130 to \$140.

"Story of Advertising" will be told on NBC-TV's *Mr. Executive*, Sat. June 11 at 12:30 p.m., with Conrad Nagel interviewing *Tide's* Morgan Browne, camera then turning to Grey Adv. Agency to show how typical agency works on a campaign.

New program with Perle Mesta as hostess interviewing celebrities is proposed for this fall by Ted Cott for WABD, N. Y. & WTTG, Washington. He has optioned her services, will arrange format later.



**C**OMMUNITY ANTENNA business continues to flourish with stubborn vitality, to surprise of some in the TV industry, as National Community TV Assn. holds annual convention in New York's Park Sheraton Hotel June 6-8—bigger and stronger than ever. Systems blossomed during 1948-1952 freeze, but there were warnings that business would collapse with rush of new stations on air offering free signals, yet they've confounded the pessimists.

Indicative of systems' health are many factors. Among them:

(1) Number serving 100 or more homes each is 325-350, and additional 100-200 serve 50-100 each.

(2) Average circulation of the over-100 group is 860, up from 728 year ago.

(3) Total homes reached is some 250,000, representing nearly 1,000,000 people.

(4) Big RCA, a small factor in community equipment business up to now, is intensifying efforts on basis of survey by James E. Jump & Assoc., recently became NCTA member. Jerrold Electronics, major equipment producer and large system operator, is expanding, encouraged by Ebasco surveys.

(5) Failures of systems are almost unheard of, only 2-3 going under in 6 years since systems started.

(6) Value of systems continues to increase, the biggest one, in Williamsport, Pa., selling for close to \$1,000,000 a few months ago.

(7) Membership of NCTA has doubled in last year—going from 93 to nearly 200.

(8) To get better signals, operators are investing very heavily in microwave systems costing up to \$200,000.

Now the talk of a "threat" centers on boosters and satellites. This, too, is largely discounted by system operators. They point to costs of building and operating satellites, to difficulties of "policing" viewers to make sure they help support satellites rather than "pirate" signals for free. Most of all, they say, a satellite offers only one signal, where as systems supply 3 or more.

"Type acceptance" procedure of FCC for passing on TV-AM-FM transmitters was incorporated into Part 3 of Commission's rules last week, effective June 30. Procedure provides that manufacturers submit technical data to FCC, which then rules on acceptability of equipment. Up to now, TV transmitters have not been subject to formal FCC approval, but they have been approved informally—and Commission had power to stop use of unsatisfactory transmitters. AM & FM transmitters had previously been subject to "type approval," another method of Commission examination. List of transmitters, broadcast and non-broadcast, which have passed FCC muster, may be inspected at Commission.

Canadians prefer U. S. TV: Results of survey by Canadian Assn. of Radio & Television Broadcasters, presented to House of Commons, shows that 60% of Toronto area audience prefer watching Buffalo & Rochester stations to local CBC outlet, 77% of Essex County viewers prefer Detroit & Cleveland programs. Figures were used as argument for immediate grants of private TV stations as competition to CBC.

Low-priced 16mm film projector for telecasting magnetic as well as optical sound films was introduced by Bell & Howell at NARTB convention. Priced at \$2500, model 614 CBVM is said to be "the first TV projector which need not be electrically locked to the telecast signal," eliminating need for special motor drive and lowering installation and maintenance costs.

A short-range impact of satellites and boosters is visualized, however. NCTA exec. secy. E. Stratford Smith says that rash of illegal boosters in Pacific Northwest did slow down community systems in area for a while but that they've resumed growth. Even if satellites manage to supply several signals, as proposed by application for experimental station in Clarkston, Wash. filed recently, there aren't enough uhf channels to take care of many of these. However, if FCC eventually commercializes such stations, it might reallocate, say, top 10 uhf channels, changing spacings so they'd cover tiny 2-3 mi. areas—enough for most towns.

Commission won't authorize experimentals generously right now, however. There is one "translator" type operating now in Manson, Wash., and Commission says it won't grant more if there's going to be unnecessary duplication of experimental work. In brief, it's leery of granting experimentals to those whose primary purpose is to serve public with TV now—rather than to conduct bona fide experimentation.

Experimental satellite sought for Clarkston, Wash. in application filed with FCC, by Orchards Community TV Assn., 3109 Fifth St., Lewiston, Ida., proposes to deliver signals of 3 Spokane stations by translating them to uhf channels 34, 40 & 46, using Adler equipment. It's non-profit organization (John H. Maynard, secy.), with 700 members who have contributed \$20 each, and it's seeking 2000 more members. Group has raised \$23,000, plans to build satellite for \$19,500, operate it for \$3000 first year. Mail campaign from area, urging quick action, has been felt at FCC—but Commission is going slow, fearful that go-ahead would precipitate demand for similar stations in many communities, encouraging people to buy sets for a new service not yet commercially authorized.

An experimental booster was granted this week to Lambda-Pacific Engineering Inc., Coalinga, Cal., which plans to rebroadcast signals of KJEO, Fresno (Ch. 47). Commission warned grantee, which plans to sell booster equipment, that authorization "is solely for the purpose of obtaining engineering data and will be terminated upon completion of project."

J. Patrick Beacom applied this week for permission to set aside 75% transfer of off-air WJPB-TV, Fairmont, W. Va. (Ch. 35) for \$147,000 to Cincinnati accountant Donn Baer, as approved by FCC last year (Vol. 10:47, 51). Under new terms, Beacom takes back 189 shares (70%) from Baer, bringing his holdings to 95%, Baer retaining 5%. Beacom would assume all liabilities of WJPB-TV, most of which are \$103,612 owed GPL for equipment. WJPB-TV also plans to file for Ch. 5 in Weston, W. Va. if FCC approves petition to change channel there from educational to commercial status. Last week, Baer & Beacom filed application to sell 95% of radios WVVW & WJPB (FM) for \$16,500 to Connie B. Gay, Beacom retaining 5%.

Seeking additional capital, KOAT-TV, Albuquerque (Ch. 7) last week asked FCC's permission to increase stock from 5000 to 24,340 shares, change par value from \$10 to \$1. Under new setup, Alvarado Bestg. Co. (radio KOAT) will reduce holdings from 56% to 33%, Albuquerque Exhibitors 35% to 30%, with other 37% held by minority stockholders. Feb. 28 balance sheet shows deficit of \$183,864, current liabilities of \$238,556, deferred liabilities \$267,570. Of \$397,263 total assets, \$43,448 are current, \$301,118 property.

Recent power increases: KFDA-TV, Amarillo (Ch. 10) to 250-kw ERP; KTVI, St. Louis (Ch. 35) to 500-kw.

Image orthicon tubes now being produced by Westinghouse; previously, RCA was sole U. S. manufacturer. GE also plans production.



**NEW TECHNOLOGY IN NEW SETS; TINKERTOY SOON:** The important new features of 1956 TV models will be inside the cabinets -- with industry heading into the most important changes in production methods in its history. One major TV manufacturer is expected later this month to introduce a set so radically new in design that it does away not only with conventional wiring but also with conventional components.

As if to set pace for the new TV technology, Admiral this week was first to show new lines at its Chicago convention. Its models have 75-80% of wiring printed on, and most components mounted automatically by Admiral's new automatic assembly machines. Admiral sets use 3 printed-circuit boards for chassis, eliminating more than 400 hand-soldered connections.

Admiral prices won't be announced until next week, but are understood to be generally at about present levels -- starting with 17-in. table model at \$130. (Other details of Admiral's line on p. 10.)

Only hint from bellwether RCA about its new line, which it shows to field reps at Barbizon Plaza, N.Y., on June 6-7 and to N.Y. area dealers June 14-16 is contained in memo from a distributor which reads: "Everything you will see is entirely new in design, utility & performance, completely new chassis -- new tuning devices...and prices are down as much as 29%." Memo adds that RCA's new color line will also be shown at same time.

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An even more radical change in TV set construction is due to be announced in next few weeks by an unidentified leading TV manufacturer -- not RCA or Philco, so far as we can learn. It's "Tinkertoy" principle of modular construction. At least 3 others, smaller TV producers but important names in electronics, are expected to follow with Tinkertoy sets. Thus Tinkertoy concept will find its way to consumer market this fall & winter, as we predicted last March (Vol. 11:12). Making Tinkertoy modules for the unnamed TV customers is ACF Electronics, Alexandria, Va., division of ACF Industries (formerly American Car & Foundry), which now employs most of the Bureau of Standards men who worked on original development.

Despite the widely-touted cost savings inherent in printed circuits and automatic production, the modular and other printed-circuit sets probably will not be priced lower than conventional sets -- at least not at first. Rather, prices may come down some time in future, depending on status of consumer market and studies by plants on just how much actually is saved. Most automation methods require big tooling-up job, which effectively eats into any cost advantage at outset.

Cost may well be least of the advantages of real automatic production. At least theoretically, more important features will be complete uniformity of sets of any particular model, extreme reliability, and in the case of modular sets, ease of servicing. Add to these advantages the lighter weight of plastic chassis, and the greater accessibility and compactness of vertical chassis.

Developed by Navy-Bureau of Standards team and first shown publicly nearly 2 years ago (Vol. 9:38), Tinkertoy, or modular design, is based on building blocks of small wafers slightly larger than postage stamp, which are stacked into modules or sub-assemblies and then mounted on printed-circuit chassis. Each ceramic wafer contains a circuit component -- a "printed" resistor, capacitor or inductance. When stacked and topped by a tube socket, these wafers constitute a module which contains an entire circuit stage. (Note: Excellent color photos of modular TV chassis and diagrams of Tinkertoy process appear in June Fortune Magazine.)

Note: ACF will demonstrate first modular 21-in. color sets Aug. 24-26 at Western Electronic (Wescon) show in San Francisco. They use conventional RCA circuit but employ Tinkertoy modules and printed circuitry, displayed to show adapt-



ability of modules to complicated color circuitry. At present we know of no manufacturer who has concrete plans to bring out modular-design color set.

Brief highlights of other trade developments this week:

DEALER PROBLEMS: Lots of anxiety among NARDA officials about increasing number of dealers shunting TV-radio-appliance lines to back of stores in favor of merchandising kitchen lines. This despite fact that TV was mentioned most frequently by NARDA members as the product which would sell best in 1955, in annual cost-of-doing business survey released this week (details below). Trend to merchandising kitchens is dangerous, in NARDA's view, because it diverts manpower and money away from basic TV-radio-appliances. Behind trend is simple fact that some dealers are getting sick-&-tired of bucking discount houses, price cutters, low margins, credit problems, etc., prefer to handle comparatively big-profit commodity like complete kitchens, where FHA financing is often available.

ECONOMIC CONTROLS: You can forget about any possibility of Federal standby price, wage & credit controls this year. President told newsmen this week it would be "psychologically unwise" for Congress to vote him such authority now in case of future national emergency. Rep. Spence (D-Ky.), chairman of powerful House Banking Committee, immediately remarked that "Congress will not thrust standby economic controls on the President unless he wants them."

ECONOMIC OUTLOOK: Another bullish business forecast for second half of 1955 came from convention of National Assn. of Purchasing Agents. On basis of survey, NAPA reported 33% of its members believe business in last half of year will be better than year ago, 42% feel it will be about same. The 25% who predicted decline agreed generally it would be more of a "breathing spell" than a major downswing, largely caused by industry vacations & possible slackening of automotive sales.

PRODUCTION: TV output went down to 110,944 week ended May 27 from 120,144 preceding week, running about equal to 110,651 week ended May 13. It was year's 21st week, brought output for year to date to about 3,160,000 vs. about 2,470,000 in same 1954 period. RETMA this week revised 4-month production figure to 2,771,426 vs. 1,904,718 in first 4 months of 1954.

Radio production totaled 266,946 (132,122 auto) week ended May 27, compared to 280,445 week ended May 20 and 287,352 week before. For 21 weeks, production was estimated at 5,900,000 vs. 4,200,000 in corresponding 1954 period. Official 4-month radio production was 4,739,919 vs. 3,326,800 in first 4 months year ago.

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**Topics & Trends of TV Trade:** TV receivers led all appliances in retail dollar sales volume last year and are expected to be best individual product sellers for all of this year. That's major finding of NARDA's annual cost-of-doing-business survey among its members, released this week and available for \$1 (NARDA, Merchandise Mart, Chicago).

Of the 77% of reporting dealers who made sales predictions for 1955, 60% foresaw increases averaging 15% over 1954; 26% expect no change in total dollar sales; 14% believe sales will decline average 20%. Of the 62% making profit predictions, 55% predicted rise in profit averaging 18%; 30% expect no change from 1954; 15% foresee average 25% drop in net return. Increasing importance of servicing is shown by fact it represented 20.3% of dealer's total dollar volume last year, up from 11.7% in 1953.

Biggest problems seen by dealers for 1955, in order of frequency of mention: discount houses & price cutting; excessive trade-in allowances; low margins; by-pass selling by manufacturers & distributors; over-franchising by manufacturers & distributors; difficulties in disposing of trade-ins; uncertainty about color; rising TV market saturation; declining antenna sales; consumer credit problems.

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Admiral's new line, in addition to printed-circuit & automation features (see p. 9), has new type of speedier

uhf "spin" tuner, top-front tuning on vertical chassis receivers, illuminated periscope dial that can be read through cabinet top, "tilt-out" front auxiliary controls & automatic "range finder" tube for distant reception. Line consists of 14 basic models—5 tables, 8 consoles & 21-in. combination. In address to distributors, pres. Ross D. Siragusa predicted that TV shipments in first 6 months will be 30% ahead of first half of 1954 and second-half sales & dollar volume will exceed last 6 months of 1954. He said Admiral will produce its 5,000,000th TV set early in 4th quarter, less than 7 years since its start, and predicted it will take only a little more than 4 years to produce second 5,000,000.

More distributor conventions for introduction of new lines, in addition to those reported last week (Vol. 11:22): Emerson, June 28-30 at Hotel Plaza, N. Y.; Sylvania, July 28-30 at undisclosed site in Chicago; Olympic Radio, June 19 at Congress Hotel, Chicago; Westinghouse, June 7 in San Francisco, June 10 in St. Louis, June 15 in Chicago, June 17 in Atlanta, June 22 in Columbus, O., June 24 at Metuchen, N. J. factory.

NARDA to sponsor one-week course on business fundamentals for its members at American U, Washington, Aug. 14-20. Fee of \$125, covering tuition & room, should be sent to NARDA pres. Harry B. Price Jr., 133 W. Charlotte St., Norfolk; it's limited to first 50 registrants.

Raytheon cut prices by \$10 on 20 TV models in current line, as part of summer promotion. Line now starts at \$130 for 17-in. ebony metal table model.



**Trade Personals:** James D. McLean promoted to v.p. in charge of coordinating activities of Philco govt. & industrial div.; Marshall A. Williams named gen. sales mgr., succeeded as Los Angeles mgr. by Dixie B. McKey, ex-RCA microwave sales mgr. . . . Andrew H. Bergeson, consulting engineer in Stromberg-Carlson's Washington office since retirement last year as Navy captain, elected engineering v.p. . . . John Gilberte, Admiral v.p., govt. labs div., installed this week as pres., Washington chapter, Armed Forces Communications & Electronics Assn., succeeding attorney Frank W. Wozencraft . . . Robert M. Marberry promoted to Spartan sales director, replacing Donald F. Miersch, resigned; Melvin L. Myers boosted to gen. sales mgr. under Marberry . . . Rodney D. Chipp, engineering director of DuMont Network, gets same title for DuMont Labs manufacturing divs., serving as liaison between all engineering depts. & research labs . . . Albert J. Harcher, ex-mgr. of CBS-Hytron's Newburyport, Mass. plant, named mgr. of its Lowell, Mass. plant, replacing Rudolph Sachs . . . Edgar G. Dunn promoted to mgr. of Sylvania's new data processing center in Camillus, N. Y., due to be in operation by early 1956 . . . Ralph E. Foster, ex-director of industrial relations, Radio Condenser Co., named asst. mgr. of its Hoopeston, Ill. plant . . . Michael J. Ranalli, ex-DuMont, joins Westinghouse TV-radio div. in special sales capacity under his former chief, new gen. sales mgr. Dan D. Halpin . . . Frank Van Gilder, ex-Weathers Industries, Barrington, N. J., named asst. sales mgr., International Resistance Co. merchandise div. . . . M. S. Kliendinst, ex-RCA, named marketing director, Farnsworth Electronics . . . John V. Deacon promoted to adv. & sales promotion director, Westinghouse International . . . J. H. Ohlrich named Sylvania district sales mgr. for Texas & Oklahoma . . . Richard S. Testut, ex-TV-radio v.p. of Muzak Corp., serving recently as Philadelphia branch mgr. of management consultants Booz, Allen & Hamilton, named v.p.-gen. mgr. of Servel's new home appliance sales div. . . . Richard Kleine named TV sales mgr., Baker Mfg. Co., Evansville, Wis. (towers), succeeding A. M. Repsumer, now factory sales mgr. . . . Irving Townsend promoted to exec. asst. to Goddard Lieberman, Columbia Records exec. v.p.; Gilbert McKean, ex-director of Columbia Transcription Service, named Columbia Records director of consumer relations . . . A. J. W. Novak, gen. sales mgr. of Clevite Corp.'s Brush Electronics, elected v.p. of Technical Instrument Co., Houston (oscillographs), a Brush div.

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**DISTRIBUTOR NOTES:** Philco & RCA complete exchange of distributors in New Orleans, with Philco's appointment this week of Television & Appliance Distributors Inc. (John C. Marden, pres.), ex-RCA outlet; RCA 2 weeks ago appointed Philco distributor Walther Bros. . . . DuMont appoints Igoe Bros., 579 Scotland Rd., E. Orange, N. J., replacing own N. J. factory branch, with TV dept. headed by Irving Sarlin, pres. of N. J. branch; company now has factory branches only in N. Y. & Miami . . . DuMont appoints Kelvinator div. of American Motors, Bendix Radio's Los Angeles outlet, replacing Stewart & Stevens Inc. . . . Bendix Radio appoints Huron Electric Supply Co., Buffalo . . . F. B. Connelly Co., Portland, Ore. (Sylvania) appoints Clay Hixon gen. mgr. . . . GE Supply Co., Pittsburgh, appoints Calvin D. Smith, ex-Chicago, as mgr. of consumer goods, succeeding W. P. Shreve, who retains duties as mgr. of supplies & apparatus . . . Meyers-Taube Co. Fargo, N. D. (Crosley-Bendix) extends territory to cover Billings, Mont.

Abner G. Budelman, spare parts sales mgr. of DuMont mobile communications dept. since 1951 and with Link Radio 1935-51, died May 30 at Mountainside Hospital, Montclair, N. J.

Kaye-Halbert, which filed petition under Bankruptcy Act last July (Vol. 10:32), proposes to offer 162,414 shares of its \$1 par common stock at par and use proceeds to settle outstanding claims. According to plan approved by stockholders and creditors, 8000 shares would be offered to creditors in cancellation of \$8000 of debts, remainder to be sold direct to public. Purchasers would be granted rights to buy 121,810 additional shares at \$1 each within year at rate of 3 shares for each 4 initially purchased. Offering circular says \$437,736 in general unsecured claims will be discharged in full by payment of one-tenth that amount. The \$181,338 balance of amount payable in cash would be paid in instalments over 2-year period. Kaye-Halbert had net loss of \$618,011 on \$2,215,855 sales in year ended Sept. 30, 1954, and loss of \$10,348 on \$577,296 sales in 5 months ended Feb. 28, 1955.

TV set sales by Canadian factories in first 4 months totaled 197,183, production 262,900, reports Canadian RTMA. This compares with 137,267 & 152,256 in same 1954 period. Projected production estimate for May-July period is 116,507 more sets. April sales totaled 30,721 at average price of \$304, production 46,982. Inventory at end of April was 113,601 compared to 97,340 at start of month. Montreal led in April sales with 5303; Toronto, 4915; British Columbia, 3419; other Ontario, 2940; Nova Scotia, 2693; Manitoba, 2317; Ottawa & eastern Ontario, 1839; Alberta, 1820; New Brunswick & Prince Edward Island, 1246; Hamilton-Niagara, 1210; Quebec City, 1203; Windsor, 929; Saskatchewan, 654; other Quebec, 185; Newfoundland, 48.

Closer affinities within RETMA of TV-radio & military electronics manufacturers would result from reorganization proposals which seem to have excellent chance of approval by RETMA board during annual convention June 14-16 at Chicago's Palmer House. Proposals call for creation of military products div.; abolition of separate electronics industry & TV-radio industry committees and return of their functions to single board; reallocation of directors among 5 divs. to provide "better balance" between TV-radio & military interests.

Another 1954 remuneration report: Standard Coil Products Co. proxy statement for June 14 annual meeting reveals pres. Glen E. Swanson drew \$113,609, owns 292,660 shares (19.91%) of outstanding 1,470,000 shares of common stock; James O. Burke, exec. v.p., \$81,624 (211,910 shares or 14.42%); Arthur Richenthal, secy., \$55,684 (1875); Victor E. Carbonara, director & pres. of Kollman Instrument Corp., \$52,590 (no shares).

RCA introduces line of 5 pre-assembled high-fidelity phonographs & radio-phono combinations ranging from table model at \$130 to twin console at \$1600, with first transistor circuits in higher-priced phonos; Robert A. Seidel, exec. v.p. for consumer products, predicts sales of high-fidelity phonographs, tape recorders & components will total \$300-\$400,000,000 this year, up 20% from 1954.

Fada Radio, in Chapter XI schedules filed this week in N. Y. Federal Court, lists assets of \$2,962,567, liabilities of \$2,445,486; among largest creditors are RCA, \$28,153 & Sylvania, \$23,666.

Motorola will consolidate all its 4-building Quincy, Ill. manufacturing in new 185,000-sq. ft. plant due to be completed there in early 1956.

Upcoming network color schedules: NBC-TV—June 6, *Home*, 11:04-11:14, 11:21-11:27 & 11:31-11:44 a.m.; June 7, President Eisenhower commencement address at West Point, 10-10:30 a.m.; June 8, *Home* segments, 11:02-11:04 & 11:50-11:57 a.m. CBS-TV—June 9, *Shower of Stars*, with Edgar Bergen & Charlie McCarthy, Betty Grable, Harry James, Ethel Merman, 8:30-9:30 p.m.



**Electronics Reports:** Increasing importance of electronics in military procurement is reflected in Defense Dept.'s new list of 100 largest prime contractors from July 1, 1953 to Dec. 31, 1954, which includes 23 companies in large-scale production of electronics equipment.

New 18-month post-Korea list shows sharp realignment of procurement policies, as compared with last previous list, which covered entire Korean war period (July 1950-July 1953). With only 5 exceptions, electronics companies have advanced their ranking—are higher-up on new list than on old one. Post-Korean list also shows effects of curtailment of procurement and cancellation of contracts since cease-fire. Cutbacks resulted in elimination of 45 companies from "top 100" category, including General Motors, which has been No. 1 on all previous lists.

These electronics companies have dropped from the "top 100" list since Korean truce: Westinghouse, 14th largest contractor of Korea war period, had cancellations which exceeded new awards by \$255,900,000 during July 1953-Dec. 1954 period; Collins Radio (41st on Korea war period list) had post-Korea contracts totaling \$9,400,000, not enough to place it in top 100; Remington Rand (formerly 63rd), totaling \$6,000,000 post-Korea; Stewart-Warner (formerly 88th), \$600,000. These figures are net values of prime contracts after cancellations; most companies have substantial subcontracts in addition.

Importance of aircraft-guided missile program is indicated by fact that 9 of the top 10 companies on new list are airframe makers, who make widescale use of electronics companies for subcontracts; No. 10 is Hughes Tool Co., parent of electronics-manufacturing Hughes Aircraft. United Aircraft, with \$1,061,400,000 in prime contracts, is No. 1 on list. General Dynamics (Convair, Electronic Boat), which recently made deal to acquire Stromberg-Carlson (Vol. 11:18) is No. 6 with \$597,000,000.

Many electronic items, of course, are made by the big "non-electronic" companies on the list, and much electronics procurement is represented by big aircraft companies with gigantic electronic subcontracting programs. Many companies identified with electronics also make non-electronic items for the military.

Here's how electronics and related firms stacked up in the top 100 for post-Korea period July 1953-Dec. 1954. Table below shows their position, on latest list, dollar volume of their prime contracts during that period, their percentage of total military contracts for the period, and, for comparison, their ranking during the Korean war period July 1950-July 1953:

Company (Including Subsidiaries)	Ranking (Post- Korea)	Prime Contracts (Post- Korea)	Share of Total	Ranking (Korea Period)
Hughes Tool Co.....	10	\$313,300,000	1.9%	25
AT&T .....	12	263,500,000	1.6	13
Bendix Aviation Corp.....	13	214,700,000	1.3	17
General Electric .....	14	213,300,000	1.3	3
Sperry Corp. ....	17	165,200,000	1.0	18
IT&T .....	23	95,600,000	0.6	33
IBM .....	24	94,200,000	0.6	44
RCA .....	26	75,800,000	0.5	22
Avco Mfg. Corp.....	29	66,600,000	0.4	29
Philco .....	30	65,500,000	0.4	40
Raytheon .....	37	50,700,000	0.3	42
Thompson Products .....	41	42,800,000	0.3	—
Sylvania .....	47	35,800,000	0.2	74
Reeves-Ely Labs. ....	52	32,500,000	0.2	—
Hazeltine Corp. ....	55	31,500,000	0.2	69
Motorola .....	57	30,400,000	0.2	91
General Precision Equip.....	62	27,600,000	0.2	—
Bill Jack Scientific Instr.....	69	24,100,000	0.1	—
Gilfillan Bros. ....	74	22,200,000	0.1	84
Elgin National Watch .....	75	22,000,000	0.1	—
American Bosch Arma .....	88	16,900,000	0.1	66
Belock Instrument Corp. ....	95	15,300,000	0.1	—
Admiral Corp. ....	98	14,700,000	0.1	83

**Automation:** Study titled *Production Control Through Electronic Data Processing: A Case Study*, prepared for non-technical management personnel, now available as Report PB-111580 from Office of Technical Services, Dept. of Commerce, Washington (\$1.50).

Statistics and predictions about transistors, as gathered by *Wall Street Journal* for survey covered in lead story May 24: Manufacturers—about 18. Production—4,000,000 during 1948-54 development period; 2,250,000 in 1955 at \$6,000,000; more transistors than vacuum tubes by early 1960's. Price—RCA's average about \$2.50, compared with \$13.40-\$23 in May 1953; average manufacturers price probably in \$2.50-\$4 range, compared with 50-75¢ for tubes; more big price reductions seen this year, with GE predicting \$1-\$1.50 by 1957, same price as tubes or less by 1960-63. Development expenses—at least \$100,000,000 so far, most manufacturers now hoping to begin getting some of that development & research money back in transistor sales; Raytheon says its transistor operation is now in the black. Biggest use today: hearing aids.

High-frequency transistors suitable for TV, radar and shortwave radio have been developed in GE Research Lab, v.p.-research director Dr. C. G. Suits revealed at May 27 dedication of new GE Stanford Microwave Laboratory, Palo Alto, Cal. He said new "meltback" process which improves control of impurities in germanium or silicon crystals makes possible high-frequency transistors with current amplification of from several hundred to over 1000. Meltback principle was developed by GE scientist Dr. Robert N. Hall, who also developed GE's "rate-growing" process for making junction transistors.

Transistorized gadgets demonstrated by Motorola v.p. Daniel E. Noble to dramatize potentialities of semi-conductors in address to Assn. of American Railroads in San Francisco: "Radio pocket clock," containing 6-transistor receiver circuit tuned to Naval Observatory, giving correct time every hour; "electronic golf ball," equipped with built-in miniature transmitter and batteries, which transmits signal strong enough to be picked up by portable radio receiver carried in pocket and used as direction finder to locate lost ball.

Electronic self-sufficiency: Nearly 90% of last year's Canadian Govt. orders for electronics & communications equipment were placed with Canadian firms, as opposed to about 75% in previous years, Deputy Defense Production Minister D. A. Golden told Canadian RTMA annual meeting June 2 at Niagara Falls.

Magnavox reports \$5,900,000 in new contracts by its industrial & defense div., backlog for radio compasses, airborne receivers, other electronic items totaling \$22,500,000.

Another electronic acquisition: Hall-Scott Motors Co., Berkeley, Cal., announced in ad in June 2 *Wall Street Journal* its purchase of Bardwell & McAlister, military electronics engineering & research firm.

"An accurate clock on the brain of man" is how Dr. Norbert Wiener, MIT mathematics professor, describes electronic computer for analyzing brain waves which he's currently testing.

Photo-transistors are replacing photocells atop 8400 street lamps in Manhattan and Bronx. They automatically switch lamps on & off.

Elsin Electronics Corp., Brooklyn (Edgar Scillitoe, pres.), maker of automatic direction finders, electronically-controlled garage doors, automatic typesetting machine and other devices, recently marketed 140,000 shares of common at \$2 per share through Standard Investing Corp. & Baruch Brothers & Co., N. Y. These are in addition to 251,569 shares presently outstanding and 50,000 reserved for issuance of warrants. Firm's total assets are stated in prospectus as \$199,393, current liabilities \$77,636. For year ended July 31, 1954 its sales totaled \$403,476 and loss was \$19,808 vs. sales of \$455,734 and profit of \$40,175 in preceding year. For 5 months ended Dec. 31, sales were \$65,855, profit \$2055.



**AIR FORCE POLICY** towards electronics industry's place in weapon-system procurement (Vol. 11:7, 17, 21), as enunciated in June 1 address to Washington chapter of Armed Forces Communications & Electronics Assn. by Brig. Gen. T. P. Gerrity, materiel headquarters director of procurement & production:

"There has been much concern voiced since our announcement of the weapon-system concept that such a policy will allow the weapon-system contractor to establish control over the development and procurement of equipment, thus providing himself with the opportunity to get into this business. It is not the intent of our weapon-system concept to engender such actions; in fact, the Air Force does not encourage or condone entry into development and production of parts or sub-systems by other than the established industry which normally provides such equipment."

Govt. wants to make widest use of electronics industry in subcontract function, he said, in order to: (1) take advantage of industry's know-how and special skills; (2) promote healthy industry, ready to meet any emergency; (3) foster competition, making available best quality items at lowest cost.

He said Air Force is taking these measures to back up this policy: (1) Prime contractors will be required to establish their own small business program to insure maximum subcontracting to smaller firms. (2) Weapons system contracts specifically preclude any increase in "normal manufacturing function" of prime contractor. (3) To maintain "broad mobilization base," prime contractors are encouraged to subcontract as much as possible, with Air Force approving price differential, in extreme cases, to maintain widest possible base. (4) Govt. has developed "standards program," which discourages use of specialized components, encourages maximum standardization on already available items.

Gen. Gerrity warned electronics manufacturers that Air Force procurement will continue to be well below capacity of industry. "You may expect to live in a very competitive environment," he said. "The Air Force as a customer will take full advantage of this competitive environment to obtain top quality products at the lowest prices. The contractors who cannot meet these conditions will have tough sledding."

Walter W. Slocum, pres. of W. W. Slocum & Co. industrial engineers, named asst. to pres. Thomas Roy Jones of Daystrom Inc., Elizabeth, N. J., succeeding Robert Erickson who becomes pres. of Daystrom subsidiary Heath Co., Benton Harbor, Mich.

T. I. Phillips, ex-Westinghouse v.p. in charge of manufacturing, and v.p. J. M. Thompson elected to board of Canadian Westinghouse, whose pres.-chairman is now H. H. Rogge, who succeeded H. A. Cooch, retired.

George E. Probst, ex-director of U of Chicago Round Table radio program, succeeds Adm. Harold G. Bowen, USN Ret., as exec. director of Thomas Alva Edison Foundation Inc., 8 W. 40th St., N. Y.

Dr. E. R. Piore, recently chief scientist and deputy chief of Office of Naval Research, joins Avco as v.p. & chairman of committee on advanced scientific research.

Dr. James W. Ballard, ex-chief of U. S. Bureau of Mines X-ray & spectroscopic lab., named asst. director of research, Electronics Corp. of America, Cambridge, Mass.

Raytheon elects Robert Cutler, pres. of Old Colony Trust Co., Boston, recently special asst. to President Eisenhower, as a director.

International Resistance Co. interim report for 15 weeks to April 17 shows total income of \$4,199,989 vs. \$3,609,387 for comparable 1954 period; net profit \$199,457 (\$.148) vs. \$69,378 (5¢). Figures do not include Hycor companies acquired in March whose sales exceeded \$800,000 in last fiscal year. Shares outstanding increased from 1,331,163 to 1,342,598 because Hycor was partially paid for with IRC stock.

Cornell-Dubilier earned \$1,036,649 (\$1.96 a share) on sales of \$19,026,350 in 6 months ended March 31, compared to \$847,953 (\$1.59) on \$21,564,445 in corresponding period of preceding fiscal year. Pres. Octave Blake attributed higher earnings to increased efficiency & improved production methods, lower volume to competitive conditions.

Walt Disney Productions earned \$430,048 (66¢ per share) on gross income of \$9,876,175 in 6 months ended April 2, compared to \$283,662 (43¢) on \$4,331,827 in corresponding period of preceding fiscal year. Pres. Roy O. Disney commented that TV had proved powerful factor in exploitation & marketing of company's motion pictures.

Daystrom Inc., which recently merged with Weston, has arranged for \$7,000,000 long-term loan from Chase Manhattan, Fidelity Union Trust Co. and National Newark & Essex Banking Co., Newark.

GE maintains pace: Sales for first 4 months of 1955, reports pres. Ralph J. Cordiner, indicate 1955 volume equalling record \$3,100,000,000 of 1953.

Skiatron Electronics & Television Corp. admitted to trading in American Stock Exchange June 1; opening sale was 500 shares at 8. It closed June 3 at 7¼.

Expansion: Textron American Inc.'s electronics subsidiary, Dalmo Victor Co., to build \$1,200,000 plant at Belmont, Cal., slated for completion in summer 1956.

Dividends: Admiral Corp., 25¢ payable June 30 to stockholders of record June 15; Hoffman Electronics, 25¢ June 30 to holders June 15; Canadian Westinghouse, 50¢ July 4 to holders June 15; Decca Records, 17½¢ June 30 to holders June 16; WJR The Goodwill Station, 10¢ June 20 to holders June 10.

Color, satellites and microwaves: Agenda of TV-radio committee of AIEE meeting at New Ocean House, Swampscott, Mass. June 27-July 1, as reported by chairman Joseph B. Epperson, Scripps-Howard chief engineer: Color—networking, by John Thorpe, AT&T; film, by E. M. Gore, RCA, and R. E. Putnam, GE; projection receiver, by W. F. Bailey, R. P. Burr & R. J. Keogh, Hazeltine. Satellites—uhf booster, by Jesse Epstein, Wendell O. Morrison & O. M. Woodward Jr., RCA Labs; low-powered uhf, by John B. Grund, Sylvania. Microwaves—by R. G. McLaughlin, Raytheon.

First station to use RCA's new "color-effects" equipment (Vol. 11:21) was NBC's WNBK, Cleveland, which colorcast ID with new gear May 22 preceding color spectacular. As demonstrated at NARTB convention, results were quite effective, producing 12 two-color combinations by push-button control. RCA engineers stressed that equipment is part of that needed when stations eventually go to regular color originations—thus requiring no extra expenditures. It includes colorplexer, color-bar generator, color frequency standard and burst flag generator.

Raytheon introduced its 11-kw ERP 6000-mc microwave equipment, successor to 1-kw series, at NARTB convention, noting that it handles both color and monochrome. Also shown was new 13,000-mc microwave, plus newly offered studio color monitor. Conversion to color of old Raytheon microwave gear, of which some 100 units are in use, will be undertaken by company at less than cost—\$350 plus transportation.



## Network TV-Radio Billings

April 1955 and January-April 1955

(For March report see *Television Digest*, Vol. 11:19)

**N**ETWORK TV billings slipped slightly in April, all networks showing small declines from March but all save DuMont well ahead of April 1954, according to Publishers Information Bureau report. For first 4 months of year, network TV runs \$132,018,673 vs. \$99,555,185 for same 1954 period. Network radio in April also fell from March total and continues to run far behind April 1954; for Jan.-April period, 1955 total is \$42,153,922 vs. \$51,652,729 in same 1954 period. The PIB figures:

### NETWORK TELEVISION

	April 1955	April 1954	Jan.-April 1955	Jan.-April 1954
CBS	\$15,463,359	\$10,921,640	\$62,026,122	\$42,980,081
NBC	13,266,053	10,802,535	52,960,482	41,269,310
ABC	3,527,558	2,554,484	14,619,874	10,478,129
DuMont	462,335	1,068,374	2,412,195	4,827,665
<b>Total</b>	<b>\$32,719,305</b>	<b>\$25,347,033</b>	<b>\$132,018,673</b>	<b>\$99,555,185</b>

### NETWORK RADIO

	\$ 3,837,124	\$ 5,044,943	\$16,363,119	\$20,416,980
CBS	3,837,124	5,044,943	16,363,119	20,416,980
NBC	2,624,671	2,962,839	10,906,981	13,170,839
ABC*	2,096,355	2,367,636	9,417,160	10,457,574
MBS	1,357,157	1,891,998	5,466,662	7,607,336
<b>Total</b>	<b>\$ 9,915,307</b>	<b>\$12,267,416</b>	<b>\$42,153,922</b>	<b>\$51,652,729</b>

### NETWORK TELEVISION—January-April 1955

	ABC	CBS	DuMont	NBC	Total
Jan.	\$ 3,718,195	\$15,831,141	\$ 723,960	\$13,172,695	\$ 33,445,991
Feb.	3,567,696	14,694,726	597,275	12,419,641	31,279,338
Mar.	3,806,425	16,036,896	628,625	14,102,093	34,574,039†
Apr.	3,527,558	15,463,359	462,335	13,266,053	32,719,305
<b>Tot.</b>	<b>\$14,619,874</b>	<b>\$62,026,122</b>	<b>\$2,412,195</b>	<b>\$52,960,482</b>	<b>\$132,018,673</b>

### NETWORK RADIO—January-April 1955

	ABC	CBS	MBS	NBC	Total
Jan.	\$2,487,140	\$ 4,181,787	\$1,372,532	\$ 2,744,204	\$10,785,663
Feb.	2,387,900	3,950,767	1,291,938	2,584,620	10,215,225
Mar.	2,445,765	4,393,441†	1,445,035	2,953,486	11,237,727†
Apr.	2,096,355	3,837,124	1,357,157	2,624,671	9,915,307
<b>Tot.</b>	<b>\$9,417,160</b>	<b>\$16,363,119</b>	<b>\$5,466,662</b>	<b>\$10,906,981</b>	<b>\$42,153,922</b>

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

† Revised as of June 2, 1955.

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

Kingsley Murphy family will pay \$380,000 to exercise option for 40% of Cowles' upcoming KRNT-TV, Des Moines (Ch. 8), due on air June 20, according to terms for setting up new KRNT-TV Co., which got FCC approval this week. Murphy family is to pay \$80,000 for stock, plus assumption of \$300,000 note for station construction, while Kingsley Murphy Jr. & attorney Benito Gaguine are to be named v.p.'s, each getting \$500 a month. Murphy family is also selling radio KSO (5-kw, 1460 kc, ABC) & KSO-FM for \$125,000 to Lyman S. Ayers group, operators of WXLW, Indianapolis, Ind.

Richmond's pre-freeze WTVR (Ch. 6) became ABC & CBS outlet June 1 when affiliation with NBC ended—and owner Wilbur Havens took page ads in local newspapers to tell public that in 1954, at NBC compensation of \$166.36 per hour, WTVR lost \$118.16 on every hour of NBC commercial programs it carried. Network has stated it has had trouble clearing time on Havens' stations, hence terminated contract in favor of new affiliation with Tom Tinsley's upcoming WXEX-TV (Ch. 8), due on air next month.

NARTB 1956 convention site will be Chicago's Conrad Hilton Hotel, April 15-19. It has taken option on same hotel for 1957.

**C**ONSENSUS ON REPEATS of hit live programs (Vol. 11:17-21), among top network and agency executives, seems to point clearly in favor of more of them—if carefully selected. This week, we have comments from 2 more highly-placed people—CBS-TV pres. Jack Van Volkenburg and veteran TV producer Worthington (Tony) Miner. Here's Van Volkenburg's view:

"I agree with you that with many of the really outstanding dramatic shows, repeat performances where possible should be scheduled. There is no money to be saved, of course. However, that should not be a factor. Occasionally, we would run into a situation where we would only be able to purchase one-time broadcast rights. However, this would be the occasional situation rather than regular.

"I think you will see in our schedule this coming season an occasional live repeat of an outstanding dramatic performance."

Miner analyzes idea this way: "A sponsor quite naturally hesitates to pick up the total expense of a new production for a repeat that may capture a considerably reduced audience. Despite this hesitancy, hour-long dramatic shows have been repeated considerably more often than people seem to realize—and from the earliest days . . . The question appears to be more a matter of determining how frequently and how soon a show should be repeated, rather than whether a show should be repeated at all.

"Personally, I am in favor of repeats. I believe that a fine show is a genuine asset to a series, and can be repeated again and again, provided the time intervals between the first showing and the repeat are adequately separated. The immediate repeat of a show like 'Patterns' is a unique example, and in no way affects a general policy. It would seem to me that the producer of each series should determine his own policy extending over a number of years. In this way, and without loss of audience, the really fine productions on TV could become a heritage of the industry as a whole."

Meanwhile, Nielsen reports "Patterns" repeat reached 8,755,000 homes vs. 8,725,000 for first showing. And Kraft, which sponsored the re-run, is so interested in technique that it will do similar job on "Hard to Get," starring Gizele MacKenzie. It was carried first May 12, will be repeated June 9. A spokesman for Young & Rubicam, Kraft's agency, gave as reason: "There was a lot of reaction to the play and its rating was quite good."

Two uhf applications were filed this week with FCC: For Roanoke, Ind., Ch. 21 (allocated to Huntington), Sarkes Tarzian Inc., electronics manufacturer and operator of Bloomington's WTTV & WTTS; for Orlando, Fla., Ch. 18, by WABR, Winter Park. Applications now on file total 152 (17 uhf). [For details, see *TV Addenda 20-U* herewith; for complete listings of all grants, new stations, applications, etc., see *TV Factbook No. 20* with Addenda to date.]

First rates for off-air microwave service were filed with FCC this week by AT&T. It proposes to charge \$4640 monthly for bringing signals of WDAY-TV, Fargo, N. D. to KFYZ-TV, Bismarck over 180-mi. route. In addition, it will charge \$81,865 to be paid off in 3 years. In rule-making pending before Commission, telecasters are arguing that they can supply such service themselves more cheaply than AT&T can.

Senate has restored the \$8,000,000 sliced by House off USIA's proposed \$88,350,000 budget, which includes not only Voice of America but plans for expanded TV operations (Vol. 11:10)—and prospects for full go-ahead for Theo. Streibert's organization look good.



# Television Digest

with **ELECTRONICS** REPORTS

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## SUMMARY-INDEX OF THE WEEK'S NEWS—June 11, 1955

SUBSCRIPTION TV COMMENTS contain brilliant analyses, and put focus on Congress, "tests", demand for oral hearing, danger to free TV (p. 1 & Special Digest).

SENATE INVESTIGATORS' top-priority projects: excise tax relief and engineering study of allocation plan. Uhf group asks freeze, selective deintermixture (p. 3).

COMMUNITY ANTENNA operators' convention encouraged by Comr. Doerfer; business good but satellites, boosters & low-power stations cause concern (p. 5).

ELECTRONICAM CLICKS, says DuMont, pointing to 50% cost reduction in film production & naming Caddigan mgr. of marketing setup for new filming system (p. 7).

TINKERTOY TV SET due from Emerson early next year; CBS-Columbia & Capehart also work on modular designs; RCA, Zenith show lines (p. 10).

APPLIANCE TRANS-SHIPING is sanctioned by Justice Dept. anti-trust chief, though trade generally regards it as competitive evil (p. 13).

DIVERSIFICATION again featured in decisions, Wichita TV getting final award of Ch. 3, Mid-West TV favored by examiner for Indianapolis' Ch. 13 (p. 4).

COURT SLAPS FCC in old Clarksburg case; Flint's WJRT delayed again; CBS abandons plan to buy Steubenville outlet (p. 4). Notes on upcoming stations (p. 9).

With This Issue: Summaries of Comments on Subscription TV Filed This Week With the FCC (4-p. "Special Digest")

**'THE TOLLVISION WAR'—AT DEADLINE:** Verbal warfare over subscription TV entered an important phase this week as major and minor combatants filed formal comments with FCC -- but it's by no means the final or most important phase. Chances are future battles will make this week's legalistic give-&-take look like a mere skirmish.

All the 30-odd filings, some extremely voluminous, some revealing penetrating research effort, are digested in a Special Supplement herewith. We've studied them all, to the extent that time permitted, and the conflict -- stripped of all hokum and publicity motives -- appears to resolve itself into several major issues:

- (1) Should Congress, not FCC, make the decision?
- (2) Should "tests" be authorized?
- (3) Should a hearing -- full, oral evidentiary -- be conducted?

These questions are in addition, of course, to the overriding question: "Will subscription TV add to or subtract from today's free system?"

\* \* \* \*

Proponents and opponents are lined up officially now, and they're a motley group -- "biggs" and "littles" on both sides, motives obvious. If Congress grabs the ball from FCC's hands, or gets it on a forward pass from FCC, it means long delays and probably the ultimate rejection of subscription TV.

For with all the buildup and fanfare, any Congressional candidate worth his political salt can get a lot of campaign mileage out of vowing to the public that he will keep TV free. There are very few votes in any promise to charge the public for its TV programs -- and the simple fact is that there isn't the popular clamor for "reform" of TV that arose during the early days of commercial radio.

The idea of a commercial "test" could prove to be the most crucial issue of all -- and opponents devoted some of their most strenuous arguments to point out the "fallacies" and "dangers" of any such experiments.

Demand by the opponents for an oral hearing is bound to precipitate a nasty fight, for the proponents know full well how that sort of thing can drag into years -- having fresh in mind the protracted allocation and color hearings.

We've appended street addresses of principals and counsel to the digests of their comments in the Special Supplement herewith, and we urge you to ask them for



copies which most of them told us they're prepared to supply -- for we've never before seen such truly brilliant analyses of what TV is under a free system and what it might be under fee TV. In the scant 10 years of TV's life, no one has ever devoted such skill & knowledge to evaluation of its economic, artistic & social aspects.

A study of the comments shows that much of the argument to date had been superficial indeed -- proponents promising pie-in-the-sky, opponents relying on flat assertion that toll TV will kill free TV.

The care and intensity manifested in the briefs make certain that FCC consideration of the issue can scarcely be less exhaustive -- reemphasizing our repeated predictions that final disposition is a very long way off. Moreover, the extensive attention to legal aspects points plainly to ultimate court appeals by whoever loses.

\* \* \* \*

The anti-fee forces have been striking telling blows, it's apparent, in their cry that the prime result of fee TV would be to make the public pay for what it now gets free -- for Zenith's comments ask Commission to prohibit networks from charging for programs now paid for by advertisers and to prohibit stations from carrying fee TV programs more than 15% of the time.

Concept of a "free enterprise" experiment, on the other hand, has opponents issuing dire warnings that a test dare not be tried while at the same time urging that other tryout techniques are available which won't jeopardize free TV. Wired system is most frequently suggested as the proper arena for tests. Opponents like NARTB, CBS and theatre-sparked Joint Committee on Toll TV say they have no objections to subscription TV via cable.

Accepting this premise, the largest manufacturer of wired systems for community antenna services, Jerrold, told Commission it's ready, willing and able to supply already-operating systems with "home hookups" for the tests.

Jerrold also stated, however, that the whole foundation of subscription TV -- the scrambling and unscrambling technique -- is fallacious because any broadcast code can readily be broken and the shows "bootlegged", whereas a wired system is secure. Jerrold's claim is that major cities can be wired up for same cost that decoders can be installed for a broadcast system; its pres. Milton Shapp challenged Zenith to supply him with 2 decoders and he would break any scrambled telecast Zenith devises.

The wire-system appeared to appeal even to one of pay-TV's proponents, Paramount Pictures' International Telemeter, whose pres. Barney Balaban and v.p. Paul Raibourn told us they've been urged to try the cable by several interested groups and will do so if satisfied that the economics are right.

\* \* \* \*

Movie tycoon Balaban tangled with RCA-NBC Chairman Sarnoff this week, blasting latter's assertions that pay-TV would turn TV into a Hollywood "cash box" (Vol. 11:23). Insisting toll TV is "inevitable", Balaban said:

"One gets a little weary of these pious declarations about the motion picture companies in their relation to TV. No one has a patent on how to make motion pictures. Anyone can make a motion picture who has the talent and money to do so. There is nothing to prevent NBC, or any of the other networks, from investing in quality production motion pictures as we do in our business."

Telemeter came up with novel idea of multiplexing what it calls "marquee" -- technique of displaying to viewers a description of what they're missing at same time scrambled picture is being telecast, all on one channel. At first blush, it was thought Telemeter had devised multiplexing system which could be used to present subscription TV as a true supplement to the existing free system. However, Telemeter engineers stated that multiplexed picture would be "degraded", though it was thought that 2 acceptable pictures might some day be transmitted on the same channel. Raibourn, himself an engineer, suggested this might take 5 years to achieve.

\* \* \* \*

Zenith pres. E.F. McDonald also took crack at Sarnoff this week, alleging RCA had sought to buy Phonevision patents 3 times in recent years. Gen. Sarnoff termed charge "utterly false", whereupon McDonald offered to testify about it "under oath".



"The battle of press releases" having gone to higher levels, the chips down, it can be expected that the TV medium will itself be used more freely henceforth to argue the fee-TV subject -- that is, if popular interest doesn't flag.

Another TV debate on the subject is scheduled by CBS-TV -- on Ed Murrow's "See It Now" Tue., June 14, 10:30-11 p.m. EDT. Participants pro will be Skiatron counsel James M. Landis, Brooklyn Dodgers pres. Walter O'Malley, playwright Robert Sherwood. Arguing anti will be CBS pres. Frank Stanton, theatre committee co-chairman Alfred Starr, station mgr. P.A. Sugg, WKY-TV, Oklahoma City.

If the previous TV debates are criterion, public's reaction to pay TV will be generally adverse -- evidenced by fact that tide of letters to FCC turned from pro to con immediately after one such recent debate on NBC-TV. Antagonists were Zenith's H.C. Bonfig (now with CBS) with Cornelia Otis Skinner and Mr. Starr with actress Faye Emerson.

Heavy numerical lead of pro-fee TV letters in FCC files, initiated by Zenith publicity campaign, has probably been overcome by now (Vol. 11:23). Total is now somewhere around 20,000 letters, including results of poll conducted by Newsday, Long Island daily, which reported 5036 anti-pay-as-you-see, only 192 pro.

Next official deadline is July 11, when parties are to reply to one another's comments as filed this week. It's certain some participants will ask for extension because of the great volume of material for study -- and, it being summertime, the chances of extension are considered strong.

**SOUND & FURY ON THE ALLOCATION FRONT:** The first anniversary of the Potter hearings on uhf finds the air full of "proposals", "plans" and talk of "investigations" aimed at helping uhf in one way or another -- and they all have a familiar ring. Potter subcommittee never made a final report, and none of the "strong measures" suggested have been adopted. One year and millions of words later, outlook is the same.

The continuing TV investigation by Sen. Magnuson's Commerce Committee, under the guidance of chief counsel Sidney Davis, has assigned top priority to 2 projects, both outgrowths of measures once proposed by Potter subcommittee:

(1) All-out drive to eliminate price differential on all-channel sets by exempting them from 10% Federal excise tax. Magnuson already has written letter to economy-minded Chairman Byrd (D-Va.) of Finance Committee, and there's talk of joint meeting of Commerce & Finance committees to discuss plan. Davis feels the measure still has "fighting chance" -- despite Administration's opposition to all tax bills this session. In the House, Ikard tax-exemption bill (HR-4070) is stalled, but proponents will make effort in next 2 weeks to get Ways & Means Committee commitment.

(2) Ad hoc committee of leading engineers, to take another look at allocation plan (Vol. 11:23). RETMA, NARTB, FCC, UHF Industry Coordinating Committee, networks have been asked to suggest members. They're due to be announced in about 2 weeks. Reports that committee's principal function will be to squeeze in as many more vhf channels as possible were strongly denied this week by Davis. He said the committee will be told to approach entire question with open mind.

Davis believes in go-slow policy, and says he won't be pushed into "premature hearings." Best guess still is that the all-encompassing TV hearings won't begin until next fall at earliest, perhaps even next winter.

\* \* \* \*

Another ad hoc committee -- plus a freeze and selective deintermixture -- was proposed to FCC this week by group of uhf telecasters. UHF Industry Coordinating Committee, headed by Harold Thoms and Fred Weber, forwarded to the FCC the proposal adopted by representatives of some 45 stations 2 weeks ago (Vol. 11:22). Group has an appointment June 21 to discuss plan with FCC. The 3-part proposal:

(1) Freeze for at least 90 days all TV authorizations and modifications "which will result in aggravation of intermixture of uhf & vhf stations." (2) Establish an ad hoc committee, which will act during freeze to set up new standards "for determining objectionable interference," to serve as basis for new rules permitting drop-ins of new vhf assignments, on case-to-case basis, presumably through use of direc-



tional antennas, low power, etc. (3) Commission would resolve all pending proposals for area deintermixture during same freeze.

FCC's "test cases" on selective deintermixture (Vol. 11:14) have been slated for hearing June 27-28. They involve substitution of uhf for single commercial vhf channels in Peoria, Ill.; Madison, Wis.; Evansville, Ind.; Hartford, Conn.

FCC this week served notice it will discontinue its policy of extending CPs of uhf grantees on purely economic grounds. It gave 12 uhf CP-holders until Jan 16 to get started, and announced that no CPs would be extended beyond that date unless grantees give evidence of definite plans for actual construction and operation.

\* \* \* \*

Senate this week passed FCC budget appropriation, which includes \$80,000 for study of networks (Vol. 11:22-23). Already approved by House, measure now goes to conference committee to iron out minor differences between Senate & House versions.

Sen. Magnuson explained the study in response to question in Senate by Sen. Langer (R-N.D.) of Judiciary Committee: "The [\$80,000] is for the purpose of permitting the FCC to make a factual study and investigation of the networks and their contractual relations with their affiliates...A year will be required to obtain the factual data. The Commission does not intend to duplicate any work which the [Senate Commerce Committee] inquiry may have done, or to overlap the inquiry as to monopolies which the Committee on the Judiciary is making."

Nobody expects strong medicine to come out of FCC's investigation. As Chairman McConnaughey put it, in recent address to CBS-TV affiliate conference: "I think that the Commission should know more about the networks from the standpoint of what makes them tick. I think that possibly the networks would welcome such a study. But to me, there is a vast difference between making a study and coming out and starting to criticize everything... A study, yes; an intelligent appraisal, yes; but to come out and make wild suggestions and wild accusations [is] a very dangerous thing when you are dealing with possibly the most sensitive industry in the American economy."

**F**INAL DECISION in old Wichita Ch. 3 case—which started Oct. 20, 1952—gives CP to non-radio Wichita TV Corp. (George M. Brown, pres.). Satellite CP for Ch. 4 in Roseburg, Ore. (to owners of KVAL-TV, Eugene) was only other grant issued by FCC in week that also produced initial decision proposing Ch. 13 grant in Indianapolis to Mid-West TV Corp.

Wichita case was close—a 3-2 decision, with Comrs. Lee & McConnaughey dissenting, Hyde & Doerfer not participating. Commission picked Wichita TV for its program proposals, plans of owners to participate in operations, local residence and diversification. It owns no communications media, whereas competitor KFH is part owned by *Wichita Eagle* and KANS principal O. L. Taylor also controls KRGV-TV & KRGV, Weslaco, Tex. Lee wrote dissent, in which McConnaughey concurred, stating he'd pick KFH because of its long and satisfactory radio record and because he felt newspaper ownership should give station a plus rather than a minus.

Examiner Basil P. Cooper chose Mid-West in Indianapolis (banker George Sadlier, pres.)—over WIBC, WIRE & Crosley—because of local ownership, program proposals and fact it owns no TV-radio stations, newspapers or theatres. Cooper was unimpressed with programming record of WIBC, WIRE & Crosley and was particularly critical of fact that WIRE was interlocked with *Indianapolis Star* and *News* (E. F. Pulliam), saying city needs another "voice."

\* \* \* \*

Commission got spanked by Court of Appeals this week, in the Clarksburg, W. Va. protest case. FCC had granted Ch. 12 CP for WBLK-TV to Stubblefield publish-

ing family, whereupon *Clarksburg Exponent & Telegram* protested (Vol. 10:13). Commission gave protestant oral argument, but court's Judges Edgerton, Bazelon & Bastian unanimously ruled this week that full hearing should have been granted instead, sent case back.

Meanwhile, Commission granted protests against establishment of WJRT, Flint (Ch. 12) at site near Saginaw, thus further holding up construction of station. Full hearing will begin June 27 on protests of WKNX-TV, Saginaw (Ch. 57), WTOM-TV, Lansing (Ch. 54) & WWTW, Cadillac (Ch. 13).

Sale of WSTV-TV, Steubenville, O. (Ch. 9), to CBS was called off this week—principals recognizing they had little chance of getting FCC to approve move of station to Pittsburgh. It remains CBS-TV affiliate.

Another uhf seeking vhf channel was WKLO-TV, Louisville (Ch. 21), which asked that Ch. 7, 9 & 13 be added to Louisville, taking them from Bowling Green, Ky., Evansville & Hatfield, Ind. Station asked that it be shifted to Ch. 7, WQXL-TV to Ch. 13, leaving Ch. 9 for educators.

Commission finalized addition of Ch. 16 to Pittsburgh, Cal., substitution of Ch. 15 for Ch. 16 in Red Bluff, Cal., Ch. 56 for Ch. 16 in Santa Cruz, Cal.

Chairman McConnaughey, planning to leave for Europe July 22, and with Commission scheduling no action on major matters during Aug., is pressuring staff and colleagues to get out as much work as possible now—particularly on such issues as deintermixture (see p. 3). Evacuation of key govt. officials in civil defense test June 13 may put crimp in Commission output next week.

Richard A. Mack's nomination to FCC to succeed Comr. Hennock June 30 (Vol. 11:19,22) is scheduled for hearing by Senate Commerce Committee June 16 at 10 a.m.; quick approval is expected.



**COMMUNITY SYSTEMS—PROSPECTS & PROBLEMS:** A professional atmosphere pervaded this week's convention of National Community TV Assn. in New York's Park Sheraton -- in marked contrast with previous meetings of the not-much-publicized community antenna operators. For in last few years these enterprisers, usually small and local, have burgeoned from a group with no true industry spirit or national awareness into a cohesive and self-assured organization comparable with old-line trade associations.

Some 450 attended convention and 18 exhibitors displayed equipment. Beset with uncertainties, but flourishing nonetheless, operators were pleased with address by FCC Comr. John C. Doerfer, who congratulated them on their enterprise, expressed optimism for the future, and showed strong aversion to applying the iron hand of Federal regulation to the conduct of their business.

During 1948-1952 TV freeze, shadow of prospective new stations hung over the operators, but worries were unjustified. Now, it's boosters, satellites and low-powered stations that pose the threat.

Some of the "gold rush" aspects of the business have disappeared, and sudden discoveries of backyard bonanzas are now quite rare. Rather, well-informed capital is roaming the country, beefing up old systems, exploring markets previously thought to be too well served with free signals to be profitable, and investing in expensive microwaves in order to penetrate previously inaccessible communities.

(For details of convention activities, see below.)

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**C**OMMUNITY ANTENNA operators' greatest concern is over prospects of competition from satellites, boosters and low-power stations of all kinds (Vol. 11:23). These provided subject for liveliest session of NCTA convention in New York this week.

With FCC certain to authorize them in one form or another and with manufacturers prepared to deliver telecasting equipment at lower and lower costs, the concern appears justified. Furthermore, Sen. Magnuson (D-Wash.), whose state is loaded with illegal boosters which have given community operators serious competition, is putting tremendous pressure on FCC to legalize the boosters—fast. On June 3, he wrote FCC Chairman McConnaughey telling him to get going, offering to sponsor new laws if necessary.

Participating in panel discussion on low-power TV stations at convention were NCTA pres. Martin F. Malarkey, NCTA exec. secy. E. Stratford Smith, Entron pres. H. M. Diambra, Jerrold pres. Milton J. Shapp, Spencer-Kennedy pres. Fitzroy Kennedy.

Theme of discussion: Low-power TV outlets in most small towns probably aren't economically feasible, but if they are, they still won't kill off community operators who can add more and more choices of signals—3, 5, 7 or even more—to retain customers.

They weren't so concerned with "normal" satellites as they were with those proposing to transmit several signals simultaneously—as outlined by applicant for experimental station in Clarkston, Wash., planning to retransmit 3 Spokane signals on 3 uhf channels (Vol. 11:23). Said Shapp: "We must take issue forcibly with this type. It's a change from the traditional FCC pattern." Smith noted that FCC has strict rules against permitting one station to occupy more than one channel in a town, and he recommended FCC be asked to make policy clear and stable so that system operators could plan accordingly. He suggested that rule-making should be undertaken by Commission before any such grants are made.

Panelists thought low-power operations could scarcely be profitable in towns up to 25,000 or so but might go over in larger cities. Malarkey, who hails from Pottsville, Pa., said that metropolitan station operators told him they

couldn't envision profitable satellite operation because they could scarcely increase rates for the relatively small increase in circulation. It was noted, however, that if one big-city station seeks satellite, his competitors are forced to do likewise—even though economics may not be favorable—as happened in Walla Walla, Wash.

Leon Papernow, once part owner of KFSD-TV, San Diego, told group that they should be checking sentiment of small-town AM operators to determine low-power station possibilities, and he pointed out that manufacturers at recent NARTB convention would even lease complete equipment for some \$50 a day (Vol. 11:22). He warned that potential among small AM operators might be very great, as indicated by Sylvania surveys (Vol. 11:22).

Certain to be watched closely as possible clue to small-town TV economics is novel "Commprovision" system (Vol. 11:8) which started May 27 in Douglas, Ariz. Town is too far from stations to get signals for community system, so group known as Trans-Community TV Network, 141 El Camino Dr., Beverly Hills, Cal. (Jerome L. Doff, pres.), is feeding kines & films to wired system, interspersing local live, film & slide commercials.

Organization advertises it's operating 3-10 p.m. daily, offering *You Bet Your Life, Hit Parade, Comedy Hour; Kraft Theatre, Robert Montgomery Presents, Mr. Peepers, Tennessee Ernie*, etc. Most programs are NBC, but other networks' shows are also said to be on tap. Company has invested heavily in RCA equipment, including mobile unit for live man-on-the-street pickups, etc. It's claimed that merchants are clamoring to place spots and that operators expect to achieve profit when only 1000 homes are wired.

Entrepreneurs haven't yet fixed cost to subscriber, but it's expected to be somewhere in range now charged by regular community operators—\$125-\$150 for initial connection, \$3-\$7 monthly fee.

If Trans-Community does prove profitable, it will undoubtedly invite competition from low-power station offering free signals, once low-power rules are adopted—because vhf channels are plentiful in area, Ch. 3 already allocated but unapplied-for in Douglas, and station probably could be built and operated for no more than a wired system.

\* \* \* \*

Interest in microwaves to serve community systems was intense. FCC common carrier expert Arthur Gladstone outlined Commission policy: qualified groups can



obtain permission to operate microwaves for systems but can't own the systems they serve. Two such microwaves have been granted—one to serve Poplar Bluff, Mo. area (but never built), other to serve systems in Richland and Kennewick-Pasco, Wash. (granted May 25). Like hinterland TV station operators, owners of systems feel that AT&T service is unnecessarily costly.

Another industry problem is "property rights," i.e., systems' right to relay signals of stations. Most stations are delighted with added circulation produced by systems, but a few have sought to keep their signals off systems. Wm. Grove's KFBC-TV, Cheyenne, Wyo. has ordered operator in Laramie not to carry its signal, but Laramie operator continues to carry it, asserting that his system, in principle, is merely an extension of customers' antennas. Ed Craney's KXLTV, Butte, Mont. has given similar orders to operator in Bozeman—and conflict is likely to wind up in court. It was Craney who took famed ASCAP case to U. S. Supreme Court.

Subscription TV is another intriguing subject—for community operators feel they have natural setup for first-run movies, etc., and Jerrold's Shapp asserts that systems can take whole hot potato out of FCC's hands (see p. 1).

State utility regulation isn't quite the bugaboo it used to be. Though operators find little need for such regulation, one operator put it this way: "You don't see the phone or electric companies going broke, do you?" Wyoming is only state actually regulating, though a few others are considering assuming control.

Illustrative of operators' esprit de corps, membership voted unanimously to triple budget to \$50,000 for next year, with dues to be 2½¢ per subscriber per month—some members' dues being increased 9-fold. They reorganized to set up 8 regions, with director for each. Malarkey was reelected pres., this to be his last term; Wm. Daniels, Casper, Wyo., v.p.; Joseph Saricks, Bradford, Pa., secy.; Wm. Calsam, Oneonta, N. Y., treas.

Operators were heartened by speech of FCC Comr. Doerfer, who said: "Community TV today is a \$20,000,000 industry. Approximately 400 companies are bringing a TV service to more than 300,000 subscribers or roughly 1,000,000 viewers. But for your enterprising spirit most of these people would today be without such service. This fact alone is a splendid tribute to your ingenuity and in particular to your initiative. You are to be congratulated."

Outlining legal uncertainties of regulation—lack of final court determination whether systems are broadcasting or common carrier, or whether they come under Federal or state jurisdiction—Doerfer said he preferred states assume regulation, if any governmental entity should. He also said he couldn't see that Govt. should protect broadcasters from systems or vice versa.

As for low-power stations, he stated: "Consideration of the relative cost of construction and operation, number and variety of available programs, fidelity of broadcast signals, their limitation because of encroaching interference and a host of unknown factors inherent in the new proposals to permit so-called boosters, satellites and low-power stations, should give CATV operators some encouragement and comfort . . . Your demonstrated powers of resilience without any governmental help or aid should give your prophets of doom cause for thought."

Sets-in-use totaled 35,809,000 as of May 1, according to NBC research & planning director Hugh M. Beville Jr., up 305,000 from April 1. U. S. Census Bureau this week revealed its June population survey is asking number of homes having TVs, and how many; sampling of about 25,000 families in 230 areas will permit national estimate to be released in Sept. or Oct. Advertising Research Foundation requested survey and is paying for it.

**Personal Notes:** Harry C. Milholland, DuMont mgr. of technical operations, promoted to director of all engineering activities for broadcast div., succeeding Rodney D. Chipp, now engineering director of DuMont Labs' manufacturing divs.; Eric Herud promoted to asst. mgr. . . . John W. Patt, pres. of WJR, Detroit & upcoming WJRT, Flint, who was stricken with heart attack during NARTB convention (Vol. 11:23) is improving at Georgetown Hospital, Washington, but not yet seeing visitors . . . Bernard J. Prockter, who recently sold out his Prockter TV Enterprises (*Big Story, Treasury Men in Action, Man Behind the Badge*), has joined CBS-TV as a producer; he started out in radio with CBS in 1929, quit in 1941 to join Biow, started own packaging business in 1944 . . . David G. Taft, exec. v.p. of WKRC-TV, Cincinnati, adds title of gen. mgr., taking on duties of U. A. Latham, retired . . . Raymond F. Guy, NBC director of radio frequency engineering and 1950 IRE pres., elected pres. of Radio Pioneers Club . . . W. Robert Rich resigns as program director of WPIX, N. Y., to become gen. sales mgr. of Associated Artists Productions' TV div. . . . Frank G. King, ex-KABC-TV & KTTV, Los Angeles, named gen. sales mgr., KOVR-TV, Stockton, headquartering in San Francisco . . . Joseph E. Lake, ex-WDAF-TV, Kansas City, named commercial mgr. of WFMY-TV, Greensboro, N. C., succeeding Wm. S. Baskerville . . . Edward J. Roth Jr., ex-NBC-TV, named program director of Notre Dame U's upcoming commercial WNDU-TV, Notre Dame-South Bend (Ch. 46), due in July . . . Ray Wilson, KFMB-TV, San Diego, elected chairman of California AP Radio Assn. . . . Chester E. Hagan, asst. mgr. of NBC central news desk, N. Y., shifted to mgr. of news & special events, Chicago; Rex Goad, Washington news editor, to N. Y. as night news room supervisor . . . J. Davis Danforth, BBDO, named TV-radio administration chairman, American Assn. of Adv. Agencies operations committee . . . Willson M. Tuttle, ex-Ruthrauff & Ryan v.p., to Fuller & Smith & Ross, N. Y., in TV management capacity . . . Halsey V. Barrett, ex-DuMont, recently in film syndication, joins TV Bureau of Advertising . . . James F. Brown resigns as national sales mgr., KBTB, Denver . . . Ridley Bell, asst. gen. mgr., promoted to gen. mgr. of WRBL-TV, Columbus, Ga., as Walter Graham is made mgr. of radio WRBL . . . George L. Griesbauer, ex-Raymer, recently sales mgr. of WTTG, Washington, named mgr. of Weed Atlanta office.

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Gordon Gray, chief owner of WSJS-TV & WSJS, Winston-Salem, publisher of both dailies there and currently pres. of U of No. Carolina, was nominated by President Eisenhower June 10 to be Asst. Defense Secretary, succeeding H. Struve Hensel, resigned. He's 46, a Democrat, Yale law graduate, served as Army Secretary under President Truman, was on 3-man board that heard J. Robert Oppenheimer security case.

More honorary degrees: To Dr. Allen B. DuMont, from Fairleigh Dickenson College. To Edward R. Murrow, from Holyoke College. To Gardner Cowles, publisher of *Look* and part owner of TV stations in Des Moines, Minneapolis & Sioux City, from Long Island U. To Mrs. Gardner (Fleur) Cowles, from Elmira College. To James E. Smith, pres. of National Radio Institute, Washington, from George Washington U.

Dr. Allen B. DuMont and family will be "visited" in their Cedar Grove, N. J. mountaintop home by Ed Murrow on his CBS-TV *Person to Person* show Fri., June 17, 10:30-11 p.m.

H. K. Carpenter, 61, broadcasting pioneer, who retired last summer as v.p. of *Cleveland Plain Dealer's* WHK, died suddenly June 2 in Cleveland. Surviving are his widow and 3 daughters.



**Telecasting Notes:** NBC pres. Pat Weaver, who is generally given the accolade as TV-radio's Great Innovator (*Today, Home, Tonight, spectaculars, Monitor, Wide Wide World*), doesn't do so badly before the camera himself—first evidenced by his easy manner and ready responses on Ted Granik's *Youth Wants to Know* show June 4. The kids ask tough ones, and many a statesman often flounders on that program, but Weaver was always at ease, his replies brief and to the point; he wasn't at all prolix or involved, despite his reputation for memos requiring concentrated re-reading to be understood . . . Weaver likes personal appearances, apparently, for he has agreed to narrate American Petroleum Institute show titled "1976," Sun. Oct. 9, 4:30-5:30 p.m., it being a glimpse into life in this country 21 years hence. He promises it won't be "space ship stuff"; it's his own idea, based on book he has been writing titled *Tomorrow* . . . First-run of new *Horatio Hornblower* feature film with Michael Redgrave may also be carried on NBC next fall as one-shot spectacular, in addition to Korda's *The Constant Husband* (Vol. 11:23), says *Billboard*; it would be sort of pilot for new half-hour TV film series with same title, and NBC rental deal would graduate downward depending on subsequent box-office . . . Another color spectacular in works is an original musical titled "The King & Mrs. Candle," by Sumner Locke Elliott, slated for NBC-TV's *Producers' Showcase* Aug. 20; Mark Charlap, who wrote music for *Peter Pan*, is doing it for the TV play, with *Hit Parade's* Toni Charmoli as choreographer . . . Those 2 Bing Crosby spectaculars announced by CBS (Vol. 9:21) will be on film, each 90 min. and resembling regular movie musicals. Crosby is curtailing his theatrical film activity to one-a-year, will concentrate on the 2 CBS features, first to be based on Rip Van Winkle story, going before cameras in July and telecast in Oct. They'll be produced & directed by Ralph Levy, budgeted at \$175,000 each . . . "Preview" format adopted by NBC's *Lux Video Theatre* for summer series;

live hour series will dramatize 12 stories made available by major movie producers before they're filmed for theatre . . . Apropos growing interdependence of TV and movies, Screen Directors Guild, Hollywood, reports 65% of members working in TV regularly or occasionally . . . Universal-International is getting into TV act, too—co-operating with NBC in putting on *Allen in Movieland* as summer extravaganza Sat. July 2, 9-10:30 p.m., providing such stars as Jeff Chandler, Piper Laurie, Tony Curtis, Audie Murphy; Steve Allen will be in Hollywood to star in U-I's film *The Benny Goodman Story* . . . Top movie directors Wm. Wyler, Wm. Wellman, Frank Borzage, John Farrow to direct one film each for next season's *Screen Directors Playhouse* on NBC-TV; Screen Directors Guild's benevolent work will be beneficiary . . . Screen Gems of Canada Ltd., 102 Peter St., Toronto, has been formed to handle properties of Screen Gems along with those of Telepix Movies Ltd., with latter's Joseph Dunkelmann & Lloyd Burns in charge . . . Olympus Film Productions Inc., subsidiary of WLW Promotions Inc., sold June 3 to James B. Hill, its gen. mgr. . . Station Film Library Inc., recently established by Harry Trenner, has been purchased by General Teleradio.

General Teleradio's Tom O'Neil reportedly is bidding on RKO holdings of Howard Hughes, which would give him big backlog of feature films now in vaults as well as control of RKO studio on Gower St., Hollywood, and Pathe lot in Burbank. Offers by O'Neil (of General Tire family) and others are understood to be in hands of Irving Trust Co. General Teleradio operates 5 TV stations and as many AMs, as well as Mutual Broadcasting System, Don Lee Network, Yankee Network. Presumably, though it's verifying nothing, it wants the RKO pictures to continue its successful "Million Dollar Movie" syndication and would enter the TV film production field in a big way if it gets the studio facilities.

**DuMONT'S ELECTRONICAM** live-film production method (Vol. 11:6, 8, 13, 16, 19) is in business now, and the company is proceeding on 2 fronts—marketing & film production—to capitalize on an anticipated industry acceptance of the system.

DuMont this week appointed "the father of Electronicam"—James L. Caddigan, ex-network programming & production mgr.—to new post of director of Electronicam marketing, with headquarters at Clifton, N. J. Said DuMont v.p.-gen. mgr. Wm. H. Kelley:

"The [new] marketing organization for Electronicam will undertake the establishment of this new system as standard equipment for the production of every type of motion picture—theatrical, business, educational, TV, commercials, govt." Marketing, he said, will be "international in scope."

Meanwhile, 2 Electronicam film production units have been busy at DuMont's New York Tele-Center, according to network director Ted Bergmann, who says 90% of those using the new facility aren't DuMont network advertisers. First Electronicam-produced commercial—1-min. Ronson shaver spot, thru Wm. Weintraub agency—was seen by New York viewers this week on WCBS-TV's *Early Show*. Biggest project to date was scheduled this week—pilot film in new 90-min. drama series for unnamed principal.

Among users and experimenters with new system at the Tele-Center are other networks, independent producers, agencies, sponsors. Commercials have been made for at least 4 agencies, pilot films for 2 producers, and an educational TV film series is now shooting.

Bergmann estimates that system cuts filming costs in half, compared to conventional methods, for complete film series and other big orders. Here are cost estimates, based on month's Electronicam experience, as compared with conventional filming: Five 15-min. soap opera episodes (total 50 min.), all shot in one 10-hour day, \$6000-\$7500, compared to \$15,000-\$18,500 by conventional methods. For one-minute commercials, cost is about \$1200 each when 3 are made consecutively, \$700 each for 6 and \$400 each for 12. Conventional film commercial is said to cost \$3600 for one minute.

As for DuMont network shows, pilot Electronicam prints are now being made of all of them. DuMont is recommending to its clients that they drop the live shows, change over to film. One DuMont account, Serutan, reportedly is planning to switch to Electronicam method entirely as soon as it has built up backlog of film shows in its *Life Begins at 80* series.

DuMont now has two 16mm Electronicam units (3 cameras each) in operation at its N. Y. Tele-Center, will install 35mm system this summer. New director of photography for Electronicam is Douglas Downs, ex-*March of Time*.

NBC Spot Sales has revised its *Guide for Video and Audio Standards*, covering 10-sec. IDs, as result of optional method announced last Oct. whereby advertiser may use full screen for 7¼ sec. (Vol. 10:42); revised manual will be available in early July.

National advertising rose 11% in first 4 months of this year over year ago, reports *Printers' Ink*, with network TV up 34%, newspapers up 14%, network radio down 17%.



**Network Accounts:** Cigarette companies, whether despite or because of lung cancer publicity, are increasing network TV sponsorships, reversing earlier policy of cancelling or sharing top programs in wake of first cigarette sales declines. Six major manufacturers will sponsor 18 network shows this fall, latest being Camels' purchase of 30-min. *Phil Silvers Show* on CBS-TV (time undetermined) & Lucky Strikes' buy of Wed. 8:30-9 p.m. period on ABC-TV following *Disneyland* . . . CBS-TV is revamping *Morning Show* (Mon.-thru-Fri. 7-9 a.m.), which has had rough commercial going in competition with highly successful *Today* on NBC-TV; spokesman denied reports show was going off air, though m.c. Jack Paar will quit it to head *Jack Paar Show* on CBS-TV starting July 4, Mon.-thru-Fri. 1-1:30 p.m. . . . General Foods (Instant Sanka & Minute Rice) & Revlon to be alt. sponsors of *Johnny Carson Show* on CBS-TV starting June 30, Thu. 10-10:30 p.m., thru Young & Rubicam & Wm. H. Weintraub & Co. . . . General Foods to sponsor *Commando Cody* on NBC-TV starting July 9, Sat. 11-1:30 a.m., thru Benton & Bowles . . . Sunbeam Corp. (appliances) buys 14 partic. on NBC-TV's *Tonight* (Mon.-thru-Fri. 11:30 p.m.-1 a.m.), 3 partic. on *Home* (Mon.-thru-Fri. 11 a.m.-noon) starting in fall, thru Perrin-Paus Co., Chicago . . . Western Union to switch *Down You Go*, an ex-DuMont show, to ABC-TV this fall, Fri. 10-10:30 p.m., thru Albert Frank-Guenther Law; Procter & Gamble and Whitehall Pharmacal Co. will sponsor it this summer on CBS-TV Sat. 9:30-10 p.m. . . . Pall Mall & Simoniz Wax to sponsor *The Best in Mystery* as summer replacement for *Big Story* on NBC-TV starting July 15, Fri. 9-9:30 p.m., thru Sullivan Stauffer, Colwell & Bayles . . . NBC-TV extends Steve Allen's *Tonight* (Mon.-thru-Fri. 11:30-1 a.m.) to Los Angeles & San Diego starting June 27 . . . Raleigh cigarettes & Procter & Gamble to be alt. sponsors of *Undercurrent* on CBS-TV starting July 1, Fri. 10-10:30 p.m., thru Ted Bates & Young & Rubicam.

Rate increases: WBKB, Chicago, has added Class AA hour (6:30-10 p.m. daily) at \$2200, min. (6:30-10:30 p.m. daily) at \$400, Class A hour going from \$1650 to \$2000; WRC-TV, Washington, raises base hour from \$1000 to \$1250, 20 sec. from \$275 to \$350; KOMO-TV, Seattle, July 1 adds Class AA hour (7:30-10:30 p.m. daily) at \$950, min. at \$190, Class A hour remaining \$800; KMTV, Omaha, has added Class AA hour (7-9 p.m. daily) at \$800, min. at \$200; WDSM-TV, Duluth, has raised base hour from \$250 to \$325, min. \$50 to \$65; KLTV, Tyler-Longview, Tex., hour from \$200 to \$250, min. \$40 to \$50; CKCO-TV, Kitchener, Ont., hour from 300 to \$350, min. \$60 to \$70; CFRN-TV, Edmonton, Alta., \$200 to \$260 & \$40 to \$50.

Three new sponsors have signed for partic. on *Monitor*, NBC Radio's weekend round-the-clock service which was to debut with simulcast Sun. June 12, 4-5 p.m. Latest sponsors (giving *Monitor* total of \$1,400,000 gross billings to date) are Chesebrough, thru McCann-Erickson; Morton Salt, thru Needham, Louis & Brorby; B. F. Goodrich, thru BBDO.

First regular daily program in color will be *Howdy Doody* on NBC-TV starting in fall, Mon.-thru-Fri. 5:30-6 p.m., when it faces competition from Disney's new *Mickey Mouse Club* on ABC-TV Mon.-thru-Fri. 5-6 p.m. NBC will retain *Pinky Lee Show* 5-5:30 p.m., ending speculation that it would be combined with *Howdy Doody* in a single hour show.

New reps: KAKE-TV, Wichita, to Katz (from Hollingbery); WITV, Ft. Lauderdale-Miami, to H-R Television (from Bolling); WIRK-TV, West Palm Beach, to Donald Cooke (from Weed); KRDO-TV, Colorado Springs, to Avery-Knodel (from McGillvra); KSAN-TV, San Francisco, to Stars National (from McGillvra).

Associated Broadcasting Co., the Norman Collins company which will program Independent TV Authority's commercial station in London weekends and in Birmingham weekdays (Vol. 11:12) has published London base rates at £1000 (\$2800) per min., £700 (\$1960) per 30 sec., £450 (\$1260) for 15 sec., 8-9:30 p.m. Sat. & Sun. From 2-6 p.m., charges will be £600 (\$1600) per min. on Sun., £350 (\$980) Sat. All other evening time will be £600 per min. Birmingham rates will run about half. Postmaster-General, who runs stations of both BBC & ITA, has entered agreement with them whereby they won't start before 9 a.m. (2 p.m. Sun.) or run after 11 p.m., with 6-7 p.m. daily kept dark in accordance with BBC tradition (6-7:25 p.m.) which is done, as an official put it, "so that the mothers may prepare dinner and put the children to bed without any distraction from TV" (Vol. 10:45). Associated-Rediffusion, contractor for weekdays on London stations, announces it has already sold £1,000,000 worth of time (\$2,800,000) and gen. mgr. Capt. T. N. Brownrigg emphasized that "no advertiser or agent will have any say whatsoever in the programs we transmit or in the choice of program with which his commercial will be associated, although we will attempt to place his advertisement alongside a suitable program." ITA has announced Sept. 22 as definite starting date for London commercial programs.

Canadian Broadcasting Corp. gross revenues for fiscal year ended March 31 were \$34,707,000, expenditures \$29,106,000, with TV income accounting for \$21,273,000 of revenues and \$15,876,000 of expenses, reports chairman A. Davidson Dunton. Despite 1954-55 surplus of \$4,256,000 after depreciation, it's expected 1955-56 will see \$10,805,000 operating deficit, he stated—\$8,690,000 on TV, \$2,115,000 on radio. Revenues derive partly from 15% Federal tax on receivers, which was \$16,960,000 last fiscal year and which Dunton estimated would go down about \$1,500,000 this year due to lower TV set prices. Remainder of revenues come from sponsorships. Net, the CBC's TV & radio services cost the Canadian taxpayers about \$23,464,000 last year, will go up to about \$36,605,000 this year, according to the Dunton report.

Sheraton Closed-Circuit Television Inc. is new wholly owned Sheraton Hotels subsidiary, which will produce and arrange closed-circuit meetings, events and demonstrations. Hollywood producer Walter Wanger is pres., Wm. P. Rosensohn exec. v.p., Robert Rosencrans v.p. Rosensohn and Rosencrans formerly headed up Box Office TV Inc., and Wanger recently was named to BOTV board. BOTV, whose financial backers included Sid Caesar and Max Liebman, is being reorganized. Rosensohn said Sheraton invested \$200,000 in closed-circuit equipment, will soon be able to supply hookup of 100 Sheraton and other hotels for special events.

TV Guide is meeting local competition of TV & Radio Magazine Section of *N. Y. Herald Tribune*, which bowed May 15 as 88-p. digest-size program and fan magazine given away with Sun. newspaper, by adding 16 pages to N. Y. edition as of June 11, making total of 104 pages. The weekly N. Y. sales of *TV Guide* in May were 890,000. Format of newspaper's magazine is similar to *TV Guide*—slick-paper color wrap-around containing news and features of national interest while program insert lists upcoming week's offerings on N. Y. area stations along with local ads and items.

Life Magazine raises ad rates about 7% next Jan. 16, guaranteeing 5,600,000 circulation; cost of black-&-white page goes to \$21,775, of 4-color page to \$32,740.

Sterling Drug will have 110 commercials shot in England this summer by TV Commercials Ltd. for use on both American and British TV.



**O**UR CONTINUING SURVEY of upcoming new stations reveals no new starters this week—but several are imminent and these are latest reports received from principals:

WXEX-TV, Petersburg, Va. (Ch. 8), which succeeds pre-freeze WTVR (Ch. 6) as NBC outlet for the Richmond-Petersburg area (Vol. 11:23), is pushing construction to meet Aug. 1 interconnection date, reports pres. Thomas G. Tinsley Jr., who also owns radio WLEE, Richmond, and WITH, Baltimore. WLEE gen. mgr. Irving G. Abeloff has been transferred to TV as gen. mgr.; George Oliviere, ex-WTAR-TV, Norfolk, sales mgr.; Charles E. Seward, ex-WBTV, Charlotte, operations mgr.; James L. Dodd Jr., ex-WLWA, Atlanta, program director; John Costello, ex-DuMont, NBC & WPIX, chief engineer. Equipment is 50-kw RCA transmitter, with 978-ft. Ideco tower and RCA antenna. Base rate will be \$750, rep Forjoe. Headquarters office is 124 W. Tabb St., Petersburg, with branch at 6200 Broad St., Richmond.

KTRE-TV, Lufkin, Tex. (Ch. 9), has changed target from July 1 to Aug. 31, reports v.p.-gen. mgr. Richman Lewin. Planned as satellite of KPRC-TV, Houston, it was held up until it got microwave permit from FCC last week. It will use 5-kw GE transmitter, 500-ft. Andrews tower, scheduled to go up July 4 weekend. Base hour will be \$150. Reps will be Venard, Rintoul & McConnell and Clyde Melville Co. (Southwest).

KFJZ-TV, Fort Worth (Ch. 11) expects to meet Aug. 1 test pattern target, but has changed programming start to Sept. 4, reports v.p. Charles B. Jordan of Texas State Network, also operator of KFDA-TV, Amarillo and 4 Texas AMs. Its 12-bay GE antenna was installed June 3 on 1000-ft. Parkersburg tower, and transmitter house is to be ready July 15 for 50-kw GE installation. It hasn't signed with network yet, has set \$600 base hour. Rep will be H-R Television.

WTTW, Chicago (Ch. 11, educational) plans to start test patterns Sept. 1 and 4-10 p.m. programming late in fall, writes chief engineer D. M. Weise. It will ask for change of transmitter site to Field Bldg., has ordered GE transmitter, antenna & studio equipment. Lease has been signed for studios in Chicago Museum of Science & Industry by Chicago Educational TV Assn., which reportedly has raised \$850,000 in fund drives. It now plans drive for another \$365,000, estimated as station's operating cost for 1956.

WFLB-TV, Fayetteville, N. C. (Ch. 18), is installing 1-kw GPL transmitter, plans July test patterns, Aug. programming start with CBS & NBC, reports exec. v.p.-gen. mgr. L. W. Allen. It has 400-ft. Truscon tower ready for GE antenna, due in July. Nearest other outlet is WNAO-TV, Raleigh (Ch. 28), 53 mi. away. Base rate will be \$150. Rep will be Adam Young.

Fred Drewry will be resident mgr., Oscar Oren chief engineer. Rep will be Weed.

KOKE, El Paso, Tex. (Ch. 13), formerly KELP-TV, plans Sept. 15 test patterns, Nov. 1 programming, featuring Latin-American films & kines as well as English-language shows, reports gen. mgr. Joe Roddy. On hand is former transmitter of WBNS-TV, Columbus, O. (Ch. 10), and 324-ft. Aerial tower with 6-bay GE antenna is reported ready. Owners are Barton & Gordon McLendon, who also hold CP for KLIF-TV, Dallas (Ch. 29), operate radios KLIF, Dallas & KELP, El Paso, and have interest in radio WRIT, Milwaukee. Base rate not set. Rep will be H-R Television.

KBMB, Bismarck, N. D. (Ch. 12), using some programs of Valley City's KXJB-TV, expects to be on air Dec. 1, writes owner John Boler, also operator of KCJB-TV & KCJB, Minot, and KSJB, Jamestown, N. D. With antenna on State Capitol Bldg., KBMB will be city's 2nd outlet, KFYR-TV (Ch. 5) having begun in Dec. 1953. Equipment hasn't been ordered or construction begun.

WOBS-TV, Jacksonville, Fla. (Ch. 30), has completed building construction, with 443-ft. Aerial tower ready, reports gen. mgr. Jim Macri. Station now has fall target, but delivery time hasn't been set for RCA antenna or GPL transmitter. Georgia's ex-Gov. E. D. Rivers is pres. & 60% owner. Recently Rivers got FCC permission to sell CP for WCTV, Thomasville, Ga. (Ch. 6), to John H. Phipps (Vol. 11:5, 20); last year he sold CP for WMIE-TV, Miami (Ch. 27), to Storer, now being operated on Ch. 23 as WGBS-TV (Vol. 10:51). WOBS-TV rep will be Stars National.

WTLE, Evanston, Ill. (Ch. 32), has GE transmitter on hand, but hasn't set target, reports pres. & 50% owner Angus D. Pfaff, also owner of Evanston radio WEMP. RCA antenna will be used on 250-ft. tower. Base rate not set. Rep not chosen.

WCBC-TV, Anderson, Ind. (Ch. 61), is now without target, while owners study other similar markets, reports TV director Fred M. Mullen. Grantee is Great Commission Schools Inc. (Church of God denomination) operates local school system & Anderson College & Theological Seminary. On hand are RCA 1-kw transmitter, studio equipment & antenna purchased from John L. Booth's defunct WBKZ-TV, Battle Creek (Ch. 64). It's going to trade Ch. 64 antenna for used Ch. 61, will be ready to air test patterns the day antenna is installed, says Mullen. Last week it began conversion of campus auditorium for TV studios. Base hour rate may be \$150. Rep not chosen.

CHLT-TV, Sherbrooke, Que. (Ch. 7), hasn't completed arrangements to lease site in Mont-Orford Provincial Park, so may not get on air until "beginning of 1956," writes mgr. A. Gauthier. It's about 60 mi. NE of Newport, Vt. Base rate and rep not reported.

FCC's power to overrule examiners was bolstered this week by U. S. Supreme Court decision knocking out last year's appeals court ruling which would have increased authority of examiners (Vol. 10:34-35). Ruling was in AM case—equally applicable to TV—in which appeals court upheld examiner's initial decision and took FCC to task for reversing it. Supreme Court said this week that appeals court erred in its reasons for overruling FCC grant to Easton Publishing Co. (WEEX) for 1230 kc in Easton, Pa. over Allentown Bestg. Co. (WHOL) for same frequency in Allentown. In another precedent-setting aspect of case, Supreme Court said in effect that where same frequency is sought in 2 different communities, Commission may choose between the 2 communities on basis of need for the channel before comparing qualifications of competing applicants for the frequency. Appeals

court, in overruling FCC, had stated that community's need for the channel could be considered only where applicants' qualifications were approximately equal. Easton-Allentown dispute, raging for nearly a decade, has been see-saw battle: Allentown won original hearing, put WHOL on air. Easton Publishing Co. appealed, and court sent case back to FCC which reversed itself and gave grant to Easton, now holding CP for 1230 kc. Allentown Bestg. then appealed, got favorable ruling from appeals court. Supreme Court's 7-1 ruling this week found "errors of law" in appeals court ruling, ordered court to reconsider case.

First TV in Israel will be 2-way closed-circuit educational system presented to Israel Institute of Technology, Haifa, by pres. Milton J. Shapp of Jerrold Electronics, Philadelphia.



**EMERSON GOES TINKERTOY; MORE NEW LINES:** That radical change in TV set construction methods we discussed last week (Vol. 11:23) -- modular design of components together with printed wiring -- has been adopted by Emerson for expected marketing early next year. Several others, notably CBS-Columbia and Capehart-Farnsworth, are experimenting with it and looking to early adoption.

RCA confirmed trend toward automatic production, meanwhile, announcing that its redesigned line -- shown this week to field reps & distributors -- makes "more extensive use of printed circuits than anyone else in the TV industry." Admiral last week showed sets in which 80-90% of wiring was printed, most components inserted automatically (Vol. 11:23). Exception to rule was Zenith, whose new models shown this week have no printed circuits. After experimentation, company ruled out printed wiring for present as providing no cost saving. (For details of new lines, p. 13).

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Emerson's modular design system is based on govt.-developed "Tinkertoy" principle, now being exploited commercially by ACF Electronics, Aerovox, Sanders Associates (Nashua, N.H.) and others. Tinkertoy process (Vol. 11:12) uses "printed" components on tiny ceramic wafers which are stacked and mounted on a printed circuit board. Other printed circuit techniques now in wide use employ conventional parts, sometimes mounted and assembled on printed wiring boards by automatic means.

ACF Electronics, Alexandria, Va., subsidiary of ACF Industries (ex-American Car & Foundry Co.), is supplying the component modules (trade-named "Compacs", for component packages) for Emerson's new-type sets. Emerson pres. Benjamin Abrams confirmed that his company will make one chassis using Tinkertoy method, spotting it in various models throughout next year's line.

"We're in the process of developing it now," he told us. "While we're not making any modular sets at this time, we're pushing it along." He said the consumer will benefit principally by the ease of servicing such sets -- serviceman merely replaces module in which trouble has been located. Mr. Abrams said there won't be any price cuts "immediately" on sets using modular design. It is known, however, that many producers are looking to automatic production and easier-installed parts as a way to eventually make low-end models profitable.

Virtually every other manufacturer is studying the possibilities of modular and other types of non-conventional components. Said a CBS-Columbia spokesman:

"Yes, we're playing with Tinkertoy, but frankly we don't know where it will lead and we feel we must spend some time evaluating it -- with pilot runs and field tests. As you may have heard, printed wiring alone is facing serious trouble; it hasn't been easy to break in. This new system is not only printed wiring but true printed circuitry. Remember that resistors, capacitors and other components have been developed to a high state of efficiency and we have a lot of know-how in their use. Now we're asked to translate them into modules, and anyone who dives into this sort of thing in a hurry is running the risk of a lot of trouble. Yet we could be very lucky with it, too."

Capehart is experimenting with modular sets, too, said v.p.-gen. sales mgr. E.W. Gaughan, but only "in the preliminary stage." It's too early to determine when it will reach the market, he said, adding: "It's not a Tinkertoy set, but rather our own type of module development, although we're working with ACF and others." He said modular sets will probably be in same price range as conventional type, that Capehart won't sacrifice quality for sake of automatic production or new design.

Motorola exec. v.p. Robert W. Galvin said: "We're looking into modular construction, of course, but we're not using it in our upcoming line. It's simply one phase of study in our mechanization program." Among others reportedly considering



modular approach is one big private label manufacturer, who may make modular radio sets before using principle on TV.

RCA's new line utilizes 5 printed circuit boards in horizontal and vertical chassis, according to Robert A. Seidel, exec. v.p. for consumer products. "Tests, both in the field and in our laboratories, have conclusively proven the advantages of printed circuits for greater reliability and thus better service and performance for viewers," he said. Line is completely restyled, has no controls visible in the front of sets, has new chassis in each model.

Color was completely overshadowed at RCA gathering. And next week, when it shows its 2 new color sets, console at \$795 and console at \$895, to N.Y. dealers there are no color programs scheduled on the networks.

Zenith's line, priced from \$150 for 17-in. table model to \$1400 for combination, includes a novel remote-control unit known as "Flash-Matic", which incorporates 4 separate photo-electric cells mounted at corners of the set. Special flashlight, which comes with set, turns set on and off, controls volume & tuning. It's feature on 4 sets, cheapest being \$400. One of Zenith's selling points is that it permits viewer to turn off commercial by remote control.

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Other brief highlights of major trade developments this week:

LABOR: IUE announced it would seek guaranteed annual wage from GE, Sylvania & Westinghouse in contract negotiations this summer, following Ford's approval of modified guaranteed wage with sister UAW. Union also disclosed that International Resistance Co. has become first parts manufacturer to agree to form of guaranteed wage, is now contributing 9¢ per hour for each of its 900 employes into a fund to provide year-round compensation. Company and union have joint committee currently ironing out details, according to David Lasser, IUE research director.

ECONOMIC OUTLOOK: Several more indices of nation's economic prosperity were made public. Census Bureau reported total of 62,703,000 employed in May, highest ever for that month, up 1,018,000 from April and 1,584,000 over May 1954. It also reported unemployment declined 473,000 to total of 2,489,000 -- a greater decrease than usual for spring. Commerce Secy. Weeks told news conference current prosperity has no parallel in nation's history, said Gross National Product in second quarter would exceed record annual rate of \$370 billion in first quarter. Herman Steinkraus, pres. of Bridgeport Brass Co. & ex-pres. of U.S. Chamber of Commerce, told the 20th annual convention of International Distribution Congress that he foresaw "increasing evidence of at least 4 to 5 years of excellent business ahead, based on a great wave of increased spending based on increased income and savings."

GOOD PROFIT YEAR: It may or may not apply to most TV-radio-electronics firms but Standard & Poor's report this week states aggregate profits of U.S. industrial corporations will run 15-20% better this year than last, making for most prosperous year on record. S&P analysis shows aggregate net income of 675 industrials for the first quarter of 1955 was 28.3% above like 1954 period.

'NECKTIE ECONOMY': Motorola v.p. Edw. R. Taylor prognosticates, in course of panel at Advertising Federation of America convention, that task ahead is to "create what I call a 'necktie economy', in which the consumer can always use another one of just about everything -- another car, bathtub, TV set, fur coat or vacation." He said nation is entering era of technological advancement in which advertising and marketing men will be expected to move "undreamed of mountains of merchandise" to the consumer. "Advertising's problem," he said, "is to sustain that frame of mind in which the consumer is more or less discontent all the time with yesterday's goods and services, and eager all the time to possess the newest things."

DEPT. STORES: Annual survey by National Retail Dry Goods Assn. Controllers' Congress bears out declining trend of TV sales in dept. stores. It shows that in 1954, TV sales were off 4% from 1953, which was 8% below 1952. Average price of TV set sold in dept. store was \$138.34, down from \$178.46 in 1953. Average price of set sold in all retail outlets last year was about \$200. TV-radio-records depts. accounted for average 1.5% of total store volume in 1954, about same as in 1953.

PRODUCTION: TV output declined to 91,648 week ended June 3, lowest for year,



from 110,944 preceding week and 120,144 week ended May 20. It was year's 22nd week and brought production for year to date to 3,260,000 vs. about 2,610,000 same 1954 period. Radio production totaled 206,428 (96,030 auto) week ended June 3, also low for year, compared to 266,946 preceding week and 280,445 week before. It brought 22-week production to 6,100,000 vs. 4,340,000 in corresponding 1954 period.

RETAIL SALES: Some 2,355,740 TVs were sold at retail in first 4 months of 1954, compared to 2,145,147 in corresponding 1954 period, reports RETMA. Sales in April were 411,748, compared to 669,794 in 5-week March and 371,720 in April 1954. Radio sales in first 4 months, excluding auto sets, totaled 1,609,182, compared to 1,487,247 in first 4 months of 1954. April sales were 367,841 vs. 448,488 in March and 427,911 in April 1954.

**Trade Personals:** Henry C. Bonfig, ex-Zenith sales v.p., newly named pres. of CBS-Columbia and this week elected v.p. and a director of CBS Inc. (Vol. 11:21), reported for duty at Long Island City plant June 9 . . . George Y. Wheeler, RCA Washington v.p., received law degree from George Washington U this week . . . Commodore A. J. Spriggs, USN Ret., ex-director of electronics, Office of Chief of Naval Operations, who joined Packard-Bell in 1950 as mgr. of technical products div., elected a Packard-Bell v.p., headquartering in Washington in liaison duties with govt. . . . John F. McAllister Jr., mgr. of product planning, GE TV-radio dept., promoted to mgr. of engineering, responsible for design & development of all TV-radio receivers and reporting to dept. gen. mgr. Herbert Riegelman . . . J. L. Albers promoted to Capehart-Farnsworth merchandise mgr.; Donald F. Miersch, ex-Sparton gen. sales mgr., named marketing mgr.; Mark E. Davis promoted to sales finance mgr. . . . Robert I. Gaines promoted to asst. director of DuMont international div. . . . Colby H. Knapp appointed asst. sales mgr., Stromberg-Carlson telephone div. . . . John L. Esterhai promoted to Philco asst. secy., Isaac Naeye to asst. treas. . . . Herbert A. Gumz resigns as pres. of Crescent Industries (phonographs) to become staff asst. to R. E. Brooker, v.p. in charge of Sears Roebuck manufacturing subsidiaries; he's succeeded by John S. Holmes, pres. of Warwick Mfg. Corp., Chicago, which now owns Crescent and which itself is partly owned by Sears; Gordon G. Brittan, Warwick v.p., gets same title at Crescent . . . George G. Barker promoted to technical editor, Raytheon public relations dept. . . . Stephen E. McCallum, editor of *GE Ham News*, named editor in charge of new electronic tube news bureau, Schenectady . . . Ray Marchbanks appointed Hallicrafters southeastern district mgr., Atlanta; Dwight F. Clepton named central Fla. mgr., Orlando.

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RETMA of Canada, which followed example of RETMA of U. S. and has been renamed to embrace "electronics," elects these officers at last week's convention: pres.-chairman, Carl A. Pollock, Dominion Electrohome (re-elected); v.p.'s—J. D. Campbell, Canadian Westinghouse, receivers; Lloyd Harris, T. H. Farley Ltd., Hamilton, parts & accessories; J. C. R. Purnard, Northern Electric Co. Ltd., Belleville, electronics; engineering director, Ralph A. Hackbusch, Hackbusch Electronics Ltd., Toronto (re-elected); gen. mgr., Stuart D. Brownlee.

"Air Force Weapon System Concept and Its Effect on the Electronics Industry" is topic of main address June 15 by Lt. Gen. C. S. Irvine, deputy chief of staff, materiel, headquarters, Air Force, at RETMA convention in Chicago. Also featured at June 14-16 convention will be reports to parts div. members by atomic test committee chairman Ray H. Williamson on recent Nevada tests and entertainment receiver panel chairman D. W. Pugsley on component requirements for color sets.

Maurice J. Hayes, 53, Magnavox director of purchases, died of heart ailment June 5 in Ft. Wayne.

**Topics & Trends of TV Trade:** Trans-shipping of TV-radio-appliances, generally regarded in trade as a competitive evil which has fostered spread of discount houses, is a proper trade practice in eyes of Justice Dept. Judge Stanley N. Barnes, head of Justice anti-trust div., this week told Senate Judiciary subcommittee that trans-shipping "may represent a healthy form of price competition." His testimony supported policy first expressed in anti-trust suit against Philco last Dec., in which Justice charged that Philco's franchise agreements penalizing distributors for trans-shipping merchandise outside their territories were illegal (Vol. 10:51), a charge Philco subsequently denied (Vol. 11:10).

Barnes' testimony acknowledged that while some trade associations might not like trans-shipping, and that it might penalize some dealers, he "could not see how it would harm the consumer." He contended that any practice which helped reduce the price of product to consumer would receive Justice's sanction, as long as it does not violate any law.

NARDA managing director A. W. Bernsohn, commenting on Barnes' testimony, said: "Trans-shipping results in some distributors being overstocked, others short of merchandise. In turn, the soundness of retail operations is injured." Arthur W. Hooper, exec. director of National Assn. of Electrical Distributors, commented that trans-shipping "destroys channels that are designed to move the most goods to the most people at the least cost." RETMA declined comment.

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**DISTRIBUTOR NOTES:** Motorola appoints Electronic Sales Co. Inc., 540 Main St., Ansonia, Conn. (Al Pincus, pres.) covering New Haven, Middlesex & Fairfield counties . . . DuMont appoints E. E. Pritchett & Co., Salt Lake City, replacing Smith-Morley Corp. . . . RCA Victor Distributing Corp. of So. Calif., Los Angeles, appoints Richard H. Tresselle TV-radio field sales mgr., succeeding Russell P. Larsen, now mgr. of Youngstown Kitchen div. . . . Zerega Distributing Co., Seattle (Motorola) appoints Charles W. Schuchart Jr. as sales mgr. . . . Simon Distributing Co., Washington (Zenith) names E. Blake Cardwell TV-radio mgr.; Sues, Young & Brown, Los Angeles (Zenith) promotes John C. Houseman to field sales mgr. . . . Emerson Radio of Pennsylvania, Philadelphia, appoints Sam Raker field sales mgr., reporting to sales v.p. Samuel Jacobs . . . Dallman Co., San Francisco (Philco) appoints Robert J. Parr adv. & sales promotion mgr. . . . Admiral Washington branch names Robert P. Newlyn adv. & sales program mgr. . . . Hallicrafters appoints Edelmuth & Co., 1192 E. 40th St., Cleveland (David L. Edelmuth, pres.).

RETMA office moves: Statistical dept. (Wm. F. E. Long, mgr.) to Sheraton Bldg., 711 14th St. NW, Washington (phone National 8-3902); west coast office (Joseph J. Peterson, mgr.) to Hollywood Professional Bldg., 7046 Hollywood Blvd., Hollywood 29, Cal. (Hollywood 2-1228).



RCA's new line, introduced this week to field reps & distributors at Barbizon Plaza Hotel, N. Y. (see p. 10), consists of 23 basic black-&-white models and 2 color receivers. Monochrome line is divided into 3 series: Special, comprising 17, 21 & 24-in. tables, 21 & 24-in. consolettes & 21-in. console, with prices ranging from \$150 to \$260; Super, comprising 21 & 24-in. tables & 21-in. console, priced from \$200 to \$300; Deluxe, 21 & 24-in. consoles, from \$300 to \$500. Vertical chassis is incorporated in all Special sets and in some of Super & Deluxe groups. Special series has dials on top of set hidden under trap door. Deluxe sets have illuminated window with magnified channel numbers. Other features are improved anti-noise circuit, increased voltage & improved automatic gain control.

Admiral's new 14-model line, introduced last week at distributors' convention in Chicago (Vol. 11:23), is priced in general range of old line—starting with 17-in. ebony metal table model at \$130 and going up to 27-in. open-face blonde console at \$425. The 21-in. table series starts at \$180 for metal cabinet, consoles at \$230 for open-face walnut. Only 24-in. sets are mahogany tables at \$290, "laydown" mahogany console at \$400, blonde \$420. A 21-in. combination is priced at \$400 in mahogany, \$420 in blonde. Optional uhf tuners are \$25 extra.

Zenith's new line, introduced this week to distributors at Chicago's Conrad Hilton Hotel, had virtually no change in prices from old line. The 17-in. table models start at \$150, 21-in. table at \$170, 21-in. consoles at \$250, 24-in. tables at \$290, 24-in. consoles at \$380. At top of line is 27-in. 3-way combination with "Flash-Matic" remote control feature (see p. 10), priced at \$1400.

New Westinghouse line, unpriced yet and currently being shown distributors at regional meetings, won't be made public until July 24—but gen. sales mgr. Dan D. Halpin says it contains fewer models and will offer better discounts to dealers. First quarter TV sales, he said, were "substantially ahead" of same 1954 period, radio sales up 17%.

Picture tube sales in first 4 months totaled 3,427,805, valued at \$67,076,542, compared to 2,690,519 worth \$56,989,867 in first 4 months of 1954, reports RETMA. April sales were 788,317 worth \$14,620,075, compared to 772,257 at \$17,246,843 in 5-week March and 727,655 at \$14,994,779 in April 1954. Receiving tube sales in first 4 months were 152,762,273, valued at \$111,506,758, compared to 106,026,920 worth \$78,560,440 in first 4 months of 1954. April sales were 35,426,153 at \$26,779,586 vs. 41,080,881 at \$29,922,192 in March and 29,640,942 at \$21,697,489 in April 1954.

What's the cost of operating a TV set? There's no official data on subject, but anti-subscription TV group known as Joint Committee on Toll TV (see p. 1) comes up with estimate of \$87.01 as average annual cost. It breaks it down thus: receiver depreciation, \$48, assuming average \$240 set totally depreciates in 5 years; service calls, \$20, based on Nov. 1954 *Videotown* survey and other industry sources; power consumption, \$13.01, based on data from U of Illinois electrical engineering dept.; installation, antennas & miscellaneous equipment, \$6.

Proposed big appliance consolidation involving RCA, Sears, Whirlpool, Seeger Refrigerating Co. and perhaps others (Vol. 11:22) still awaits opinion from Justice Dept. on its legality. Elisha Gray II, pres. of Whirlpool, denied reports his company's merger with Seeger is imminent, as first step in multi-faceted consolidation. He said he still stands on his earlier statement to us that he would not "bet a nickel" on the outcome of any "exploratory talks" his company has been conducting with several firms.

Stromberg-Carlson offering 21-in. color set at \$895, first deliveries due late this month.

**Financial & Trade Notes:** General Instrument Corp. sales for fiscal year ended Feb. 28, 1955 were \$22,795,029 vs. record \$32,502,305 in preceding year, drop being attributed to reduced civilian and defense volume and lower prices due to intensified competition. Net loss for year after Federal tax credits was \$412,220 vs. net profit of \$926,903 (\$1.13 per share) in preceding year. Consolidated balance sheet shows cash almost equalling total liabilities after prepayment of \$1,250,000 in long-term obligations; total current assets of \$6,410,931, total current liabilities \$1,781,969, net working capital \$4,628,962. New plants are now operating in Waterloo, Ont. and Statesboro, Ga., and on May 17 company entered agreement to acquire Automatic Mfg. Co., Newark.

Stockholders have been asked to approve, at June 27 annual meeting, proposed acquisition of Automatic, whose shielded I.F. transformer is sold under K-Tran trademark, in exchange for 555,000 shares of authorized but unissued General Instrument stock, to be added to the 818,273 now outstanding. It's proposed to add to General Instrument board Martin H. Benedek, Automatic pres.; Moses Shapiro, Automatic exec. v.p.; and Alexander P. & Henry Hirsch, Automatic directors, who are also chairman & pres., respectively, of Welbilt Corp., N. Y., manufacturer of ranges and air-conditioning equipment.

Proxy report shows Automatic's 5-year average annual sales (1950-54) were \$8,661,697, average net profit after taxes \$462,008 (83¢ per share); that General Instrument's average annual net sales for virtually same period were \$26,016,613, profit \$381,396 (47¢); that GI chairman Abraham Blumenkrantz, holder of 12,000 shares, drew remuneration of \$54,000 last year while pres. Monte Cohen (3718 shares) drew \$55,000; that Automatic pres. Martin Benedek's remuneration last year was \$58,096 and exec. v.p. Moses Shapiro's \$45,192. Automatic's plants in Newark and Beckley, W. Va. employ about 1150.

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Emerson Radio net earnings were \$1,111,981 (57¢ a share) for first 6 months ended April 30, first half of fiscal year, vs. \$947,515 (49¢) in like 1954 period. Before-tax profit was \$2,197,709 vs. \$1,648,034. Revenue figures were unannounced. Pres. Benjamin Abrams attributed profit increase to "wide acceptance of the new transistor pocket radio [and] improved business in air conditioners." New small radios are being made at rate of 1100 daily, he said.

IT&T, with no breakdowns for Capehart-Farnsworth or Farnsworth Electronics Co. divs., reports consolidated net income of \$5,253,846 (73¢ a share) on sales of \$94,545,153 in first quarter vs. \$4,855,103 (68¢) on \$78,705,955 in first 1954 quarter. Quarterly report includes accounts of German subsidiaries for first time since 1939.

Dividends: Collins Radio "A" & "B" (new), 35¢ payable July 29 to stockholders of record July 15; American Broadcasting-Paramount Theatres, 25¢ July 20 to holders June 24; IT&T, 30¢ July 15 to holders June 17; Aircraft Radio, 20¢ Aug. 12 to holders July 22.

Muter Co. sales in first 4 months of 1955 were \$4,236,000 vs. \$4,288,000 same 1954 period; profit was \$114,780 vs. \$134,728. Dividend was omitted by board at this week's meeting, last having been 15¢ in Dec.

More trade predictions: RETMA chairman Max Balcom, in panel at RETMA of Canada convention, forecast retail sales of 6,700,000 monochrome TVs this year at factory value of \$900,000,000 vs. 7,300,000 at factory value of \$1.06 billion last year; in 1959, he foresees retail sales of 6,900,000 at factory value of \$1.2 billion, color accounting for about 1/3. By 1965, retail sales should run 7,400,000 sets annually, he figured, with factory billings \$1.5 billion. He said under 35,000 color sets would be made this year.



**P**EERING INTO FUTURE of TV and other media, U of Illinois' Prof. Dallas W. Smythe, who heads its Institute of Communications Research and once was an FCC official, agrees with our predictions for 1965—about 1000 TV stations, serving 58,000,000 homes, with more than 90% saturation (Vol. 11:21). Some of his other predictions in June 6 address to Advertising Federation of America at Chicago:

**Programming:** All in color, from 3 live networks and tape transcriptions. "The programs of 1965 may bear only a distant resemblance to the programs of today. Long before 1965, Hollywood will have been integrated into the making of TV programs, as well as continuing to supply theatrical exhibitors."

**Newspapers:** Probably relatively unchanged 10 or even 20 years from now—based on the assumption "that none of the major companies in the electronic media undertakes a massive invasion of the newspaper field through aggressive promotion of broadcast facsimile. Were they to push facsimile receivers as they did TV receivers, the market for broadcast newspapers could be created within a relatively few years." Facsimile newspaper transmitting stations could be set up for as little as \$50,000, compared to the multi-million dollar investment required for a big-city newspaper.

**Tomorrow's media users:** Based on census forecasts, in the next 10 years there will be substantially more consumers among 5-14 age group, retired people and 15-20 group, in that order—with advertisers paying much more attention to needs of children. With coming of automatic factories, "tomorrow's media should look forward to serving the needs and interests of a larger population for more hours per week than they now serve a smaller population."

**Among Dr. Smythe's more intriguing technical predictions:** Within next 10 years, the TV telephone, probably in color (now being developed by AT&T). "If man-made satellites are feasible for military purposes, why should we not look forward to the possibility of getting complete coverage of the globe through TV transmitters installed on such satellites?"

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**NARTB code review board starts 13-week campaign** to "tell every American family of their role in the TV code," mailing promotion kit to its 263 subscribers. It contains a slightly revised Seal of Good Practice, slides, sound film, brochure, etc. In accompanying letter, pres. Harold Fellows said: "Through our own medium . . . I am hopeful that we will convince viewers that they themselves determine the nature of TV programming."

**Society of Television Lighting Directors** is newly chartered group formed to "exchange ideas, discuss new equipment and set up standards." Members are 82 network lighting directors from east and west coast. Salvatore Bonsignore is chairman; Leland Watson, secy; Syd Samuels, treas. Mailing address is 119 Puritan Ave., Forest Hills, N. Y.

**Upcoming Senate hearing:** Communications subcommittee under Sen. Pastore (D-R. I.) June 21-22, on 2 bills requested by FCC—S-1549, to permit Commission to levy small fines, and S-1456, to modify "protest" procedure.

**Boomerang:** Sir Robert A. Watson-Watt, British inventor of radar who now is chairman & pres. of Logistics Research Inc., Redondo Beach, Cal., recently paid \$12.50 speeding ticket in Canada. He was trapped by police radar.

**Barnard College,** collaborating with NBC, is conducting 5th annual Summer Institute of Radio & Television June 27-Aug. 5 in NBC's N. Y. studios.

Sample color sets using Lawrence 1-gun tube were demonstrated to Paramount Pictures pres. Barney Balaban this week, and he said he was "delighted" with results, convinced they can be mass-produced to sell for less than \$500—perhaps as little as \$400. He said they produced excellent color when compared simultaneously with receivers using 3-gun tubes. Before long, he said, set will be demonstrated to industry and full details will be disclosed. Paramount has no plans to make tubes or sets, he stated, "unless we have to." Set uses vertical chassis, has 26 tubes including 21-in. rectangular glass kine, 2 rectifiers. Balaban said tube complement can be reduced to 19 or 21. "It's a black-&-white set with color added," he declared, "rather than a color set with black-&-white added—which is what the other sets are."

**James C. Petrillo's AFM,** once the bete noir of the broadcasting industry, had none other than RCA-NBC chairman David Sarnoff as its main convention speaker in Cleveland this week—first representative of business management ever to address it. Said Sarnoff: "Together, we have made America a nation of music lovers," noting that more people attend classical concerts in a year (35,000,000) than baseball games (15,000,000) and that the music boxoffice is \$50,000,000 vs. baseball's \$40,000,000. As for labor-management relations, Gen. Sarnoff said the day of "warrior leaders" is past. This is an age for "economic statesmanship," he said — for understanding and adjustment required by great technological development and rapid change. Note: TV-radio are still biggest income source for AFM members, convention was told; radio networks & stations accounted for \$16,887,000, TV for \$7,721,000 last year. This doesn't include sums spent for musicians on TV films, while record making accounted for another \$3,651,000, transcription companies for \$1,330,000.

**Bill implementing CBS pres. Frank Stanton's request** for amendment of Communications Act, to permit series of electronic "Lincoln-Douglas" debates by Presidential candidates of 2 major parties on TV in 1956 (Vol. 11:22), will be offered by Rep. Harris (D-Ark.), who heads House communications subcommittee which may hold hearings on subject this summer. Dr. Stanton's amendment, which has been forwarded to Senate & House Commerce Committees, would remove necessity of granting equal time to candidates of all minority parties.

**TV applications on file with FCC** now total 147, including 16 for uhf. Only one filed this week was for Ch. 11, Caguas, P.R., by owners of New Orleans' uhf WJMR-TV. Same group this week dropped application for Ch. 3 in Mayaguez, is negotiating to buy 30% of Mayaguez CP-holder WORA-TV (Ch. 5). [For details, see *TV Addenda 20-V* herewith; for complete listings of all grants, new stations, applications, etc., see *TV Factbook No. 20* with Addenda to date.]

**WEHT, Henderson, Ky. (Ch. 50)** has applied for permission to buy H. M. Bitner's WEOA (250-watts, 1400 kc, CBS) in neighboring Evansville, Ind., for \$116,000. WEOA, one of 3 Evansville competitors for Ch. 7, lost initial decision (Vol. 10:41) and Bitner now plans to drop TV application. March 31 WEHT balance sheet lists \$234,535 total assets, \$294,121 liabilities, with \$100,000 capital stock.

**Report on new AT&T charges** for off-air pickup last week (Vol. 11:23) was erroneous in one respect. The charge of \$81,865 is reduced by 1/36th for each month of use. Hence, customer who uses service for 3 years pays none of it, pays only monthly \$4640 charge.

**Television Bureau of Advertising** reports 143 members as of June 1, with addition of 6 stations & reps Harrington, Righter & Parsons.



**Gist of the Arguments**

## **Subscription TV: Summaries of Comments Filed with FCC**

(Docket No. 11279)

Industry Responses as Requested in FCC Public Notice 55-165 of Feb. 11, 1955 Submitted up to June 9, 1955  
Notice of Proposed Rule-Making Published in Full Text by *Television Digest* as Special Report, Feb. 12, 1955

**AMERICAN BROADCASTING CO.**—Not only does FCC lack authority to authorize subscription TV, argues 32-p. printed document, but, if authorized, “pay TV would destroy free TV.” The network “sees no reason, in view of the tremendous strides made by free TV in a few short years, of conferring on private persons the right to exact a toll on what the public sees over frequencies which the public itself owns.” Problem of obtaining time clearances is already “the major obstacle to the expansion of free TV.” With existing stations free to “transmit garbled programs,” clearance problem for sponsored programs would be aggravated.

Loss of outstanding free-TV programs to toll TV would be reflected in poorer free programs, and advertisers would gravitate to subscription TV—which “would not long forego the opportunity to tap a fertile source for additional revenue.” If fee TV were successful, it would demand more and more time, leaving less and less for free TV, with Commission helpless to stem the tide.

Specific arguments of subscription proponents are answered thus: (1) Pay TV won't result in “additional” programs or “supplementary” fare—“the public will merely be required to pay for what they now see free.” (2) Cultural programs won't be presented until “pay TV has most of the broadcast day and existing facilities to itself.” Only shows which bring in the maximum amount of money will be offered. (3) Argument that fee TV will encourage new station construction and help uhf is “sucker bait.” Subscription TV will naturally gravitate to stations with biggest audience and may “sound the death knell” of uhf. (4) “There is no concept in our theory of free enterprise which bestows a ‘right to try’ any and all schemes for the exploitation of public property.”

Address: 7 W. 66th St., N. Y. Counsel: McKenna & Wilkinson, 1735 DeSales St. NW, Washington, and Geraldine Zorbaugh, ABC gen. counsel.

**AMERICANS FOR DEMOCRATIC ACTION (ADA)**—Favors pay TV if there is assurance that it will not interfere with free programs, will provide new and additional programs, will produce “no evils of monopolistic control.” It states: “With proper governmental safeguards, subscription TV does offer promise of halting the present monopolistic trend in commercial broadcasting under which 2 networks and a limited number of large-market vhf outlets control and profit from the most lucrative programming.” It sees “nothing inconsistent with the American system of broadcasting” provided toll TV offers additional programs from additional stations “such as uhf commercial stations and educational stations which could not otherwise exist.” It recommends that pay TV be limited temporarily to uhf stations, on a trial basis.

Address: 1341 Connecticut Ave. NW, Washington (Edward D. Hollander, national director).

**WALTER BARNEY**—Claims to have an “improved card-actuated decoding system for use in conjunction with a

‘scrambled’ picture,” employing magnetic characteristics. Estimates subscriber's unit will cost \$25; station equipment, \$5000; auditing system for 200,000 cards, \$25,000. Short brief does not identify principal.

Counsel: Elliott & Pastoriza, 225 Santa Monica Blvd., Santa Monica, Cal.

**JOSEPH BRENNER (Attorney)**—Proposes in 7-p. brief: (1) Subscription TV be permanently limited to uhf stations. (2) FCC require all decoder devices to include uhf tuners. (3) No particular decoding method or device should be specified. (4) Commission require all stations to meet obligations to public on free basis, using fee TV only as additional service. (5) No restriction be placed on advertising on pay TV. (6) Multiplexed sound be authorized for subscription transmissions, permitting non-paying viewers to hear music or other aural programming, or promotional material about the pay program, at the same time subscription program is being carried. Eventually, subscription TV might use both channels to provide binaural sound. Ex-FCC attorney Brenner also filed 3-p. petition on behalf of CP-holder KBAY-TV, San Francisco (Ch. 20) urging fee TV as method of supporting small uhf stations specializing in matters of interest to local communities.

Address: 321 S. Beverly Dr., Beverly Hills, Cal.

**CENTRAL BROADCASTING CO. (WEAU-TV, Eau Claire, Wis.)**—Small-market stations, which have been unable to participate substantially in expenditures of network and national spot advertisers, will benefit especially from subscription TV, says 12-p. brief signed by pres. Walter C. Bridges. FCC can safeguard free TV by proscribing pay TV during certain time segments. Pointing to plight of uhf stations, brief says “it is apparent that there is insufficient economic support from advertising for the kind of national TV service envisioned by the Commission” in allocating over 2000 channel assignments to TV, taken up thus far by only 415 commercial and 13 educational stations. Subscription TV offers “reasonable source” of adequate economic support for a truly national TV system. “There is nothing legally improper or ‘un-American’ about a system requiring the entertainment consumer to pay . . .”

Counsel: Scharfeld, Jones & Baron, National Press Bldg., Washington.

**COLUMBIA BROADCASTING SYSTEM**—Though CBS asserts “we believe that there is real likelihood that pay TV would not succeed at all,” 69-p. printed brief states that if pay-as-you-see TV should succeed, such “success would be disastrous to the public interest.” Arguments are devoted to: “blackout” of channels now “dedicated to the use of the entire public,” “siphoning” of free audience so that “pay TV would be able to bid away from free broadcasting any attraction that it wanted” and a “divisiveness” which would make family pocketbook determine extent of viewing and listening, destroying “the broad democratic basis of present-day TV.” Among arguments:



While public has invested \$13½ billion in sets and servicing, it pays less than 1¢ per program per home. Attacking Zenith's claim that public ultimately pays for sponsored TV, CBS says: "It is a truism that the public bears the cost of the entire national economy, and, in this sense, it pays for admission to our national parks, for walking on paved streets and for going to museums." Stating that economics would drive pay TV to seek the most popular free programs, CBS says it's inevitable that blackout of even a few markets to advertisers will start cycle of destruction of networks and favorite programs as well as little that it doesn't now receive—simultaneously charging public for fare it now enjoys.

Brief analyzes in detail the "bait" offered by proponents: first-run movies, Broadway plays, sports, cultural and educational programs, more stations, elimination of advertising. Conclusion is that pay-TV would offer public very little that it doesn't now receive—simultaneously depriving it of much of what it now enjoys.

It's suggested that FCC is obligated to authorize pay-TV on wired systems first. An "experiment" on stations, CBS says, would cause "incalculable" damage from which it would take years to recover. FCC's authority to grant commercial pay-TV operation is questioned and it's urged that express Congressional approval be sought.

Address: 485 Madison Ave., N. Y. Counsel: Rosenman, Goldmark, Colin & Kaye, 575 Madison Ave., N. Y. (Sydney M. Kaye, Ambrose Doskow); CBS (Julius F. Brauner, Thomas K. Fisher, Leon R. Brooks).

**CONNECTICUT RADIO FOUNDATION** (uhf grantee WELI-TV, New Haven, Conn.)—Readopts position taken in pleading filed Aug. 7, 1953, favoring authorization of pay TV on uhf.

Counsel: Dow, Lohnes & Albertson, Munsey Bldg., Washington (Thomas J. Dougherty).

**GULF TELEVISION CO.** (KGUL-TV, Galveston, Tex.)—"Proposal is so revolutionary and so important to the American people that the entire matter of policy should be referred to Congress," states 13-p. brief signed by Paul E. Taft, pres. Public bought its TVs in reliance on free broadcasting, and pay-TV is "such a departure from past and present practices as to raise the question of whether the Federal Govt. is keeping faith with the people." If adopted, govt. regulation will be necessary to protect public from "rate-gouging." Subscription TV "means a metamorphosis of TV broadcasting from a competitive industry to a governmentally-controlled industry."

Counsel: Scharfeld, Jones & Baron, National Press Bldg., Washington.

**HICKORY HILL BROADCASTING CO.** (radio WTWA, Thomson, Ga.)—Owner Edgar Kobak, onetime Mutual pres. and NBC v.p., urges: (1) Toll radio be considered. (2) Hearings covered by TV-radio. (3) Investigation into how charges would be made and who would be paid. (4) Study of whether Govt. should charge for licenses. (5) A look into the rights of set owners who now pay "very large sums annually" for maintenance, electricity, etc. (6) Consideration of pay-TV effect on a national emergency—whether it would "handcuff the greatest means of mass communications."

**HOUSTON POST CO.** (KPRC-TV)—U. S. telecasters in last 7 years have built up, with advertising support, "the greatest system of TV anywhere in the world," states v.p.-gen. mgr. Jack Harris in 3-p. brief which objects to "such a contracting and delimiting factor as pay-as-you-see TV." Under toll system proposed, "the more successful the plan, the larger portion of time will be blacked out on the sets of those who do not subscribe . . . millions of people have spent several hundred dollars each for TV sets [and] bought these sets under the supposition that the programs would be free. These people might feel short-changed if they had now to start paying for their home

entertainment, or find that their sets were of use only part of the time unless they paid additional fees."

Counsel: Miller & Schroeder, National Press Bldg., Washington.

**INTERMOUNTAIN BROADCASTING & TV CORP.** (KTVT & radio KDYL, Salt Lake City)—Submitted one-paragraph statement disagreeing with NARTB's position on pay TV, saying it "wishes to make clear that the views expressed [by NARTB] are not the views of this station." Stations are 80% owned by Time Inc., 20% by G. Bennett Larson, pres., who signed statement.

**INTERNATIONAL TELEMETER CORP.**—Owned 80% by Paramount Pictures Corp., operator of KTLA, Los Angeles, company's 82-p. printed brief gives views of sole movie producer among those offering comments. Basic thesis is that "the tremendous cost of motion picture production completely precludes the possibility that any new or current motion pictures could ever be presented on so-called 'free TV'" and that "many millions of TV viewers throughout the country would be completely satisfied to pay a small amount to see these new or current motion pictures in the comfort of their own homes." It's stated that toll TV would stimulate theatre movie exhibition and improve TV advertising techniques—making for a "competitive co-existence in which the public would be the beneficiary"—and that broadened economic base "will rescue for the public the many entertainment events now lost or soon to be lost to sponsored TV."

Prosperity of theatre boxoffice will continue, it's said, because only theatres can provide latest technical advantages while TV standards are "frozen". Brief says pay-as-you-see TV will make more stations economically feasible and aid uhf. As for legality of toll TV, document states that advertiser-supported TV-radio was result of "natural development of the industry rather than the product of Congressional or regulatory measures" and that pay-see would not be a common carrier.

Half of brief is devoted to diagrams and tables covering economics of sponsorships and technical description of system—including first description of "marquee" technique, which provides 2 pictures on same channel by a sort of picture multiplexing arrangement. Using this plan, viewers who haven't paid for the subscription program would see a "marquee" or billboard, advertising the subscription attraction. When coin is inserted, "marquee" would be replaced by the pay-TV program. Telemeter says this 2-picture, 2-sound channel system can be put on single 6-mc channel by principle of "frequency interleaving."

Addresses: International Telemeter Corp., 2000 Stoner Ave., W. Los Angeles, Cal.; Paramount Pictures Corp., 1501 Broadway, N. Y. Counsel: Arnold, Fortas & Porter, 1229 Nineteenth St. NW, Washington (Paul A. Porter, Harry M. Plotkin).

**JERROLD ELECTRONICS CORP.**—Manufacturer of community antenna equipment and operator of community systems, in 22-p. statement, alleges: "(1) The scrambled broadcast technique is technically and economically unsound. In addition, it represents a most serious threat to basic concepts of American radio and TV broadcasting. (2) The only practical way to bring subscription TV programming to the American public is by means of wire, utilizing technical facilities similar to those now widely used by cable community TV systems. Without disturbing any established principles of broadcasting, tests to determine public acceptance of subscription TV can be launched immediately in areas already wired. Widespread extension of the service can thus be made rapidly and economically, if public demand so indicates."

Company claims that any scrambling system can be "broken with ridiculous ease," inviting "bootlegging" of pay-TV programs, but that wired system would preserve security of pay system. Says metropolitan areas can be wired at average cost of \$45-\$75 per home, that Jerrold is



prepared to cooperate in tests immediately. Included is analysis of coding and decoding principles, by research v.p. Donald Kirk.

Address: 23rd & Chestnut Sts., Philadelphia (Milton J. Shapp, pres.). Counsel: Welch, Mott & Morgan, 710 Fourteenth St. NW, Washington (E. Stratford Smith).

**JOINT COMMITTEE ON TOLL TV** (also known as **Committee Against Pay-as-You-Sce TV**)—167-p. printed brief contends:

(1) FCC has no legal authority to approve subscription TV, but whether or not it does, it should first obtain approval of Congress because "the Communications Act was enacted and amended in the light of the existing pattern of an advertiser-supported broadcast industry, and it does not afford adequate basis for authorizing subscription TV."

(2) Pay-TV isn't in public interest, should be denied.

(3) Full evidentiary hearing should be held to obtain testimony under oath and subject to cross-examination.

(4) Some form of toll TV might be desirable: "For example, it is conceivable that a subscription TV proposal to use existing common carrier facilities, in a closed-circuit type of operation, would supplement rather than supplant existing TV service and might, therefore, reasonably be found to be in the public interest."

(5) There's no evidence subscription TV will work, but if it does it will destroy free TV by diverting from it program resources, talent, audiences and income.

(6) Pay TV is no "panacea for the ills of the industry," because it could not succeed if restricted to uhf and because, "with conversion problems of its own, it would be of no immediate aid to conversion-hungry uhf stations."

Brief includes analysis of annual cost to viewer of fee and free TV, breakdown of set ownership by income groups and occupations, analysis of consumer expenditures, growth of newspaper circulation and radio set sales, etc.

Address: 608 Fifth Ave., N. Y. Counsel: Cohn & Marks, Cafritz Bldg., Washington (Marcus Cohn).

**NATIONAL ASSN. OF RADIO & TV BROADCASTERS (NARTB)**—Calls establishment of fee-TV system in broadcast bands "breach of faith" with set owners and "completely repugnant to the historical concept of public ownership of the air waves" in 37-p. printed brief. Subscription TV would flatly contradict mandate of Communications Act and would in effect require viewer to have a "license" to use his set on certain channels—"private entertainment confined to a privileged few at the overall expense of the American public." Fee-TV could transform whole telecasting system into a "closed-circuit," since "an industry half free and half slave would either not long survive or would eventuate into a system where all broadcasts were directly chargeable to the consumer." Citing FCC's recent decision classifying FM simplex and multiplex systems as non-broadcast services, NARTB says that "if simplex is not broadcasting, then, by no stretch of the imagination can subscription TV be so construed."

Address: 1771 N St. NW, Washington. Staff & Counsel: Thad H. Brown Jr., V. T. Wasilewski & W. R. Powell Jr.

**NATIONAL ASSN. FOR BETTER RADIO & TV**—Urges "fair trial" for fee TV in 7-p. mimeographed comments, saying it would mean "the viewing audience at home will be the dictator of programming, not advertising agencies or networks anxious to please the sponsors." Of NAFBRAT board members, 26 favor trial, 3 oppose, 15 are undecided.

Address: NAFBRAT, 882 Victoria Ave., Los Angeles (Mrs. Clara S. Logan, pres.).

**NATIONAL BROADCASTING CO.**—Printed 28-p. brief, first to be released and detailed in Vol. 11:23, pp. 1 & 5, calls pay-TV "narrowcasting," argues that it "violates the American concept of freedom to listen and freedom to look." Institution of pay-TV would have these effects:

(1) Free TV program quality would suffer because diminished set circulation would make sponsorship less

attractive to advertiser. (2) Outstanding programs and stars would move from free to pay TV. (3) Sports events would disappear from free TV. (4) Public service programming would be curtailed or abandoned because they wouldn't be profitable on fee TV, and free broadcasters would no longer be able to afford them. (5) Movie industry may gain control of TV programming "as an opportunity to collect billions." (6) Pay TV would black out free TV in millions of homes.

Submitted by: David Sarnoff, chairman, NBC, 30 Rockefeller Plaza, N. Y.

**NATIONAL THEATRE ARTS COUNCIL**—Representing legitimate stage interests, Council's short mimeographed statement urges adoption of subscription TV because "we feel that home subscription TV will add a new dimension to the entertainment scene which will double or triple production activity in both Hollywood and New York." It claims that pay TV "will give Broadway producers, for the first time, an opportunity to benefit from the mechanical syndication of their own creative efforts."

Address: 130 W. 56th St., N. Y. (Byron Bentley, pres.).

**GEORGE W. OVERTON & LAURIN H. HEALY**—The principals, attorney and public relations counsel, respectively, suggest that "permission be given to the holders of non-commercial licenses to introduce subscription TV," and that "the rules under which such permission be granted be such as will emphasize the use of the medium for education and group communication, in contrast to maximum audience programs in which they would be competing with commercial networks." Principals state they represent only themselves.

Address: 134 S. LaSalle St., Chicago. Counsel: Taylor, Miller, Busch & Magner, same address.

**ROBERT ROBINS**—Filing as an individual, Robins says he has "copyright claim of originality and novelty covering the plan of TV transmission of TV programs where the recipients thereof pay for same and which are free from advertisers' sponsorship." Notes that he participated in FCC's TV proceedings in 1936.

Addresses: 8969 Sunset Blvd., Los Angeles, and 982 National Press Bldg., Washington.

**SKIATRON**—With photos & diagrams, 81-p. printed brief stresses superiority of its decoder or unscrambler, which it proposes to sell outright to set owners at \$40 to \$50 (\$25 if mass produced); claims it's simple, easy to attach to existing set, includes uhf converter. It employs card developed with IBM, on which are listed programs for month; card has printed circuits on one side, is slipped into slot to operate set for particular program. Viewer would forward card monthly to local Skiatron franchise holder with check to cover total costs of programs selected (at 25¢ to \$2 per show).

Brief asserts subscription TV is not a common carrier, says FCC has authority to permit it, proposes to limit it to uhf for first 3 years "with minor exceptions" because most uhf stations are presently profitless or losing money. System "adds programs", it's claimed, and should not affect commercially sponsored network shows, will not itself carry commercials, offers what public wants but it not now getting because "inherent in sponsored TV is the fact that quality is basically subsidiary to mass appeal."

It's alleged there's "wide public resentment against the quality of commercials now being employed" and Edward T. Bernays surveys are cited to show that "this resentment stems not only from the so-called intellectuals but extends to every type of society and every age group."

Addresses: Skiatron Electric & Television Corp., 30 E. 10th St., N. Y. (Arthur Levey, pres.), owner of patents. Skiatron TV Inc., 665 Madison Ave., N. Y. (Matty Fox, pres.), holder of rights to exploit patents. Counsel: James M. Landis, 230 Park Ave., N. Y.; Lyon, Wilner & Bergson, Wyatt Bldg., Washington, D. C.



**STEINMAN STATIONS (WGAL-TV, Lancaster, Pa. & WLEV-TV, Bethlehem, Pa.)**—Short brief (4 p.) “views with alarm the adoption of a system which, if successful, will inevitably lead to the substantial reduction if not destruction of ‘free’ TV.” First-run movies would merely be “opening wedge” in forcing ever-increasing number of free programs to become unavailable and today’s “almost inexhaustible source of [TV] program material . . . will easily be moved into the category of unavailable TV material by the simple process of commercial bidding.” As for legality: “It is our firm conviction that the imposition of a rule which results in depriving a viewer of his present unhampered right to receive a signal . . . unless he has entered into a private contractual relationship with a third party, is unlawful and entirely inconsistent with the statute of the mandate which gave birth to the ‘free’ system of TV in this country.”

Address: WGAL Inc., 21 S. Queen St., Lancaster, Pa. (Clair R. McCollough, pres.). Counsel: George O. Sutton, National Press Bldg., Washington; Duke M. Patrick, Colorado Bldg., Washington.

**STORER BROADCASTING CO.**—Nation’s largest multiple-station owner, Storer submitted brief mimeographed comments against subscription TV, alleging that: (1) FCC “would be over-extending the authority delegated to it by Congress” if it approved pay-TV. (2) Toll TV would “limit the ability of TV broadcasters to serve the public,” and destroy “the greatest attribute of free broadcasting—its universality, its ability to reach everybody everywhere, bringing them free entertainment, culture, news, editorial comment, and exchange of ideas.” (3) Pay-TV “will add nothing to present programming except a bill” and “may be expected to foster monopoly.”

Address: 1177 Kane Concourse, Miami Beach, Fla. Counsel: Dow, Lohnes & Albertson, Munsey Bldg., Washington (Thomas A. Wall); Abiah A. Church, of Storer.

**LARRY WOLTERS**—TV-radio editor of *Chicago Tribune*, speaking for himself, favors adoption of toll TV, stating that it offers an “attractive and most worthwhile” supplemental service; that it’s no threat to free TV; that it’s not un-American. Citing early Zenith test in Chicago, he says public is willing to pay for movies on TV; major boxing events would return to TV; pay TV would “save” baseball for TV. He doubts whether public would pay for Broadway plays or opera.

**WACH-TV, Newport News, Va.**—Reiterates support of Skiatron petition filed Sept. 13, 1954 asking FCC to amend rules to permit stations to broadcast subscription TV; it would be great help to uhf as well as small-market vhf stations, said original document.

Counsel: Eugene L. Burke & Doris R. Williamson, 821 Fifteenth St. NW, Washington.

**KBST-TV, Big Spring, Tex.**—Same as WACH-TV, Newport News, Va.; same counsel.

**WDSU-TV, New Orleans**—Boxoffice TV would be “a highly specialized service directed not to the general public but rather to a relatively limited list of subscribers who choose to pay for that service [and] should accordingly be assigned to frequencies not presently allocated to the free system of TV,” states 7-p. legal brief signed by exec. v.p. Robert D. Swezey. “There is an element of custodianship in the present free system which the American people will be most reluctant to supplant or weaken in favor of a cash-&-carry substitute.” Fear is expressed that free system will be so weakened as to public service obligations—such as handling of news and controversial subjects, which fee-TV doesn’t propose to assume—and that it would have deleterious effect on advertiser-sponsored broadcasting and tend “to siphon off the cream of the programming into the pay-&-see system, leaving to free TV . . . only the routine, drab and pedestrian fare considered unworthy of acquisi-

tion by subscription TV.” In New Orleans, 52.2% of population in 1950 had annual income less than \$2500, and could not be expected to pay for TV shows.

Counsel: Miller & Schroeder, National Press Bldg., Washington.

**WSAZ INC. (WSAZ-TV, Huntington, W. Va.)**—Short mimeographed comment terms pay-TV proposals “a calculated attempt to supplant the existing nationwide free TV service with a Pay-as-You-See substitute to charge the public for what it is now receiving free,” by diverting talent and audiences from free TV. It charges that toll TV won’t bring new educational programs nor will it foster construction of new stations, noting that “patent holders” aren’t offering to build stations in small markets. Claims pay system will obsolete all sets.

Counsel: Cohn & Marks, Cafritz Bldg., Washington (Leonard H. Marks).

**ZENITH RADIO CORP.**—72-p. brief, plus engineering supplement, recommends no commercials on subscription programs, ban on charging public for programs now paid for by advertisers, limit of 15% of station broadcast time to subscription shows. Stressed is supplementary nature of subscription system, brief stating “it is utterly naive to assume that subscription TV could obtain public acceptance if it attempted to charge the public for programs now regularly available on a sponsored or sustaining basis.”

Included is detailed technical description of Phonevision system and analysis of programs to be sought for subscription shows. Zenith would limit Phonevision operations to “several” markets, to be selected by FCC, for about 18 months following authorization. TV owners would rent decoders for nominal monthly charge, would pay only for shows they watch. Stations could buy or rent subscription programs from national or local organizations. Independent local companies would be licensed to operate Phonevision in various communities.

It’s suggested that FCC prohibit purchase of subscription programs from networks: “In this way, the Commission could create a truly competitive situation in which the networks would bend their efforts to producing the best possible advertising programs. At the same time, prohibition of advertising network participation in subscription service would tend to dilute the present 2-network monopoly over programs and revenue . . .”

Addition of subscription programs would enable hundreds of additional stations to operate profitably, it’s contended, whereas ⅓ of post-freeze stations now on air are losing money, and only 417 commercial stations (out of 1875 authorized allocations) and only 13 educational (out of 242 allocations) are now on air. Finally, brief says Communications Act contains specific direction that FCC encourage new uses of TV & radio, therefore FCC has “statutory obligation” to approve fee TV.

Addresses: Zenith Radio Corp., 6001 W. Dickens Ave., Chicago (E. F. McDonald Jr., pres.). Teco Inc., 231 S. LaSalle St., Chicago (S. I. Marks, pres.), promoter of Phonevision equipment, granting of franchises, distribution of programs. Counsel: Pierson, Ball & Dowd, Ring Bldg., Washington (for Zenith); Loucks, Zias, Young & Jansky, 1317 F St. NW, Washington (for Teco); Joseph S. Wright, Zenith gen. counsel.

**APPEARANCES**—Submitting no statements but filing notices of appearance were following: WGAR, Cleveland; WRFD, Worthington, O.; WTOH-TV, Toledo; WBID-TV, Detroit; WKOW-TV, Madison; WCCO-TV, Minneapolis; WSJS-TV, Winston-Salem; WABT, Birmingham; WJIM-TV, Lansing; WMTW, Poland Spring, Me.; WDSM-TV, Superior. (All foregoing filed by counsel Fly, Shuebruk, Blume & Gaguine, 30 Rockefeller Plaza, N. Y. and 1001 Connecticut Ave. NW, Washington.) Appearance also filed by TV Consumers Inc., 519 Main St., E. Orange, N. J. (Walter C. Routson, pres.).



# Television Digest

with **ELECTRONICS REPORTS**

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**SUMMARY-INDEX OF THE WEEK'S NEWS—June 18, 1955**

**TV-RADIO SERVICING** currently \$1.5 billion-a-year industry, equalling or exceeding annual retail dollar value of receivers themselves for first time (p. 1).

**ZENITH PRESTIGE HURT** in industry & Govt., dealers & distributors disturbed by excessive attack on RCA chairman David Sarnoff (pp. 2 & 5).

**AD HOC ALLOCATION** committee, meeting next week, gets puzzling assignment from Sen. Magnuson: "Increase utilization of uhf" by adding more vhf channels (p. 2).

**COMMISSION HIT** by 2 Appeals Court decisions which attack its methods and criteria for determining applicants' qualifications (pp. 3 & 5).

**COLOR HIBERNATING** for summer, with 2 programs scheduled by NBC, none by CBS—as manufacturers show little inclination to push color set sales now (p. 3).

**TELECASTING REVENUES** hit \$593,000,000 in 1954, up 37%; income before taxes mounts to \$90,300,000, up 33%; networks are heaviest gainers (p. 4).

**RETMA CONVENTION** accents electronics expansion, optimism on TV-radio sales—7-7,300,000 TVs seen this year. Labor seeks guaranteed annual wage (p. 9).

**QUESTIONABLE ADVERTISING** practices replace servicing as chief complaint of TV-radio consumers, annual report of Better Business Bureaus reveals (p. 11).

**BUSINESS FAILURES** among TV-radio-electronics manufacturers declined to 26 in year ended April 30; industry spurious radiation control plan imminent (p. 11).

**SENATE CONFIRMS MACK** appointment to FCC. KONO gets examiner's nod for San Antonio; allocations petitions filed, involving deintermixture & satellites (p. 6).

**NEW STATURE** attained by TV editors & columnists, with TV now regarded as "darling of the dailies"; Crosby's blacklisting expose exemplifies new maturity (p. 8).

**PITTSBURGH MERGER** of WWSW and WJAS apparently paves way for early Ch. 11 grant to new combine, assured of CBS affiliation, as city's 2nd vhf (p. 8).

**TV-RADIO SERVICING—\$1.5 BILLION INDUSTRY:** The dazzling rise of servicing business as natural concomitant of high level of set penetration among nation's 48,000,000 families (75% for TV, nearly 100% for radio) has now reached the point where its annual gross dollar volume equals or exceeds retail sales value of new receivers themselves. That astonishing comparison was contained in annual report of RETMA service chairman H.J. Schulman to organization's 31st annual convention this week in Chicago's Palmer House. (For other news of RETMA convention, see pp. 9-11 & 13.)

Service director & asst. to CBS-Columbia pres. H.C. Bonfig, Schulman later told us he expects servicing volume to exceed \$2 billion by 1957. His report to the convention stated that in 12 months ending June 30, annual cost of servicing to set owners was over \$1.5 billion, dominantly TV. He said this equalled or exceeded the retail dollar value of the 7,900,000 TVs and 12,500,000 radios sold in that period.

Contributing to over-\$1.5 billion service bill were antennas, parts, installation (\$800,000,000) & labor (\$770,000,000), Schulman told us. Against that total, here's how trade statisticians break down TV-radio set cost in July 1-June 30 period:

Retail TV volume -- \$1.277 billion, derived from sale of 7,900,000 sets, at average factory price of \$130, plus markup of 25% from factory-to-dealer; retail radio volume -- \$300,000,000, from sale of 12,500,000 sets, at average factory price of \$20, also marked up 25%. Total TV-radio volume is thus about \$1.577 billion.

Schulman's estimate jibes with figures of Charles M. Odorizzi, RCA corporate exec. v.p., who placed 1953 TV-radio servicing bill at \$1.4 billion in speech last Dec., in which he predicted that an annual servicing gross of \$2.7 billion would be attained by 1957 (Vol. 10:48).

Quality of servicing is evidently improving, along with expansion of dollar volume. Kenneth B. Willson, pres. of National Better Business Bureaus, told his organization's convention in Minneapolis that in survey of 78 member bureaus, 46 reported decreases in consumer complaints about servicing, 20 reported number of complaints same, 6 increased over 1954. (Other BBB convention news on p. 11.)



**IT'S AN OLD RUSSIAN CUSTOM':** Main unofficial conversation piece at RETMA convention in Chicago this week -- as well as at other levels of industry and at FCC -- was exchange of bitter statements between Zenith pres. Comdr. E.F. McDonald and RCA chairman Gen. David Sarnoff, over subscription TV. Here's the consensus of comment, as we gleaned it:

McDonald went too far. He injured his personal prestige, hurt his company's position with thousands of dealers and its own distributors, certainly did his cause of subscription TV no good -- with his press statement denouncing Sarnoff and literally dragging in this remark: "It's an old Russian custom to claim credit for the work of others and to deny that anyone else can produce a worthwhile discovery." He was replying to the Sarnoff attack on toll TV and denial that RCA had ever offered to buy Zenith phonevision patents (Vol. 11:24).

Feud between these two masters of the publicity arts is a matter of long standing in the courts, in the marketplace and in print. But the implication in McDonald's allusion to "Russian custom" was just a bit too raw for even some of Zenith's strongest partisans.

Gen. Sarnoff didn't lash back again, but his spokesmen say he takes great pride in his rise from humble origins as an immigrant boy from Russia; they also observe that it was RCA's Russian-born Vladimir Zworykin whose inventions did much to make modern TV possible.

Zenith's publicity over controversies has in the past sold a lot of its top-grade products -- TVs, radios, hearing aids -- but there are many who feel that McDonald has overreached himself this time. Evaluating Zenith's publicity campaigns, one intense competitor says: "My advertising budget runs 4 or 5 times that of Gene McDonald's -- but I can't get the publicity he does, especially in the Chicago newspapers and on the press association wires. He seems to be able to turn it on or off at will. I wish you would tell me how to do it, too." Then he added, somewhat ruefully: "But I guess I'm just not built to stir up controversies."

(For summary of the Sarnoff-McDonald exchange, see p. 5.)

**SENATE BEGINS ITS ALLOCATION STUDY:** Ad hoc committee of industry engineers, formed under aegis of Sen. Magnuson's Commerce Committee (Vol. 11:23-24), meets next Tue. June 21 to organize what is billed as a "reappraisal of the FCC allocations."

Engineering committee has a puzzling assignment. In statement announcing the formation of the group, Sen. Magnuson said the allocation study would be carried out with "an eye toward bringing about increased utilization of the uhf band."

Then Magnuson listed these "aims" for the study: (1) Determine whether 3 more vhf channels can be carved out of FM band. (2) Study whether allocation plan can be rejiggered so that unused vhf assignments can be moved to areas where there's demand for them. (3) Check into advisability of drop-ins of more vhf channels, using directionals, etc. (4) "The possibilities involved in selective deintermixture."

Industry people were dubious about how the committee could increase "utilization of the uhf band" by adding more vhf channels. And nobody we contacted seemed satisfied with composition of group. Those organizations not asked to name representatives charged discrimination; others said committee was "loaded" in one direction or another. At first meeting, Magnuson's chief TV investigating counsel, Sidney Davis, will urge members to act in interest of public, regardless of own connections.

Committee will probably have 10 or 11 members. Possible candidate for chairman is Haraden Pratt, former top IT&T official, 1951-53 telecommunications adviser to President Truman and regarded as an elder statesman of communications industry.

Eight companies and organizations have been asked to loan top engineering talent to the study. Though Senate Committee hasn't announced individual names yet, these engineers are expected to attend first meeting: ABC engineering v.p. Frank Marx, CBS engineering v.p. Wm. B. Lodge, Dr. Allen B. DuMont (who probably will pick another DuMont engineer for subsequent meetings), NBC allocations expert Wm. Duttera, Philco radio-appliance research director Don Fink (selected by RETMA), NARTB engineering dept. mgr. A. Prose Walker, a member designated by UHF Industry Coordinating Committee and a representative of FCC (probably chief engineer Edward Allen).



**APPEALS COURT DECISIONS ROCK COMMISSION:** FCC was still recovering this week from 2 decisions by Court of Appeals. In Clarksburg, W.Va. protest case, court told Commission it's neglecting the public interest, in almost those words -- in matters of protests, overlap, multiple ownership, diversification, newspaper ownership, quick grants, community antennas, etc. In Ft. Wayne case, without even looking into merits of appeal, it ordered Commission to reopen hearing to determine what effect recent death of Anthony Wayne principal Paul V. McNutt would have. Observers generally considered court's decision most unusual.

Essence of court's decision in Clarksburg case was that FCC cavalierly tossed aside allegations made by Exponent & Telegram against grant of WBLK-TV (Ch. 12); that Commission's desire to expand TV service after long freeze was no excuse for hasty action; that FCC has duty to explore far more deeply into every application -- regardless whether any competing party calls Commission's attention to possible shortcomings of the applicant.

Court went so far in its dictum that it virtually told Commission it should have denied WBLK-TV for simple reason that its owners have too many newspaper and broadcast interests in the area -- regardless of anything else.

\* \* \* \*

As a practical matter, FCC did expand TV rapidly after the freeze by giving protests brief treatment and by "next-day" grants after dropouts and mergers. Most of resultant grantees are on air -- and their signals won't be removed. However, pending applicants with a diversification or overlap problem are given plenty to think about. Most interesting will be court's forthcoming decision on McClatchy case -- wherein appellant charges that FCC is being too strict on the newspaper-diversification issue, instead of too lenient.

Court of Appeals obviously feels the Commission is getting lax, simply isn't regulating to extent law demands. On other hand, U.S. Supreme Court has power to tell appeals court that it's going too far the other way -- as it did last week in Allentown radio case (Vol. 11:24). In meantime, too, FCC is laboring mightily to persuade Congress to take burden of protest rule off its back, and it looks as if it has strong chance of success (see p. 14).

Tide of govt. checks-&-balances thus flows back and forth -- with just plain luck frequently determining whether a broadcaster is at right place at right time. (For details of the 2 decisions, see p. 5.)

**COLOR TV DORMANT FOR THE SUMMER:** There'll be virtually no color TV programming on the networks this summer, and no attempt to push color sets. If individual color-equipped stations want to promote color, they'll go it alone for several months.

Both CBS & NBC have announced big plans for star-studded special programs next season, together with perhaps a few regular shows in color. But for this summer, here's the whole schedule: NBC -- 2 spectaculars in the "Producers' Showcase" series, July 25 & Aug. 2, and perhaps an occasional color segment in Today and Home shows. CBS -- nothing till September. ABC continues its monochrome-only policy.

With the nation's 20,000 color sets lying fallow this summer, manufacturers obviously have no serious intention of trying to sell more. Color talk was almost totally absent at this week's RETMA convention (see p. 9) -- except for this almost-passing reference in annual report of outgoing pres. Glen McDaniel:

"Color TV has failed to reach the conservative forecast of set production and sales, although a number of manufacturers believe the fall will see a definite forward movement. Everyone agrees that color TV will bring another industry boom that will overshadow the early days of black-&-white, but there are a variety of opinions as to the timetable and conditions of this boom."

Even RCA was uncharacteristically modest last week when it displayed 2 color sets in its new line with no hoopla at all (Vol. 11:23). DuMont came out this week with a color set incorporating RCA-type tube, listing at \$945, but Dr. DuMont said production would be confined to "just a few samples" as an "interim proposition" for the fall market, in case there is any demand.



**FCC CONFIRMS TV REVENUE-PROFIT ESTIMATE:** We hit it virtually on the nose a year ago, when we predicted network-&-station TV revenues would reach \$600,000,000 for 1954 (Vol. 10:23). FCC's final figure for 1954, released this week, was a whopping 37% increase over 1953's -- \$593,000,000 vs. \$432,700,000. Profits swelled with equal impressiveness, rising to \$90,300,000, up 33% from 1953's \$68,000,000.

With every index pointing to increase of 30% or so this year, it looks as if network-&-station revenues for 1955 should hit \$775,000,000 or better. And, since total TV advertising bill ran \$809,100,000 in 1954 (including payments for talent, ad agency commissions, production of commercials, etc.), it appears that \$1 billion total predicted for this year is a safe bet (Vol. 11:15).

Biggest increase in revenues and profits before taxes was among networks and the 16 stations they own -- accounting for 52% of industry's total revenues, 40% of its profits. Their revenues went from \$231,700,000 in 1953 to \$306,700,000 in 1954, profits from \$18,000,000 to \$36,500,000.

Revenues of the other 92 pre-freeze stations rose 15%, from \$174,500,000 to \$200,900,000, while their profits rose 12%, from \$60,500,000 to \$67,600,000.

Though many post-freeze stations are doing handsomely, both vhf and uhf stations lost money -- as a group. The 177 post-freeze vhfs took in \$60,000,000, lost \$3,800,000; the 125 uhfs' revenues were \$25,400,000, losses \$10,000,000.

Losses of the vhfs, as a group, may be attributed to several factors -- the newness of many, incidence of small-market stations, inability to obtain major network affiliations; one-third are less than a year old. Same factors apply to uhf -- plus problems of set conversion -- though "small-marketitis" is actually more prevalent among vhf stations than among uhf.

FCC's report was a summary; its customary detailed tables -- breaking down figures by markets, etc. -- will be issued in month or 2. Its AM figures are due last part of year. It's dubious whether radio revenues will exceed the \$475,300,000 of 1953; same goes for the \$55,000,000 income before taxes of 1953.

**Personal Notes:** Ralph W. Hardy, for last 6 years NARTB executive, most recently as govt. relations v.p., originally hailing from KSL-TV & KSL, Salt Lake City, becomes CBS Washington v.p. in Sept., succeeding Earl H. Gammons, who retires but will continue handling some work for CBS . . . Wm. Fay becomes pres., Robert C. Tait chairman of Stromberg-Carlson Bestg. Co. (WHAM-TV & WHAM, Rochester), reorganized to become subsidiary of General Dynamics Corp. when it merges present parent company (Vol. 11:18); changed corporate setup is required because Dynamics has several Canadians on its board . . . Harry Trenner, who sold his Station Film Library Inc. to General Teleradio, named GT v.p. and sales v.p. of its Mutual Network . . . John W. Patt, pres. of WJR, Detroit and upcoming WJRT, Flint, who suffered heart attack while at NARTB convention, may be sufficiently recovered by week of June 20, say his doctors, for release from Georgetown Hospital, Washington, and return to Cleveland home . . . John A. Schneider named CBS-TV Spot Sales eastern sales mgr., succeeded as midwestern sales mgr. by Tom W. Judge; Edward A. Larkin named mgr. of Los Angeles office, succeeding Richard Loughrin, who joins N. Y. office; Richard R. Loftus named Detroit mgr., succeeding Tony Moe, also transferred to N. Y. . . . Lee B. Wailes, Storer exec. v.p., departs June 18 for month in Europe . . . Tom Chauncey, 20% stockholder, now managing director & gen. mgr. of KOOL-TV, Phoenix, having succeeded Charles H. Garland, who suffered stroke recently . . . Ernest Felix, ex-treas. & gen. mgr. of ABC western div., now management consultant, named exec. adviser for Taft stations WKRC-TV & WKRC, Cincinnati & WTVN-TV & WTVN, Columbus . . . I. E. (Chick) Showerman, gen. mgr. of Hearst Corp.'s WISN-TV and radio WISN, Milwaukee, has been elected Hearst Corp. resident v.p. . . . Don Moore promoted to mgr. of CBS-TV story &

script dept., succeeding Edgar Peterson, now producer of network's *Climax* series . . . Gene Ragle, ex-KPTV, Portland, Ore., named operations director, KBET-TV, Sacramento . . . Elliott Rothchild named regional sales mgr. of WHUM-TV, Reading, Pa., succeeding Ed Walpert, resigned to join Arndt, Preston, Chapin, Lamb & Keen Adv., Philadelphia . . . Alex McKee named acting national exec. secy. of AFTRA, temporarily succeeding late George Heller . . . J. Elroy McCaw, owner of KTVW, Tacoma, and half owner of KONA, Honolulu, leaves June 18 on quick flying trip to Ethiopia to look over gold mining concession of Goldfields Consolidated, of which he is a director . . . John E. Mosman, ex-Maxon Inc., named TV-radio mgr., Marc Statler film production mgr., Biow-Beirn-Toigo, N. Y.; Arthur Napoleon appointed TV-radio mgr., Hollywood--all reporting to TV-radio v.p. Roy Winsor . . . Wm. J. Lyons, ex-BBDO, named asst. to Philip Rouda, v.p. in charge of TV-radio, Bozell & Jacobs . . . Sylvan Taplinger, ex-Hirshon-Garfield, named TV-radio director, Peck Adv.

More honorary degrees: George C. McConnaughey, FCC chairman, and Scripps-Howard Radio v.p. James C. Hanrahan, from Western Reserve U; Walter Ransom Gail Baker, GE v.p. & gen. mgr. of its electronics div., from Brooklyn Polytechnic Institute; Allen Balcom DuMont, from New York U (also from Fairleigh-Dickson College last week); Clair R. McCollough, from Franklin & Marshall College; Keith McHugh, pres., N. Y. Telephone Co., from Manhattan College.

George Cherry, 55, FCC docket clerk known to many in industry who use Commission reference room, died of heart attack June 11.

Sentencing of Mrs. Marie Natvig, turnabout witness convicted of perjury in Lamb case, is scheduled for June 20 in Washington Federal court.



**I**N CLARKSBURG PROTEST case (p. 3), Court of Appeals' basic ruling was that FCC erred in giving protestant mere oral argument instead of full evidentiary hearing, the court stating that FCC glossed over far too many important factors. What had Commission agog was extent to which court went in telling it just what it did wrong. Judges Edgerton, Bazelon and Bastian, in decision written by Judge Bazelon, stressed these points:

(1) "However unwittingly, the Commission seems to have assumed the defense of its grant, rather than the public interest, as its primary role in the proceedings."

(2) The "mechanical application of the Grade A-Grade B rule" in determining excessive overlap. Owners of WBLK-TV hold 34% of WTRF-TV, Wheeling. "Nothing in this record," court said, "tells us why the Commission decided that the instant Grade B overlap would not constitute 'serving substantially the same area' within the meaning of the rule."

(3) Commission's failure to determine role of Clarksburg community antenna system in overlap. "The Commission will presumably assert jurisdiction to regulate community antenna systems," court said, "if and when it concludes that such systems provide or are adjuncts of a broadcast service." Rest of decision gives FCC strong nudge to assume jurisdiction, may also imply that stations should seek to control use of their signals by community systems.

(4) Diversification. "Nothing in the present protest record dispels the impression that, on the concentration of control issue alone, the grant would not be in the public interest. There may, however, be matters not apparent to us which entered into the Commission's determination." In other words, court would have FCC deny application under such circumstances—large media holdings—even if applicant has no competitor for channel. This would revolutionize FCC policy.

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Negotiations for sale of Denver's pioneer KFEL-TV (Ch. 2) are going on between owner Gene O'Fallon and J. Elroy McCaw, with price said to be around \$600,000. Station was offered several months ago at \$750,000. McCaw owns KTVW, Tacoma (Ch. 13), holds 25% of KONA, Honolulu (Ch. 11)—both of which he purchased as distress properties and both of which are now reputed profitable (see Vol. 9:26 & 10:28, 34, 38). McCaw is also owner or co-owner of radio WINS, N. Y. and 4 other radio stations.

Two TV-radio figures on White House staff shifted jobs this week. Fred Seaton, whose Seaton Publishing Co. holds CP for KTVR, Hastings, Neb. (Ch. 5), gives up duties as administrative asst. to President for congressional liaison, will handle liaison with Federal depts. & agencies. Howard Pyle, ex-Arizona governor who holds minority interest in KVAR, Phoenix (Ch. 12) & KTAR, becomes deputy asst. for intergovernmental relations, handling Federal-state relationships.

Gordon Gray, Winston-Salem publisher and broadcaster (WSJS-TV & WSJS) and ex-Army Secy., became an Asst. Defense Secy. June 17 when Senate confirmed his appointment (Vol. 11:24).

Frank W. Miller Jr., director of Headley-Reed TV, has purchased WHIM, Providence (1-kw-D on 1110 kc) for \$469,000 from group headed by Robt. T. Engles.

FCC is hiring more lawyers, will add some to Rules & Standards Div. to help in subscription TV proceedings, in addition to strengthening staff processing applications. Corps of examiners has been cut to 12, John B. Poindexter going to Office of Opinions & Review, Isadore A. Honig to Office of Gen. Counsel's Litigation Div.

(5) Dropout of competing applicant WPDx upon payment of \$14,000 for expenses, permitting grant of WBLK-TV next day. Court doubted FCC could complete "processing and review" and make grant properly so quickly.

For a windup, decision stated: "The Commission does not stand in the position of a 'traffic policeman with power to consider merely the financial and technical qualifications of the applicant.'" Full study must be made, it added, "even where an application is unopposed."

Beyond that, court said: "The Commission finds support for its action in its announced policy to accelerate the inauguration of TV service after the 'freeze' on new TV authorizations was lifted. Without minimizing the force of this objective, we think Congress did not intend that the Commission should abandon consideration of long range public interests in order to further short and, perhaps, doubtful ones."

Grasping decision immediately, WNHC-TV, New Haven and WATR-TV, Waterbury, asked FCC to give them full hearing on NBC's proposed purchase of WKNB-TV, New Britain (Ch. 30). And examiner James Cunningham, along with FCC itself, decided to reopen record in Spartanburg site-move case—involving protests against WSPA-TV modification of CP filed by WAIM-TV, Anderson and WGVL, Greenville, S. C.

In Ft. Wayne case, FCC had awarded Ch. 69 to Radio Ft. Wayne (WANE-TV) because its competitors' principals Paul V. McNutt and James R. Fleming held interests in *Journal-Gazette* and that newspaper had joint ad rates with *News Sentinel*. After losers appealed, McNutt died. FCC argued that court couldn't send case back to Commission until it considered appeal on its merits and unless it also reversed Commission. Court disagreed, sent case back for further hearing, stating: "The failure of this record to deal with Mr. McNutt's death may have [the effect of precluding a just decision], even if we assume, without deciding, that the record is adequate in all other respects."

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The Sarnoff-McDonald exchange (p. 2): (1) Filing formal comments with FCC June 6, RCA-NBC chairman David Sarnoff urged denial of subscription TV, quoted numerous bearish statements about future of sponsored TV issued in past by Zenith pres. Comdr. E. F. McDonald. (2) McDonald responded by saying that: "On 3 separate occasions in recent years RCA has proposed that it buy rights to control our Phonevision development. On one occasion Sarnoff told me that if we sold RCA our patent rights, our path to establishment of subscription TV would be made much easier." (3) Sarnoff came back with charge that McDonald's report of an RCA offer to buy was "utterly false and untrue." He noted that Zenith attorney Thomas C. McConnell had been reprimanded by Rep. Emanuel Celler (D-N. Y.) for misleading statement to Judiciary subcommittee (Vol. 11:22), adding that "Mr. McDonald's irresponsible statement is so lacking in truth that he, like his lawyer, deserves severe criticism for his attempts to mislead the public, the industry, and the Govt." (4) McDonald countered with: "There is no more truth in that denial than in Mr. Sarnoff's recent loud claims that RCA invented magnetic tape video recording and atomic batteries—both of which were actually discovered by independents long before the RCA claims. It is an old Russian custom . . ."

Box Office Television Inc. (closed-circuit), now at 6 W. 57th St., N. Y., reorganized this week after several officials left to organize Sheraton Closed-Circuit Television Inc. (Vol. 11:24). Sid Caesar, now pres., has acquired controlling interest. Milton Mound continues as chairman, Wallace A. Ross & Edgar A. Rosenberg elevated to v.p. Arthur Knorr, exec. producer, Roxy Theatre, joins firm as v.p.



**Telecasting Notes:** 20th Century-Fox will release its backlog of feature films to TV—but doesn't believe the time is yet. So said pres. Spyros Skouras in answer to stockholder's question at recent meeting, partial transcript of which was released this week. He said company is now serving its best interests by selling its features only to theatres, but added: "When the 2-D system is completely eclipsed, and CinemaScope has replaced it, that will be a different situation. I am not of the opinion that because many films will be available that the price will be reduced. In the history of the amusement world, good merchandise is in great demand. As time progresses, the TV companies will need a better type of material than they get now" . . . "We are not concerned that we will lose the value of our backlog as time progresses," said Skouras. "I am not inclined to rush if somebody wants to buy, but to wait [because] the value increases as time progresses. Three years ago, I checked the market. I was offered a fourth of the price that I can get today for certain pictures from TV, and I think 2 years from now we will receive more. Also, the demands of TV are so great, they need so much material, that if we have good pictures we can sell them [when] we will get the maximum money" . . . Another "Peter Pan"? NBC has concluded negotiations for special color presentation of Thornton Wilder's *Skin of Our Teeth*, starring Mary Martin & Helen Hayes 7-9 p.m. Sept. 11, following same production's return from France, where it will be produced by American National Theatre & Academy in cooperation with State Dept. as part of special "salute to France" program . . . From current stage, members of cast of musical hits *Pajama Game* and *Damn Yankees* will be featured in as-yet-unwritten Oct. NBC spectacular starring Rosalind Russell and produced by her husband Frederick Brisson and Harold S. Prince, producers of the 2 musicals . . . Arthur Godfrey, he of the many dismissals and headlines, lost his 4th and last writer (Andrew Rooney) this week in amicable parting, says he's going "ad lib" henceforth; his other 3 script men, who were paid up to \$35,000 a year each, are now working for Garry Moore . . . Top foreign-language station WATV, Newark adds *Ukrainian Melody Hour* as Sat. 10-10:30 p.m. feature . . . Denver's KLLZ-TV using 35mm film-trailer spots on local theatres to plug its shows and personalities.

Don't look for conclusive findings on projected sets-in-use progress report to be submitted to NARTB board's semi-annual meeting June 23-25 at Hot Springs, Va. County-by-county or market-by-market census of TV homes acceptable to all segments of industry remains one of real needs—but progress report to be submitted on results of Politz pre-testing (Vol. 11:21) isn't likely to give much hope to those who felt the census might get under way this year. It's expected to be another laborious report on methodology, will probably set no target date for start of census. TV board, meeting June 23, will discuss subscription TV and will get report from new code review board chairman G. Richard Shafto, WIS-TV, Columbia, S. C. Joint meeting with radio board final day will get report from membership committee chairman Richard M. Brown, KPOJ, Portland, Ore.

The screen "borrows" some more: MGM acquires screen rights to Paddy Chayevsky's latest *Philco Playhouse* hit "The Catered Affair"; 4 Hollywood majors bidding for screen rights to *Medic*; Wm. Altman, associate producer of *Studio One*, engaged to write screen play for Bob Hope's next Paramount feature, *King of Hearts* (Altman's TV play, "Operation Home," is being produced by MGM under title *Old Army Game*); Richard Carlson will produce, direct and star in movie version of his TV film series *I Led 3 Lives*; Warner Bros. plans to make feature of Eve Arden's *Our Miss Brooks*.

**RICHARD A. MACK** was confirmed by Senate June 17 to succeed Frieda B. Hennock on FCC July 1. Confirmation of the 46-year-old Florida Democrat came in record time—just one day after he appeared before Senate Interstate & Foreign Commerce Committee for good-natured routine half-hour hearing.

The personable, self-confident Mack obviously made good impression on Senators during hearing, was unanimously endorsed by the committee. Florida Sens. Smathers & Holland made brief statements in his behalf. In answer to short questioning, he indicated he's conservatively inclined, opposes "big Government." Chairman Magnuson (D-Wash.) urged him to try to whittle down Commission's processing backlog and minimize "delays." Mack replied that "regulatory lag" was always a problem and that he had fought it as a state utility commissioner. "I hope you'll become a good pike in a carp pond," said Magnuson.

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Commission made no decisions this week, being involved in civil defense test. Chief examiner James D. Cunningham issued an initial decision, however, recommending grant of Ch. 12 to KONO, San Antonio, denial of KMAC, on grounds that latter isn't financially qualified.

There were several allocations petitions, including one requesting deintermixture. WTVP, Decatur, Ill. (Ch. 17) asked that Ch. 2 be moved out of Springfield to some other area where it would create no intermixture problem. WGR-TV, Buffalo (Ch. 2), seeking satellites, proposed that Ch. 37 be added to Clymer, N. Y., Ch. 26 to Shinglehouse, Pa., substituting Ch. 62 for Ch. 37 in Meadville, Pa.—said it would apply for Clymer and Shinglehouse. Aaron B. Robinson, Jackson, Tenn., asked that Ch. 6 be assigned to Indianola, Miss., Ch. 44 to Clarksdale, Miss.; he plans to file for Indianola.

**Private vs. AT&T microwaves:** In comments filed this week, AT&T told FCC that stations' estimates of costs of building and operating their own off-air microwaves are unrealistic, ignoring many costs that phone company is required to include under FCC rules. Nevertheless, AT&T said, if stations want really cheap service, it will continue to seek methods of cutting costs. For example, station can cut AT&T charges by renting land, buildings and towers to AT&T—or by eliminating emergency power, etc. AT&T said that station figures ignore engineering surveys, legal expenses, engineering & installation costs, tower & equipment installation, test equipment & spares, access roads. WCSH-TV, Portland, Me. said it's satisfied with regular network service from AT&T but prefers to keep own private microwave for occasional pickups of Boston stations. KHOL-TV, Kearney, Neb., proposing to build satellite at Hayes Center, Neb., said that Raytheon would build it a 3-station system for \$37,056, whereas AT&T would charge \$2345 monthly plus \$37,680—latter figure to be reduced 1/36th monthly. KVEC-TV, San Luis Obispo, Cal. reported that it can build microwave to get Los Angeles signals for \$19,300 but that phone company would charge about \$30,000 yearly.

Unity Television Corp., one of largest distributors of feature film to TV, has been sold by Arche Mayers to group headed by Joseph Seidelman, former pres. of Universal-International, for more than \$5,000,000. Unity has some 650 features, 140 cartoons, 25 serials, 400 other shorts.

Quigg Newton Jr., Denver mayor who holds minority interest in KOA-TV, Denver, will become director of Ford Foundation's public affairs program Aug. 15, shortly after his second term as mayor expires.



**Network Accounts:** First NCAA football sponsors came into NBC-TV fold this week when General Cigar, thru Young & Rubicam, and Schick Inc., thru Kenyon & Eckhardt, each bought one-fourth sponsorship for 13-game schedule this fall . . . General Motors (Delco div.) to be alt. sponsor (with Lucky Strikes) of untitled post-Disneyland show on ABC-TV starting Sept. 14, Wed. 8:30-9 p.m., thru Campbell-Ewald . . . Borden Co. to sponsor *The People's Choice*, situation drama starring Jackie Coper, on NBC-TV starting in fall, Thu. 8:30-9 p.m., thru Young & Rubicam . . . Procter & Gamble buys *It Pays to Be Married* on NBC-TV starting July 4, Mon.-thru-Fri. 3:30-4 p.m. . . . Alico (Crosley appliances) to be alt. sponsor (with Kleenex) of *Midwestern Hayride* on NBC-TV starting Aug. 19, Fri. 8-8:30 p.m., thru Earle Ludgin & Co. . . . Roto-Broil buys series of spots on NBC-TV's *Today, Home & Tonight*, under network's "summer incentive" discount plan . . . Maytag & Sheaffer Pen to sponsor re-runs of *That's My Boy*, which went off air Jan. 1, on CBS-TV starting July 12, Tue. 8-8:30 p.m., thru McCann-Erickson & Russel M. Seeds Co. . . . Amoco & Hamm Brewing Co. to sponsor *Windows* drama series as summer replacement for *Person to Person* on CBS-TV starting July 8, Fri. 10:30-11 p.m., thru Joseph Katz Co. & Campbell-Mithun . . . Lucky Strikes & Warner-Hudnut (Quick home permanents) to sponsor *Your Play Time* as summer replacement for *Your Hit Parade* on NBC-TV starting June 18, Sat. 10:30-11 p.m., thru BBDO & Kenyon & Eckhardt . . . Johnson's Wax & Pet Milk to sponsor *Spotlight Playhouse* as summer replacement for *New Red Skelton Show* on CBS-TV starting June 21, Tue. 9:30-10 p.m., thru Needham, Louis & Brorby and Gardner Adv. . . . General Foods (Maxwell House coffee & Swans Down cake mix) to sponsor one-shot *3 for Tonight* on CBS-TV June 22, Wed. 10-11 p.m., thru Benton & Bowles; stage version ends N. Y. run June 18, reopens at Greek Theatre in Hollywood shortly after telecast . . . Prudential Insurance Co. buys 7½ min. of Mon. 10:15-10:30 a.m. portions of *Garry Moore Show* on CBS-TV starting July 25, Mon.-thru-Thu. 10-10:30 a.m.,

Fri. 10-11:30 a.m., thru Calkins & Holden; S.O.S. Cleanser & Toni to be alt. sponsors of Fri. 10:30-10:45 a.m. portion starting July 15, thru McCann-Erickson & Leo Burnett Co. . . . Buick buys 7½-min. partic. on one-shot NBC-TV color "spectacular" Sun. Nov. 6, 7:30-9 p.m., thru Kudner . . . Philco buys one-shot variety show on ABC-TV from Miami Beach's Fontainebleau Hotel June 28, Tue. 8-9 p.m., during its big TV-radio-appliance distributors convention there, thru Hutchins Adv. . . . Gillette to sponsor All-Star baseball game for 6th straight year on NBC-TV July 12, Tue. 3:15 p.m., thru Maxon Inc.

Among advertisers currently reported using or preparing to use TV: Otto Bernz Co., Rochester, N. Y. (Bernz-O-Matic appliances), thru Charles Rumrill Adv., Rochester; Metal Foil Products Mfg. Co., Newark, N. J. (Broil-A-Foil broiler trays & foil specialties), thru Storm & Klein Adv., N. Y.; Spectro-Matic Associates, Rockford, Ill. (paint color tinting system), thru Cummings, Brand & McPherson, Rockford; Dubuque Packing Co., Dubuque, Ia. (canned & frozen foods), thru Perrin-Paus, N. Y.; Modern Faucet Mfg. Co., Los Angeles (spray dishwashing brush), thru Hal Stebbins, Los Angeles; E. F. Drew & Co., N. Y. (Trinut margarine), thru MacManus, John & Adams, N. Y.; Doughboy Wading Pools, Los Angeles, thru Kilian Adv., L. A.; Clerfast Corp., Providence, R. I. (CFS skin cream, soap & lotion), thru Bo Bernstein & Co., Providence; California Central Airlines, Burbank, Cal., thru Morton, Martin, Weaver & Assoc., San Diego; Texize Chemicals, Greenville, S. C. (Texize household cleaner), thru Henderson Adv. Agency, Greenville; Waterman-Waterbury Co., Minneapolis (heating equipment), thru Mitchell & Mitchell, Minneapolis; George A. Hormel & Co., Austin, Minn. (ham sticks), thru BBDO, Minneapolis; Colgate-Palmolive Co., Jersey City, N. J. (Kan Kil aerosol insecticide), thru Street & Finney, N. Y.; Bu-Tay Products Ltd., Los Angeles (Rain Drops water conditioner), thru Dan B. Miner Co., Los Angeles.

Rate increases: WNBQ, Chicago, has raised base hour from \$3300 to \$3700, 20 sec. \$600 to \$750; July 1, WFAA-TV, Dallas, raises base hour from \$900 to \$1000, min. \$180 to \$225; KWTW, Oklahoma City, raises base hour from \$700 to \$750, min. \$140 to \$150; KMJ-TV, Fresno, hour from \$450 to \$500, min. \$90 to \$100; WMTW, Poland Spring, Me., from \$300 to \$400, min. \$60 to \$80; WCAX-TV, Burlington, Vt. (formerly WMVT), from \$250 to \$300, min. \$50 to \$60; KLAS-TV, Las Vegas, from \$200 to \$250 & \$40 to \$50; CFPL-TV, London, Ont. from \$300 to \$370 & \$60 to \$85; CFQC-TV, Saskatoon, Sask., from \$160 to \$230 & \$32 to \$46. Rate cut: WICC-TV, Bridgeport, Conn., cuts base hour from \$200 to \$100, min. \$40 to \$20.

Valuable tool for market research: Social Security Administration's newly-issued *County Business Patterns*, county-by-county uniform tables of payrolls, number of employes in various business classifications, etc. Statistics for first-quarter 1953 are in 10-volume set (\$11.75, Govt. Printing Office, Washington). Among significant figures on U. S. as whole are these: Some 2349 TV-radio broadcasting firms employed 66,366 people in March 1953, with total taxable payroll of \$76,516,000 for Jan.-March (or average annual pay of \$4640 per employe). Communication equipment industry (including TV-radio) employed 541,000 (2103 companies).

Color facilities charges are feature of temporary rate card No. 9, effective June 15, released this week by NBC's WNBQ, Chicago. It provides for \$190 net color charge, minus commissions, for 20-sec. station break, and \$95, minus commissions, for 10-sec. ID.

Milwaukee's WTMJ-TV, one of few no-frequency-discount stations, has instituted new \$300 Class A rate for entire 30-sec. station break, retaining only 2 sec. for station identification. Idea is that one advertiser would prefer to buy the whole spot in lieu of sharing it with another (20-sec. at \$200, 10-sec. at \$80); latter system will be retained, however, until all Class A station breaks come under single-advertiser sponsorships. WTMJ-TV base hour rate is \$1150, network \$1500, and it has issued new schedule of 1-min. partic. in various programs at rates varying with type & time of program—up to \$200 per spot. Station mgr. Walter J. Damm says new service eliminates "double spotting" practice between programs.

New reps: KSBW-TV, Salinas-Monterey, to H-R Television (from Hollingbery); KRGV-TV, Weslaco, Tex. to John E. Pearson (from Raymer); KELO-TV, Sioux Falls, S. D. to H-R Television (from Raymer); WNOW-TV, York, Pa. to Robert S. Keller (from Forjoe).

New call letters: WCAX-TV, Burlington, Vt. (Ch. 3), formerly WMVT, following allocation of channel from Montpelier to Burlington; AM affiliate is WCAX. On July 1, WTVW, Milwaukee (Ch. 12), becomes WISN-TV; new owner Hearst Corp. owns radio WISN.

ABC-TV reports record gross time sales of \$58,500,000 signed in first 6 months for new & renewed business, embracing 49 sponsorships.

Ramon Vasconcelos is now Cuban Minister of Communications, having succeeded Recardo Eguilior; Jose Mario Baquero remains his director of radio.



**E**VEN THE NEWS WIRES picked up *Variety's* significant lead story of June 15 to the effect that the nation's daily papers have "gone TV-happy." TV-radio editor George Rosen notes that TV has suddenly become "the No. 1 circulation builder for America's newspapers, with the TV editor and the TV columnist enjoying a new-found distinction as a major asset on any daily or Sunday edition." On many metropolitan newspapers, he writes, TV editor has become more important than drama or film editor.

Obvious case in point is *New York Herald Tribune*, whose syndicated TV-radio columnist John Crosby is credited with elevating TV columns from gossip to mature and provocative journalism. *Herald Tribune* recently fortified its TV coverage by adding digest-size *TV & Radio Magazine* as Sunday supplement and hiring Marie Torre from *New York World-Telegram* to do 5-a-week TV-radio column as well as help edit the new Sunday magazine.

Power and stature of the printed word, as it affects the TV industry, was demonstrated few weeks ago when Crosby took a sharp whack at CBS for "mediocrity" in TV programming (Vol. 11:16), was promptly asked in by CBS topkicks for advice.

This week Crosby jumped into a field where few dare to tread, lashed out at blacklists and their power over agencies, sponsors and networks. He pinned his column on recent secret vote at AFTRA meeting which condemned AWARE Inc., so-called anti-communist group which has set itself up as clearing-house to keep tab on those in show business it considers "un-American." Pro-AWARE faction in AFTRA demanded and got mail referendum—now in progress—to reconsider the resolution.

"The blacklist racket," says Crosby, "still flourishes openly in TV." He notes that NBC is only network which hasn't "knuckled under." He singles out Kraft, Philco and Goodyear as sponsors courageous enough to resist blacklist, Borden as one which has "cravenly given in and hired only actors 'approved' by this little wolf-pack of vigilantes."

One of the few other recent exposes of TV blacklisting was series in *Sponsor Magazine* a few years ago on blacklisting. Following appearance of articles, the magazine suffered heavy reprisals in ad cancellations.

"Top 10" regularly scheduled shows of 1954-55 season, as compiled by American Research Bureau on basis of average ratings, indicate influence of spectaculars and other "opposition programming" in determining "popularity" of shows. No. 1 regular show for season was Groucho Marx' *You Bet Your Life*, though NBC's one-shot *Peter Pan* spectacular drew largest audience for any TV show in history (57,000,000 viewers, 60.1 rating). Perennial first-place winner *I Love Lucy* dropped to 4th, presumably because of opposition from NBC's *Medie* and spectaculars. For first time, no Godfrey show was on list, nor was any drama show represented—both phenomena due to strong opposition programming. The ARB 1954-55 big 10: (1) *You Bet Your Life* (NBC), 50.9; (2) *Jackie Gleason* (CBS), 50.4; (3) *Toast of the Town* (CBS), 49.3; (4) *I Love Lucy* (CBS), 49; (5) *Dragnet* (NBC), 43.6; (6) *Two for the Money* (CBS), 42.3; (7) *Jack Benny* (CBS), 42.1; (8) *Disneyland* (ABC), 41.1; (9) *George Gobel* (NBC), 41; (10) *This Is Your Life* (NBC), 39.8.

NBC Radio's omnipresent weekend service, *Monitor*, which made auspicious debut in simulcast June 12, has racked up gross time sales of \$1,600,000, latest sponsors being Miller Brewing Co. & Charles Antell Co. (Lanolin hair preparation).

**P**ITTSBURGH'S second vhf apparently will be Ch. 11 merger effected by counsel Paul M. Segal, whereby ex-competitive applicants WWSW (*Post-Gazette*) and WJAS (H. K. Brennen) will become equal partners in \$1,000,000 new-station project (Vol. 11:23). They have signed CBS basic affiliation, network having dropped \$3,000,000 deal whereby it proposed to buy WSTV-TV Steubenville, O. and move it to Pittsburgh (Vol. 10:47, 52 & 11:23). Steubenville outlet will stay on CBS as basic supplementary.

Plan is to get going by early fall if possible. While WWSW Inc. will apply formally for channel, with WJAS to be sold and Mr. Brennen then acquiring 50% interest in new corporation, new call letters haven't yet been decided upon. New company's board will comprise 3 members chosen by Wm. Block, publisher of the newspaper (presumably including himself and his radio mgr. Pete Schloss), 3 by Brennen, one other mutually acceptable.

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

WTHS-TV, Miami (Ch. 2, educational), now hopes to begin test patterns early in July when old WTVJ Ch. 4 transmitter is scheduled to be ready, reports Vernon Bronson, asst. director, Dept. of Radio & TV Education, Dade County Board of Public Instruction. Transmitter is in Everglades Hotel, with antenna on rooftop FM tower. Programming is due to start in Aug.

KSTF, Scottsbluff, Neb. (Ch. 10), now doesn't expect to begin until about July 1 as satellite of KFBC-TV, Cheyenne (Ch. 5), reports gen. mgr. Wm. C. Grove. It will have 2-kw RCA transmitter, 6-bay antenna at interim site on Abrupt Peak, 10 mi. north of Scottsbluff, some 79 mi. of southwest of Cheyenne. Time will be sold only in combination with KFBC-TV. Rep for both is Hollingbery.

CJON-TV, St. John's Nfld. (Ch. 6), planning July 15 test patterns, has begun installation of 2-kw RCA transmitter at site 4 mi. from city, writes pres. Geoff Stirling. Work also has begun on foundations for 12-slot wavestack tower-antenna, due to arrive in late June. Commercial start won't be until Sept., plans call for non-commercial programming in Aug. for set promotion during "shake-down" period. Base hour for first 90 days will be \$160, goes automatically to \$200 thereafter. A. Harnett from radio CJON will be program director, Oscar Hierlihy chief engineer. Reps will be Weed and All-Canada Television.

Five-megawatt uhf: With FCC expected to issue proposed rule-making to raise maximum uhf power from 1 megawatt to 5 next week, first station proposing to seek maximum is WJMR-TV, New Orleans, which is due to shift from Ch. 61 to Ch. 20 July 1, going to 1 megawatt. It will serve as proving ground for GE development project to achieve ceiling power with four 30-kw klystrons for picture, 2 for sound (Vol. 11:22). Station now uses 2 GE helical antennas, will modify them for 5 megawatts. Exec. v.p. George Mayoral, ex-GE sales engineer, says he hopes to complete job within a year—though progress depends on GE development program. He and chief engineer Jack Petrik, also ex-GE, will supervise construction.

Equipment shipments: RCA shipped 50-kw transmitter June 7 to upcoming WXEX-TV, Petersburg-Richmond, Va. (Ch. 8), which has Aug. 1 programming target. Durham reports order for 50-kw amplifier from WTVD, Durham, N. C. (Ch. 11).

KSTP-TV, St. Paul has taken delivery of new 4-place Helioplane (cost: \$30,000, speed: 158 mph) which is being used for news coverage and business trips. Pres. Stanley Hubbard, who was World War I flier and a pioneer commercial transport pilot, flies the ship occasionally.



**TOTING UP TRADE LEDGER; LABOR RESTIVE:** Continued strong accent on military and industrial electronics, high optimism on TV-radio sales prospects for rest of year, almost total absence of color enthusiasm (or even interest) -- those were the distinguishing, dominant moods of RETMA's 31st annual convention this week at Chicago's Palmer House. Though official agenda was given over largely to internal matters of reorganization (for details, see p. 11), convention was spiced by glowing report that servicing of TV-radio receivers currently equals or exceeds annual retail dollar volume of receivers themselves, for first time in industry's history (see p. 1).

On debit side of trade ledger were these problems, present and prospective: TV inventories are on the rise at factory & distributor level, standing currently at estimated 2,300,000 at all levels; prices & profits keep going down, average factory price of TV set being estimated at mere \$130 for 12 months ending June 30 (compared to \$145 for calendar 1954 & \$170 for calendar 1953) and factory-to-retail markup down to only 25% from 40% in 1954, 60% in 1953. The one encouraging aspect of inventory picture is that retail stockpiles have been reduced in last 3 months, reversing normal industry pattern for this time of year.

Though serious, these problems were far outweighed by such considerations as the expanding electronics industry at large, in which more-&-more TV-radio firms are participants, both as manufacturers of non-TV electronic equipment and as customers for broadening applications of automation techniques. And they got more statistical evidence, if any more were needed, that the TV-radio receiver boom shows no sign of slackening. Robert S. Alexander, Wells-Gardner pres. & outgoing chairman of RETMA set div., reported that TV production in 12 months ending June 30 will establish all-time record of 8,300,000, with retail sales at 7,900,000.

That set & tube manufacturers think boom will continue rest of year is shown in their informal average "guesstimates" of 7,000,000-7,300,000 black-&-white, 35,000 color sales at retail for calendar 1955, or just about equal to last year's 7,300,000 total. Radio sales this year, they guessed, would be 12,500,000-13,000,000, including 4,500,000-5,000,000 auto sets, compared to total of 10,300,000 in 1954. For 1956, they estimated 6,500,000-7,000,000 black-&-white, 250,000-300,000 color sales.

Color talk was conspicuous by its absence. As figures indicate, manufacturers set little store by color in immediate future -- and they showed no disposition to possibly upset a strong black-&-white market by even going into any public discussion of color. In latter respect, at least, they are being abetted by networks, which are scheduling scarcely any color shows this summer (see p. 3).

Other brief highlights of major trade developments this week:

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**Labor:** It wasn't publicized much, but included in the guaranteed annual wage package granted United Auto Workers by General Motors were its Delco radio division workers represented by IUE. All of which, in opinion of union, has strengthened its hand in upcoming bargaining negotiations with GE, Westinghouse & Sylvania. So intent is IUE on winning annual wage provision that its national leaders are reportedly preparing to negotiate these contracts personally, leaving only ratification to the locals. Up to now, locals have been given broad latitude in negotiating contracts -- and in cases of RCA & Philco, they decided to yield on annual wage provision in exchange for more liberal wage and fringe benefits.

**\$100 Set:** GE's 14-in. table model at \$99.95, which it introduced month ago as its answer to second-set demand (Vol. 11:21), is doing "extremely well" in sales, though full national distribution won't be achieved until July 15, company tells us. Arthur Brandt, gen. sales mgr. of TV-radio dept., said "initial and repeat orders from dealers are magnificent." He reports it's doing well not only in its own right but as a sales magnet for other sets in store. Hallicrafters reportedly will intro-



duce a \$99.95 table model at next week's big furniture marts in Chicago, joining Emerson and Olympic as companies which have same-priced set.

**How's Business?** Pleasant reading, for most part, is "Where Business Is Best in U.S. Now" -- in June 17 U.S. News & World Report. It concludes West & Midwest are booming, sees pickup in New England, tabulates 22 cities in which average worker's income is up vs. year ago in all but one city (Portland, Me.); moderate or slight unemployment in all but 2 (Pittsburgh and Portland, Me. show substantial drops); employment up in 11 cities, down in 11 from year ago; dept. store sales up in all but New York (same), and Milwaukee (down); banking activity up in all but Philadelphia (same), New York (down). "Recession of 1954," magazine concludes, "seems only a distant memory. People are loaded with cash, and in a mood to spend it. Nothing quite like it has been seen before..."

**Job Outlook:** Labor Dept. Bureau of Employment Security reports, on basis of spring survey of 149 market areas, that rise in demand for workers is likely to continue through fall, assuming absence of strikes. As result of job gains already made, 8 major areas were removed from list of labor surplus markets, which had entitled them to special treatment under defense procurement program.

**Production:** TV output reversed 2-week decline in week ended June 10, going up to 110,766, compared to 91,648 preceding week and 110,944 in week ended May 27. It was year's 23rd week and brought production for year to date to 3,370,000, compared to 2,710,000 in corresponding 1954 period. Radio production went up to some 264,054 (137,609 auto), from 206,428 preceding week and compared to 266,946 week before. Radio output for 23 weeks was 6,370,000 vs. 4,540,000 same 1954 period.

**Trade Personals:** Ralph B. Austrian, ex-RCA & Westinghouse, recently with Pereira & Luckman architects, named DuMont west coast mgr., headquartering at 11845 Olympic Blvd., Los Angeles . . . John N. Phillips, mgr. of GE color TV product engineering, named mgr. of product planning, TV-radio dept. . . . Edward R. Taylor, Motorola v.p., represents TV-radio in appliance industry panel discussion June 21 at Merchandise Mart in conjunction with market week . . . A. Brewer Hunt, Canadian RTMA pres. in 1953-54, serving last 18 months as director of electronics branch in Canadian Dept. of Defense Production, returns to his old company, Northern Electric Co. Ltd., Montreal, on special assignment, reporting to M. P. Murphy, v.p. & managing director . . . L. L. Malin, ex-Admiral Pittsburgh factory branch mgr., named regional sales mgr. covering N. Y., Newark, Philadelphia & Altoona, in series of regional sales appointments; C. F. Weeks to cover Los Angeles, San Diego, San Francisco, Sacramento, Fresno & Phoenix; W. F. Hand, ex-Denver branch mgr., covers Denver, Albuquerque, El Paso & Salt Lake City; Joe K. Boone, ex-International Harvester, named north central mgr., covering Indianapolis, Evansville, Ft. Wayne, Louisville & Nashville . . . David P. McIlmoil appointed southwestern sales rep, Westinghouse electronic tube div., Los Angeles . . . Aaron Bowser resigns as Sylvania radio sales mgr. . . . Roger Minthorne Jr. appointed Scott Radio Pacific northwest sales mgr. . . . Wilfred L. Larson, pres. of Switchcraft Inc., Chicago, named representative of Assn. of Electronic Parts & Equipment Mfrs. on Radio Parts & Electronic Equipment Show board, governing body of annual electronic parts show in Chicago . . . George Geich, asst. to exec. v.p. Dorman Israel, has been designated chairman of Emerson Radio's new rotating associates management committee comprising 10 executives below div. chiefs . . . Oliver H. Straus, ex-National Co., elected v.p. of newly-formed Hycon Eastern Inc., Cambridge, Mass. (guided missiles, computers), affiliate of Hycon Mfg. Co., Pasadena . . . Joseph Delaney resigns as mgr. of RCA Victor's "Label X" record dept. to become v.p.-gen. mgr. of Cadence Records, replacing Sam Clark, new head of American Broadcasting-Paramount Theatres' record subsidiary.

H. Leslie Hoffman, pres. of Hoffman Electronics, is new pres. of RETMA's reorganized, unified board, taking over duties performed last year by Max Balcom as board chairman and Glen McDaniel, who gives up presidency but remains as gen. counsel. All other officers were re-elected at 31st annual convention this week at Chicago's Palmér House: exec. v.p. & secy., James D. Secrest; treas., Leslie F. Muter, Muter Co.; engineering director, Dr. W. R. G. Baker, GE; govt. relations mgr., Joseph H. Gillies, Philco.

These div. chairmen were also elected: set, H. C. Bonfig, CBS-Columbia, replacing Robert S. Alexander, Wells-Gardner; tube, Richard T. Orth, Westinghouse, replacing John Q. Adams, CBS-Hytron; parts, Herbert W. Clough, Belden Mfg. Co., Chicago (re-elected); technical products, James D. McLean, Philco (re-elected); military products, T. A. Smith, RCA, replacing A. K. Ward, RCA, chairman of old amplifier & sound equipment div.

Rear Adm. Walter A. Buck, 60, RCA operating services v.p., died June 12 at his home in Wynnewood, Pa., just 10 weeks after the death of his wife. Adm. Buck, ex-head of old RCA Victor div., became pres. of Radiomarine Corp. of America on retirement from the Navy in 1948, having just completed 2 years as Paymaster General and as chief of Bureau of Supplies & Accounts. Graduate of Kansas State U and Harvard Business School, he had joined the Navy as Ensign in 1917. He is survived by 2 sons, both in Navy, Lieut. Walter J. Buck, on duty in Korean waters, and Lieut. (j.g.) John A. Buck. Burial was at Arlington June 17.

Dorman D. Israel, Emerson exec. v.p., July 1 becomes chairman of IRE-RETMA's Joint Technical Advisory Committee (JTAC) for one-year term. An autonomous group, JTAC's function is to examine technical factors in radio communications, advise Govt., industry and engineering profession. Other members: vice chairman Ernst Weber, Brooklyn Polytechnic Institute; Ralph Bown, Bell Labs; Ralph N. Harmon, Westinghouse Broadcasting Co.; John V. L. Hogan, consulting engineer; I. J. Kaar, GE; A. V. Loughren, Hazeltine; Philip F. Siling, RCA.

Emo D. Porro named engineering asst. to Stanford Research Institute director Dr. J. E. Hobson.



**Topics & Trends of TV Trade:** Questionable advertising practices have replaced servicing as the chief complaint of consumers in TV-radio field, says Assn. of Better Business Bureaus on basis of survey of 78 member bureaus released at BBB convention this week in Minneapolis.

Kenneth Willson, national BBB president, reported that complaints about advertising broke down in this order of frequency: comparative pricing, bait ads, layouts involving misleading price in relation to a featured illustration, failure to disclose that models advertised are obsolete, misleading trade-in allowances. Other complaints included use of superlatives, misleading screen size descriptions, false credit terms and deceptive free trial offers.

Willson reported that 26 bureaus have organized programs to control abuses, and 30 more have sponsored fair trade practice codes. At week's end, convention adopted resolution calling for closer cooperation between bureaus, advertisers & media to halt questionable practices.

Note: Federal Trade Commission's trade practice rules for TV-radio merchandising, subject of hearings extending for 3 years, are scheduled for release June 28.

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TV-radio and related firms were prominent among the national advertisers in newspapers in 1954, according to ANPA Bureau of Advertising reports. On its list of 1404 national newspaper advertisers spending \$25,000 or more last year (not counting their local co-op schedules):

Admiral	\$ 439,465	Philco	1,349,976
Alliance Mfg.	79,790	(TV-radio, \$605,164)	
AT&T	85,825	RCA	1,569,702
Avco Mfg. Co.	1,379,852	(TV-radio, \$930,788)	
(TV-Radio, \$396,892)		(NBC, \$10,499)	
Channel Master	40,142	Raytheon	43,726
CBS	406,984	Sentinel	167,464
DuMont	190,786	Sparks-Withington	34,101
Emerson Radio	204,951	Stromberg-Carlson	83,341
GE	3,792,542	Sylvania	789,859
(TV-radio, \$438,602)		(TV-radio, \$557,481)	
Hallcrafters	86,683	Westinghouse	2,184,427
IT&T	700,460	(TV-radio, \$618,479)	
(Capehart, \$85,998)		Zenith Radio	794,015
Packard-Bell	46,129	(TV-radio, \$220,649)	

Note: Among top 100, headed by General Motors (\$37,391,415), Westinghouse ranked 35th, RCA 56th, Avco 66th, Philco, 67th.

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DuMont entered radio & high-fidelity phonograph fields with introduction this week of 2 unpriced table radios, one 3-speed phono console at \$150, one AM-FM radio-phono console at \$275. At same meeting of eastern regional distributors, new line of 16 TV models was introduced, ranging from \$170 to \$500. William C. Scales, gen. mgr. of receiver sales div., said company plans to expand radio line to include clock sets in fall. Company previously had made radios only for incorporation in its TVs. TV line comprises eleven 21-in. sets—\$170, \$180, \$200, \$220, \$230, \$240, \$250, \$260, \$270, \$290, \$320; five 24-in.—\$330, \$340, \$400, \$410, \$500.

Westinghouse's new line, introduced this week for showing at Chicago's furniture marts, features printed-circuit components in 70% of the chassis of more expensive "Riviera" series, mounted on 2 printed circuit boards. Full line ranges from \$140 for brown metal table model to \$490 for 24-in. limed oak combination, latter set being a carryover from old line. The 21-in. series ranges from \$160 to \$370, 24-in. from \$240 to \$490. Less-expensive "Catalina" series has vertical chassis, while "Riviera" sets have front tuning, simplified controls, 90-degree aluminized tube, plug-in all-channel tuner.

RETMA of Canada publishes 5th edition of its trade directory (31 pp.), listing membership by divisions, sources of supply of parts & accessories manufactured in Canada, alphabetical list of foreign manufacturers & their Canadian reps. It's free from RETMA of Canada, 200 St. Clair Ave. West, Toronto.

RETMA-IRE 1955 radio fall meeting is scheduled Oct. 17-19 at Syracuse Hotel, Syracuse, N. Y.

**BUSINESS FAILURES** among TV-radio-electronic manufacturers declined to 26 in year ended April 30, compared with 33 in preceding year. This was stated in report of credit committee to 31st annual RETMA convention this week at Chicago's Palmer House. Of the 26 manufacturers which failed, 12 were components producers, 5 TV-radio set manufacturers, 3 made electronic instruments, 3 phonograph or high-fidelity equipment, 2 recorders, one hearing aids. Average age of these companies was 6½ years.

Committee chairman Edward C. Tudor, pres. of Industrial Development Engineering Associates (I.D.E.A.), stated liabilities of these companies totaled \$14,460,000, compared to \$24,800,000 for the 33 companies in preceding year. Tudor attributed failures chiefly to "poor management," inability of companies to meet competition successfully, and sales below cost or at a price which "could not provide a fair or reasonable profit." Highlights of other RETMA actions:

**Spurious Radiation:** In annual report, outgoing pres. Glen McDaniel said RETMA soon will be able to establish procedure for stamping RETMA seal on each set complying with its radiation standards. Responses of manufacturers to questionnaires on subject have been encouraging, "with a few exceptions," he said.

**Reorganization:** As predicted (Vol. 11:23), RETMA was reorganized, with abolition of separate electronics industry & TV-radio industry committees and return of their functions to single board, creation of military products div., reallocation of directors among 5 divs., consolidation of amplifier & sound equipment div. as section within technical products div.

**Promotion:** Advertising & public relations committee approved plans for National Radio & TV Week Sept. 18, endorsing promotional kit with theme "For Better Home Entertainment." NARTB and NARDA are also participating in public display of sets (Vol. 11:3).

RETMA treas. Leslie F. Muter was presented 1955 "Medal of Honor" at banquet June 16. In presenting award, outgoing board chairman Max Balcom pointed out that Muter attended old RMA's first organization meeting April 18, 1924 and the first meeting June 23 when first by-laws were adopted.

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Control of Webster-Chicago Corp. is being acquired by Chicago industrialist Titus Haffa, who has added to his holdings more than 40,000 shares purchased from founder-chairman R. F. Blash, now in virtual retirement. Haffa becomes acting chairman, is said to be considering making offer to purchase all other outstanding stock. He and family own Dormeyer Corp., big Chicago appliance manufacturer, and Haber Corp. (screw machine products), among other companies. Webster-Chicago in 1954 earned net of \$564,198 (\$1.09 on 519,794 shares) on sales of \$31,746,046; this compared to \$927,162 (\$1.87) profit on \$27,757,891 in 1953 (Vol. 11:15).

American Television & Radio Co., 300 E. 4th St., St. Paul, Minn. (Albert A. Goffstein, pres.), manufacturers of auto radio vibrators since 1931, is now producing line of custom full-door console TVs under own ATR brand, will show sets on 17th floor of Chicago's American Furniture Mart next week.

Magnavox to introduce its first color set, a 21-in. console called Magnacolor, at Chicago marts June 20-July 2, along with 2 full-door 24-in. black-&-white consoles at \$425.

Battery-operated radio-phono combination, priced at \$60, was introduced this week by RCA, along with 3 conventional phonographs at \$15, \$30 & \$40.



**Financial & Trade Notes:** Storer Broadcasting Co. was approved for listing on N. Y. Stock Exchange this week, will be traded there from July 5. In June 14 letter to shareholders accompanying 35¢ dividend (upped from 30¢), pres. George B. Storer explained changes in capital structure that make \$1.40 annual rate possible:

"Through the sale of 262,750 shares of common stock to the public, \$4,000,000 in bank indebtedness was retired and all of the 7% preferred stock, amounting to \$1,500,000 [held mostly by Jefferson Standard Life] was called for retirement. In addition, interest on the balance of the company's bank loans was reduced voluntarily by the 4 participating banks: the Society for Savings, Cleveland, Chase Manhattan Bank of N. Y., Bankers Trust Co. of N. Y. and National City Bank of Cleveland. Your management believes that these savings, amounting to \$352,500 per year, should be passed on promptly to the holders of the company's common stock."

First quarter earnings after all charges, states letter, were \$811,989 (\$1.44 a share) including \$143,912 increased depreciation authorized under 1954 code, as against \$803,235 (\$1.43) in same 1954 quarter. [For table of previous years' quotes and earnings, see Vol. 11:18.] Letter continues:

"A slight recession occurred in some areas served by our stations during the latter months of 1954 and during the first two months of 1955, but there has been substantial improvement in March and April of this year. While there has been some concern over the future of radio broadcasting within the industry, our company's radio stations are now completing a period of adjustment which, we believe, has put them on a sound basis to operate successfully under today's conditions.

"Your company is rapidly equipping its television stations for color telecasting. However, there is much to be learned in this field and expenses involved for both equipment and experimenting are substantial. Nevertheless, our management believes that color receivers will soon be purchased by the public in sufficient quantity to warrant your company's preparing itself to provide color telecasting service to these purchasers."

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**DISTRIBUTOR NOTES:** RCA appoints M. E. Silver Corp., Motorola's Rochester, N. Y. outlet, replacing own subsidiary branch; RCA also appoints Ryan Supply Co., Emerson outlet in Jackson, Miss. (Thad Ryan, owner) . . . Motorola appoints Bristol Distributing Co., Fargo, N. D. (Howard Bristol, pres.), replacing Fargo Glass & Paint Co. . . . Stromberg-Carlson appoints Mechanical Engineering Corp., Norfolk, and Southern Electric Corp., Staunton, Va. . . . Hallicrafters appoints Frank Millman Distributors, 121 Clinton Ave., Newark . . . DuMont reports resignation of H. Joseph Sarlin, ex-gen. sales mgr. of its N. J. factory branch, replaced recently by Igoe Bros., Newark . . . Times Appliance Co., N. Y., Westinghouse distributing subsidiary, names C. J. Ward v.p.-gen. mgr., succeeding Col. Arthur F. Callahan, retired . . . B. T. Crump Co., Richmond (Philco) appoints L. McCarthy Downs exec. v.p. & gen. mgr. . . . Emerson Radio of Pennsylvania appoints Samuel Gershman v.p. . . . G. W. Onthank Co., Des Moines (Admiral) promotes Harold L. Haff to gen. sales mgr. . . . Olympic of Pittsburgh appoints I. A. Frankel gen. sales mgr. . . . Westinghouse Electric Supply Co. reports resignation of Wm. Constance as mgr. of Vernon, Cal. branch.

Indiana Steel Products Co. net profit was \$195,741 (69¢ a share) for quarter ended March 31, reports pres. Robert F. Smith, taking into account 2-for-1 split approved last Feb. 15. Working capital went up to \$1,504,320. In same 1954 quarter, profit was \$203,018 (\$1.43).

Philco Corp. profit-sharing plan, which holds more than 10% of company's outstanding common stock, purchased 3100 more shares in May, bringing total holdings to 522,857 shares. Other advance reports on May transactions involving officers & directors: Percy M. Stewart sold 1000 DuMont "A," now holds 1000; Herbert J. Allemang bought 5000 National Union Electric Corp., holds 8000.

Among officers' and directors' stock transactions reported by SEC for April: H. Webster Crum bought 400 Avco, holds 400; Benjamin H. Namm sold 4400 Avco, holds 1912; James B. Conkling bought 100 CBS "B," holds 100; Wm. C. Decker sold 3000 Corning Glass, holds 10,118; Amory Houghton sold 30,000 Corning Glass personally and 147,500 thru trusts, holds 57,687 personally and 1,577,500 thru trusts; Arthur A. Houghton Jr. sold 52,500 Corning Glass personally and 154,950 thru trusts, holds 315,680 personally and 1,614,490 thru trusts; Alfred H. Avery sold 2333 Electronics Corp. of America, holds 164,334; John A. Long sold 22,333 Electronics Corp. of America personally and bought 20,000 thru family trust, holds 144,334 personally and 20,000 thru family trust; Wm. Rogers Herod sold 600 GE, holds 4938; Robert Parton bought 1506 GE, holds 7621; R. W. Turnbull bought 1044 GE, holds 3891; Walter E. Green sold 500 General Precision Equipment, holds 2855; Wilfred M. McFarland bought 100 Hazeltine, holds 210; C. E. Underwood sold 100 Hoffman Electronics, holds 4900; Frank M. Freimann bought 500 Magnavox, holds 49,285 personally and 29,484 thru trust; John Rovellstad bought 500 Oak Mfg. Co., holds 3055; Elof Sandstrom bought 1000 Oak Mfg. Co., holds 6511; James M. Skinner Jr. sold 8000 Philco, holds 8670; Leslie J. Woods sold 200 Philco, holds 7693; Robert L. Werner bought 200 RCA, holds 345; Norman B. Krim bought 1500 Raytheon, holds 1830; Harold C. Mattes sold 600 Raytheon, holds 8634; E. F. McDonald Jr. bought 500 Zenith, holds 10,462 personally and 31,931 thru holding company.

Underwriting of National Telefilm Assoc. public offering of 312,500 shares of common stock at \$5 per share (Vol. 11:22) has been completed, with check for \$1,328,125 turned over to NTA pres. Ely Landau by underwriter Charles Plohn. Company will apply shortly for listing on American Stock Exchange. It's 65% owner of GE-supported National Affiliated Television Stations Inc. (NATS), which has been set up to help stations achieve profitable operations (Vol. 11:14).

Armed Forces Communications & Electronics Assn.'s new officers: George W. Bailey, pres.; Maj. Gen. James D. O'Connell, 1st v.p.; Rear Adm. Henry C. Bruton, 2nd v.p.; Maj. Gen. Gordon A. Blake, USAF, 3rd v.p.; W. W. Watts, RCA, 4th v.p.; Brig Gen. George W. Goddard, USAF (Ret.), 5th v.p.; Frank W. Wozencraft, counsel; George P. Dixon, exec. v.p.

James H. Goss elected pres. of Canadian GE, succeeding Harold M. Turner, who moves up to chairman. Harold H. Miller, gen. mgr. of room air conditioning dept., succeeds him as mgr. of home laundry dept., Louisville; Paul M. Augenstein promoted to succeed Miller.

Erie Resistor Corp., which paid 10¢ common stock dividend in March, took no action last week on second quarter dividend, though declared regular quarterly 30¢ on preferred payable June 15 to holders June 10.

Norden-Ketay Corp. has made agreement to acquire all stock of Scientific Specialties Corp., Boston (precision instruments), which will continue to be headed by its present pres. Dr. Roland B. Holt.

Dividends: Motorola, 37½¢ payable July 15 to stockholders of record June 30; Packard-Bell, 10¢ July 25 to holders July 1 (raised from 5¢).



**Electronics Reports:** Air Force again denied this week that its weapon system concept will be used to detriment of established electronics industry (Vol. 11:7, 17, 21, 23). Addressing RETMA membership luncheon June 15 in Chicago, Lt. Gen. C. S. Irvine, Air Force deputy chief of staff, materiel, outlined these techniques used by Air Force to prevent weapon system management contractors (usually aircraft manufacturers) from taking over development and production of parts or sub-systems from other industries:

"(1) We review the system contractor's proposal [to] determine those items to be furnished by the prime contractor, by the associate contractor and by the Air Force. (2) During negotiations with the weapon system contractor we closely examine the proposed subcontract structure to assure that a substantial spread of subcontracting is planned. (3) We insert a clause in the contract to the effect that the contractor is not to deviate from the subcontract structure agreed upon in negotiations without prior written approval of the Air Force. (4) We then require that Air Force prime contractors implement their own programs to discharge these contractual responsibilities. This insures that a company follows both the letter and the spirit of our subcontract philosophy. Our goal is to encourage subcontracting."

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Machine that actually reads numbers was unveiled in New York this week by Burroughs Corp., which built it, and First National City Bank, which is field testing prototype model. It's claimed to be "first workable equipment to read directly from a source document without the need for human intervention or an intermediate coding operation." Bank is using device to read serial numbers on travelers' checks, in place of human punch-card operators. Machine consists of scanning device and punching machine connected by cables. Its 7200-check-an-hour rate is about the capacity of 10 skilled card operators, and the bank says traditional error factor of 1% has been reduced to "considerably less than 1/10 of 1%."

Automation and its effects on design in communications is topic of speech by Sol Cornberg, NBC director of studio & plant planning at June 13 meeting of International Design Conference in Aspen, Colo. He designed the sets for *Today*, *Tonight*, *Home* shows, helped design NBC's "Color City" in Burbank, Cal., has book titled *Television Techniques* soon due from Harper & Bros.

Color radar for civilian use will be tested at CAA's Technical Development & Evaluation Center at Indianapolis this year on "simulator" which reproduces traffic conditions around an airport. Due to be installed there is radar set built by Gilfillan Bros. and incorporating Lawrence tube. Color radar was first demonstrated to public early this year (Vol. 11:5).

Built in 1913 by old Marconi company, once nation's most powerful Trans-Atlantic wireless station, the RCA radio plant on Canal Road, New Brunswick, N. J., has been dismantled and equipment moved to Rocky Point, L. I., and 850-acre area has been sold to a realtor.

Sylvania plans new factory in Amherst, N. Y., suburb of Buffalo, for electronics systems div., turning out military & industrial electronics products.

D. R. Tashjian appointed mgr. of engineering, Westinghouse electronics div., Baltimore, replacing F. S. Mabry, now consultant to div. mgr.

J. H. Compton, stationed in London since 1951, elected v.p. of Westinghouse Electric Co. of Europe, headquartering in Paris.

Dr. Harris M. Sullivan, ex-v.p. of Central Scientific Co., Chicago, named mgr., GE electronics lab, Syracuse.

Station in trouble: San Francisco's KQED (Ch. 9, educational) undertook what it plainly labelled a "do or die" campaign for public contributions this week—otherwise it must sign off by June 30, just 15 months after debut. It seeks \$65,000 to continue 13-man staff, having operated first year on less than \$114,000, and gen. mgr. James Day states that this will give it "breathing spell" of at least 6 months during which it can develop new finance program. If appeal fails, it would be second of 14 educational TVs thus far undertaken which had to give up ghost—other having been USC-affiliated uhf KTHE, Los Angeles (Ch. 28) which had to quit last year after Allen Hancock Foundation withdrew financial support (Vol. 10:32, 43). San Francisco area's commercial KRON-TV, KPIX, KGO-TV & KOVR (Stockton) are donating spots & short shows for fund appeals for station.

"Instruction by TV is much more effective than actual live instruction" for some young soldiers with below-average intelligence. This finding was reported by Maj. Gen. K. F. Hertford, chief of Army research & development in testimony released recently by House Appropriations subcommittee. Said Gen. Hertford: "This could be a reflection of our modern life where these youngsters are taken into the Army and have been used to being glued to a TV screen. They concentrate more when they see something on TV than if they are behind the barracks and a man is actually showing them how to do things. [This discovery] has given us leads in mass training where we do not have sufficient instructors." He added that men who will not look at a training film "will look at a TV screen."

Ford Foundation's Fund for Adult Education contributed more than \$4,600,000 to educational TV in year ended June 30, 1954, it discloses in annual report just released. Of that sum, \$3,000,000 was granted to Educational TV & Radio Center at Ann Arbor; about \$100,000 each to 8 educational stations on air at that time; \$507,000 to American Council on Education (Joint Committee on Educational TV); \$81,000 to National Assn. of Educational Broadcasters. Funds spent for *Omnibus* (CBS-TV) are covered in annual report of Ford's TV-Radio Workshop, not yet released.

Stanford U's Radio-TV Institute conducts 13th annual summer session June 27-Aug. 23, in cooperation with KPIX, educational KQED & radio KNBC. Institute offers four \$100 scholarships presented by KPIX gen. mgr. Philip G. Lasky, based on scholarship, need of assistance & possible future contribution of student to TV-radio. Tuition fee is \$250 for credit students, \$170 for non-credit students. Admission application should be addressed to Prof. Norman Philbrick, acting executive head, Stanford U dept. of speech & drama. Enrollment is limited to 75.

Educational WQED, Pittsburgh (Ch. 13) will offer summer high school courses for 6 weeks starting June 27, giving students chance to earn credit for courses failed during regular school year. Pittsburgh high schools have discontinued summer courses because of lack of funds.

Sources of TV interference, listed by British Post Office on basis of complaints investigated last year, shows electric sewing machines leading list. Of 83,514 individual complaints, Post Office found sewing machines at fault in 8956 cases; hair driers were second with 6954, then power lines 3789, vacuum cleaners 3269, incandescent lamps 2569, drills 2492. Biggest source of interference to AM sets was radiation from TV receivers.

New 1955 "BBC Handbook," 224-page book explaining structure and functions of British Broadcasting Corp., plus review of its 1954 activities, is available from BBC, International Bldg., 630 Fifth Ave., N. Y.



Reasons for swap of TV-radio stations in Philadelphia and Cleveland, between NBC and Westinghouse (Vol. 11:22), were outlined in application for transfer filed with FCC this week. In the exchange, NBC would get Philadelphia's WPTZ & KYW, while Westinghouse would acquire Cleveland's WNBK & WTAM, NBC paying \$3,000,000 into the bargain. NBC told Commission: "The economic health of a company in the network business has been dependent on profits from some other source. This is the ownership of stations," indicating that Philadelphia outlets offered prospects of greater profits. Westinghouse stated that NBC initiated swap; that NBC had been offered another Philadelphia station but preferred to acquire Westinghouse's. Westinghouse added: "The acquisition by NBC of its own radio and TV stations in Philadelphia would have meant the end of NBC affiliation with the Westinghouse stations . . . Westinghouse could have (a) retained its stations in Philadelphia, operating them with substantially reduced income without NBC affiliation and possibly on an independent basis, or (b) transferred the Philadelphia stations to NBC and acquired and operated stations in another locality . . . Westinghouse made this business decision in the belief that the ownership and operation of stations in Cleveland, with NBC affiliation, was of greater benefit to Westinghouse and the public than the ownership and operation of stations in Philadelphia without network affiliation."

Trans-Canadian TV microwave, reaching 3800 mi. from Sydney, N. S. to Vancouver, B. C. is due for completion early in 1958 at cost of \$40-\$50,000,000. It's being built by Trans-Canada Telephone System, a combination of Govt. and private telephone companies. Built and now in use is section from Windsor, Ont. to Quebec, Que. Next is 1200-mi. Toronto-Winnipeg link due for fall 1956, 800-mi. Winnipeg-Regina-Calgary section early 1957, 710-mi. Quebec-St. John-Sydney link mid-1957, 580-mi. Calgary-Vancouver section early 1958. Approximately 140 relay stations will be required. Initially, 2 TV channels in each direction will be available—but only one of each will be used, other employed as emergency standby. In addition, some 120 phone circuits will be provided.

Heavy support for CBS pres. Frank Stanton's proposal for "Lincoln-Douglas" debates on TV by presidential candidates (Vol. 11:21, 23) came this week from newspapers in key metropolitan cities, as Chairman Harris (D-Ark.) of House transportation & communications subcommittee introduced bill for necessary amendments to Communications Act (HR-6810). Harris didn't specifically endorse bill, but said he felt it deserved "careful consideration." Amendment to Communications Act would permit networks and stations to have political candidates as guests on news shows, documentaries, panels, etc., without being subject to equal time provisions. Meanwhile Senate Rules Committee, by 5-3 vote (Democrats in favor, Republicans against), approved increase in political spending ceilings—largely resulting from cost of TV time (Vol. 11:16-18). Measure would raise ceiling for national committee spending in presidential elections from \$3,000,000 to about \$12,000,000, with Senatorial and Congressional limits raised correspondingly.

Latest community antenna system: Entron pres. H. M. Diambra reports that system in Midland, Ontario, on Georgian Bay, got big sendoff recently, including film coverage by WGR-TV, Buffalo and 8-p. special section in local *Free Press Herald*. Pres. of operator Tower TV Ltd. is W. H. Pinchin; v.p. is W. H. Cranston, publisher of *Free Press Herald*. Bell Telephone of Canada is handling wiring.

Next Armed Forces TV stations: Dharan Airport, Saudi Arabia, due to start July 1; Kindly Air Force Base, Bermuda, July 3; Okinawa, Aug. 15.

Subscription TV front: (1) Though most major principals in case want delay in filing reply comments, now due July 11, efforts to seek postponement fell through this week. Almost all parties had agreed to ask for delay until Sept. 15, but attempts to file unanimous request failed, and none wanted to go to Commission alone. (2) CBS released Elmo Roper survey showing that 62% of Columbus, O. families oppose pay-as-you-look under "most favorable circumstances," and that 93% oppose it if they'd be charged for all programs. Some 65% of interviewees said they'd vote against authorizing toll TV. (3) Jerrold Electronics Corp., which claims it can break any scrambled code, showing feasibility of widespread TV "bootlegging," is preparing to tell FCC it's ready to demonstrate that fact—and to show wired system is the only practical method of distributing pay-TV programs. (4) Rep. Emanuel Celler (D-N. Y.), chairman of important Judiciary Committee, is first congressman to come out publicly with strong opposition to tollvision. June 18 N. Y. *Herald Tribune* carried letter in which he expressed concern over pay-TV's possible effects on free TV, low-income families, etc., concluding: "I shall continue to oppose all efforts to foist fee TV on the American public."

Trade name "Ampar" will shortly herald entry of American Broadcasting-Paramount Theatres Inc. into phonograph record field, as forecast (Vol. 11:16). Subsidiary will be headed by Sam Clark, ex-gen. mgr., v.p. & co-founder of Cadence Records. Earlier plans to buy out an existing company have been abandoned; new firm will be backed by "ample resources" of parent TV-radio-theatre company, which presumably will extend its Walt Disney ties into recording field, will issue disks in all 3 speeds and all classifications, contracting the pressing to custom manufacturers at first. Said AB-PT pres. Leonard Goldenson: "The new record company will seek, at once, to enlist under its label the very finest of artists . . . we will not enter the market in strength until about the first of the year but we expect to 'be in business' in several months in the children's and package-goods fields." Note: AB-PT also is negotiating to purchase Baird Electronics, Cambridge, Mass., manufacturers of physical optics, spectrographs, etc. Company also is noted for its transistor-circuitry research.

Hearing on amendment to "protest" section of Communications Act (HR-5614) is scheduled June 22 by House transportation & communications subcommittee under Rep. Harris (D-Ark.). Subcommittee hasn't released list of witnesses yet, but only groups known to be preparing to appear are FCC (favoring measure) and Federal Communications Bar Assn. (which won't take decisive stand). Senate communications subcommittee under Sen. Pastore (D-R. I.) will probably hold hearings on similar bill (S-1648) week of June 27. Because of strong Congressional pressures for quick final decisions, amendment has good chance of passage.

Injunction to block sale of radio WMFJ, Daytona Beach, has been sought in Deland, Fla. by TV-radio producer Ted Granik and attorney Wm. Cook, both of whom are part owners of WJNO-TV, Palm Beach. They contend that seller W. Wright Esch has broken contract to sell station, with CP for WMFJ-TV (Ch. 2), to them. Price was to be \$7000 yearly for life of Esch and his wife, who are around 60. Esch is going ahead with construction of TV, having changed call recently to WESH-TV.

TV history will be made when Soviet Foreign Minister V. M. Molotov is questioned by newsmen on CBS-TV's *Face the Nation* Sun. June 26, 4:30-5 p.m. Originating from San Francisco, show marks first time a Russian official has submitted to newsmen's questions on TV panel program. It'll be recorded for CBS Radio same night, 10:05-10:30 p.m.



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**SUMMARY - INDEX OF THE WEEK'S NEWS—June 25, 1955**

**FEWER THAN 250 NEW STATIONS**, beyond today's 433, seen likely by CBS—as it attacks pay-TV proponents' promises of stimulated expansion (p. 1).

**PAY-TV PIQUES POLITICIANS**, Reps. Celler and Chelf introducing opposing bills, most Congressmen dubious; latest moves in "Tollvision War" (pp. 2 & 5).

**ALLOCATION REVIEW** in light of vhf-uhf problems is started by group of top engineers, headed by MIT Prof. Edward Bowles, for Senate investigators (p. 3).

**MOVIE COMPANIES'** network shows cause concern: Having failed to lick TV, is Hollywood now trying to take it over? Free plugs, program control are issues (p. 4).

**HOLLYWOOD LINEUP:** MGM is latest to sign network pact; all other major producers are listed, with their present and future TV activities spelled out (p. 5).

**\$8400 RATE ON WRCA-TV**, highest on record, was \$6200 year ago; new Class AAA 20-sec. spot is \$2050 net, 10-sec. \$975 net; color rates, too (pp. 7 & 15).

**MORE STEP-UP MODELS**, more at \$100, top-tuning, side-tuning, color plans noted at Chicago marts; Philco convention to reveal its models, plans (p. 11).

**BILLS TO PROTECT NEWSPAPERS** and TV-radio stations from discrimination by FCC in grants introduced in Congress; "protest" amendments debated (p. 8).

**ANOTHER TV CODE:** Britain's new rules for TV commercials protects parents against nagging by kiddies, OK's liquor ads, may let bookies on TV later (p. 9).

**DES MOINES' KRNT-TV** gets under way as Ottawa's French outlet gets started; next will be Notre Dame's uhf WNDU-TV; other upcoming reports (p. 10).

**CEILING & FLOOR** of station power extended by FCC, which finalizes rule permitting powers as low as 100 watts, proposes to raise uhf to 5000 kw (p. 10).

**SENATE PROBERS** to "farm out" most of TV study to expert groups, Magnuson says, to be climaxed by autumn "legislative, not investigative" hearings (p. 16).

**FEWER THAN 250 NEW TV STATIONS IN SIGHT:** Overlooked in the hurly-burly of deadline filings in the subscription TV case June 9 (Vol. 11:24) was an intriguing analysis in CBS's printed comments (pp. 40-42) -- relating to prospects of increase in number of TV stations in the U.S. CBS researchers, who have an enviable record of coming up with right answers, dating from the time present pres. Frank Stanton headed the dept., conclude that only 673 stations are in sight, due to economic limitations.

The 673 include the 433 now in operation as well as prospective new starters emerging from CPs still outstanding and applications still on file at FCC.

Our own records indicate CBS may be over-generous, for the immediate future at least, assuming TV installations and operation continue so costly as to preclude the small-town and sparsely-settled-area outlets commonplace in radio. For example, only 26 stations began this year to date, while 16 quit the air. Of the 157 CPs outstanding, only about 30 are due to start before end of 1955 -- and quite a few never will be built. Furthermore, there will certainly be more casualties. And the application backlog has been reduced drastically, while new applications are now rare.

\* \* \* \*

Though designed to refute arguments of subscription-TV proponents, the CBS analysis is provocative from standpoint of TV economics -- wholly apart from pay-TV angle. Its thesis is that no great increase is likely -- toll TV or no toll TV. Here's how CBS-TV Research arrives at that conclusion:

(1) More than 97% of U.S. population is now within range of TV signals.

(2) Of 1838 channel assignments allocated in FCC plan, 589 are now in use, or will be used by existing CP-holders or applicants -- leaving 1249 unused.

(3) Of the 1249 unused channels, 1074 are in areas now served or about to be served. The 175 left "are all in thinly settled areas not likely to support a TV station." Even the FCC has said, in report to Senate, that it isn't Govt.'s function "to create TV services where there is no demand or economic basis [for them]."



(4) Of the 1074 unused channels in areas now served, 809, almost all uhf, "are in communities served by stations in adjacent larger communities. Pay TV would reach these areas in the same way that free TV now reaches them. The same factors which make it profitable for an advertiser to utilize a New York station -- for instance, to serve Stamford, Conn. -- would operate in the area of pay TV."

(5) Of remaining unused channels, 181 are uhf in cities which are vhf-only. "It is a gratuitous assumption," CBS asserts, "that the uhf problem can be solved by persuading the set owner to bear the cost of not one but 2 additional devices on his vhf set. Again the same economic factors which induce the use of vhf stations for advertising programs would be operative for pay-TV programs."

(6) This leaves mere 84 channels, CBS says -- 19 vhf in vhf-only cities, 22 uhf in uhf-only cities, 43 uhf in vhf-uhf cities. CBS's conclusion: "It has not been demonstrated that pay TV would bring about a more rapid utilization of these 84 channels; even if it were wholly successful in doing so, it would bring an additional service to only a limited number of areas, all of them already served, at the price of the sacrifice of the nation's system of free TV."

\* \* \* \*

Note: We again urge you to read, unhurriedly, full texts of the comments filed by at least the major parties in the fee-TV proceeding. The skill and experience that went into their preparation has produced some of the finest analyses of TV to date -- economic, program, historical, political, legal. Regardless of your stand on toll TV, there's something in them for everyone. Our Special Digest of all the comments, published June 11, tells you where to write for original texts.

**POLITICOS FIND PAY-TV JUICY ISSUE:** Arena for subscription-TV fight began to shift from the FCC to Congress this week -- a move long expected. The net result will be to diminish chances of pay-TV approval -- for the simple reason that the popular vote-getting stance is to oppose it (Vol. 11:24).

Delay in final decision on pay-TV is also implicit in the Congressional agitation. But substantial delay is in prospect anyway, since all major parties except NBC asked FCC to postpone from July 11 to Sept. 9 the deadline for additional formal comments. Theatres' Joint Committee based petition on the tremendous volume of work involved, was joined by ABC, CBS, NARTB, Skiatron, Telemeter, Zenith. Of the majors, only-NBC abstained. FCC is certain to grant postponement.

First to introduce a bill was Rep. Celler (D-N.Y.), chairman of the important Judiciary Committee, whose HR-6899 would prohibit stations or their agents from charging for programs. He doesn't think toll TV has a chance, telling us:

"I'm in no hurry for hearings on the bill. I don't think there will be need for any, because I don't think the FCC could possibly approve subscription TV. I don't know where anyone got the idea the public was in favor of it. The reaction to my bill has been tremendous -- about 30-to-1 endorsing it -- and I know most of my colleagues go along with me."

Counterattacking Celler bill, Rep. Chelf (D-Ky.), also a member of Judiciary Committee, promptly introduced HR-6913 to forbid FCC from deciding the fee-TV issue against "the expressed will and desire of the people," and directing Commission to solicit public opinion via letters, cards, telegrams, etc. In June 21 speech to House, Chelf complained about summer TV fare, said he favors letting public have a chance to pay for something better, declared "I do not advocate pay TV," concluded "some form of 'pay-as-you-see' TV is inevitable." He told us he'd like to see tests conducted all over country, including such cities as Louisville and Nashville.

When reminded that FCC mail is now running overwhelmingly against pay TV, Chelf said: "I'm sure the commissioners can judge pressure mail and form letters. We can. We get them all the time." Theatre exhibitors Trueman Rembusch and Alfred Starr, speaking for Organizations for Free-TV, were delighted with Chelf, stating: "The quickest way to kill pay-to-see TV for once and for all is to subject the question directly to the people." They said they're already thinking of ways of getting the issue on ballot in regular elections.



If final decision is to hinge on expressions of public opinion, the networks' current announcements of lavish fall program schedules (see p. 4 & Telecasting Notes, p. 9) are certain to have a powerful effect.

Chairman Percy Priest (D-Tenn.), of House Interstate Commerce Committee, has no desire to get his group into the act yet, saying: "I don't think it's a legislative problem at this time. I have no intention of holding any hearings on it in the near future. The Commission should finish its consideration first, and I'm keeping a completely open mind on the subject until it does."

Similar position is taken by Sen. Magnuson (D-Wash.), chairman of the Senate Commerce Committee, who says that he may look into pay-as-you-see TV next fall "if the Commission hasn't resolved the question by then."

Additional Congressional objectors: Sen. Welker (R-Ida.) had reprinted in June 20 Congressional Record a long editorial blasting toll TV, written by James P. Gossett, of Gooding (Ida.) Leader. Rep. Bass (R-Tenn.) said that pay-TV would discriminate against low-income groups; that all his mail on subject is in that vein.

This week's activity is undoubtedly just the beginning. More bills and speeches can be expected -- predominantly in opposition to tollvision.

[For other subscription-TV activity this week, see p. 5.]

**AN ALLOCATIONS STUDY 'AT THE SUMMIT':** Senate investigators have given carte blanche to a group of nation's top allocations & communications engineers in their attempt to re-evaluate FCC's TV allocation plan in light of vhf-uhf problems.

This is first of series of "expert" groups due to tackle knotty TV issues for Senate Commerce Committee, according to Chairman Magnuson, who expects hearings next fall to receive summation of findings (see separate story on p. 16).

The high-powered ad hoc engineering committee met for first time June 21 with Magnuson and other Senators and staff members. Following the meeting, Magnuson made it clear he had torn up his original "assignment sheet" (Vol. 11:25) and decided to let the engineers work out their own agenda, goals, timetable, methods of study.

Committee is headed by Prof. Edward Bowles of MIT, who from 1942-52 occupied high posts in War & Defense Depts. including 2 years as scientific warfare advisor to Defense Secy. He's generally regarded as an outstanding choice, an impartial chairman highly respected in industry, Govt. and education.

Philco research director Donald G. Fink was elected secy. He's former editor of Electronics Magazine and veteran of such far-reaching industry technical projects as NTSC, the Condon ad hoc committee on color TV and Joint Technical Advisory Committee's study on spectrum conservation. Other engineers attending first meeting:

Haraden Pratt, IRE executive secretary and former telecommunications advisor to President Truman; Dr. Allen B. DuMont & Robert Wakeman, DuMont allocations engineer; Washington consulting engineers C.M. Jansky & Stuart Bailey; NBC allocations expert Wm. Duttera; ABC engineering v.p. Frank Marx; CBS engineering v.p. Wm. Lodge; Westinghouse Bcstg. engineering v.p. Ralph Harmon; Washington consulting engineer T.A.M. Craven; FCC Broadcast Bureau chief Curtis Plummer.

Group made no decisions at first meeting, hasn't yet mapped out program. It will delve deeply into allocation principles, criteria, etc. A fact-finding group, it's not expected to come up with any "recommendations" as such, will leave that to Senate Committee. Engineers will meet infrequently, do much of work by correspondence, each member to be assigned specific fact-finding tasks.

\* \* \* \*

No "freeze" on FCC actions with regard to uhf problems is contemplated while ad hoc committee conducts its study. In press conference following engineers' first meeting, Sen. Magnuson made it clear he wants Commission to continue its case-by-case consideration of deintermixture petitions.

The Commission will hold first oral arguments on deintermixture Mon. & Tue., June 27-28, involving Peoria, Evansville, Madison, Hartford, Albany. Total of 33 parties will participate, each being allowed 20 minutes for argument.



**THE TV-MOVIE 'MARRIAGE'—WHO'S BOSS?** Three short years ago, 20th Century-Fox pres. Spyros Skouras called TV the "enemy" of the movies (Vol. 8:14) and his confreres in the then depression-ridden cinema world echoed his sentiments. To which the TV industry replied: "We need you -- and you can't lick us; so why not join us?"

Today, Mr. Skouras is making TV films and is being paid to turn out an hour-long network show beginning next fall. Every major movie producer is now in TV -- made unanimous by the announcement this week of MGM's new half-hour series on ABC, beginning next season. Hollywood's philosophy has changed. Attitude now appears to be: "No, we can't lick 'em; but maybe we can take 'em over."

[For list of major movie producers and their new TV activities, see p. 5.]

\* \* \* \*

Hollywood has found TV and movies are truly interdependent. And the TV industry, which for years has been crying out for Hollywood's properties and know-how, is beginning to discover that if it's not careful it may be taken for a ride.

It's evident that Hollywood didn't marry for love. Considering that the movie industry was depending on candy and popcorn sales 3 years ago, it's extracting a terrific price for its part in the partnership. As regards spate of new studio-owned shows which debut next fall, 2 potential pitfalls are evident:

(1) Though they're traditionally big advertising spenders in other national media (except radio), the movie producers are buying absolutely no network TV time. Yet they get about 8 minutes of advertising during each hour of the forthcoming new programs -- before large audiences in prime time, paid for by another sponsor -- to tell viewers, in effect, "turn off your set and go to the movies." They're making great capital of it, too. For example, Loew's Inc. pres. Nicholas Schenck stated:

"Here at MGM we have made a study of TV and have in mind the point-of-view of motion picture exhibitors. We are now evolving a program which will be good popular entertainment and will serve the mutual interests of our customers and ourselves. A portion of our MGM Parade will be devoted to information about the studio's forthcoming pictures to be played exclusively in motion picture theatres."

(2) Assuming the programs are successful (the "movie touch" isn't necessarily magic -- there are plenty of turkeys in theatres, too), will this new TV-movie affinity take control of top programs out of hands of the networks? Except for Disney-ABC joint ownership of Disneyland, no details of network-movie producer contracts have been released. If trend to movie package shows results in Hollywood control of many top programs, it's fair to ask: Have the networks paid too high a price? They should recall only too well their bitter experiences in radio's heyday when the ad agencies controlled most programs. We remember their vows not to let it happen in TV.

\* \* \* \*

An entirely different kind of offshoot of the TV-movie mating is the promise of the biggest spectacular of them all -- a 3-hour color premiere of one of the most important British films in years, produced at cost of \$2,000,000.

Paying \$500,000 for one-shot rights to Alexander Korda's forthcoming picture "Richard III" (Laurence Olivier, Ralph Richardson, Cedric Hardwicke, John Gielgud, Claire Bloom), NBC will show film immediately before its U.S. theatrical release, which will be on 2-a-day, advance price roadshow basis. This is second premiere of a new Korda film planned by NBC -- first being Rex Harrison's "The Constant Husband" (for \$200,000), due to be shown on color TV Oct. 9 (Vol. 11:23).

Actions speak louder than words, and NBC's expensive burst of programming innovations obviously is aimed not only at recouping billings leadership from CBS, but -- perhaps more important -- at answering fee-TV partisans in language everyone can understand: "Free TV is giving the public first-run movies (Richard III, The Constant Husband), hit Broadway-cast plays (Peter Pan, Saint of Bleecker Street, One Touch of Venus, Skin of Our Teeth) and lavish original productions (spectaculars). So what else can you give them, besides a coin box?"

Note: Latest telecast of a stage success from Broadway -- CBS-TV's June 22 one-hour adaptation of "Three for Tonight" -- was another smash hit, drawing acclaim from critics. It ought to be repeated, preferably in color.



**EMBOLDENED BY TREND** of public and Congressional opinion in their favor in subscription-TV struggle (p. 2), theatre exhibitors' spokesmen Alfred Starr and Trueman Rembusch this week even dared prod the enigmatic movie producers.

They noted with "shocked surprise" the failure of producers to file comments with FCC or to take a stand. Since Paramount was only one to file, through subsidiary International Telemeter which has a coinbox pay device, exhibitors said they must assume Paramount dominates the rest. They sought to wean others to their side by warning that Paramount holds patents, might be in position to call the tune for all producers; that release of first-run pictures to pay-TV would bring "endless litigation," etc. Other toll-TV developments:

(1) NARTB board voted this week to take more active role opposing pay-as-you-see, will have 3-member committee promote "full disclosure by appropriate means of pertinent facts and information to Congress and the American public concerning pay TV."

(2) Canadians have rejected tollvision. A. Davidson Dunton, chairman of CBC board of governors, said it just isn't practical, in testimony during governmental inquiry in Toronto.

(3) Milton Shapp, pres. of Jerrold Electronics Corp., major wired system manufacturer and operator, reports that 2 important unidentified entities in the entertainment industry have come to him for discussions since he first argued case for confining pay-TV to wire (Vol. 11:24).

**MOVIE PRODUCERS** are all in TV now — in one way or another—with the exception of trouble-beset RKO, which may be on brink of selling its 700-film backlog (see p. 4). Big film companies selling package shows to networks on the *Disneyland* formula (20th Century, Warners, MGM) have sponsors already signed. Here's an up-to-the-minute lineup of Hollywood majors and their TV activities:

Metro-Goldwyn-Mayer's *MGM Parade*, latest to be announced, probably will be slotted by ABC-TV Wed. 8:30-9 p.m., immediately after *Disneyland*, with American Tobacco & General Motors as sponsors. It will draw heavily on old theatrical short subjects, with little new material outside the inevitable movie stars and "behind-the-scenes" sequences plugging current theatrical attractions.

Walt Disney Studios paved the way with *Disneyland*, jointly owned with ABC, Wed. 7:30-8:30 p.m., sponsored by American Motors, Derby Foods (alt.), American Dairy Assn. (alt.). Disney's *Mickey Mouse Club* begins next fall Mon.-Fri. 5-6 p.m. with newly made films and old theatrical cartoons, with 14 of the 20 quarter hours already sold. Special one-shot *Dateline Disneyland* Sun., July 17, 7:30-9 p.m., is sold to American Motors, Swift & Co., Gibson Greeting Card.

The *Warner Bros. Presents* debut date, also ABC-TV, is Sept. 13, Tues. 7:30-8:30 p.m. as weekly hour series sponsored by Liggett & Myers, GE (alt.), Monsanto Chemical (alt.). Warners also has organized new TV film producing subsidiary.

Twentieth Century-Fox will have own hour show on CBS-TV, alt. Wed. 10-11 p.m., sponsored by GE, has also organized big TCF Productions, already shooting 2 other half-hour filmed TV series.

Paramount is part owner of York Productions (with Martin & Lewis), which June 12 took over NBC-TV's ail-

(4) Editorial stand against telecast pay-TV was taken by *Broadcasting-Telecasting Magazine*. In June 20 issue, it endorsed trying it via wired systems. In addition, it deplored Zenith's recent publicity tactics (Vol. 11:25), stating: "Several industry leaders have stooped to personal vilification in the war of the mimeograph . . . but none has stooped lower than spokesmen for Zenith. Nor was it accidental that coincidentally with the deadline for FCC comments on subscription TV, Zenith demonstrated a new electronic gun which can shoot the commercials out of TV. The dictionary says the antonym of zenith is nadir. In this case the dictionary is wrong. Zenith has meant the nadir of taste in recent publicity."

(5) RCA pointed out that current fight is nothing new, noting that NARTB's June 9 brief to FCC quoted from chairman David Sarnoff's testimony before House committee in 1924, in which he expressed faith in radio's ability to succeed without public payment. At that time he stated: "The greatest advantage of radio lies in its universality, in its ability to reach everybody, everywhere, anywhere, in giving free entertainment, culture, instruction, and all the items which constitute a program; in doing what no other agency has yet been able to do, and it is up to us in the radio art and industry, with intelligence and technique and broadness of spirit and vision as to the future, to preserve that most delightful element in the whole situation—freedom of radio."

Note: Digests of arguments on subscription TV, pro & con, as filed with FCC up to June 11, are available in 4-p. Supplement published with our Vol. 11:24, containing story on "The Tollvision War"—At Deadline." Extra copies of Newsletter with Supplement available to subscribers at \$1 each; extra Supplements 50¢ each.

*Colgate Comedy Hour* (renamed *Variety Hour*) Sun. 8-9 p.m., producing it live, at least for time being. Though long in TV business through its ownership of Los Angeles' KTLA, former ownership of WBKB, Chicago, and interest in DuMont Network, Paramount Pictures has never been particularly active in TV film production. It recently released small block of Class B features to TV.

Columbia Pictures is old-timer in TV film production and distribution, and through its high-ranking Screen Gems subsidiary is understood to be readying a *Columbia Presents* program.

Universal-International was one of first majors to plunge into TV film-making through its United World Films, got its fingers burned after making one 13-chapter series, retrenched 4 years ago, is now dipping its toes into the TV stream again via 90-min. spectacular for NBC-TV July 2. It's also currently filming TV commercials, plans gradual TV film comeback.

Republic Pictures has made more money out of TV than movies for last few years, is active in TV film distribution and processing, leases its studios to outside TV film producers, has released several big batches of oldies to TV.

RKO, in-&-out of movie production field for last few years, is certain to sell its huge feature backlog to TV when it gets big enough offer—General Teleradio now considered most likely purchaser (Vol. 11:24), reportedly having offered more than \$25,000,000.

Comedy writing talent search, announced by NBC last April (Vol. 11:18), has already produced more than 1000 applicants, according to program development director Leonard Hole, who said 900 specimens of writing are being read by NBC's creative comedy committee and 30 writers "have shown sufficient promise for us to ask for additional submissions."



**Personal Notes:** Edgar B. Stern Sr., chairman, WDSU-TV & WDSU, New Orleans, named by Ford Foundation to committee to advise on distributing \$50,000,000 to colleges & universities to help increase faculty salaries . . . George W. Brett, Katz Agency sales v.p., retires from that post July 1, will continue with rep firm and as director of TvB until end of year . . . Robert C. Wood, Storer midwest sales mgr., promoted to national sales mgr., reporting to v.p. Tom Harker . . . Jones Scovern named business mgr., Free & Peters . . . John B. Lanigan named sales mgr. of NBC-TV daytime programs, succeeded as eastern sales mgr. by John Dodge . . . E. K. Jett, gen. mgr. of WMAR-TV, Baltimore, leaves July 20 for 3 weeks in Europe . . . Robert Sarnoff, NBC exec. v.p., and Mrs. Sarnoff now in Europe, returning mid-July . . . Pegeen Fitzgerald named mgr. of retail merchandising, WRCA-TV & WRCA, N. Y. . . Richard A. Moore elevated to pres., John R. Vrba sales v.p., Robert W. Breckner program v.p., *Los Angeles Times*' KTTV . . . Hardie Frieberg named eastern div. v.p., Television Programs of America Inc. . . . Frederick (Fritz) Jacobi promoted to mgr. of publicity for NBC film div., succeeding Charles Henderson, now mgr. of network field exploitation . . . L. Boyd Mullins promoted to new post of merchandising & research mgr., KRON-TV, San Francisco; Thomas Mulhalley appointed director of public affairs . . . Burt Lambert, ex-Ziv, becomes sales supervisor, and Bennet Korn, ex-WHEN & WQXR, will be sales exec., WABD, N. Y. . . . Joseph J. Battaglia Jr. named traffic mgr., N. W. Ayer TV-radio dept. . . . James F. Brown resigns as national sales mgr., KBTW, Denver, to become commercial mgr. of Denver's radio KOSI . . . George Ruppel, controller, promoted to Mutual v.p.-treas., Roy Danish to v.p. in charge of station programs.

\* \* \* \*

NBC news dept. shifts, under public affairs v.p. Davidson Taylor's policy of rotating foreign correspondents: Newsman Leif Eid shifted from Washington to Paris, Frank Bourgholtz from Paris to Bonn, Robert McCormick from Bonn to Washington, film correspondents Robert Hecox from Hong Kong to Rome and Henry Toluzzi from Rome to Hong Kong. Domestic changes announced by Wm. R. McAndrew, news chief: John H. Thompson, ex-program director, KNBC, San Francisco, named Pacific div. mgr. of news & special events; Chester E. Hogan promoted from N. Y. desk to Chicago mgr. of news & special events; Rex Goad moved up from Washington news editor to night newsroom supervisor, N. Y.; Henry Cassidy takes over *World News Roundup*; Bill Henry, *Los Angeles Times* columnist, joins staff; Chet Huntley, commentator, joins west coast staff; John Rich, ex-Tokyo & Korean correspondent recently on fellowship leave, rejoins N. Y. staff. Note: NBC's McAndrew will direct coverage of Big 4 "Meeting at the Summit" starting in Geneva July 18; CBS's Eric Severeid, chief Washington correspondent, goes to London June 29 to switch summer jobs with Howard K. Smith, and will cover Big 4 conference also.

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Amon Carter, 75, publisher of *Ft. Worth Star-Telegram*, pioneer TV-radio operator (WBAP-TV & WBAP), oil magnate and one of Texas' most prominent leaders, died in Ft. Worth June 23. His TV-radio interests are handled by the veteran Harold Hough, and his son Amon Jr. is now expected to head newspaper-radio properties.

Wyllis Cooper, 56, TV-radio & film writer, recently with CBS-TV, died June 22 in hospital near his home in Glen Gardner, N. J. His best known radio shows were *Lights Out*, *Tales of the Foreign Legion*, *Quiet Please*; for TV he handled *Escape* and *Stage 13* on CBS.

Fred Rickey, 34, TV producer of NBC's forthcoming *Wide World* and for 6 years executive producer in charge of color for CBS, died June 24 of heart attack.

**NARTB's TV BOARD**, convening June 23 at Hot Springs, Va., appointed special committee to consider broad-gauged national study of viewer attitudes toward TV programming. It acted after Code Review Board chairman G. Richard Shafto reported that a pilot study conducted last fall under its auspices indicated need for such a national survey. Unlike CBS's proposed field study of what public wants of TV (Vol. 11:22), NARTB's survey would determine viewer attitudes toward what they're getting now in programming. Appointed to committee are Ward Quaal, WLWT, Cincinnati, chairman; Joseph E. Baudino, Westinghouse; Clair R. McCollough, WGAL-TV; Merle S. Jones, CBS; Frank M. Russell, NBC.

In his report, Shafto said Code Review Board's monitoring recently has been devoted to review of children's programming and late-afternoon & early-evening program schedules. Effectiveness of TV code stimulated radio board to ask for appointment of committee to study ways of putting teeth into its Standards of Practice for Radio, including possible use of "a symbol in sound" for radio stations comparable to TV Seal of Good Practices.

Research committee submitted "interim report" to TV board on progress of Politz pre-testing for county-by-county or market-by-market census of TV set ownership. NARTB declined to disclose contents, but spokesman said "it gave no grounds for optimism or pessimism." Committee was instructed to continue field tests and to issue another report in Sept. Full board also approved operating budget of \$850,000—\$400,000 in TV—for fiscal year which began April 1.

\* \* \* \*

**Community TV activity:** Question of property rights in TV signals relayed by community TV systems was considered this week by NARTB board, which decided to set up committee to look into it. By and large, stations are pleased with extra circulation; however, several small-town operators feel that systems make serious dent in their audiences by bringing in out-of-town signals. Another community-TV microwave was sought this week, Black Hills Video Co., filing application for link to bring San Antonio signals to system in Victoria, Tex. It proposes to carry 2 channels, using Philco TLR-2C equipment, installed for \$33,566. System operator would pay \$1000 monthly. Black Hills is same organization seeking extensive Denver-Rapid City microwave in competition with Bartlett Management; they're now going through hearing.

Clair R. McCollough, WGAL-TV, Lancaster, Pa., was re-elected chairman of NARTB's TV board at semi-annual meeting this week at Hot Springs, Va. Campbell Arnoux, WTAR-TV, Norfolk, was re-elected vice-chairman. Henry Clay, KWKH, Shreveport, and E. K. Hartenbower, KCMO, Kansas City, were also re-elected chairman & vice-chairman, respectively, of radio board. Kenneth L. Carter, WAAM, Baltimore & J. Frank Jarman, WDNC, Durham, were elected co-chairmen of membership committee; Ward L. Quaal, WLWT, Cincinnati, re-elected chairman of by-laws committee; Wm. D. Pabst, KFRC, San Francisco, chairman of finance committee; Campbell Arnoux, chairman of TV finance committee.

More honorary degrees: Mitchell Wolfson, pres. of WTVJ and co-owner of Wometco Theatres, from U of Miami; Wm. C. Decker, pres. of Corning Glass Works, from Penn state (distinguished alumni award).

Carlos A. Franco, veteran of agency field, recently resigned gen. sales mgr., Crosley Bestg. Corp., forms Carlos Franco Assoc. Inc., adv. & marketing consultants, 420 Madison Ave., N. Y.

Mrs. Marie Natvig, witness in Lamb case who changed testimony in midstream, was sentenced to 8 months to 2 years for perjury, Federal Judge Holtzoff calling her a "danger to the community."



**NEW RATE CARD No. 15** released for NBC key WRCA-TV, New York, effective June 1, reveals once again how the high cost of TV time is going still higher. It posts the highest rate yet quoted in TV—\$8400 an hour for so-called Class AA time, \$5040 a half hour, \$3360 for 15-min., \$2940 for 10-min., \$2100 for 5-min. Class AA embraces prime periods: 10:30-11 p.m. daily and 6-7:30 p.m. Sun. When last quoted, June 1, 1954, Class AA hour rate was \$6200, half hour \$3720, 15-min. \$2480, 10-min. \$2170, 5-min. \$1550.

Newly established Class AAA rate for one 20-sec. spot between 7:59-10:30 p.m. Mon.-thru-Sat. & 7:29-10:30 p.m. Sun. costs \$2050 net and 10-sec. \$975. Class AA spot rates (7:30-7:59 p.m. Mon.-thru-Sat., 6:59-7:29 p.m. Sun., 10:30-11 p.m. daily) cost \$1400 for 20-sec., \$690 for 10-sec. There are various other rate changes, too, including schedule of color spot charges (see p. 15).

These give you an idea of the soaring costs of TV sponsorship—even with the usual frequency discounts the bill comes high in the nation's biggest market with its reputed 4,700,000-plus sets-in-use. NBC key's prime rival, CBS-TV's WCBS-TV, now charges \$6500 an hour, \$3900 half hour, \$2600 for 15-min. in its Class AA time, which is 7:30-11 p.m. Mon.-thru-Sat. and 6-11 p.m. Sun. That's up from \$6000, \$3600 & \$2400 last year, when this was called Class A time. Spots range from \$1700 for 20-sec. and \$850 for 10-sec. in Class AA time down to \$300 & \$125 for early-morning (before 9 a.m.) and after-midnight time.

You have to be an actuary as well as timebuyer to dope out many of the complex rate cards not only of the big stations but some of the little ones. All rate cards of all U. S. & Canadian stations will be updated and digested in our *TV Factbook No. 21*, which will be off the presses in about a month. Meanwhile, here are those of WRCA-TV and WCBS-TV:

**DIGEST OF WRCA-TV RATE CARD CARD NO. 15**  
(June 1, 1955)

Hour	30 Min.	15 Min.	10 Min.	5 Min.	20 Sec.*	10 Sec.*
Class AA—10:30-11 p.m., daily; 6-7:30 p.m., Sun.	\$8400.00	\$5040.00	\$3360.00	\$2940.00	\$2100.00	\$1400.00
Class A—7-7:30 p.m., Mon.-Sat.	4500.00	2700.00	1800.00	1575.00	1125.00	1095.00
Class B—6-7 p.m., Mon.-Sat.	3500.00	2100.00	1400.00	1225.00	875.00	850.00
Class C—9 a.m.-6 p.m., Mon.-Fri.; 11 p.m.-midnight, daily.	3150.00	1875.00	1260.00	1102.50	787.50	650.00
Class D—Sign-on-9 a.m., Mon.-Fri.; sign-on-6 p.m., Sat. & Sun.; midnight-sign-off, daily.	1850.00	1110.00	740.00	647.50	462.50	350.00

\* Class AAA (7:59-10:30 p.m., Mon.-Sat.; 7:29-10:30 p.m., Sun.); 20 Sec. \$2050, 10 Sec. \$975. Class AA (7:30-7:59 p.m., Mon.-Sat.; 6:59-7:29 p.m., Sun.; 10:30-11 p.m., daily). Class A (7-7:30 p.m., Mon.-Sat.; 6:29-6:59 p.m., Sun.). Class B (11-11:15 p.m., daily). Class C (5:59-7 p.m., Mon.-Sat.; 5:59-6:29 p.m., Sun.). Class D (3-5:59 p.m., Mon.-Sat.; sign-on-5:59 p.m., Sun.; 11:15 p.m.-sign-off, daily). Class E (sign-on-3 p.m., Mon.-Sat.).

Subject to frequency discounts, with exception of Class AAA announcements.

Color—20 Sec. station breaks \$500, 10-Sec. \$250 added to regular station-break rate; commissionable.

Time reserved for network: Class A (7:30-10:30 p.m., daily; 5-6 p.m., Sat. & Sun.). Class B (5-6 p.m., Mon.-Fri.; 3-5 p.m., Sat. & Sun.). Class C (10 a.m.-1 p.m., daily; 3-5 p.m., Mon.-Fri.).

**DIGEST OF WCBS-TV RATE CARD NO. 15**  
(May 1, 1955)

Hour	30 Min.	15 Min.	10 Min.	5 Min.	Min. or 20 Sec.*	10 Sec.*
Class AA—7:30-11 p.m., Mon.-Sat.; 6-11 p.m., Sun.	\$6500.00	\$3900.00	\$2600.00		\$1700.00	\$850.00
Class A—7-7:30 p.m., Mon.-Sat.; 5-6 p.m., Sun.	6250.00	3750.00	2500.00	\$2084.33	\$1875.00	1250.00
Class B—6-7 p.m., Mon.-Sat.	4500.00	2700.00	1800.00	1500.00	1350.00	900.00
Class C—9 a.m.-6 p.m., Mon.-Sat.; 9 a.m.-5 p.m., Sun.; 11 p.m.-midnight, daily.	3125.00	1875.00	1250.00	1041.67	937.50	600.00
Class D—Sign-on-9 a.m., midnight-sign-off, daily.	1500.00	900.00	600.00	500.00	450.00	300.00

\* Class AA (7:59-10:30 p.m., Mon.-Sat.; 6:29-11 p.m., Sun.). Class A (7:15-7:59 p.m., Mon.-Fri.; 10:30-11 p.m., Mon.-Sat.; 6:59-7:59 p.m., Sat.; 5:59-6:29 p.m., Sun.). Class B (5:59-7:15 p.m., Mon.-Fri.; 5:59-6:59 p.m., Sat.; 11-11:15 p.m., daily). Class C (8:59 a.m.-5:59 p.m., 11:15 p.m.-midnight, daily). Class D (sign-on-8:59 a.m., midnight-sign-off, daily).

Subject to frequency discounts.

**Network Accounts:** Eyes of whole TV & ad world will be on NBC-TV's *Wide Wide World* show Mon. June 27, 8-9:30 p.m., pet project of NBC pres. Pat Weaver, who foresees it as "a way of taking people everywhere by TV." Show involves more than 1000 performers & technicians, including 250 engineers, 15 directors & 4 producers. Twelve remote units & 40 cameras will be used to bring in 15 pickups, some from Canada & Mexico, and including network color mobile unit. AT&T has expressed interest in sponsorship if and when it goes on regular program schedule . . . Crosley (appliances) is 3rd sponsor for NCAA football games on NBC-TV this fall, thru Earle Ludgin & Co., leaving only one quarter to be sold; other sponsors are General Cigar & Schick, with Dow Chemical signed for post-game show . . . Emerson Drug & Lenthieric (perfumes) to be alt. sponsors of *Chance of a Lifetime* on ABC-TV starting July 3, Sun. 9-9:30 p.m., thru Lennen & Newell and Cunningham & Walsh . . . U. S. Rubber buys 2 partic. in NBC-TV's color "spectaculars" this fall, Sun. 7:30-9 p.m., thru Fletcher D. Richards Inc. . . Warner-Lambert (cosmetics) buys alt. sponsorships in 5 *Robert Montgomery Presents* this summer on NBC-TV, Mon. 9:30-10:30 p.m., thru Ruthrauff & Ryan . . . Chunky Chocolate Corp. to be alt. sponsor of 30-min. of *Super Circus* on ABC-TV starting Sept. 25, Sun. 5-6 p.m., thru Hilton & Riggio . . . Del Monte extends 1955 purchases on NBC-TV's *Today, Home & Tonight* to total of 93 partic., thru McCann-Erickson.

Among advertisers currently reported using or preparing to use TV station time: Pacific Chemical Co., Seattle (Balance detergent), thru Miller, Mackay, Hoeck, Hartung, Seattle; Wilson Chemical Co., Tyrone, Pa. (White Cloverine salve), thru Walter J. Cattick, Philadelphia; Slenderella Intl., Darien, Conn. (reducing plan), thru Management Assoc. of Conn., Darien; Fisher Nut Co., St. Paul, thru Bozell & Jacobs, Minneapolis; Armstrong Rubber Co., West Haven, Conn. (Armstrong tires), thru Biow-Beirn-Toigo, N. Y.; AlumnaRoll Products Co., N. Y. (AlumaRoll awnings), thru Sherman Lawrence Adv., N. Y.; Spirling Products Co., Hicksville, N. Y. (TV antennas), thru Gerald H. Keller Adv., N. Y.; Tuxedo Candy Co., San Jose, Cal. (Roxbury candies), thru Foote, Cone & Belding; Cliquot Club, thru Harold Cabot, Boston.

Rate increases: KWK-TV, St. Louis, adds new Class AA hour (7-10 p.m. daily) at \$1200, min. at \$250, Class A remaining \$1000. KHJ-TV, Los Angeles, raises base hour from \$1000 to \$1200, min. \$180 to \$220. KRLD-TV, Dallas, adds new Class AA hour (7-10 p.m. Mon.-Sat. & 6-10 p.m. Sun.) at \$1100, min. at \$225, Class A remaining \$950. KLZ-TV, Denver, raises hour from \$550 to \$650, min. \$120 to \$150. WSLS-TV, Roanoke, adds new Class AA hour (8-10:30 p.m. daily) at \$600, min. at \$120, Class A hour remaining \$500. WBRE-TV, Wilkes-Barre, raises hour from \$400 to \$450, min. \$70 to \$90. KELO-TV, Sioux Falls, S. D., hour from \$300 to \$350, min. \$60 to \$70; WJTV, Jackson, Miss., from \$200 to \$300 & \$40 to \$60; WLBT, Jackson, Miss. from \$250 to \$300 & \$50 to \$60; CKWS-TV, Kingston, Ont., from \$200 to \$250; CKCK-TV, Regina, Sask. from \$200 to \$235.

Record-breaking \$2,000,000 in gross billings was racked up by NBC-TV for *Today, Home & Tonight* in week ended June 17. Biggest sponsors signed during week were Del Monte, Roto Broil, Glidden Paints, Gruen, G. Washington Coffee, Westclox, General Time, Calgon (water conditioner).

Mutual Broadcasting System, in rate card No. 18 effective July 1, lowers 6-10:30 p.m. gross rates about 50%, making same single rate for all hours; maximum discount is cut from 63% to 47½%, annual rebate from 12½% to 7½%.



**'DIVERSIFICATION' ISSUE**, as well as sub-  
scription TV (p. 2), got attention of Con-  
gress this week. In Senate and House, bills were  
introduced which would direct FCC to ignore or  
minimize newspaper and TV-radio interests of  
applicants when making grants.

FCC granted one CP meanwhile — Ch. 6 to  
KAVE, Carlsbad, N. M. Pres. and 50.9% stock-  
holder is Val Lawrence, mgr. of KROD-TV, El  
Paso (Ch. 4). Also authorized were shifts of  
KONA, Honolulu from Ch. 11 to Ch. 2 and WTVR,  
Scranton, Pa. from Ch. 73 to Ch. 44.

Sens. Hayden (D-Ariz.) and Capehart (R-Ind.)  
co-sponsored S-2321, which would prevent Com-  
mission from denying a license to a newspaper  
unless grant would "create a monopoly" of news  
media to an extent "contrary to the public interest." In  
comparative hearings, bill provides that newspaper own-  
ership be ignored unless applicants are equal in all other  
respects—whereupon newspaper affiliation may be con-  
sidered either an advantage or a disadvantage. Bill also  
would direct Commission to give no weight to newspapers'  
editorial policies.

In House, Rep. Harris (D-Ark.), chairman of Inter-  
state Commerce Committee's subcommittee on communica-  
tions and transportation, introduced HR-6977, which sim-  
ply states that FCC shall not discriminate against princi-  
pals with interests in "any medium primarily engaged in  
the gathering and dissemination of information." Rep.  
Beamer (R-Ind.) introduced identical bill, HR-6968, said  
it's also meant to prevent discrimination against appli-  
cants with other TV-radio interests. He noted that simi-  
lar language was included in draft of McFarland amend-  
ments to Communications Act in 1952, was deleted be-  
cause FCC promised not to discriminate against news-  
papers. "But history hasn't borne that out," he said.

With Congressmen charging that FCC is discriminat-  
ing against newspaper and multiple TV-radio owners, and  
with Court of Appeals blasting Commission for just the  
reverse (Vol. 11:25), commissioners are understandably

perplexed. As one says: "You know, some of these cases  
could be decided by no more than the toss of a coin."

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Hearing on "protest" section of Communications Act  
was conducted by House Interstate Commerce Committee  
this week; it was exploring HR-5614, introduced at re-  
quest of FCC. Commission chairman George McCon-  
naughey testified that amendment is "urgent"; that exist-  
ing law is being used by competitors to keep stations off  
air because Commission is not permitted to give short  
shrift to insignificant allegations by protestants. Comr.  
John Doerfer testified that section should be repealed to-  
gether; that it "gives economic protection to broadcasters  
and others who are not in the broadcasting field, contrary  
to the original purposes of the Communications Act"; that  
commissioners, not protestants, should be trusted to pro-  
tect the public interest.

Attorney Henry Fischer, speaking for Federal Com-  
munications Bar Assn., reported that FCBA's executive  
committee, by close vote, endorsed the FCC-sponsored  
amendment, with relatively minor changes.

Attorney Benedict Cottone, representing UHF Indus-  
try Committee, asserted that law should be left alone; that  
it protects uhfs from "super-power" vhfs; that if protest  
is filed against a grant, grantee must not be permitted to  
get on air because an operating station is almost impossi-  
ble to dislodge, regardless of seriousness of charges against  
it; that station should be permitted to continue or start  
operating, after protest is lodged, only when public inter-  
est "imperatively" demands it.

Ervin F. Lyke, pres. of WVET-TV, Rochester, N. Y.,  
which shares Ch. 10 with WHEC-TV, supported amend-  
ment. He stated that stations are in danger of being  
forced to go silent because of protest filed by radio WSAY.  
Protest had been dismissed by FCC, is now pending in  
Court of Appeals. Lyke declared that if court rules  
WSAY is entitled to FCC hearing, "the Commission ap-  
parently has no option but to take WVET-TV & WHEC-  
TV off the air" until it conducts full hearing and makes  
final decision.

Senate subcommittee, under Sen. Pastore (D-R. I.)  
will hold hearing on same subject July 7.

Amendment of FCC rules to permit vhf drop-ins  
through use of directional antennas and low power was  
requested by UHF Industry Coordinating Committee (Vol.  
11:24) in petition filed July 21 following 2-hour meeting  
of uhf telecasters with commissioners. Petition asks that  
mileage separations be waived on case-to-case basis  
where it would serve public interest. Committee also  
asked freeze of at least 90 days on all grants and modi-  
fications which would aggravate intermixture problems,  
and that all pending deintermixture proposals be resolved  
during that period. Station operators meeting with FCC  
members described conditions in their particular areas.  
Commissioners asked questions, showed awareness of uhf  
plight, but didn't commit themselves. Meeting with FCC  
members were uhf committee chairman Harold Thoms,  
WISE-TV, Asheville, N. C.; vice chairman Fred Weber,  
WFPG-TV, Atlantic City, N. J. (now off air); John John-  
son, WTOB-TV, Winston-Salem; Edward Thoms, WKJG-  
TV, Fort Wayne, Ind.; Herbert Nelson, WFAM-TV, Lafay-  
ette, Ind.; counsel Ben Cottone. Commissioners present  
were Chairman McConnaughey, Hyde, Doerfer, Bartley,  
Webster.

WTVU, Scranton, Pa. (Ch. 73) applied this week for  
permission to leave air July 1 for 60 days in order to in-  
stall new RCA transmitter and antenna to permit opera-  
tion on recently-allocated Ch. 44, with 13.2-kw visual ERP.  
Other Scranton outlets are WARM-TV (Ch. 16) & WGBI-  
TV (Ch. 22)

"Territorial exclusivity" ruling of FCC, proposed more  
than year ago (Vol. 10:14), was finalized without change  
this week. Commission said it realizes rule is "no cure-all  
for the economic and other problems which confront many  
TV stations today." It explained: "All that the amend-  
ment does is to give stations greater freedom on an over-  
all basis in negotiating and contracting with networks  
and advertisers for their programs. We are hopeful that  
the amendment may enable some stations which have  
heretofore been precluded from obtaining network pro-  
gramming because of the 'first call' rights of stations in  
other communities to obtain such programs." Decision is  
Notice 55-706, Doc. 10989.

Up-to-date FCC rules on experimental & auxiliary  
broadcast stations (Part 4 of Rules), including all changes  
since 1950, will be published in *Federal Register* June 25,  
and as separate document shortly thereafter. Copies of  
both (latter is usually more accurate, handier) will be  
available from Supt. of Documents, Govt. Printing Office,  
Washington.

Cheaper transcripts of FCC hearings will be available  
starting July 1, Commission having awarded stenographic  
reporting contract to new company—American Reporting  
Assoc., 306 Ninth St. NW, Washington. Price for ordi-  
nary copy will be 11.4¢ per page (vs. 20¢). Charge for  
daily copy will be 28.5¢ (vs. 55¢); immediate copy 45.6¢  
(vs. 70¢).



**Telecasting Notes:** Networks' "special program" plans for next season—obvious answer to fee-TV—are being doled out to the public in dribs & drabs. This instalment-plan system of announcing the greatest season TV has ever seen is possibly due to fact that special shows are being signed up one at a time. More than likely, however, it's a tactical weapon in the counter-publicity against toll TV's masterful promotional barrage. A sensational announcement a week—like this week's NBC story on the color-TV premiere of Korda's *Richard III* (p. 4)—creates maximum impact, keeps the networks and the wonders of free TV on public's tongue . . . Pat Weaver's pet project *Wide Wide World* (first: Mon. June 27, 8-9:30 p.m.) was subject of at least 6 weekly press releases and "leaks" to trade press, each containing some new information, making it a story all over again . . . CBS's spectaculars next fall—Bing Crosby, Noel Coward, Mary Martin, Paul Gregory, etc.—have been announced one-at-a-time, latest report being that Bing's 2 shows will be *Rip Van Winkle* and Maxwell Anderson's un-Bingish *High Tor* . . . Among other spectacular announcements, leaks and rumors from NBC doled out this week: Maurice Chevalier signed for Dec. 4 spectacular; Sadler's Wells Ballet in *Sleeping Beauty*; Frank Sinatra in musical version of *Our Town*; repeats of *Peter Pan* and *Babes in Toyland*; Sol Hurok concert featuring Marian Anderson & Artur Rubenstein; first performances of 2 new American operas on *Opera Theatre* plus 5 operatic classics with newly-penned English lyrics and the 6th performance of Yuletide standby *Amahl & the Night Visitors*, with some of the operas in color—all this in addition to previous "sensational" announcements . . . Network strategy is summed up beautifully in CBS's fee-TV comments filed with FCC (see p. 1): "It is fallacious to assume [that] additional money would produce a higher calibre of dramatic material and talent than is now available on free TV. Free TV certainly now offers enough money and acclaim to attract the best talent in acting, writing, directing and musicianship. The TV producer, writer and performer are well paid" . . . "Good TV programs," CBS continues, "are the result of brains,

taste and talent. There is no great pool of talent which TV does not reach. It will not improve the caliber of the talent or intelligence employed, or raise the level of taste, if the general level of payment is enormously increased" . . . "Children's spectacular" is latest hypo for DuMont's WABD, administered by gen. mgr. Ted Cott. Called *Wonderama*, it will be programmed every Sun., 12-6 p.m.—"will have a cast of hundreds and will include live presentations, remote pickups and newly made film material." No cowboy-&-Indian shooting matches, no "death struggles on Mars" are promised—but clowns, zoos, how-to-do-it handicrafts, puppets, folk lore, illustrated classics, cooking lessons, etc. . . . "On the basis of current biz—\$2,000,000 gross for the 2nd quarter, representing a 200% increase over the same period last year—CBS TV Film Sales figures to wind the year with an all-time peak of \$8,000,000, more than double that of 1954," says June 22 *Variety*. This gross "would put CBS Film on a par with or higher than the top 4 firms in TV film—Ziv, TPA, MCA & Screen Gems" . . . Theatrical success for Disney's *Davy Crockett* seems to be following same film's 2-time TV success on ABC's *Disneyland*. It's now in 5th week at N. Y.'s Globe Theatre, and grossing high on all-time-runs in Detroit, Cincinnati, Denver, Philadelphia, but disappointing in Pittsburgh & Seattle . . . Entering theatrical distribution field, National Telefilm Associates will book *Tales of Hoffman*, *Cry the Beloved Country*, *Breaking the Sound Barrier* into theatres before release to TV (Vol. 11:18). According to pres. Oliver Unger, this will also "enable NTA to explore all ramifications of toll TV" . . . Return of "name band" popularity as result of TV is predicted in N. Y. *Herald Tribune* article by Guy Lombardo, who has been name bandleader for quarter century and now has own TV film show. He cites success on TV of such bands as Dorsey Bros., Sauter-Finnegan, Ray Anthony, Lawrence Welk . . . NBC buys *Meet the Press* from Lawrence Spivak, who continues under long-term contract as producer & panelist; it's presently sponsored by Pan American Airways & Johns-Manville . . . Cue from spectaculars: CBC planning some 2-hour shows next season, citing success of *Hamlet*.

**ATTENTION NARTB:** Advertising code for Independent TV Authority, upcoming British commercial TV system, doesn't ban liquor commercials, but does forbid advertising of "products for treatment of alcoholism." Other taboo products & services specifically mentioned: money lenders, matrimonial agencies & correspondence clubs, "fortune tellers and the like," undertakers, betting tipsters, bust developers, contraceptives, smoking cures.

No betting ads will be permitted for the first 6 months, by mutual agreement between bookies' trade association (legal in England) and ITA. Bookies weren't sure they were interested in advertising on TV, anyway. Among other highlights of British code:

"The irrelevant use of data and jargon must never be resorted to to make claims appear more scientific than they are . . . documentary evidence of testimonials may be required . . . visual presentation of doctors, dentists, nurses, midwives . . . should not be used in connection with medicines and treatments."

Children's advertising code contains specific anti-nagging clause: "Care should be taken that [children] are not encouraged to make themselves a nuisance to other people in the interests of any particular product or service." Other children's prohibitions: ads which encourage kiddies "to enter strange places or to converse with strangers in an effort to collect coupons, wrappers, labels, etc."; appeals to youngsters' sense of loyalty or duty on behalf of commercial product; ads which induce children to believe they will be inferior or subject to ridicule for not owning a product.

John A. Kennedy, onetime operator of W. Va. radio stations, who bought KFMB-TV, San Diego in 1950 for \$925,000 (Vol. 6:46 & 7:17) and sold it in 1953 for \$3,150,000 (Vol. 9:5, 9, 13), has purchased *Sioux Falls* (S. D.) *Argus-Leader*, largest daily in state (circ. 53,000). He's native of St. Paul, worked on Iowa newspapers before becoming Hearst correspondent in Washington, then going into radio. Newspaper has no TV-radio affiliation.

Purchase of radio outlet by WEHT, Henderson, Ky. (Ch. 50) was approved by FCC this week. It pays H. M. Bitner \$116,000 for WEOA in neighboring Evansville, Ind. (Vol. 11:24). Also approved was sale of KVOR, Colorado Springs, Colo. by James D. Russell, who retains 50% of Colorado Springs' KKTU (Ch. 11). Paying \$120,000 for KVOR are equal partners John S. Riggs (27% of WELM, Elmira, N. Y. & 50% of WAIR, Winston-Salem) and Robt. Greene of Lakeview, N. Y. (Vol. 11:15).

The \$3,864,540 transaction, whereby Roy N. Whittenburg family increased holdings in Globe-News Publishing Co., Amarillo from 35.6% to 91.8% (Vol. 11:19), was approved by FCC this week. Globe-News properties include KGNC-TV, Amarillo (Ch. 4) & KGNC; *Amarillo News* and *Globe Times*; *Lubbock Avalanche* and *Journal*; radio KFYO, Lubbock.

WBLN, Bloomington, Ill. (Ch. 15) is being sold by Cecil W. Roberts for token \$1 and assumption of some \$200,000 in liabilities, to Worth S. Rough, ex-gen. mgr. of WCBC, Anderson, Ind., holder of CP for WCBC-TV (Ch. 61). New owner is getting \$10,000 NATS operating loan.



**D**ES MOINES AREA's third vhf, KRNT-TV (Ch. 8), started regular test patterns June 20, is slated to become basic CBS Aug. 1—433rd station on the air (106 of them uhf). Headquartered in KRNT Theatre Bldg., called "largest legitimate theatre in the country," it's controlled by Cowles family, who own *Des Moines Register* and *Tribune*, *Minneapolis Star* and *Tribune*, *Look Magazine*, KVTV, Sioux City, Ia. (Ch. 9) and 47% of WCCO-TV, Minneapolis (Ch. 4). Kingsley Murphy family has option to buy 40% after sale of radio KSO (Vol. 11:23).

KRNT-TV has 50-kw GE transmitter, 12-bay RCA antenna atop 709-ft. Ideco tower. Gen. mgr. is Robt. Dillon, with Paul Elliott as commercial mgr.; Dick Covey, program director; Wm. Hippee, local sales mgr.; Charles Quentin, chief engineer. Base rate is \$650. Rep is Katz.

Canada's 27th outlet to go on the air, CBC's 8th, is CBOFT, Ottawa, Ont. (Ch. 9), which ended tests June 24, now is operating as French-language counterpart to CBC's COBT (Ch. 4) which now is exclusively English-language and has hiked its power to 50.1 kw ERP. It's 4th station in CBC's French network, only one in North America with unhyphenated 5-letter call. It connects via microwave with CBC's CBFT, Montreal; other French-language outlets are privately-owned CFCM-TV, Quebec City and CJBR-TV, Rimouski, Que.

Conforming to British precedent of signing off for dinner hour (when the family is supposed to be otherwise engaged and mother putting the small children to bed), CBOFT from 6-7:15 p.m. Mon.-Sat. is putting on only test patterns and music. Its equipment is 6-kw RCA transmitter, 4-slot wavestack antenna on 488-ft. guyed tower shared with CBOT. Combined operations are now in new building in suburban Westboro. C. P. Wright is mgr.; W. E. Powell, commercial mgr. (Toronto); Georges Huard, TV operations mgr.; Maxted Gilbert, chief operator. Base hour rate is \$230. Rep is CBC.

Note: Next starter apparently will be U of Notre Dame's WNDU-TV, South Bend (Ch. 46), which has test patterns scheduled to begin July 2, joins NBC July 15; it ran off short "equipment test" evening of June 20, and gen. mgr. Bernard C. Barth reported some 80 phone calls from viewers in all-uhf South Bend-Elkhart area, most of them stating signal was "sharp and clear."

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

KLEW-TV, Lewiston, Ida. (Ch. 3), began construction June 20, having set tentative Nov. 1 target, reports v.p.-gen. mgr. Tom Bostic. Grantee is subsidiary of KIMA-TV, Yakima, Wash. (Ch. 29), which also operates satellite KEPR-TV, Pasco, Wash. (Ch. 19), holds CP for satellite KBAS-TV, Ephrata, Wash. (Ch. 43), and is applicant for Ch. 8 satellite in Walla Walla. KLEW-TV will not be satellite operation, will use 5-kw GE transmitter and 3-bay antenna. Network affiliation not determined. Rep not chosen. Station is in middle of hot fight between group seeking to build 3-channel uhf experimental satellite and group operating extensive community antenna system (Vol. 11:23).

WOSU-TV, Columbus, O. (Ch. 34, educational), has 12-kw RCA transmitter and 3 studio camera chains & vidicon film chain ordered for delivery as soon as studio-transmitter building is ready—in about another month. Station will probably be on air late this fall, reports Prof. Robert C. Higgy for grantee Ohio State U. Ideco 550-ft. tower & RCA antenna have been ready since last summer.

**C**EILING AND FLOOR of TV station power were extended by FCC this week when it finalized rules permitting both vhf and uhf stations to operate with as little as 100 watts ERP, at same time issuing proposed rule-making to lift uhf maximum from 1000 kw to 5000 kw.

Low-power rules were finalized as proposed — with one important exception. Originally, Commission intended to permit 100-watt stations only in cities under 50,000. Final rules permit them anywhere—as long as they provide same minimum signal level over principal city now required by rules. There's no height minimum.

No big rush of applications for low-power satellite stations is expected initially, though several are known to be on tap. However, many in industry expect gradual reduction of installation and operating costs will eventually bring mushrooming of stations in towns too small to support higher-power outlets. Several manufacturers have been prepared, well in advance, to offer equipment far cheaper than that required by previous rules—and they made strong impression at recent NARTB convention (Vol. 11:22).

FCC doesn't like to call low-power stations "satellites," and this week's decision expressed hope that they'll "eventually increase power and become full-fledged TV stations in all respects."

Final decision was 6-p. document, Notice 55-704, Doc. 11237, available from Commission or from us. It's effective Aug. 1.

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Proposal to lift uhf power ceiling to 5 megawatts is simple document stating Commission's belief hike is "an additional step in bringing to the viewers the best possible TV service." It threw in cautionary note that receiver makers shouldn't assume that proposed power increase relieves need for better uhf sets and tuners. It added that data on uhf tuner sensitivity would be valuable in weighing merits of station power increase, asked set and tuner makers to supply technical data on uhf sets, broken down into those made before 1955, those being made this year, those planned for next year. It asked for information on receiver noise, transmission line loss, antenna gain, possibilities of reducing problems such as tuning difficulties, cost of improving performance, propagation measurements.

Deadline for comments is Sept. 1. Notice is 55-705, Doc. 11433. Commission will supply copies—or we'll be glad to get one for you.

Though rule was just proposed, WJMR-TV, New Orleans, now Ch. 61 but shifting to Ch. 20, filed immediately for increase—will go on with 5 megawatts experimentally if rules aren't finalized by time equipment is ready; preparation is expected to take about a year (Vol. 11:25).

WHTN-TV, Huntington, W. Va. (Ch. 13), which got STA last week to start from temporary 300-ft. tower formerly used by pre-freeze WSAZ-TV, plans Sept. 15 test patterns, Sept. 25 start on ABC, reports v.p. Fred Weber, also pres. of off-air WFPG-TV, Atlantic City (Ch. 46). It has 5-kw RCA driver and 20-kw GE transmitter due July 15. Custom-designed RCA 6-section 154-ft. slotted antenna is due Sept. 15. Base hour will be \$450, rep Petry.

WQMC, Charlotte, N. C. (Ch. 36), plans return to air about Oct. 1, reports owner Hugh Deadwyler, who acquired station last Dec., then went off air in mid-March (Vol. 11:1, 2). Move of transmitter & studios to undisclosed new site is planned.

CJON-TV, St. John's, Nfld. (Ch. 6), which got 2-kw RCA transmitter June 13, now plans test patterns by July 5, advises pres. Geoff Stirling, revising July 15 target.



**HOW THINGS SHAPE UP FOR FALL MARKET:** More step-up models, some step-downs, top and side tuning, color merchandising plans -- these kept the semi-annual Chicago markets buzzing this week. More light on industry trends will be shed when Philco shows its reportedly "hot" new TV-radio line to distributors at Miami Beach convention June 27-29 (see below) and when Emerson first displays its new wares at New York's Hotel Plaza June 28-29. (For details of others' new models shown this week, see p. 13.)

Prices appear to be in a "2-way stretch," judging from the lines shown thus far to dealers. On the one hand, there's determined effort by several manufacturers -- notably RCA, Admiral, Zenith & Westinghouse, among those which have introduced lines thus far -- to keep prices firm at low end while dropping in more step-up sets in 21-in. consoles & 24-in. tables in effort to induce sell-up trend.

Counterbalancing sell-up is re-emergence of \$99.95 set in deference to growing second-set market which, according to RETMA statistical chairman Frank Mansfield, currently accounts for one out of every 5 retail sales. GE's 14-in. "portable" at \$99.95 to \$129.95 (Vol. 11:21,25), displayed on a scale to emphasize its light weight (32 lbs.), attracted lots of interest at Merchandise Mart. Its cabinet is drawn skin-tight around tube face, giving appearance of larger viewing area.

Trav-Ler Radio came out this week with 17-in. table at \$99.95, Hallicrafters reportedly has one on production line, and Olympic Radio retained its 14-in. table at \$99.95 in line shown this week in Chicago.

Jack Beldon, marketing mgr. of GE TV-radio dept., told us that retail sales of the under-\$100 set "have exceeded our fondest expectations," though it won't be in full national distribution until July 15. He said few customers had even asked about screen size, being more engrossed in low price. However, several big competitors, pinning their confidence on step-ups, openly disparage \$99.95 set. They argue that it's a move in the wrong direction, a reversion to small screens and low discounts. Such sets, with admittedly limited production, give public psychological impression that no TV set is worth more than \$100, they say.

Controls were placed every which-way on new sets -- some on top, some on side, some hidden. One dealer quipped as he went down on his knees to peer under a set: "I'm looking for the controls." But dealers generally felt the new tuning locations improved the appearance of sets, though some complained they would make it tougher on the consumer because in some cases brightness & contrast controls, which usually go together, are at different locations on the receiver.

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There was lots of talk and all sorts of rumors were rampant about color merchandising, partially prompted by willing dealer orders for at least floor models of RCA's new sets (at \$795 & \$895) at its showings. Colorcasting is virtually dormant for the summer (Vol. 11:25) but there's no mistaking plans of some to give it the "big push" this fall, with NBC & CBS providing plenty of attractive shows. At RCA, it's apparent they think fall color trade will give impetus to the Sarnoff conviction that 1956 will be the "year of decision." If it isn't, Gen. Sarnoff certainly went out on a limb when he told stockholders last month:

"I expect that in 1956 and the years ahead, RCA earnings from sales of color TV sets will substantially exceed its earnings from sales of black-&-white during those years" (Vol. 11:19).

Guesswork abounded about Philco color plans, due to be revealed at Miami. We could get no verification that it will have a 21-in. color set in Sept., coinciding with its sponsorship of the Miss America finals from Atlantic City. There was flat denial that it has abandoned its "Apple" project -- the one-gun tube -- but silence when we queried whether it was ready. Logical questions growing out of rumors:



Has Philco signed patent-licensing agreement with RCA, as have all the other leading manufacturers save Zenith -- and will it go to RCA's 21-in. color tube? Is it tying up with the CBS 22-in. rectangular, about which little has been said lately other than that it has cost CBS-Hytron a lot of money? Could it be that Philco will adopt Lawrence one-gun tube promised by Paramount's Chromatic TV Labs? Everybody expects something definitive from Philco; nobody expects it will again talk down the imminence of color, as it did at last year's convention.

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Dealers are also color-conscious, many getting their houses in order for the fall-winter push. NARDA chairman Mort Farr, in a NARDA-sponsored "bull session" with fellow dealers and newsmen set for June 25 at Merchandise Mart, proposes what he calls "a new chance to re-establish the value of dealer franchises" by limiting distribution of color sets to those dealers who can provide service and are able to perform the "special selling job required." In exchange for this, he said, dealers are willing to forego their original demand for 40% markup, feeling they can make up the difference in service contracts with their customers.

"Sales of 30,000 color sets this year are equivalent in dollar volume to sales of 180,000 black-&-white 17-in. sets," he said. "We've got to go after that 1% market which is available to us for color. And we can't do it merely by putting a color set on our floors and waiting for customers to come in. We've got to go out after the customers we know can afford color and demonstrate it to them with color programs. If necessary, we've got to invite them with color parties. As for the servicing, it takes the better part of a day to service a set properly -- and you just can't send out a hammer-and-chisel guy to work on a color set. It takes skill and it costs money -- about \$10 a call, I'd guess -- and folks want quality."

Brief highlights of other major trade developments this week:

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**For Trade & Public to See:** Having done it via closed-circuit last year, Philco this year lets public in on its new TV-radio line even as it's first shown to its 1200 distributors in convention at Fontainebleau Hotel, Miami Beach. Occasion will be variety show titled "Convention in Miami Beach" on ABC-TV Tue. June 28, 8-9 p.m. Besides new TV-radio line, "preview of future electronic developments now in the research and engineering stage" will be interspersed with big-name variety stars, with John Daly as m.c. More than 100 stations will carry show. Philco's next big TV extravaganza will be its second sponsorship of Miss America finals on ABC-TV from Atlantic City Sept. 10 -- possibly in color. Last year's show was big hit, drew 34.2 Nielsen audience rating.

**Discount Houses:** No help from Justice Dept. should be expected by those in trade trying to do battle with discount houses. That was made abundantly clear by Judge Stanley Barnes, chief of Justice's anti-trust div., on NBC-TV's Youth Wants to Know program June 19. Replying to question, he said he felt discount houses were fair to consumer, added: "You don't have to buy from a discount house unless you want to. If you want to get a cheap price and nothing more, you can go to a discount house. If you want to get some other type of service, such as delivery of your goods or a fancy gift wrapping or something of that kind, you can go to some other place and pay more, but it should be up to the consumer to decide where he wants to go, and not a law that says he can't go there."

**Fair Trade:** Important decision bearing on fair trade laws everywhere was handed down this week by Indiana Superior Court, which ruled that price-fixing pact between Arvin and an Indianapolis dealer was unconstitutional. If sustained by State Supreme Court, ruling would void Indiana's 18-year-old Fair Trade Act. State Judge Pike ruled: "By this act, a manufacturer can make a contract with one man and make that binding on all others in the state. I believe this is restraint of trade." Powerful National Retail Furniture Assn., meanwhile, voted 2-to-1 to oppose all fair trade laws, adopting resolution declaring: "The conclusion is inescapable that fair trade pricing as a system of resale price maintenance is impracticable in the home goods industry." On other hand, American Fair Trade Council Inc., in statement to



House Judiciary subcommittee considering fair trade repeal, warned that some form of price maintenance would continue, regardless of fate of fair trade laws.

**Financing of TV Sets:** International Consumer Credit Conference in Louisville heard suggestion that national policy on financing TV receivers be established at 10% down, 24 months to pay. Suggestion came from L.A. Brumbaugh, Valley National Bank, Phoenix, because "in our area, dealers sell the idea that TV sets become obsolete within 2 years." That doesn't coincide with any official appraisal of TV set obsolescence. Once it was estimated that 8 years was the life expectancy, but now H.J. Schulman, chairman of RETMA service committee & CBS-Columbia service director, tells us nobody can calculate life expectancy because some of the earliest sets are still working well. Conference also heard prediction from Francis W. Smith, pres. of Associated Credit Bureaus of America, that the \$28-to-\$30 billion of installment credit now outstanding on retail books should reach \$50 billion by 1956.

**Production:** TV output jumped to 131,801 week ended June 17, uptrending considerably from the 110,766 in the preceding week and 91,648 week ended June 3. It was year's 24th week and brought production for year to date to about 3,500,000, against 2,850,000 in corresponding 1954 period. Radio production totaled 268,822 (125,629 auto), compared to 264,054 week ended June 10 and 206,428 week before. Radio output for 24 weeks was 6,635,000 vs. 4,750,000 in corresponding 1954 period.

**Topics & Trends of TV Trade:** Dun & Bradstreet lists 182 TV-radio-appliance retail failures in first 5 months, with liabilities of \$5,444,000, compared to 220 failures, \$20,675,000 liabilities first 5 months of 1954; May failures were 36, liabilities \$947,000 vs. 44 & \$1,543,000 in May 1954 . . . TV enters "middle age," which Channel Master Corp. sees as good cue for antenna replacements, noting too many set owners put up with inferior reception, ghosts, snow; current ad pitch: there's big potential but dealers must learn to go after the business . . . **Motorola Canada Ltd.** offering dealers \$1000 worth of life insurance for every 3 sets purchased; they can get up to \$10,000 from N. Y. Life Ins. Co., without examination, between June 30-Aug. 31 . . . **Admiral's** Ross Siragusa recently offered share of company stock, from own personal holdings, for every 3 sets bought . . . **Sears, Roebuck's** new fall catalog, out this week, lists new line of 36 models, with 21-in. Silvertone console leader cut to \$160, 24-in. console to \$255 . . . **Hoffman Electronics** first shows new line to distributors July 6-9 at Huntington Sheraton Hotel, Los Angeles . . . **Magnavox** switching ad account to Foote, Cone & Belding after 13 years with Maxon Inc. . . . TV-radio, national magazine and dealer advertising is planned to back up RETMA's "National Radio & TV Week" starting Sept. 18.

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**Muntz TV's** amended Chapter X reorganization plan was approved June 18 by Chicago Federal Judge Knoch, who set Oct. 18 as deadline for creditors & stockholders to file approval or rejection of plan. Failure to file will be regarded as acceptance, court ruled. Amended plan calls for issuance of preferred stock (\$1 per share par value) for 25% of each non-preferred claim, with remainder of claim secured by promissory note payable 8 years after all preferred claims are paid in full. Plan must be approved by % of creditors and simple majority of stockholders.

**TV shipments** to dealers totaled 2,329,449 in first 4 months, when production was 2,771,426, compared to shipments of 2,065,871, production of 1,904,718 in first 4 months of 1954, reports RETMA in state-by-state tabulation (county-by-county tables available to RETMA members on request). New York led, with 221,182; California second, 191,435; Pennsylvania third, 146,844. April shipments were 361,102, compared with 690,097 in 5-week March and 410,032 in April 1954.

**NEW TV MODELS** introduced at Chicago markets this week (see p. 11)—in addition to those previously reported:

**Bendix Radio**—Full line of 10 sets, all 21-in., ranges from \$140 table model to open-face mahogany console at \$290. Table models are \$140, \$150, \$170 (2 sets); consoles are \$180, \$200, \$220, \$230, \$260, \$290. Gen. sales mgr. Hodge C. Morgan said short line "will do much to eliminate slow turnover and regular dumps as well as to keep overhead costs in line and credit losses to a minimum." He said line reflects results of \$500,000 merchandising survey to determine consumer preferences on TV sizes & prices.

**Olympic Radio**—Emphasizing combinations, new line includes 7 basic 3-way models in 17, 21 & 24-in. Its 14-in. table model at \$99.95 is carried over. Table models are \$130 for 17-in., \$160 & \$200 for 21-in. The 21-in. consoles are \$180, \$230, \$250, \$270, \$300; 24-in. console \$290. Combinations are 17-in., \$200; 21-in., \$300, \$330, \$380, \$400; 24-in., \$380 & \$420.

**Raytheon**—Added a 21-in. "lowboy" console at \$200 in mahogany, \$210 in blonde. Company has discontinued policy of introducing full lines, intends only to add "drop-ins" as market conditions warrant, said v.p.-gen. mgr. Henry F. Argento. He said "low-boy" styling is ideal for modern homes & apartments.

**Trav-Ler Radio** — Also a believer in a market for \$99.95 set, pres. Joe Friedman starts line with 17-in. "fabricoid" table model at that price, points out that it won't cost a great deal more than cost of major repairs for "obsolete sets" in a year. Like GE's 14-in. set at \$99.95 (Vol. 11:25), Trav-Ler set is frankly aimed as second set or replacement, said Friedman. Other 17-in. tables are priced at \$120, \$140, \$150; 21-in. \$125, \$160, \$180; 24-in., \$200. The 21-in. consoles are \$180, \$200, \$230, \$250, \$270; 24-in., \$240, \$300, \$330. Combinations (21-in.) are \$350 & \$370.

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**Federal Trade Commission's** long-awaited *Trade Practice Rules for the Radio & Television Industry* (20-p.) will be released June 28. Copies are available from FTC, or we'll get one for you.

**Bendix TV-radio** receiver div. has purchased General Mills automation equipment for TV production line at plant in Towson, Md.



**Trade Personals:** Alton K. Marsters, ex-Colt Mfg. Co., onetime sales v.p. of American Optical Co., named CBS-Hytron gen. sales mgr. . . R. A. Schieber, Westinghouse TV-radio manufacturing mgr., promoted to works mgr., replacing J. M. Allen, now on div. operating staff under gen. mgr. E. J. Kelly . . . Wm. Brown named director of engineering for consumer products, Webster-Chicago . . . George A. Peck, Stromberg-Carlson TV-radio production mgr., named alumni trustee of Clarkson College of Technology . . . Herbert Kushner, ex-Link Radio, named asst. mgr. of technical services, DuMont mobile communications dept., headed by his ex-chief, Fred M. Link . . . A. Holland Phillips named to GE tube dept.'s district office at Clifton, N. J. . . . George M. Zyvoloski appointed Sparton district mgr. for Illinois (except Chicago); Voyd L. Smith named northwest Texas mgr., Lubbock; Russell H. Francis covers Utah, headquarters Salt Lake City; Verlyn D. Gilkey will cover northern Indiana area . . . Donald E. Heinsch, ex-Crescent Industries, named exec. v.p. of Wilcox-Gay Corp., operating under Chapter X reorganization plan; Edward Jahns promoted to mgr. of engineering & development div., Glen Clifford production mgr., Larry Robbins adv. & sales promotion mgr. . . . W. P. Ready, ex-gen. sales mgr., National Co., now in similar post with Wallace's Telades Inc., Jamaica Plain, Mass. . . . Jay H. Quinn resigns as sales & adv. mgr., Fairchild Recording Equipment Co., which he helped found in 1948 . . . Leonard P. Blakely and Martin Silver, former sales mgr. and broadcast div. mgr. of Tel-Instrument Co., Carlstadt, N. J., form L&M Associates, sales & engineering reps (352 Boulevard, Hasbrouck Heights, N. J.) . . . Norman Freeman, ex-Clarostat, named mid-Pa. district mgr. of Morris F. Taylor Co., Silver Spring, Md., electronic manufacturers' reps.

**DISTRIBUTOR NOTES:** Admiral appoints Electric Appliance Distributors Inc., 908 Green Ave., Altoona, Pa. (H. Paul Good, pres.) . . . DuMont appoints O'Day Equipment Co., Fargo, N. D., replacing Cook Appliances Inc. . . . Westinghouse Electric Supply Co. appoints Charles J. Vondran mgr. of Indianapolis branch . . . Graybar, Cincinnati (Emerson) names W. D. Giebel appliance sales mgr., succeeding Blaine Lind, now Madison, Wis. branch mgr. . . . Krich-New Jersey Inc., Newark (RCA) reports resignation of parts mgr. Samuel Robbins to form Leader Electronic Supply Corp., 88 Lock St., Newark, specializing in parts sales to service dealers.

Crosley-Bendix reorganization under new pres. Chester H. Gifford merges electronics div. with appliance & laundry divs. Parker H. Ericksen continues as exec. v.p.; F. E. (Bud) Howell, v.p. of appliance & laundry divs., becomes v.p. of sales & distribution, including TV-radio; D. B. (Randy) Blatz gets new post of gen. controller; W. A. MacDonough, gen. mgr. of distribution & merchandising, becomes director of adv. & sales promotion for all consumer goods; A. E. Cascino continues as director of marketing, John Mihalic as director of manufacturing & engineering, Harold C. Tipping as director of industrial & community relations. Govt. products div. is unaffected by merger, Clarence G. Felix continuing as v.p. in charge.

"Better late than never" is how pres. Albert A. Goffstein of American Television & Radio Co., St. Paul, describes his company's recent entry into TV—24 years after its founding with TV in its title. "We had always intended to go into TV, and we're just now catching up with our name," Goffstein told us. Company has manufactured auto radio vibrators since 1931, is RETMA member and RCA licensee. It's marketing eleven 21-in. full-door consoles under "ATR" brand, all \$495, with dealer discounts of 40%, thru furniture & music stores, will skip TV-radio-appliance dealers for time being. It has no distributors.

Named on Queen's birthday honours lists: Baronet: Sir George H. Nelson, chairman & managing director, English Electric Ltd. M.B.E.: H. G. Cheel, gen. mgr., General Electric Co. Ltd.; H. W. Cox, E.M.I. Engineering Development Ltd.; R. J. Porcher, senior TV supt., Cable & Wireless Ltd. C.B.E.: P. H. Spagnoletti, director & gen. mgr., Kolster Brandes Co.; F. N. Sutherland, gen. mgr., Marconi's Wireless Telegraph Ltd.; J. N. Toothill, gen. mgr., Ferranti Ltd. From the BBC, Queen Elizabeth bestowed knighthood on Harold Bishop, director of technical services; bachelor, A. J. M. Ozmond, asst. head of TV design; S. H. Matthew, asst. program accountant; C.B.E., W. L. Streeeton, head of programme contracts dept.

Honorary degrees: Dr. Wm. B. Shockley, Bell Labs director of transistor physics research, now on leave as research director of Defense Dept.'s weapons system evaluation div., from U of Pennsylvania; Dr. Walter H. Brattain, Bell Labs physical research dept., and Dr. John Bardeen, ex-Bell Labs and now U of Illinois professor of physics & electrical engineering, from Union College; Harold S. Black, Bell Labs systems research div., from Worcester Polytechnic Institute.

G. C. W. Browne, controller of telecommunications in Canadian Dept. of Transport, presented with short-wave portable radio by RETMA of Canada in honor of his 41 years of govt. communications service; he retires Aug. 18.

S. Merrill Skeist, ex-W. L. Maxson Corp., elected contracts v.p. & director, Polarad Electronics, Long Island City, N. Y.

Michael Palmieri, ex-gen. mgr. of Burnell & Co., elected exec. v.p., gen. mgr. & director of Elsin Electronics Corp., Brooklyn.

Harry R. Clark, ex-pres. of Telechrome, named sales v.p., Linear Equipment Labs, Copiague, N. Y.

Maj. Gen. Wm. Henry Harrison, pres. of IT&T, elected a director of Intertype Corp.

Stewart-Warner quit making TVs and radios in U. S. after last Xmas (Vol. 10:51, 52)—but its electronics div., with \$50,000,000 backlog, did 7.8% more business in first 5 months of this year than same 1954 period. Earnings for 5 months ended May 31 were \$1.60 a share, should be \$2.05 for first 6 months vs. \$1.13 in first half of last year.

Mergers: Westinghouse Air Brake subsidiary Melpar Inc. takes over Corvey Engineering Co., Alexandria, Va., electronics-logistics research firm employing 150. F. L. Jacobs Co., Detroit auto parts manufacturers, acquires Eicor Inc., Oglesby, Ill., makers of dynamotors, inverters and alternators for electronics and aviation industries.

"Automatic" factory: Westinghouse announced it will break ground soon in Youngwood, Pa., near Pittsburgh, for multi-million dollar plant to be devoted to automatic production of semi-conductor devices, including transistors, rectifiers, high frequency detectors and photocells.

Three new transistors, alloy-junction germanium pnp type, have been announced by RCA—2 of them for hearing aid applications, one for portable radio output stages.

\* \* \* \*

Electronics Trust has been formed in London with registered capital of £2,000,000 to specialize in investments in electronics and related fields, a la Television-Electronics Fund, Group Securities Inc.'s electronics & electrical equipment group, and recently formed Electronics Investment Corp., San Diego (Vol. 11:17).

Capitol Records Inc., now controlled by EMI of England, has designated v.p. Wm. H. Fowler to inquire into diversifying into other electronics fields, particularly U. S. market for EMI products. He headquarters in N. Y.



**Color Trends & Briefs:** NBC-TV's efforts to push color in big way next fall are evident in new supplements to rate cards for its own WRCA-TV, N. Y. and WNBQ, Chicago. Advertisers holding station-break positions adjacent to or within regular color shows will either convert to color or risk losing position to those who want color.

WRCA-TV's Supp. 1 to rate card No. 15 specifies that all 20-sec. station breaks and 10-sec. IDs, adjacent to or within regularly scheduled color shows, will be available in color only, starting June 1. Present advertisers in those spots aren't required to convert until Sept. 1. Extra charge is \$500 for 20-sec., \$250 for 10-sec. Here's setup:

"If a station break adjacent to or within a regularly scheduled color program has not been converted to color by Sept. 1, 1955, NBC will make it available to a client wishing to use color. When such client wishes to buy in color, NBC agrees to give 2 weeks notice to the incumbent monochrome buyer to either convert the spot to color within the 2 weeks, or vacate the position. The incumbent monochrome advertiser must notify NBC, within one week of such notification, of his intention to either convert his station break to color or vacate the position.

"Such relinquishment will not affect the advertiser's continuance in station breaks adjacent to or within monochrome programs scheduled on non-color program dates.

"The color facilities charge does not apply to advertisers who continue to occupy with monochrome a color station break position after Sept. 1, 1955." Color facilities charges have 3 months rate protection.

WNBQ's Supp. 1 to rate card No. 9 has same provisions, except that 20-sec. is \$190, 10-sec. \$95, and "required" date is Sept. 15.

\* \* \* \*

"Color is coming along steadily, but it has a long way to go before moderately priced sets will be available in large volume. A new technological change such as color simply cannot go ahead any faster. It represents far more than simply doubling the number of receiver tubes in a TV set, and making the picture tube 3 times as complicated. A great deal of development work lies ahead, witness the fact that the original estimates of color set production by the entire industry for 1955 have already been revised downward. At one time the estimates ranged from 100,000 to 300,000, with about 100,000 destined to be sold. Today, the industry is talking about 75,000 to 100,000 being made, and some 50,000 being sold. Be that as it may, color is coming, but it is not just outside the door."—From statement by Don G. Mitchell, Sylvania chairman-pres.

Sole network color feature scheduled next week is pair of pickups June 27, 8:09-8:20 & 8:44-8:54 p.m., during NBC-TV's *Wide Wide World*, of Louis Armstrong and Woody Herman bands from Washington. All Ford and RCA commercials will also be in color. Aside from that, and probable short *Home* and *Today* segments from time to time, only color shows definitely scheduled so far this summer are NBC-TV spectaculars July 25 & Aug. 2.

**Color TV film standard:** Test 35mm & 16mm color film & slides, long under preparation by SMPTE as final standards for TV industry (Vol. 10:43), are now available from headquarters, 55 W. 42nd St., N. Y. The 35mm film, 700 ft., is \$95; 16mm, 280 ft., \$50; 10 slides, \$25.

**"Colorless" conventions:** As of now, no network plans to colorcast political conventions in Chicago and San Francisco. At recent meeting of network representatives in San Francisco, AT&T asked networks for color plans, found they'd been dropped.

**Equipping itself with "Vitascan" live color facilities,** DuMont's WABD, N. Y. will offer advertisers free tests of commercials. Station's color-filmed *Sunday Supplement* has been suspended pending facilities changes.

**Financial & Trade Notes:** Hallicrafters earned \$363,438 (44¢ a share) on sales of \$18,635,074 in 9 months ended May 31, compared to net loss of \$1,029,935 on \$23,226,340 in same period year ago. For quarter ended May 31, earnings were \$88,197 (11¢) on \$5,799,089 vs. loss of \$80,598 on sales of \$7,514,119 in 1954 quarter. In message to stockholders, chairman Wm. J. Halligan & pres. Raymond W. Durst noted that unit TV sales in 9-month period were 20% ahead of same 9 months year ago; in communications equipment, 46% ahead in unit sales, 26% in dollar volume. They also stated that Hallicrafters got additional \$4,000,000 in govt. contracts in June.

H. R. Blash continues as chairman of Webster-Chicago, N. C. Owen as pres., says official company statement which admits Titus Haffa, Chicago industrialist, has acquired "substantial block of stock" (Vol. 11:24)—stated by Mr. Haffa to amount to "more than 125,000 shares" of 519,750 outstanding. Haffa bought holdings of Blash, whom he said he would later succeed as chairman, and of secy. Herman Bichele, v.p. Walter Altenburg, et al. He and family control Dormeyer Corp. and Haber Corp.

General Electric has revised its 1954 earnings report downward, showing net profit of \$198,913,221 (\$2.30 a share) instead of announced \$212,613,221 (\$2.46); retroactive change in tax law relating to estimated expenses required adding \$13,700,000 in provision for taxes & renegotiation. Earnings remain highest on record, up 20% from 1953 level.

Avco Mfg. Corp. reports sharp drop in sales and profits for 6 months ended May 31, 1955. Profit was \$447,983 (3¢ a share) or sales of \$136,708,269, down from \$3,106,481 (33¢) & \$199,060,391. Pres. Victor Emanuel blamed increased costs, continued price weakness in TV-appliances, strike in Avco's farm implement section.

Ampex Corp., San Francisco (magnetic-tape recorders) reports net income of \$365,736 or 69¢ a share on 528,740 capital shares, for fiscal year ended April 30 vs. \$25,691 (6¢ on 411,340 shares) in 1954 period. Profit is after taxes and \$503,000 on research & development.

Television-Electronics Fund assets increased 72% in 6 months to April 30, up from \$55,868,018 (\$9.47 a share) to \$96,182,332 (\$11.33). Assets passed \$100,000,000 since April 30, according to pres. Chester D. Tripp.

General Instrument Corp. reported June 24 enough proxies (51%) to ratify acquisition of Automatic Mfg. Corp., Newark, whose 1500 shares will be exchanged for 555,000 of GIC (Vol. 11:24).

Sentinel Radio earned \$83,422 (22¢ a share) on sales of \$12,415,185 in fiscal year ended March 31, compared to \$151,301 (40¢) on \$13,532,457 in preceding fiscal year.

Graybar Electric Co. sales in 1954 totaled \$366,027,713 vs. \$384,388,765 in 1953; profit was \$2,688,359 (\$4.43 per share) vs. \$3,228,159 (\$5.24).

Lavoie Laboratories Inc., Morganville, N. J., offered 58,000 shares of \$1 par common stock to public this week at \$5 per share, using no underwriters.

**Dividends:** Emerson Radio, 10¢ regular & 5¢ extra payable July 15 to stockholders of record July 5; American Phenolic, 12½¢ July 29 to holders July 15.

Gifts of 4 to 20 shares of stock in Washington Post Co., each share worth \$60, were bestowed this week on 65 employes of its WTOP-TV & WTOP and 25 of its WMBR-TV & WMBR, Jacksonville, by chairman Eugene Meyer—apportioned on basis of length of service and responsibility of position. Altogether, 711 employes of the publishing-broadcasting companies now own about \$500,000 worth of the stock, with top executives including WTOP Inc. pres. John S. Hayes having acquired other shares previously.



**SENATE PROBERS** will call on more "experts" to study various TV problems—along general lines of engineering study of allocations, begun this week (see p. 3). "The TV industry is too big, too complex, has too many problems for a study at the staff or Committee level alone. We must call on experts."

Thus Chairman Magnuson outlined the methods his Commerce Committee will use in its TV investigation (which he prefers to call a "study"). "We'll farm out as much work as possible," he told informal June 21 press conference. Then, when all studies have been completed, probably next fall, "we'll hold our hearings, which will be legislative—not investigative—in nature." He said he has in mind:

(1) Study of TV economics, free speech, political time, etc.—possibly by a large private foundation, "such as Brookings Institution, Carnegie or Ford Foundation."

(2) Network study—by FCC, for which \$80,000 is being appropriated by Congress (Vol. 11:22-24). This study would take 6 months, the Senator said, and his Committee is most interested in terms and details of network-station contracts.

(3) Looking into FCC procedures—he said he hopes to ask American Bar Assn. "or a similar impartial group" to take over-all look at this question, come up with "uniform code" for Commission procedures.

(4) Communications Act amendments—ex-Sen. Clarence Dill (D-Wash.), one of authors of Communications Act of 1934, is looking into this now, will advise Committee what changes are necessary on basis of developments at the hearings.

The Senator sketched a wide area of inquiry for the TV study—with fall hearings covering such subjects as military use of channels which are suited to TV ("we'll ask the military how much they're using and how much they need"). Also, political time, satellites & boosters, AT&T networking charges, subscription TV ("if FCC hasn't finished with it by then").

He was not optimistic about one prime project of the Committee—exemption of uhf-equipped sets from 10% Federal excise tax. He noted that Finance Committee Chairman Byrd (D-Va.) is opposed to any new tax legislation this session, but added there was outside chance the exemption provision could be tacked onto a House-passed tax measure from the Senate floor. Congress is hoping to wind up 1955 session end of next month.

NBC has run into more opposition against its proposed station sales and purchases. WGR-TV, Buffalo, this week asked hearing on NBC's pending acquisition of WBUF-TV, Buffalo (Ch. 17), WKNB-TV, New Britain (Ch. 30) and Philadelphia-Cleveland swap with Westinghouse (Vol. 11:22, 25). WGR-TV asked all these be consolidated in hearing to explore NBC "monopoly", look into RCA's anti-trust history.

Committee studying AT&T rates for TV and aiming to forestall increases reported to NARTB board this week, was directed to continue work and increase size, if necessary. AT&T has been active, meanwhile, in efforts to convince telecasters that rates are too low. Its representatives have been calling on stations, showing figures indicating low rate of return from TV.

Application for satellite in Cheboygan, Mich. on Ch. 4 by WPBN-TV, Traverse City, Mich. (Ch. 7) was only one filed this week. Total now stands at 147 (including 16 uhf). [For details, see *TV Addenda 20-X* herewith; for complete listings of all grants, new stations, applications, etc., see *TV Factbook No. 20* with Addenda to date.]

### New TV Factbook—Pre-Print Orders

**T**ELEVISION FACTBOOK No. 21, the Fall-Winter edition of the TV-electronics industries' first and most widely used and quoted "almanac," will be off the presses about Aug. 1—containing basic data on all U.S., Canadian and World TV stations and networks (including digests of station rate cards and complete rate cards of the networks); digests of all CPs outstanding and applications pending for new stations, with details on principals involved, facilities, etc.; all allocation tables brought up-to-date. All other departments are updated, too, such as the directories of the FCC, TV sales reps, program producers & distributors, set-&-tube manufacturers, radio attorneys, engineers & consultants, laboratories, etc. Also updated are TV-radio production figures, time sales and other statistical tables. Included with each *Factbook* is revised copy of our 43x29-in. Map of TV Cities and network interconnections, in color, suitable for framing. One copy of the *Factbook* goes to each of our full-service subscribers. Extra copies, if pre-print orders are placed for 20 or more, are \$1.50 each; single copies, \$4.00.

Rumors that Ch. 2-6 are in jeopardy because of military demands keep recurring, keep getting unequivocal denials at responsible levels of Govt. (Vol. 11:5). For one, Harold M. Botkin, ODM asst. director for telecommunications, whose job it is to coordinate all govt. spectrum use, says he hasn't even heard subject mentioned since he last dismissed it—"and I assumed the rumor was dead." Some in industry (and at FCC) feel it's good tactics for TV to demand more vhf space to counteract possible military efforts to do likewise at expense of TV.

Guatemala's first TV station, TGBO-TV, Guatemala City (Ch. 3), with transmitter on 12,300-ft. Agua Volcano (Vol. 10:50), plans to start this summer. DuMont this week shipped it 5-kw transmitter and dual camera chain. Among owners, along with Guatemala business men, are ex-FCC chairman Paul Porter, now Washington attorney; Col. Frank Katzentine, owner of Miami Beach radio WKAT; J. H. Wilson Jr., Pan-American Airways.

Bill to permit "Lincoln-Douglas" debates on TV-radio between presidential candidates, without subjecting stations and networks to equal time demands from minority candidates, as proposed by CBS pres. Frank Stanton (Vol. 11:21, 23, 25), was introduced June 24 by Sen. Payne (R-Me.) of Senate Commerce Committee. His S-2306 is identical to HR-6810, introduced by Rep. Harris (D-Ark.).

AM-PAR Record Corp. is name of new AB-PT phonograph record subsidiary established last week (Vol. 11:25) under pres. Samuel H. Clark, with headquarters at 1501 Broadway, N. Y. It's expected to enter market with AM-PAR brand early next year.

Some 33,000,000 people saw Archie Moore knock out Bobo Olson in Pabst-sponsored light heavy-weight championship bout June 22, according to Trendex ratings prepared for ABC-TV, which says it was biggest audience ever to watch a televised fight.

He couldn't take it: CBS cancelled its widely-publicized TV-radio "scoop"—the appearance of Soviet Foreign Molotov on June 26 *Face the Nation*—because the guest wouldn't consent to the program's customary free questioning by panel of interviewers.

New FCC Comr. Richard A. Mack will be sworn in July 7, 10 a.m., Room 6121. He replaces Frieda B. Hennock, who is understood to be joining Washington law firm of Davies, Richberg, Tydings, Beebe & Landa.



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## PAY-AS-YOU-SEE TV

# THE ABC'S OF THE CONTROVERSY

**Editor's Note:** There are so many requests from laymen for an explanation of what subscription TV is, with its pros and cons, that a handy primer is a time-saving blessing. New York Times TV-radio critic Jack Gould provided just such a document in the form of a full-page appraisal June 19. His summary is impartial and non-technical, and provides a good digest of the major arguments. As a service to our subscribers, we will provide reprints of this article at nominal rates: 25 for \$1.50; 50 for \$2.50; 100 for \$4.00.

By JACK GOULD

**S**UBSCRIPTION television appears certain to be the subject of the most hectic and widespread controversy in broadcasting's three decades. In interest, complexity and duration it should easily be the spectacular of disputes over use of the airwaves.

The challenge posed by subscription TV is the introduction of an additional concept of broadcasting. Since 1922 the public has been entertained, enlightened or enraged through the courtesy of the advertiser with something to sell. Now it is proposed that the public also pay fees for what it sees.

Those in favor of subscription video say it would open vast new horizons in television entertainment and culture. Represented on the "pro" side are the three companies that have developed systems of toll video and many Hollywood, theatrical and sports interests that envision a vast new market for their wares.

Those opposed to toll TV say it would mean an end to the continuous free show in the nation's front parlor and threaten the existence of movie houses. The opponents include the Columbia Broadcasting System, the National Broadcasting Company, the American Broadcasting Company and the Joint Committee on Toll TV, also known as the Committee Against Pay-As-You-See TV, comprised of motion-picture theatre owners.

Most directly affected by the toll video dispute are the 125,000,000 persons who regularly watch television. There is the somewhat novel prospect of recognizing that a home may be more than a castle; it may also be a box-office.

For the entertainment world there is the possibility of admission receipts dwarfing even an impresario's wildest dream—conceivably \$3,500,000,000 a year.

For the advertising world there is a stake of awesome magnitude—this year program sponsors will spend \$950,000,000 in home TV.

The dispute's ramifications lead not only into uncharted economic fields, but also into largely unknown legal, technical, social and cultural spheres. Whatever approach is taken to toll TV, only one certainty emerges: There is hardly a single point on which there is any agreement.

### THE PRESENT SET-UP

Today there is in operation a total of 429 commercial TV stations and ten non-commercial educational outlets. These stations broadcast over twelve channels (Nos. 2 through 13) in what is known as the very high frequency band (V.H.F.) and over seventy channels (Nos. 14 through 83) in the ultra-high-frequency band (U.H.F.).

It is the matter of channels—the space on the air—that distinguishes the controversy over subscription TV from disputes involving other mass media. The number of channels, unlike the number of printing presses, is subject to a physical limitation; there is not enough room on the air for everyone who might want to broadcast in every community. In addition, certain channels have a technical advantage over others. Accordingly, some communities may have seven choice channels; others, only one.

### F. C. C. Rules Airwaves

How to make the best use of the available channels in each community is the responsibility of the Federal Communications Commission, the agency established by Congress to supervise the airwaves. The agency's authority derives from Federal law stipulating that the airwaves are the property of the people. A broadcaster only receives a license to use a channel; he does not own it. The F. C. C., in short, has the power to grant or withhold the permit necessary to broadcast.

In the toll TV controversy the task of the F. C. C. is to decide whether it can authorize pay-as-you-see to use broadcasting channels and, if so, under what conditions. Last February the agency invited comments on what it should do. It was swamped with a record mail—more than 25,000 communications as of last night. Now those for and against toll TV have until July 11 to enter rebuttals to one another's arguments.

What happens after that is part of the subscription TV controversy itself. To understand why, it is necessary to outline the ABC's of toll TV.

### HOW TOLL TV WORKS

The underlying theory of subscription television is to make a program available only to those viewers willing to pay for it. But the basic technical problem is to find means of keeping the program away from those not willing to pay.

This trick is done by use of the principle of the combination lock that protects a bank safe; in this instance it protects a

television program. The toll TV broadcaster transmits his program with a certain electronic combination. Then he sells this combination to the set owner who wants to see his show.

Why this is feasible is better appreciated when it is first understood how a television picture travels through the air to a receiver. The TV image is not sent as the whole picture you see on the screen. Rather it is sent in the form of little pieces that are then reassembled at the receiver. There are many different ways both to send the pieces and to put them back together again. This is the heart of all systems of toll TV.

### The Toll Systems

There are three major proposed methods of transmitting toll television:

**Phonevision.** This is the system developed by the Zenith Radio Corporation, of which the president is Eugene F. McDonald, generally regarded as the pioneer of toll TV.

The principle of Phonevision is to "scramble" the picture and sound at the transmitter. In effect, the components of the image and voice are mixed up electronically so that on today's conventional receiver the picture would be only jagged lines and the sound unintelligible.

On the receiver equipped to receive Phonevision there would be a device containing five knobs, each of which could be adjusted to one of seven positions. A given program would be assigned a special code number, say 54627. The dial corresponding to each digit would be set accordingly: a normal picture and sound then would be received.



Under the Zenith plan the necessary code information could be obtained from a program card. Punching out an insert on the card containing the digits for a specific show would represent a record of what was seen. A viewer would mail in the used card and then receive a bill.

**Skiatron.** This is the method advanced by Skiatron TV, Inc., headed by Matthew Fox, and Skiatron Electronics and Television Corporation, of which Arthur Levey is president.

Like Phonevision, Skiatron provides for coding, or "scrambling," the picture at the transmitter, and then decoding, or "unscrambling," the picture at the receiver.

The Skiatron device has provision for the insertion of a standard International Business Machine card on which is superimposed a printed electronic circuit. This circuit would act as an "unscrambler" when a button on the device was pressed. Pressing the button would automatically punch the card, making a record of the show seen.

**Telemeter:** This is the system proposed by Paramount Pictures, of which Barney Balaban is president, through its subsidiary, the International Telemeter Corporation.

The Telemeter system differs from the other two both in how it would conceal the box-office attraction from the nonpaying audience and its collection of admission fees.

Telemeter proposes to transmit two images on one channel, a development that in time might lead to applications beyond toll video. One image would consist of an advertisement of the program to be charged for; this would appear on existing sets. The second image would be the box-office attraction and could be seen only to sets equipped with a Telemeter attachment.

As the name suggests, Telemeter is basically a coin machine that would collect the money before each show was seen. There would be a slot to accept nickels, dimes and quarters and also automatic provision for a credit allowance if a viewer did not have the right change available. The boxes containing the coins would be picked up periodically, as in the case of pay telephones. Telemeter believes this method preferable to collecting a sizeable bill after shows have been seen.

A point is raised about pay-as-you-see methods: Would it be

feasible to "jump the meter" or break the codes and see box-office attractions for nothing? Technically, almost any method of concealment can be broken, but advocates of toll video insist it will be too much trouble to be practical on any significant scale.

### What Will Toll TV Cost?

There are two cost elements to be considered, the initial investment and the upkeep. The price of installing the various devices has been estimated at between \$25 and \$100. Some systems propose to lease their equipment; others to sell it. In most instances it would have to be installed by a service man.

The box-office top most frequently mentioned for a toll TV program is \$2; the proposed minimums have been anywhere from 5 to 25 cents. Whatever the chosen price, multiply it by 35,000,000—the number of sets now used—for a rough idea of the money potential for a single program.

How much toll TV might there be? No definitive prediction is possible; the answer is part of all the basic quarrels. Some say there could not be more than a limited number of hours per night or per week; others have said toll TV might be programmed around the clock.

With a potentially big pie to divide, just about everybody might have a hard in controlling pay-as-you-see. Most predictions envision a three-way split of the money. A percentage would go to the company whose technical system of pay-as-you-see was used, a percentage to the broadcaster and a percentage to the program producer. Since a single corporate entity might fulfill more than one role, the anti-trust laws willing, actual control of toll TV could take many forms.

### Commercials

The general assumption has been that toll TV would operate without the familiar interrupting commercials. As a matter of box-office policy it is not believed the public would be eager to put up cash to be regaled by plugs.

However, the question of advertising still has to be determined as a matter of fundamental policy. Already there have been proposals that the public might not object to some commercials if they led to a reduction in the box-office price.

### THE LEGAL ISSUE

The legal debate over toll TV centers on the question of what is "broadcasting." In turn, this raises the matter of whether the Federal Communications Commission has the power to act on toll TV or whether the whole issue must go to Congress.

Section 3 of the Federal Communications Act of 1934 defines broadcasting as "the dissemination of radio communications intended to be received by the public, directly or by the intermediary of relay stations."

The opponents of toll television, who urge Congressional action, argue that a program that is scrambled is not intended to be received by the public but is intended to be withheld from all members of the public except those able and willing to pay. Further, it is contended that toll TV constitutes a discriminatory use of a public property—the airwaves—as opposed to advertiser-sponsored TV, which is available to everyone on an equal basis.

The supporters of toll TV, who contend the F. C. C. can act on its own, argue that a box-office program is intended to be received by the entire public. To ask the public to pay for the equipment necessary for subscription TV, they maintain, is legally no different than asking the public to purchase a receiver in the first place.

### THE CASE FOR

Here is a summary of the argument in favor of subscription television:

TV broadcasting as it now exists is governed by what an advertiser can afford to do and by what he believes will stimulate the sales of his product. If there are some areas of programming in which the needs of the sponsor and the needs of the viewing public are compatible, there are other important areas in which they are not. It is in the incompatible areas that toll TV proposes to operate.

One of the areas is prime TV programming material—the brand new, full-length motion picture, right off the Hollywood griddle, to be offered without commercial interruptions. Here the inadequacy of an advertiser's resources are evident.

The average cost of production of a Hollywood feature is about \$900,000. Yet, as itemized by Paramount Pictures in its comments to the F. C. C., here are the single-performance costs, including talent and time on the air, of some of TV's currently most expensive shows:

1. Producers' Showcase . . .	\$351,446
2. Max Liebman Presents . . .	313,039
3. Best of Broadway . . . . .	173,725
4. Shower of Stars . . . . .	167,710
5. Milton Berle . . . . .	162,504
6. Godfrey and His Friends . . .	152,902
7. Omnibus . . . . .	147,201
8. Disneyland . . . . .	146,144
9. Comedy Hour . . . . .	138,652
10. Jackie Gleason . . . . .	130,839

This huge economic disparity, according to toll TV's advocates, is what precludes from the home screen the newest and best that Hollywood can offer.

Similarly with sports. Worried over the competitive inroads of free TV, promoters have backed away from the medium. There has been only one championship bout on home TV since 1951; theatre television has been able to outbid the advertiser. Football is restricted and in some areas so is baseball. If baseball attendance continued to drop, further blackouts can be expected. Toll TV, on the other hand, could assure the economic vitality of sports and at the same time retain them for home viewing.

Each New York baseball club receives between \$500,000 and \$750,000 a season for allowing broadcasts of its game; toll TV—at 50 cents a seat—might mean \$50,000 for each of seventy-seven home games, or \$3,850,000 a season.

Broadway plays of full length could be offered regularly via toll TV, not merely occasionally. The two-hour running time of a play is prohibitive for most advertisers. Without the presence of the advertiser, who, as a business man, is normally averse to offending a prospective customer, greater artistic freedom could prevail.

In the whole field of so-called regular minority programming, such as the symphony concert, opera, ballet or straight educational feature, toll TV offers the only practical hope. Groups interested in such forms of programming may not be large enough to warrant the attention of an advertiser but they are large enough to support such attractions themselves. In addition, toll TV could represent a new source of revenue for a cultural institution such as the Metropolitan Opera or even for a school or college. Merely because an advertiser cannot afford to do certain things in TV is no reason to deny the public a chance to have these things by other means.

Toll TV does not constitute a threat to free TV. There is a limit to the amount of distinctive or qualitative programming for which a charge could be



made; in addition, there probably is a limit on how much the public would be willing to pay in a week for home entertainment. There still would be opportunity for both forms of TV, with the public benefiting from the rivalry for its attention.

Further, toll TV need not be a detrimental factor in communities where there is a single station. While temporarily a toll TV program might black out the only free program, the introduction of public financing of TV could lead to the industry's expansion in areas that do not have sufficient population to interest advertisers.

In any case, toll TV holds enough promise to warrant a chance to prove itself in the marketplace. The broadcasters did not complain when they lost attractions to theatre television or when some of their stations were "blacked out" by sports promoters. Their only basic fear is the first competition they ever have faced in their own medium.

## THE CASE AGAINST

Here is a summary of the argument in opposition to toll television:

The advocates of subscription video are trying to pull the wool over the public's eyes by ignoring the elementary economics of the entertainment world: Stars, producers and writers in the show business go where the most money is.

If toll TV can outbid advertiser-sponsored TV for attractions not on the screen, then obviously it can outbid free TV for attractions that are. Toll TV won't stop with the ready-made shows of Broadway and Hollywood; it also will seek the ready-made box-office names familiar to the home TV audience. The public will not pay 10 cents to see Jackie Gleason if it can see him free, but it will pay 10 cents rather than not see him at all. And Mr. Gleason already has shown an interest in working for toll TV; other stars inevitably

will follow suit and, to enhance their box-office potential, would stay off free TV.

The economic dominance of toll TV would assert itself even further. With the available audience divided between free and fee TV, the advertiser would have less incentive than ever to meet TV's sizable costs. If his sales message is going to reach fewer people, he is going to trim his costs, not enlarge them. Only the loss of a few choice evening hours to toll TV is required to mark the beginning of free TV's end.

The rosy cultural future envisioned by toll TV is unrealistic and illusory. The inexorable law of the box office will result in toll TV catering to majority audiences much as existing TV does; the sponsors of toll TV will not be overly concerned with devising ways to make less money rather than more. Especially if facilities for toll TV are subject to a physical limitation, the public will be offered more of Lana Turner than of ballet.

Meanwhile, if the box-office held increasing sway over TV, the public-service programming that is now a by-product of advertising-sponsored TV, such as many news and political events, would be lost. There would not be the income from the popular shows to foot the bill for sustaining video.

Actually, television today provides much if not most of the fare promised by toll TV. Virtually all the stars of Broadway and Hollywood now appear on the home screen. Television dramas are bought by stage and screen producers. There is a trend toward doing Broadway shows after their run and a likelihood of original ninety-minute works before long.

As for movies, free TV's expanding economy is making possible the acquisition of some better pictures. Were it not for the golden promises of toll TV, existing TV might obtain newer releases. In the realm of sports, the loss of some attractions is offset by the presence of others. You may not see a championship fight but you can see the World Series or the Army-Navy game.

## Broadcasters' Choice

The toll TV advocates cannot talk away the fact that subscription video proposes to operate on channels made possible by advertising-sponsored TV. When a toll TV program is on the air, it often may black out a program that has gone into millions of homes without charge.

The proposal that toll TV might be confined to a special category of broadcasters—such as the hard-pressed ultra high frequency station owners—is unrealistic. If it is democratic for a listener to have a choice of both types of programming, then it is democratic for a broadcaster to be free to decide which type he will offer. And producers of toll programs, as with today's advertisers, will turn to the big major stations that can deliver the largest ready-made audiences.

To say that toll TV only wants a chance is to evade the issue. Once toll TV is inside the door, free TV's days economically are numbered. Let toll TV prove itself and today's networks and broadcasters will be forced to enter the field to protect their investment.

For the public the question is a simple one; TV can be free: why pay for it?

## THE EFFECTS

Subscription TV would affect other fields of entertainment.

**The Motion Picture Industry:** The impact of subscription television on the movies undoubtedly would be great, though how great is a controversy in itself. This impact would be different for the industry's two main divisions: (1) the producers of films, i. e., Hollywood; (2) the exhibitors of films, i. e., the movie houses.

For Hollywood toll TV would be pure bonanza, the most efficient and far-reaching method of distributing pictures imaginable.

For the exhibitors the prospect of toll TV is a nightmare. The Joint Committee on Toll TV, headed by Alfred Starr, a Nashville theatre owner, asserts bluntly that subscription video

constitutes a significant danger to the continued existence of motion picture theatres." With new movies going for home demonstration, the neighborhood theatre hardly would be in an enviable position. Small wonder the exhibitors are championing free TV, once regarded by them as the economic evil of all time.

**The Broadway Theatre:** Both Moss Hart, president of the Dramatists Guild, and Ralph Belamy, president of the Actors Equity Association, believe toll TV could prove a major boon to the legitimate theatre, stimulating production and providing a king-sized "angel." Skeptics have wondered, however, where all the necessary good plays would come from and if the content of many—"Bus Stop" and "Cat on a Hot Tin Roof," for example—would be suitable for TV's mixed family audience.

**Educational Broadcasting:** Subscription TV is seen as a possible form of deliverance for educational broadcasting, which has been assigned its own TV channels by the F. C. C. but has been plagued by economic headaches. A small TV audience—say 10,000—would still be a big school class. A \$1 fee for a course under these circumstances might lead to some new economic thinking on the nation's campuses.

## THE FUTURE

The concensus of virtually all participants in the controversy is that the toll TV war will take the form of words rather than deeds for months, perhaps years, to come.

After receiving the rebuttals to the first flood of opinions, the F. C. C. can order an oral hearing, turn to Congress for guidance, order some experimental toll TV to learn more about the systems, or propose standards. Once the F. C. C. reached a determination, then there could be legal challenges on many different grounds, with the final decisions resting with the United States Supreme Court.



